

COCA COLA CO
Form DEF 14A
March 09, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

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2017 Proxy Statement

Notice of Annual Meeting of Shareowners

Wednesday, April 26, 2017

8:30 a.m., local time
World of Coca-Cola
Atlanta, Georgia

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**LETTER TO SHAREOWNERS
FROM OUR BOARD OF DIRECTORS**

“As Directors, we remain accountable to shareowners through a variety of ever-improving governance practices that are informed by our ongoing engagement with shareowners.”

Dear Fellow Shareowner:

Thank you for your investment in The Coca-Cola Company and for trusting us to oversee your interests in this business. Your Board understands that it is elected by you, the shareowners, to oversee the long-term health and overall success of our Company. As Directors, we remain accountable to shareowners through a variety of ever-improving governance practices that are informed by our ongoing engagement with shareowners. Please see Governance, including the message from our Lead Independent Director Sam Nunn, beginning on [page 13](#).

Chief Executive Officer Succession

One of your Board’s most important responsibilities is to ensure an orderly and stable CEO succession process. To that end, in December 2016, we unanimously approved a new leadership structure for the Company under which Company veteran James Quincey, currently President and Chief Operating Officer, will succeed Muhtar Kent as CEO, effective May 1, 2017. In addition, the Board has nominated James to stand for election as a Director at the 2017 Annual

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Meeting of Shareowners. Muhtar will continue to serve as CEO until May 1, 2017, and then will continue as Chairman of the Board.

This CEO succession plan reinforces our belief in the strength of the Company's leadership team and underscores our confidence in James as the Company's next long-term leader. Importantly, this transition maintains the successful partnership between Muhtar and James into 2017. We are fortunate to have two executives with the talent and experience of Muhtar and James to lead your Board and Company, respectively.

This transition comes at an important time, as we are overseeing the Company's strategy to refocus on our core business model of building strong global brands, enhancing sustainable customer value and leading a strong, dedicated franchise system. This transformation is well under way, and we, along with management, are optimistic about the future of the business.

Board Composition

Just as effective management succession is essential to the Company's success, we view Board succession planning in the same way. We continually focus on ensuring that the Board is composed of high-integrity, highly capable Directors to represent the long-term interests of shareowners. Refreshing our Board with new perspectives and new ideas is critical to a forward-looking and strategic Board. Ensuring diverse perspectives, including a mix of skills, experience and backgrounds, and healthy turnover are also key to representing the interests of shareowners effectively. Since 2009, eight new Directors have been elected and we have one new Director nominee for 2017; we have had a full rotation of Board committee chairs; we elected a new Lead Independent Director; and we expanded diversity representation on the Board. These benchmarks are just a snapshot in time, but we believe they signal our commitment to Board refreshment.

Shareowner Engagement

As always, a priority for this Board is listening to the views of our shareowners and considering these views as we make decisions in the boardroom. We accomplish this through robust outreach and engagement with you, the owners of this Company. Partnering with management, we engage with shareowners throughout the year on a variety of topics.

Please continue to share your thoughts or concerns at any time. We have established a process to facilitate communication by shareowners with the Board. Please see Communicate with the Board on [page 33](#).

As always, thank you for the trust that you have placed in us.

March 9, 2017

Muhtar	Herbert A.	Ronald W.	Marc	Ana	Howard G.	Richard M.
Kent	Allen	Allen	Bolland	Botín	Buffett	Daley

Barry	Helene D.	Alexis M.	Robert A.	Maria Elena	Sam	David B.
Diller	Gayle	Herman	Kotick	Lagomasino	Nunn	Weinberg

Note: Howard G. Buffett (pictured) is not standing for election at the 2017 Annual Meeting. James Quincey (not pictured) has been nominated for election as a Director at the 2017 Annual Meeting.

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Q&A WITH OUR CHAIRMAN AND CEO

“Throughout the year, we engage with shareowners on a variety of topics. Here are answers to a few commonly raised questions.”

Muhtar Kent

Chairman of the Board and Chief Executive Officer
The Coca-Cola Company

Could you talk about The Coca-Cola Company’s performance in 2016?

In 2016, we continued our journey to transform our Company to a brand-centric organization leading a great franchise system. We began in late 2014, when we got behind a set of strategic actions designed to invigorate growth and increase profitability. Since then, we’ve been advancing on a path to deliver greater long-term sustainable value to our shareowners, associates, partners and stakeholders.

2016 was a critical year, as we continued to make strong progress in transforming our Company, while keeping focused on consumers. We continued to gain momentum in building sustainable revenue growth through segmented market roles and disciplined brand investments. We strengthened our brands and portfolio through better and more marketing, innovation and targeted acquisitions. We brought to market more than 500 new products, nearly 400 of which were teas, juices, coffees, waters or other still beverages. And we generated over \$600 million in productivity.

In addition to delivering our profit target for the full year, I am encouraged by the strategic actions taken during 2016 to strengthen our global bottling system. In the fourth quarter of 2016, we reached a definitive agreement to rebrand all Company-owned bottling operations in China, and we took important steps to further the evolution of Coca-Cola Beverages Africa. During the year, we successfully completed the creation of Coca-Cola European Partners, and we supported the ongoing transformation of the franchise bottling system in Japan. And last, we remain

on track to complete the refranchising of Company-owned bottling operations in the U.S. by the end of 2017. In total, half of our global system revenue has been in motion through our recent actions to strengthen the system. The progress demonstrated by these actions is foundational in positioning our system for prosperity long into the future.

While we accomplished a lot in 2016, we know we have more work to do. In the year ahead, we will be focused on building and expanding our portfolio of consumer-centric drinks, including those with less sugar and calories, further evolving our approach to growing revenues from our global sparkling soft drink portfolio, and driving productivity through the organization to reduce complexity and redirect resources to drive revenue growth in a world with fast-changing consumer patterns.

James Quincey will be your successor as CEO effective May 1, 2017. Can you talk about this leadership change?

One of the most meaningful legacies I can leave is a solid foundation for James, my successor as CEO, to take this business successfully into the next decade and beyond.

I have worked closely with James during the past ten years of his 20 year career at the Company. He has vast industry knowledge, expertise with the Company's brands, values and global bottling system and an acute understanding of evolving consumer tastes. James has the strategic vision and inspirational leadership to usher in the next phase of growth for the Company's great business.

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James is also passionate about developing people, building strong teams and creating winning cultures everywhere he has been. I am confident he is the ideal person to effectively lead our Company.

As CEO, James will assume accountability for the Company's strategic direction and operations, from setting the long-term strategy, to leading our bottling system, to making portfolio and organizational decisions, to driving long-term sustainable growth. After May 1st, I will continue to lead the Board of Directors and do everything possible to create an environment that allows James to successfully run this business and deliver long-term value for our shareowners.

Why has the Board decided to separate the roles of Chairman and Chief Executive Officer and will this separation of the roles be permanent?

I recommended, and the Board agreed, that continuing the partnership between James and myself, with an adjusted focus for each of us, would enable us both to apply our strongest skills to continuing the sustained growth of our business. To put it simply, I will lead the Board and focus on Board governance, and James will run the business.

As described in our Corporate Governance Guidelines, the Board has flexibility to decide whether to have the same person occupy the offices of the Chairman of the Board and CEO. This structure allows the Board to exercise its business judgment after considering relevant factors, including the specific needs of the business and what is in the best interests of the Company's shareowners.

We will continue to evaluate the Board leadership structure. At least one executive session of the non-management Directors each year will include a review of the Board's leadership structure and consideration of whether the position of the Chairman of the Board should be held by the CEO or be separated.

The Company and the industry continue to face some significant challenges. How do you think about these challenges and what strategies are in place to handle them?

The changing consumer landscape will continue to be a key priority as well as portfolio mix and performance. We are addressing evolving consumer preferences by expanding product offerings, introducing smaller package sizes, and most recently, working to reduce added sugar in our products, with over 500 initiatives in progress.

I will add that this leadership transition comes at a time of important evolution for our Company. Our journey to refocus on the Company's core business model of building strong global brands, enhancing sustainable customer value

and leading a strong, dedicated franchise system is well under way.

James has been a major component of this evolution and is committed to continuing to build the long-term sustainability of the Company and the bottling system, from the health of our operations, to the health of our bottling partners, to the health of the communities we serve.

You have commented recently about the importance of gender diversity in the workplace and on boards of directors. Why do you believe diversity is valuable?

I am convinced that we must do everything possible to promote gender equality. It is simply good for business and for economic and social progress around the world. As a business leader, I know our Company can't reach its full potential unless we recruit, hire, develop and retain women associates as part of a diverse, multicultural workforce.

And I don't think we need academic studies to see why. You just need the simple logic that would tell you any organization is setting itself up for failure if it isn't welcoming the experience and expertise of half the world's people. That is why, at The Coca-Cola Company, we've been on a journey to attract and retain more women employees and leaders and more women on our Board of Directors.

We've made progress in recent years, but we are not satisfied. Women have gained significant ground, but we still have a long way to go to achieve true gender equality. We know we can do more, and we are working on multiple fronts to do so.

What are your current sustainability focus areas, and how are we progressing toward our sustainability initiatives?

While sustainability is an integrated component of our business strategy, over the past few years we have stepped up the Company's progress on many social and environmental issues. One example is the 5by20 initiative to support the economic empowerment of five million women entrepreneurs globally by 2020.

We remain focused on water stewardship and replenishment. For example, last year we announced that, together with our bottling partners, we met our goal to replenish at least 100% of the equivalent amount of water we use in our finished beverage sales volume five years earlier than our initial target. While we are pleased with our progress, we know our water stewardship work is unfinished and remain focused on exploring additional steps to advance our water programs and performance.

We also continue to create partnerships across the “golden triangle” of business, government and civil society in order to successfully address issues and leverage opportunities in communities where we operate.

In all we do, our business tries to take the approach of staying “constructively discontent.” We’re always encouraging our partners, our colleagues and ourselves to achieve more, work more holistically and be more efficient. We look forward to continuing to share progress on our sustainability journey. You can learn more about our sustainability efforts at www.coca-colacompany.com/sustainability.

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NOTICE OF 2017

ANNUAL MEETING OF SHAREOWNERS

When: Wednesday, April 26, 2017, 8:30 a.m., local time

Where: World of Coca-Cola, 121 Baker Street NW, Atlanta, Georgia 30313

We are pleased to invite you to join our Board of Directors and senior leadership at The Coca-Cola Company's 2017 Annual Meeting of Shareowners.

Items of Business:

1. To elect the 14 Director nominees identified in the accompanying proxy statement to serve until the 2018 Annual Meeting of Shareowners. (Item 1)
2. To hold an advisory vote to approve executive compensation. (Item 2)
3. To hold an advisory vote on the frequency of future advisory votes to approve executive compensation. (Item 3)
4. To ratify the appointment of Ernst & Young LLP as Independent Auditors of the Company to serve for the 2017 fiscal year. (Item 4)
5. To vote on a shareowner proposal regarding a human rights review, if properly presented at the meeting. (Item 5)
6. To transact such other business as may properly come before the meeting and at any adjournments or postponements of the meeting.

Record Date:

The Board of Directors set February 27, 2017 as the record date for the meeting. This means that our shareowners as of the close of business on that date are entitled to receive this notice of the meeting and vote at the meeting and any adjournments or postponements of the meeting. On the record date, there were 4,292,014,609 shares of common stock of The Coca-Cola Company (the "Company") issued and outstanding and entitled to vote at the meeting.

Important Meeting Information:

If you plan to attend the Annual Meeting in person, you must register in advance. See question 21 on page 87 for information about the location, format and how to register to attend the meeting.

We will provide free admission to World of Coca-Cola to Annual Meeting attendees and other shareowners on April 26, 2017 (after the conclusion of the Annual Meeting). See question 26 on page 89 for how to gain admission.

Audiocast of the 2017 Annual Meeting:

If you are unable to attend the meeting in person, you can listen to a live audiocast of the meeting by visiting the 2017 Annual Meeting page of the Company's website, at www.coca-colacompany.com/investors/annual-meeting-of-shareowners. On the website, you can also vote through the Internet, access the proxy materials, submit questions in advance and learn more about our Company.

March 9, 2017

By Order of the Board of Directors

Jennifer D. Manning

Associate General Counsel and Secretary

Voting Information

It is very important that you vote in order to play a part in the future of the Company. Please carefully review the proxy materials for the 2017 Annual Meeting of Shareowners and follow the instructions below to cast your vote on all of the voting matters.

How to Vote: Please vote using one of the following advance voting methods. **Make sure to have your proxy card or voting instruction form (VIF) in hand and follow the instructions.**

SHAREOWNERS OF RECORD BENEFICIAL OWNERS

(shares registered on the books of the Company via Computershare) (shares held through your bank or brokerage account)

Via the Internet

Visit

www.envisionreports.com/coca-cola

Via the Internet

Visit

www.proxyvote.com

Scan this QR code

to vote with your mobile device

Scan this QR code

to vote with your mobile device

By phone

Call 1-800-652-VOTE
or the telephone number
on your proxy card

By phone

Call 1-800-454-8683
or the telephone number
on your voting instruction form

By mail

Sign, date and return
your proxy card

By mail

Sign, date and return
your voting instruction form

All shareowners of record may vote in person at the meeting. Beneficial owners may vote in person at the meeting if they have a legal proxy, as described in the response to question 8 on page 85.

Electronic Shareowner Document Delivery

Instead of receiving future proxy materials by mail, shareowners of record and most beneficial owners can elect to receive an e-mail that will provide electronic links to these documents.

Opting to receive your proxy materials online will save us the cost of producing and mailing documents and also will give you an electronic link to the proxy voting site. In addition, the Company has a tree planted on behalf of each shareowner that signs up for electronic delivery. Since we began offering electronic delivery in 2005, over 375,000 trees have been planted on behalf of Company shareowners.

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PROXY SUMMARY

This summary highlights information contained in the Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2016 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

ROADMAP OF VOTING MATTERS

Shareowners are being asked to vote on the following matters at the 2017 Annual Meeting of Shareowners:

Our Board's Recommendation

ITEM 1. Election of Directors ([page 14](#))

The Board and the Committee on Directors and Corporate Governance believe that the 14 Director nominees possess the necessary qualifications and experiences to provide quality advice and counsel to the Company's management and effectively oversee the business and the long-term interests of shareowners.

FOR each

Director Nominee

ITEM 2. Advisory Vote to Approve Executive Compensation ([page 43](#))

The Company seeks a non-binding advisory vote to approve the compensation of its Named Executive Officers as described in the Compensation Discussion and Analysis beginning on [page 44](#) and the

Compensation Tables beginning on [page 61](#). The Board values shareowners' opinions, and the Compensation Committee

FOR

will take into account the outcome of the advisory vote when considering future executive compensation decisions.

ITEM 3. Advisory Vote on the Frequency of Holding the Advisory Vote to Approve Executive Compensation ([page 76](#))

Shareowners are being provided the opportunity to vote on how often they

FOR One Year

believe we should hold an advisory vote to approve executive compensation in the future. The frequency options are to hold the advisory vote to approve executive compensation each year, every two years or every three years. The Board believes that an annual advisory vote on executive compensation is the most appropriate policy for our shareowners and the Company at this time.

ITEM 4. Ratification of the Appointment of Ernst & Young LLP as Independent Auditors (page 79)

The Audit Committee and the Board believe that the retention of Ernst & Young LLP to serve as the Independent Auditors for the fiscal year ending December 31, 2017 is in the best interests of the Company **FOR** and its shareowners. As a matter of good corporate governance, shareowners are being asked to ratify the Audit Committee's selection of the Independent Auditors.

ITEM 5. Shareowner Proposal Regarding a Human Rights Review, if properly presented (page 81)

Shareowners can be assured that this Company is committed to respecting human rights and that we apply that commitment consistently around the world. The Board **AGAINST** recommends a vote **AGAINST** this proposal because the review being requested is unnecessary.

GOVERNANCE HIGHLIGHTS

We are committed to good corporate governance, which promotes the long-term interests of shareowners, strengthens Board and management accountability and helps build public trust in the Company. The Governance section beginning on [page 13](#) describes our governance framework, which includes the following highlights:

GOVERNANCE HIGHLIGHTS

Board Practices

Computation of Ratio of Earnings to Fixed Charges.

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Computation of Ratio of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Security Dividends.

23.1	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.1).
23.2	Consent of SingerLewak LLP.
23.3	Consent of Ernst & Young LLP.
24.1	Power of Attorney (incorporated by reference to the signature page hereto).
25.1**	Form T-1 Statement of Eligibility of Trustee under the Indenture for Debt.

* To be filed by amendment hereto or pursuant to a Current Report on Form 8-K to be incorporated herein by reference.

** To be incorporated herein by reference from a subsequent filing in accordance with Section 305(b)(2) of the Trust Indenture Act of 1939.
