CHAIRMAN'S INTRODUCTION

> **"Corporate governance underpins the conduct of our daily business."**

Dear Shareholder

As Chairman, I believe that promoting the highest standards of governance throughout the Group benefits all of our shareholders and other stakeholders and underpins the long-term sustainable success of Coca-Cola European Partners (CCEP).

There is a brief summary of our Board's activities during 2018 in table 3 on page 61, with some more details on specific activities elsewhere in this report. This year, as well as our normal agenda we focused on:

- Refining and overseeing the implementation of our strategy
- Sustainable success, with particular consideration of issues around plastic and sugar, and meeting the commitments set out in This is Forward
- Engaging with our stakeholders, including running our first employee town hall with the whole Board, which was standing room only, and reviewing the terms of reference for our Committees and our forward agenda to give us a better understanding of stakeholders
- Considering our capital allocation framework and making the decision to start our first share buyback programme
- People and encouraging a diverse and inclusive culture
- Enhancing our corporate governance

Enhancing the governance framework

Corporate governance underpins the conduct of our daily business. Best practice for corporate governance continues to evolve. In 2018, the new UK Corporate Governance Code (the 2018 UKCGC) was published, and this applies to us from our accounting period starting on 1 January 2019.

Governance framework

In 2018, we reviewed and amended the terms of reference for our Audit, Nomination and Remuneration Committees to ensure they meet and support the requirements of the 2018 UKCGC. Details of the changes are set out in the letters from the Committee chairmen prefacing the Committees' reports.

We have continued to apply the 2016 edition of the UK Corporate Governance Code (the 2016 UKCGC) voluntarily on a comply or explain basis during 2018.

At the same time we have taken steps to keep ahead of corporate governance developments by enhancing our governance practices, applying the requirements of the 2018 UKCGC as early as we can. For example, we have included certain disclosures regarding the 2018 UKCGC even though it didn't apply to us during 2018 and we are not required to report against it yet.

Looking to the future

The Board is responsible for leading CCEP and overseeing the Group's governance, by setting its culture, values and standards, while keeping our stakeholders' interests front of mind. Along with its regular schedule of topics, the Board has the following activities planned for 2019:

Innovation and growth

We will continue to pursue an active growth agenda, taking appropriate opportunities.

Succession planning and diversity

During 2019, we will again carry out a Board evaluation and gap analysis against our skills matrix and diversity criteria, taking any appropriate action to ensure the Board has the skills and experience needed to support CCEP's future success.

It's important that the Board leads by example. The Board aims to do so through diverse leadership and by listening and caring, setting the inclusive tone and culture for the Group.

Stakeholder engagement

During 2018, we developed a stakeholder engagement matrix. In 2019, we will enhance our stakeholder engagement. Through our Committees we will gain a better understanding of stakeholders, particularly of the people in our business who contribute to our success.

SEE THE SECTION 172 STATEMENT
FROM THE DIRECTORS ON **PAGE 45**

Sol Daurella
Chairman
14 March 2019

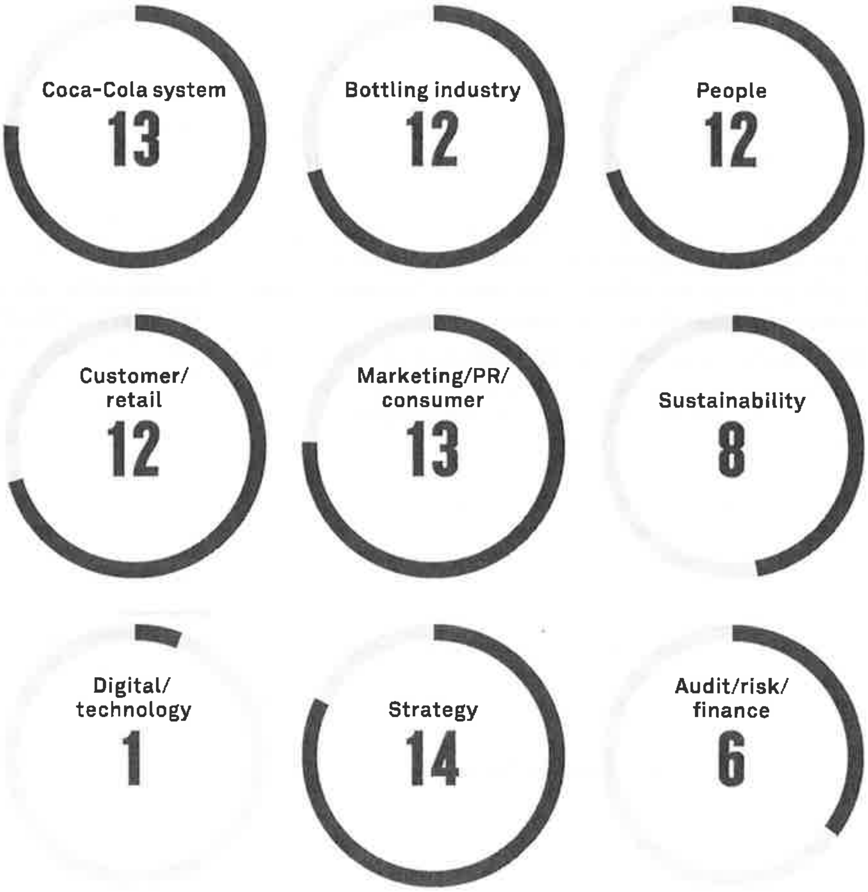
BOARD OF DIRECTORS

Our Board of Directors is diverse, experienced and knowledgeable, bringing together the skills we need in line with our skills matrix.

WOMEN ON THE BOARD[A]

INDEPENDENT DIRECTORS ON THE BOARD[A]
(EXCLUDING THE CHAIRMAN)

DIRECTORS' SKILLS AND EXPERIENCE[A]



(A) Number shown is number of Directors.

DIRECTORS' BIOGRAPHIES

Sol Daurella

Chairman

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:

- Experienced director of public companies operating in an international environment
- A deep understanding of FMCG and our markets
- Extensive experience at Coca-Cola bottling companies
- Strong international strategic and commercial skills

Key external commitments:

Co-Chairman and member of the Executive Committee of Cobega, S.A., Executive Chairman of Olive Partners, S.A., Co-Chairman of Grupo Cacaolat, S.L., director of Equatorial Coca-Cola Bottling Company, S.L., director and a member of the Appointments, Remuneration and Responsible Banking, Sustainability and Culture Committees of Banco Santander

Previous roles:

Various roles at the Daurella family's Coca-Cola bottling business, director of Banco de Sabadell, Ebro Foods and Acciona

Damian Gammell

Chief Executive Officer

Date appointed to the Board: December 2016
Independent: No

Key strengths/experience:

- Strategy development and execution experience
- Vision, customer focus and transformational leadership
- Developing people and teams
- 25 years of leadership experience and in depth understanding of the NARTD industry and within the Coca-Cola system

Key external commitments:

N/A

Previous roles:

A number of senior executive roles in the Coca-Cola system, also Managing Director and Group President of Efes Soft Drinks, and President and CEO of Anadolu Efes S.K.

Key

AT Affiliated Transaction Committee
A Audit Committee
C Corporate Social Responsibility Committee
N Nomination Committee
R Remuneration Committee
○ Committee Chairman

FULL BIOGRAPHIES ARE AVAILABLE AT
IR.CCEP.COM/CORPORATE-GOVERNANCE/BOARD-OF-DIRECTORS

Jan Bennink

Non-executive Director

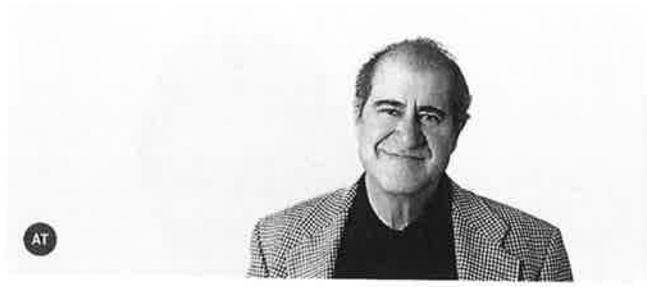
Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Chairman/CEO of multinational public companies
- Extensive experience in FMCG, including the food and beverage industry
- Thorough understanding of global and Western European markets
- Strong strategic, marketing and sales experience relevant to the beverage industry

Key external commitments:
N/A

Previous roles:
CEO of Royal Numico N.V., Executive Chairman of Sara Lee Corporation, Chairman and CEO of DE Masterblenders 1753 N.V., director of Boots Company plc, Dalli-Werke GmbH & Co KG and Kraft Foods Inc. and a member of the Advisory Board of ABN Amro Bank



José Ignacio Comenge Sánchez-Real

Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:

- Extensive experience of the Coca-Cola system
- Broad board experience across industries and sectors
- Knowledgeable about the industry in our key market of Iberia
- Insights in formulating strategy drawn from leadership roles in varied sectors

Key external commitments:
Director of Olive Partners, S.A., ENCE Energia y Celulosa, S.A., Companía Vinícola del Norte de Espana, S.A., Ebro Foods S.A., Barbosa & Almeida SGPS, S.A., Azora, S.A., and Ball Beverage Can Iberica, S.L.

Previous roles:
Senior roles in the Coca-Cola system, AXA, S.A., Aguila and Heineken Spain, Vice-Chairman and CEO of MMA Insurance

Francisco Crespo Benitez

Non-executive Director

Date appointed to the Board: March 2018
Independent: No

Key strengths/experience:

- Extensive experience of working in the Coca-Cola system
- Deep understanding of integrated global marketing and corporate strategy
- Proven track record of leading customer and commercial teams
- Possesses a strong network at The Coca-Cola Company (TCCC)
- Seasoned operator in charge of P&L

Key external commitments:
Senior Vice President and Chief Growth Officer of TCCC

Previous roles:
TCCC's Mexico and South Latin business units, President of the Coca-Cola Foundation in Chile, Director and Vice President respectively of the American Chambers in Chile and Argentina, and also served on the boards of Zurich and Zurich Compañia de Seguros, S.A. in Mexico

Christine Cross

Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- In depth experience working in the food and beverage industry
- Consults on international business strategy, marketing and business development
- Global perspective on CCEP's activities
- Experience of chairing remuneration committees

Key external commitments:
Director of Christine Cross Ltd, Sonae – SGPS, S.A., Hilton Food Group plc and Pollen Estate

Previous roles:
Director of Brambles Limited, Fenwick Limited, Kathmandu Holdings Limited, Tesco PLC, Next plc, Woolworths (Au) plc, Sobeys (Ca) plc, Plantasgen, Fairmont Hotels Group plc, Premier Foods plc and Taylor Wimpey plc

i FULL BIOGRAPHIES ARE AVAILABLE AT
IR.CCEP.COM/CORPORATE-GOVERNANCE/BOARD-OF-DIRECTORS

DIRECTORS' BIOGRAPHIES CONTINUED

AT A

Javier Ferrán

Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Extensive experience in consumer brands and sales and marketing within the beverage industry
- Broad strategic understanding of the sector
- Deep experience of international commercial matters
- Financial and operational background

Key external commitments:

Chairman of Diageo plc and Senior Advisor at Lion Capital LLP

Previous roles:

Partner at Lion Capital LLP, President and CEO of Bacardi Limited, senior independent director of and director of Associated British Foods plc and director of SABMiller plc and William Grant & Sons Ltd

N R

Irial Finan

Non-executive Director

Date appointed to the Board: April 2016
Independent: No

Key strengths/experience:

- Extensive international management experience
- Strong track record of growing businesses
- Extensive experience of working in the Coca-Cola system
- International strategy
- Possesses a strong network at TCCC

Key external commitments:

Director Coca-Cola Bottlers Japan Inc., Fortune Brands Home & Security, Inc. and the Smurfit Kappa Group plc

Previous roles:

Director and senior roles in the Coca-Cola system throughout his career including as CEO of Coca-Cola HBC AG, President of Bottling Investments Group, Executive Vice President of TCCC and director of Coca-Cola Amatil, Coca-Cola Enterprises, Inc., G2G Trading, Coca-Cola East Japan and Coca-Cola FEMSA

C

Nathalie Gaveau

Non-executive Director

Date appointed to the Board: January 2019
Independent: Yes

Key strengths/experience:

- Successful tech entrepreneur
- Expert in e-commerce and digital transformation, mobile, data and social marketing
- International consumer goods experience

Key external commitments:

Non-executive director of Calida Group and HEC Paris

Previous roles:

Founder and CEO of Shopcade, Interactive Business Director of the TBWA Tequila Group, Asia Pacific E-business and CRM Manager for Club Med, Co-founder and Managing Director of Priceminister, Financial Analyst for Lazard

Álvaro Gómez-Trénor Aguilar

Non-executive Director

Date appointed to the Board: March 2018
Independent: No

Key strengths/experience:

- Broad knowledge of working in the food and beverage industry
- Extensive understanding of the Coca-Cola system, particularly in Iberia
- Expertise in finance and investment banking
- Strategic and investment advisor to businesses in varied sectors

Key external commitments:

Director of Olive Partners, S.A., Global Omnium (Aguas de Valencia, S.A.) and Sinensis Seed Capital SCR de RC, S.A.

Previous roles:

Various board appointments in the Coca-Cola system, including as President of Begano, S.A., director and Chairman of the Audit Committee of Coca-Cola Iberian Partners, S.A., as well as key executive roles in Grupo Pas and Garcon Vallvé & Contreras

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N

L. Phillip Humann

Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Extensive experience as a director of major companies both within and outside the Coca-Cola system
- Expertise in banking and finance
- Leadership and consensus building skills
- Understanding of the consumer goods and services industries

Key external commitments:
N/A

Previous roles:
Director of Equifax Inc., Haverty Furniture Companies, Inc. and Coca-Cola Enterprises, Inc. and Chairman of the Board of SunTrust Banks, Inc.

A N

Orrin H. Ingram II

Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Executive experience in the wholesale, distribution, consumer goods and transportation services industries
- A broad perspective on CCEP's operations
- Former director of a global distributor
- Strong strategic understanding

Key external commitments:
President and Chief Executive Officer of Ingram Industries Inc., Chairman and Chief Executive Officer of Ingram Marine Group and director of FirstBank

Previous roles:
Various positions with Ingram Materials Company, Ingram Barge Company and Co-President of Ingram Industries, a director of Ingram Micro Inc. and Coca-Cola Enterprises, Inc.

C R

Thomas H. Johnson

Non-executive Director and Senior Independent Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Chair and CEO of international public companies
- Manufacturing and distribution expertise
- Extensive international management experience in Europe
- Investment experience

Key external commitments:
Chief Executive Officer of The Taffrail Group, LLC and director of Universal Corporation

Previous roles:
Chairman and CEO of Chesapeake Corporation, director of Coca-Cola Enterprises, Inc., GenOn Corporation, Mirant Corporation, ModusLink Global Solutions, Inc., Superior Essex Inc. and Tumi, Inc.

C

Alfonso Líbano Daurella

Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:

- Developed the Daurella family's association with the Coca-Cola system
- Detailed knowledge of the Coca-Cola system
- Insight to CCEP's impact on communities from experience as trustee or director of charitable and public organisations
- Experienced corporate social responsibility committee chair

Key external commitments:
Co-Vice Chairman and member of the Executive Committee of Cobega, S.A., director of Olive Partners, S.A., Cobega Invest, S.L. and Grupo Cacaolat, S.L., Chairman of Equatorial Coca-Cola Bottling Company, S.L., Vice-Chairman of MECC Soft Drinks DMCC and President of GEEF European Family Business

Previous roles:
Various roles at the Daurella family's Coca-Cola bottling business, Director and Chairman of the Quality & CRS Committee of Coca-Cola Iberian Partners, S.A., a member of the Board of the American Chamber of Commerce in Spain

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DIRECTORS' BIOGRAPHIES CONTINUED

R

Mario Rotllant Solá

Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:

- Deep understanding of the Coca-Cola system
- Extensive international experience in the food and beverage industry
- Experience of dealing with regulatory and political bodies
- Experience of chairing a remuneration committee

Key external commitments:
Vice-Chairman of Olive Partners, S.A., Co-Chairman and member of the Executive Committee of Cobega, S.A., Chairman of the North Africa Bottling Company, Chairman of the Advisory Board of Banco Santander, S.A. in Catalonia and a director of Equatorial Coca-Cola Bottling Company, S.L. and Copesco Sefrisa

Previous roles:
Second Vice-Chairman and member of the Executive Committee and Chairman of the Appointment & Remuneration Committee of Coca-Cola Iberian Partners, S.A.

AT C

Curtis R. Welling

Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:

- Finance and business leadership skills
- Skilled evaluator of business performance and plans
- Experience of the financial services and securities industries
- Subject matter expert in sustainability and corporate responsibility

Key external commitments:
Director of Apjet and a member of the faculty of Dartmouth College's Amos Tuck School of Business

Previous roles:
Director of Sapient Corporation, President and CEO of AmeriCares Foundation, CEO of Princeton eCom Corporation, SG Cowen Securities Corporation and a director of Coca-Cola Enterprises, Inc.

A R

Garry Watts

Non-executive Director

Date appointed to the Board: April 2016
Independent: Yes

Key strengths/experience:

- Extensive business experience in Western Europe and the UK, including as CEO of a global consumer goods business
- Served as executive and non-executive director in a broad variety of sectors and previously chaired the Audit Committee of a sizeable company
- Financial expertise, experience and skills
- Formerly an auditor

Key external commitments:
Chairman of Spire Healthcare Group plc and Foxtons Group plc and retiring Chairman of BTG plc

Previous roles:
Audit partner at KPMG LLP, CFO of Medeva plc, CEO of SSL International, director of Coca-Cola Enterprises, Inc., Deputy Chairman and Audit Committee Chairman of Stagecoach Group plc and Protherics plc

Board members that stepped down during the year were:

- J. Alexander M. Douglas, Jr, who was replaced by Francisco Crespo Benítez in March 2018
- Véronique Morali, who resigned effective 31 December 2018
- Francisco Ruiz de la Torre Esporrín, who was replaced by Álvaro Gómez-Trénor Aguilar in March 2018

FULL BIOGRAPHIES ARE AVAILABLE AT
IR.CCEP.COM/CORPORATE-GOVERNANCE/BOARD-OF-DIRECTORS

SENIOR MANAGEMENT

The senior management and Damian Gammell together constitute the members of the Executive Leadership Team (ELT).

Nik Jhangiani
Chief Financial Officer
Appointed May 2016

Nik has more than 25 years of finance experience, including 17 years within the Coca-Cola system, latterly as Senior Vice President and CFO for Coca-Cola Enterprises, Inc.. Nik started his career in New York at accountancy firm Deloitte & Touche before spending two years at Bristol-Myers Squibb as International Senior Internal Auditor. He then joined the Colgate-Palmolive Company in New York where he was appointed Group Financial Director for the Nigerian operations, before moving to TCCC in Atlanta. He is a CPA.

Clare Wardle
General Counsel and Company Secretary
Appointed July 2016

Clare leads legal, risk, compliance, security and company secretariat. Prior to joining CCEP, she was Group General Counsel at Kingfisher plc, Commercial Director, General Counsel and Company Secretary at Tube Lines and held senior roles at the Royal Mail Group. She began her career as a barrister before moving to Hogan Lovells. Clare is non-executive chairman of Basketball England, and a non-executive director of Lee/Fitzgerald Architects and Modern Pentathlon GB.

Peter Brickley
Chief Information Officer
Appointed November 2016

Peter leads the business solutions, support services and technology infrastructure at CCEP, including steering CCEP's investments in technology solutions. Peter has over 20 years' experience leading technology for global businesses including Heineken, Centrica and BAT. More recently, he was Global CIO and Managing Director of Global Business Services at SABMiller. Peter is also non-executive chairman of Newbury Building Society.

Ron Lewis
Chief Supply Chain Officer
Appointed May 2016

Ron is an experienced supply chain leader who leads the end to end supply chain for CCEP. He is familiar with the Coca-Cola system, having served in a number of general management and supply chain roles, including Senior Vice President, Supply Chain for Coca-Cola Enterprises, Inc., Senior Vice President and General Manager of the Southeastern United States for Coca-Cola Refreshments and Chief Procurement Officer for TCCC. He has also served as a director of ZICO and Southeastern Containers. Previously, Ron worked for Mars Inc. and Cargill Inc..

Lauren Sayeski
Chief Public Affairs and Communications Officer
Appointed May 2016

Lauren leads CCEP's strategic engagement with media, policymakers, civil society and community stakeholders. Lauren has worked in the Coca-Cola system for over 12 years in roles across the spectrum of public affairs and communications. She has served on transaction teams for the 2010 sale of Coca-Cola Enterprises' North American operations to TCCC and, most recently, on the Merger to create CCEP.

Victor Rufart
Chief Strategy Officer
Appointed October 2016

Victor leads business strategy and business transformation. Prior to joining CCEP, he was CEO of Coca-Cola Iberian Partners, S.A. and spent 25 years at Cobega, S.A.. While with Cobega, S.A., he held a number of senior roles including Director of New Business, Head of Finance, advisor in the formation of the Equatorial Coca-Cola Bottling Company and Head of Tax Planning.

FULL BIOGRAPHIES ARE AVAILABLE AT
WWW.CCEP.COM/BIOS

SENIOR MANAGEMENT CONTINUED

Nick Wall

Chief Human Resources Officer

Appointed September 2016

Nick heads CCEP's HR function and has been working within the Coca-Cola system for over 30 years. He started his career in his native Ireland, before progressing through international positions, based in Austria, Turkey, USA, Zimbabwe and Swaziland. Before joining CCEP, Nick was Senior Vice-President HR for TCCC's Bottling Investment Group – with more than 80,000 employees in 25 countries around the world. Prior to that, he was Group Head of HR for Europe, Eurasia, & Middle East for TCCC. He worked for a Pfizer Inc. company before joining Coca-Cola.

Leendert den Hollander

General Manager, Great Britain Business Unit

Appointed May 2016

Leendert is responsible for CCEP's business unit in Great Britain, having been Vice President & General Manager of Coca-Cola Enterprises Great Britain. Previously, he was CEO of Young's Seafood and Managing Director at Findus Group Ltd. Earlier in his career, Leendert spent 15 years at Procter & Gamble in senior marketing positions. Leendert is President of the British Soft Drinks Association and a member of the Leadership Council of IGD (the Institute of Grocery Distribution).

Frank Molthan

General Manager, Germany Business Unit

Appointed May 2016

Frank leads CCEP's business unit in Germany and has 30 years' experience in Germany's Coca-Cola system. He started his career at Coca-Cola bottling operations in Schleswig-Holstein and North Rhine-Westphalia. He has held a range of regional and commercial leadership roles, latterly as HR Director for Coca-Cola Germany. He was also Managing Director of Coca-Cola Deutschland Verkauf GmbH and Co. KG.

Francesc Cosano

General Manager, Iberia Business Unit

Appointed May 2016

Francesc leads CCEP's business unit in Spain, Portugal and Andorra. He was previously the Operations Director then Managing Director of Coca-Cola Iberian Partners, S.A.. Francesc has been part of the Coca-Cola system for 30 years, and involved in a number of sales management positions and ultimately as Sales Director then Deputy General Manager. He has also worked as Regional Director for the Leche Pascual, S.A. group, in Anglo Española de Distribución, S.A..

Ben Lambrecht

General Manager, France Business Unit

Appointed May 2016

Ben is responsible for CCEP's business unit in France, having worked in the Coca-Cola system in various leadership positions for more than 20 years, latterly as Vice President & General Manager France of Coca-Cola Enterprises, Inc.. Ben's career began at KPMG, followed by several years in other companies including Biscuits Delacre. Ben is a director of the French Soft Drinks Association (Boissons Rafraîchissantes de France) and of the French Food Association (Association Nationale de l'Industrie Alimentaire).

Stephen Moorhouse

General Manager, Northern Europe Business Unit

Appointed May 2016

Stephen is responsible for CCEP's business unit in Northern Europe and has 16 years' experience in the Coca-Cola system, leading operations and supply chain in Belgium, Luxembourg, the Netherlands, Sweden, Norway and Iceland. Stephen has held a number of other senior executive roles throughout Europe. Prior to joining, he worked overseas for the Swire Group in the US and Asian Pacific region.

FULL BIOGRAPHIES ARE AVAILABLE AT
WWW.CCEP.COM/BIOS

CORPORATE GOVERNANCE REPORT

Statement of compliance

The governance framework of the Company is set out in its Articles of Association (the Articles) and the Shareholders' Agreement. These provide a high level framework for the Company's affairs, governance and relationship with its stakeholders and its shareholders. The Articles are available on the Company's website at ir.ccep.com/corporate-governance/governance-documents.

Statement of compliance with the UK Corporate Governance Code

We follow the 2016 UKCGC on a comply or explain basis. CCEP is not subject to the 2016 UKCGC as it only has a standard listing of ordinary shares on the Official List. However, we have chosen to apply the 2016 UKCGC to demonstrate our commitment to good governance as an integral part of our culture. This Corporate Governance Report explains how the Company has applied the 2016 UKCGC during the year ended 31 December 2018.

We also took steps in 2018 to ensure we were well positioned to follow the 2018 UKCGC from 1 January 2019. This Corporate Governance Report also provides early reporting against relevant aspects of the 2018 UKCGC.

There are a number of instances where CCEP's practices vary from the principles and provisions of both the 2016 and 2018 UKCGCs. These are set out below.

Copies of the 2016 and 2018 UKCGCs are both available on the FRC's website www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.

Chairman
2016 UKCGC provision A.3.1
2018 UKCGC provision 9

The Chairman, Sol Daurella, was not independent on either her appointment or election, within the meaning of the UKCGC. However, we benefit from her vast knowledge of, and long-term commitment to, the Coca-Cola system and her extensive experience and leadership skills, gained from her roles as director and CEO of large public and private institutions across many different sectors.

Effectiveness
2016 UKCGC principle B.7 and provision B.7.1
2018 UKCGC provision 18

Sol Daurella, the Chairman, will not be subject to re-election during her nine year tenure following the completion of the Merger. Her extended term recognises the importance of her extensive experience and knowledge of the beverage industry, and the significant shareholding of Olive Partners, S.A. (Olive Partners) in the Company.

None of the Independent Non-executive Directors (INEDs) were put up for election at an Annual General Meeting (AGM) before the AGM in 2019. At this AGM, three INEDs will be put up for election (Nathalie Gaveau, Dagmar Kollmann and Lord Price), with three additional INEDS put up for election at the AGMs in 2020 and 2021. From the point of their first election at an AGM, an INED will be subject to annual re-election. This arrangement is in place to ensure effective representation of public shareholders and to retain INEDs' influence over the Company's strategic direction and operation, following the completion of the Merger.

Remuneration
2016 UKCGC provision D.2.1
2018 UKCGC provision 32

The Remuneration Committee is not comprised solely of INEDs, although it is comprised of a majority of INEDs. The Shareholders' Agreement requires that the Remuneration Committee comprises at least one Director nominated by:

- Olive Partners, for as long as it owns at least 15% of the Company
- European Refreshments (ER), a subsidiary of TCCC, for as long as it owns at least 10% of the Company

The Remuneration Committee, and its independent chairman, benefit from the nominated Directors' extensive understanding of the Group's market.

Remuneration
2016 UKCGC provision D.2.2
2018 UKCGC provision 33
The Remuneration Committee is not solely responsible for setting the remuneration of the Chairman, CEO and Non-executive Directors (NEDs). Instead, the Board (excluding any Director whose remuneration is linked to the decision) determines their remuneration upon the recommendation of the Remuneration Committee and following rigorous analysis and debate. To date, the Board has followed all of the Remuneration Committee's remuneration recommendations.

Differences between the 2016 UKCGC and the New York Stock Exchange (NYSE) corporate governance rules (the NYSE Rules)
The Company is classed as a Foreign Private Issuer (FPI). It is therefore exempt from most of the NYSE Rules that apply to domestic US listed companies, because of its voluntary compliance with the 2016 UKCGC. However, under the NYSE Rules, the Company is required to provide an annual written affirmation to the NYSE and disclose significant differences between its corporate governance practices and those followed by domestic US companies listed on the NYSE. The significant differences are summarised below.

Director independence
The NYSE Rules require a majority of the Board to be independent. The 2016 UKCGC requires at least half of the Board (excluding the Chairman) to be independent. The NYSE Rules contain different tests from the 2016 UKCGC for determining whether a director is independent. The independence of the Company's NEDs is reviewed by the Board on an annual basis, taking into account the guidance contained in the 2016 UKCGC and criteria established by the Company. It has determined that a majority of the Board is independent, without explicitly taking into consideration the independence requirements outlined in the NYSE Rules.

Board Committees
The Company has a number of Committees whose purpose and composition are broadly comparable in purpose and composition to those required by the NYSE Rules for domestic US companies. However, other than the Audit Committee, the Committee members are not all INEDs, although in all cases the majority are. Each Committee has its own terms of reference (broadly equivalent to a charter document) which can be found on our website at ir.ccep.com/corporate-governance/governance-documents. A summary of the terms of reference, roles and activities of the Audit Committee and the Remuneration Committee can be found in the Committees' respective reports. The Remuneration Committee's terms of reference include responsibility for matters relating to remuneration policy, share-based incentive plans, employee benefit plans and implementation of the remuneration policy.

Audit Committee
More information about the Audit Committee is set out in its report, including compliance with the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934, as amended, and Section 303A.06 of the NYSE Rules. The Audit Committee is comprised only of INEDs (complying with the NYSE Rules). However, the responsibilities of the Audit Committee (except for applicable mandatory responsibilities under the Sarbanes-Oxley Act) follow the 2016 UKCGC's recommendations rather than the NYSE Rules, although they are broadly comparable. One of the NYSE's similar requirements for the Audit Committee states that at least one member of the Audit Committee should have accounting or related financial management expertise. The Board has determined that Garry Watts possesses such expertise and is therefore deemed the audit committee financial expert as defined in Item 16A of Form 20-F.

Corporate Governance Guidelines
The NYSE Rules require relevant domestic US companies to adopt and disclose corporate governance guidelines. There is no equivalent recommendation in the 2016 UKCGC. However, the Nomination Committee reviews the governance code guidelines, as required by its terms of reference.

Shareholder approval of equity compensation plans
The NYSE Rules for domestic US companies require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. The Company complies with UK requirements that are similar to those of the NYSE Rules. However, the Board does not explicitly take into consideration the NYSE's detailed definition of "material revisions".

Code of Conduct
The NYSE Rules require relevant domestic US companies to adopt and disclose a code of business conduct and ethics for their directors, officers and employees. CCEP has a Code of Conduct (CoC) that currently applies to all Directors and the senior financial officers of the Group. See ir.ccep.com/corporate-governance/code-of-conduct. If the Board amends or waives the provisions of the CoC, details of the amendment or waiver will appear on the website. No such waiver has been made or given to date.

The new CoC was approved by the Board in 2017 and launched in early 2018 for employees in all countries in which we operate, except Germany where initially it was applied only to senior management. From 19 December 2018, following acceptance by the Works Council, the new CoC was implemented for all employees in Germany. We also expect all third parties who work on our behalf, such as suppliers, vendors, contractors, consultants, distributors and agents, to act in an ethical manner consistent with our CoC and in compliance with our Supplier Guiding Principles.

The CoC covers issues such as share dealing, anti-bribery, data protection, environmental regulation, human rights, health, safety, wellbeing and respect for others. It aligns with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the 2016 and 2018 UKCGCs, the EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II. The Company considers that the CoC and related policies address the NYSE Rules on the codes of conduct for relevant domestic US companies.

We received no fines for CoC violations in 2018.

SEE DETAILS OF COC REPORTING ON **PAGE 21**

NED meetings
The NYSE Rules require NEDs to meet regularly without management and independent directors to meet separately at least once a year. The 2016 UKCGC requires NEDs to meet without the Chairman present at least once annually to appraise the Chairman's performance. The NEDs have regular meetings without management present. There are also meetings of the INEDs as required and at least once a year.

Leadership

Roles and responsibilities of the Board

The Board is primarily responsible for the Group's strategic plan, risk appetite, systems of internal control and corporate governance policies, to ensure the long-term success of the Group. To retain control of key decisions and ensure there is a clear division of responsibilities, there is a formal schedule of matters reserved to the Board, which sets out the structure under which the Board manages its responsibilities, and provides guidance on how it discharges its authority and manages its activities. Key matters include:

- Strategic decisions
- Approval of annual and long-term business plans
- Suspension, cessation or abandonment of any material activity of the Group
- Material acquisitions and disposals
- Approvals relating to listings
- Change of the Company's country of incorporation
- Amendment or repeal of the constitution of the Company
- Material commitment or arrangement of the Group outside the normal course of business and/or not specifically identified in the annual business plan

The Board is responsible for the management of the Group. While both the Executive Director and NEDs have the same duties and constraints, they have different roles on the Board (see table 1). There is a clear, written division of responsibilities between the Chairman and the CEO.

Meeting attendance

The Board held five formal meetings during 2018, with additional ad hoc meetings with Board and Committee members held in line with business needs. Directors and Committee members are expected to attend every meeting. If a Director is unable to attend a meeting, the relevant meeting papers are provided to that Director in advance of the relevant meeting so that comments can be given to the Chairman or Committee Chairman, as applicable, who relays them at the meeting. After the meeting, the Chairman or Committee Chairman, as applicable, also briefs the Director on the matters discussed.

Attendance during 2018 is set out in table 2.

The Chairman attends most Committee meetings. The Chairman of the Audit Committee sits on the Remuneration Committee and the Chairman of the Remuneration Committee sits on the Audit Committee.

Both the Audit and Remuneration Committee Chairmen are INEDs and offer impartial and extensive experience and knowledge of the responsibilities of each Committee.

Cross membership between Board Committees and active collaboration means liaison across Committees is working well. See figure 1 for details.

At the end of most Board meetings, two sessions are held: one that all Directors attend, without management present, and the other that all the NEDs attend, without management or the CEO present. Directors may raise any matter they wish for discussion at these sessions.

Table 1

Roles on the Board

Role	Responsibilities
Chairman	• Operating, leading and governing the Board • Setting meeting agendas, managing meeting timetables • Promoting culture of open debate between Directors and encouraging effective communication during meetings • Creating the conditions for overall Board and individual Director effectiveness
CEO	• Leading the business • Implementing strategy approved by the Board • Overseeing the operation of the internal control framework
Senior Independent Director (SID)	• Advising and supporting the Chairman by acting as an alternative contact for shareholders and as an intermediary to NEDs
NEDs	• Providing external insight to the Board and its Committees • Offering their extensive experience and business knowledge from other sectors and industries
Company Secretary	• Assisting the Chairman by ensuring that all Directors have full and timely access to relevant information • Advising the Board on legal, compliance and corporate governance matters • Organising the induction and ongoing training of Directors

Figure 1

Board Committee cross membership

	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Social Responsibility Committee
Affiliated Transaction Committee	1	2	–	1
Corporate Social Responsibility Committee	0(A)	–	1	
Remuneration Committee	2	1		
Nomination Committee	1			

(A) Véronique Morali was a member of both the Audit Committee and the Corporate Social Responsibility Committee until her resignation on 31 December 2018.

CORPORATE GOVERNANCE REPORT CONTINUED

Table 2

Meeting attendance by Board and Committee members(A)

	Independent or nominated by Olive Partners or ER(B)	Board of Directors	Affiliated Transaction Committee	Audit Committee	CSR Committee	Nomination Committee	Remuneration Committee
Chairman							
Sol Daurella	Nominated by Olive Partners	5 (5)	5 (5)			5 (5)	
Executive Director							
Damian Gammell	CEO	5 (5)					
Non-executive Directors							
Jan Bennink	Independent	5 (5)	5 (5)(E)			5 (5)	
José Ignacio de Comenge Sánchez-Real	Nominated by Olive Partners	5 (5)	5 (5)				
Francisco Crespo Benítez(C)	Nominated by ER	4 (4)			4 (4)		
Christine Cross	Independent	5 (5)		7 (7)			5 (5)(E)
J. Alexander M. Douglas, Jr(C)	Nominated by ER	1 (1)			1 (1)		
Javier Ferrán	Independent	4 (5)(F)	4 (5)(F)	6 (7)(F)			
Irial Finan	Nominated by ER	5 (5)				5 (5)	5 (5)
Álvaro Gómez-Trénor Aguilar(D)	Nominated by Olive Partners	4 (4)					
L. Phillip Humann	Independent	5 (5)				5 (5)(E)	
Orrin H. Ingram II	Independent	5 (5)		7 (7)		5 (5)	
Thomas H. Johnson	SID	5 (5)			5 (5)		5 (5)
Alfonso Líbano Daurella	Nominated by Olive Partners	5 (5)			5 (5)(E)		
Véronique Morali	Independent	4 (5)(G)		7 (7)	5 (5)		
Mario Rotllant Solà	Nominated by Olive Partners	5 (5)					5 (5)
Francisco Ruiz de la Torre Esporrín(D)	Nominated by Olive Partners	1 (1)					
Garry Watts	Independent	5 (5)		7 (7)(E)			4 (5)(I)
Curtis R. Welling	Independent	5 (5)	4 (5)(H)		4 (5)(H)		

(A) The maximum number of meetings in the period during which the individual was a Board or Committee member is shown in brackets. Nathalie Gaveau, an INED, joined the Board on 1 January 2019 and so did not attend any meetings in 2018.

(B) Nominated pursuant to the Articles of Association and terms of the Shareholders' Agreement.

(C) Francisco Crespo Benítez was appointed as a Director by ER when J. Alexander M. Douglas, Jr stepped down on 7 March 2018.

(D) Álvaro Gómez-Trénor Aguilar was appointed as a Director by Olive Partners when Francisco Ruiz de la Torre Esporrín stepped down on 7 March 2018.

(E) Chairman of the Committee.

(F) Javier Ferrán missed one meeting of the Board, one meeting of the Affiliated Transaction Committee and one meeting of the Audit Committee due to a prior engagement.

(G) Véronique Morali missed one meeting of the Board due to a prior engagement.

(H) Curtis R. Welling missed one meeting of the Affiliated Transaction Committee and one meeting of the CSR Committee due to unforeseen family circumstances.

(I) Garry Watts missed one meeting of the Remuneration Committee due to a prior engagement.

Activities of the Board

The Chairman sets the Board agenda, which consists of the following discussion matters:

- Updates from the CEO, the CFO and other key senior executives on the business performance and key business initiatives
- Governance matters
- Strategy, diversity, sustainability, material expenditure and other Group matters

The key areas of focus for the Board's activities and topics discussed during the year are set out in table 3.

Strategy remained a key focus for the Board throughout the course of the year. It held a separate strategy day in July 2018, which was attended by members of the ELT. At the event the Directors and members of the ELT considered the key drivers of strategy, and debated and scrutinised the Group's performance when compared to its strategic plan.

Governance structure

The Group operates within a framework of delegated authority that ensures an appropriate level of Board contribution to, and oversight of, key decisions and the management of daily business. This framework is outlined in figure 2 on page 62.

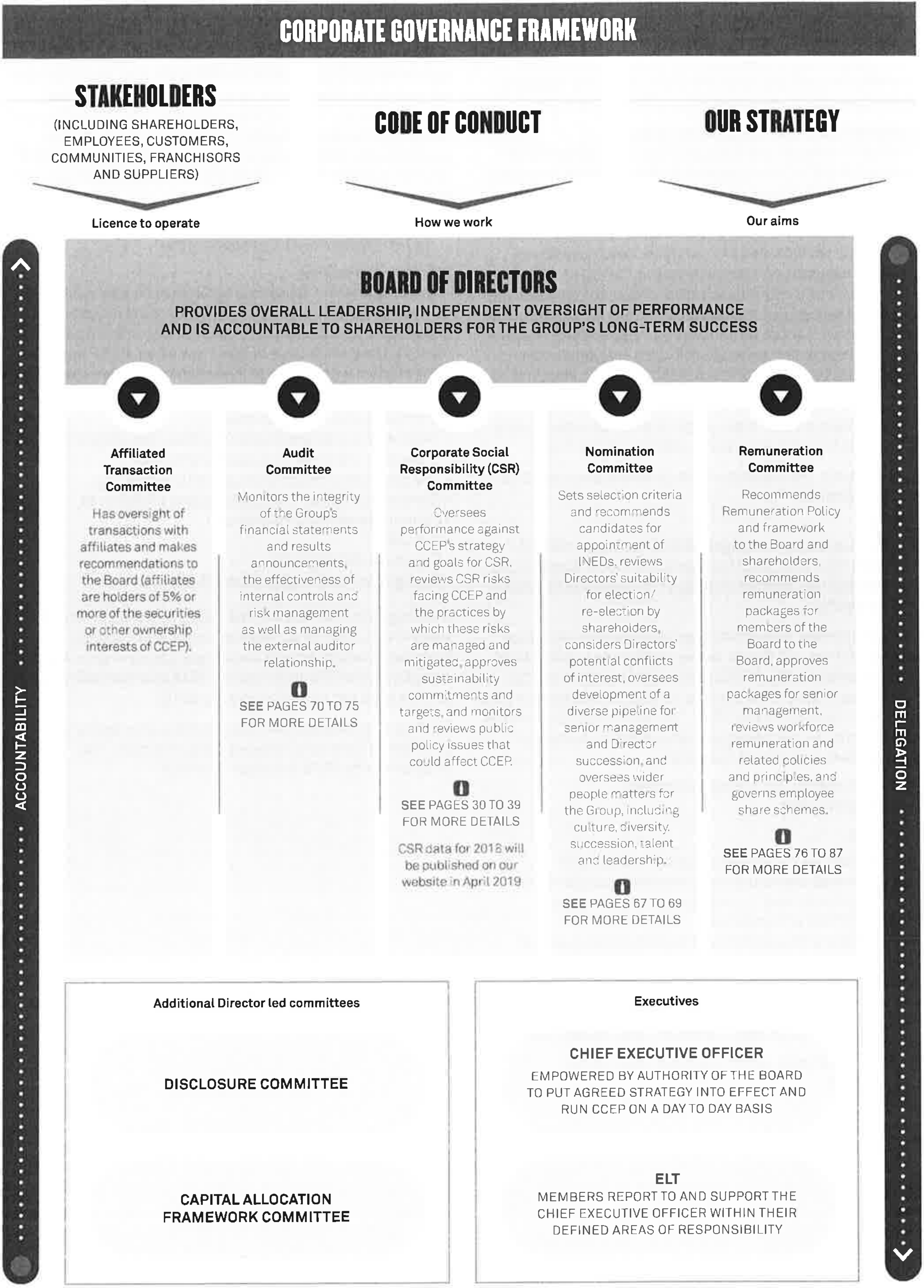
Each of the five Committees has its own written terms of reference, which are reviewed annually. These are available at ir.ccep.com/corporate-governance/governance-documents.

Table 3

Board activities in 2018

Strategic imperative (SI)/ area of focus	Discussion topics
Top line revenue growth (SI)	• Increasing consumer choice by innovating on flavours and growing our portfolio of products • Packaging mix • Refining assessments of acquisitions opportunities • Focusing on digital revenue streams and the digital transformation programme • Long-term industry trends and opportunities • Enterprise wide risk assessment • Approval of annual business plan
Customer and execution centric business (SI)	• Enhancing customer convenience by expanding distribution channels such as online marketplaces • The growth of discounter, value and convenience customers • Focusing on end to end service delivery and reshaping our sales force to address market opportunities • Supply chain evolution and focus areas
Competitiveness (SI)	• The 2018 and 2019 annual business plans, including strategic priorities • Long range planning • Progress of the integration and transformation programmes • Capital allocation and expenditure • Operating model • Debt structure including bond programme and revolving credit facility • Share buyback programme • Competitor review • External landscape review
Sustainability and stakeholder equity (SI)	• Defining our sustainable packaging strategies including consideration of the implementation of the EU directive on single use plastics • Considering our position on the EU directive on tethered caps • Growing demand for low and no calorie products and product reformulation • Review of CCEP's key and other stakeholders and engagement with them • General Data Protection Regulation readiness programme • Planning for Brexit including contingency and scenario planning and consideration of risks to areas such as trade and customs, people and immigration, and operations • Approval of 2018 Modern Slavery Statement • Approval of tax strategy • Considering our investor engagement plan
Culture and capability (SI)	• People strategy including performance acceleration, employee engagement, talent, diversity and inclusion, learning and development, and harmonisation of structures • Group culture and its role in supporting the strategy • Gender pay gap reporting • Labour relations • Attendance at Group wide workforce town hall with the whole Board • Licence to operate
Corporate governance	• Approval of financial results and associated viability and going concern statements • Approval of interim dividend payments • Approval of Annual Report and Form 20-F for 2017, subject to final sign off by a sub committee • Approval of Notice of AGM, subject to final sign off by a sub committee • Board evaluation feedback and action plan, including agreeing objectives for the Board • Publication of the 2018 UKCGC and action required including approving updated terms of reference for the Audit, Nomination and Remuneration Committees • Consideration of new reporting requirements affecting CCEP • Matrix of skills required on the Board to enable CCEP to win in the future and succession planning for the Board • Approval of policies and of policy governance and framework • Approval of new Director appointments: Francisco Crespo Benítez, Nathalie Gaveau and Álvaro Gómez-Trénor Aguilar

Figure 2
Governance framework



CORPORATE GOVERNANCE FRAMEWORK

STAKEHOLDERS
(INCLUDING SHAREHOLDERS, EMPLOYEES, CUSTOMERS, COMMUNITIES, FRANCHISORS AND SUPPLIERS)
Licence to operate

CODE OF CONDUCT
How we work

OUR STRATEGY
Our aims

ACCOUNTABILITY

DELEGATION

BOARD OF DIRECTORS

PROVIDES OVERALL LEADERSHIP, INDEPENDENT OVERSIGHT OF PERFORMANCE AND IS ACCOUNTABLE TO SHAREHOLDERS FOR THE GROUP'S LONG-TERM SUCCESS

Affiliated Transaction Committee

Has oversight of transactions with affiliates and makes recommendations to the Board (affiliates are holders of 5% or more of the securities or other ownership interests of CCEP).

Audit Committee

Monitors the integrity of the Group's financial statements and results announcements, the effectiveness of internal controls and risk management as well as managing the external auditor relationship.

SEE PAGES 70 TO 75 FOR MORE DETAILS

Corporate Social Responsibility (CSR) Committee

Oversees performance against CCEP's strategy and goals for CSR, reviews CSR risks facing CCEP and the practices by which these risks are managed and mitigated, approves sustainability commitments and targets, and monitors and reviews public policy issues that could affect CCEP.

SEE PAGES 30 TO 39 FOR MORE DETAILS

CSR data for 2018 will be published on our website in April 2019

Nomination Committee

Sets selection criteria and recommends candidates for appointment of INEDs, reviews Directors' suitability for election/re-election by shareholders, considers Directors' potential conflicts of interest, oversees development of a diverse pipeline for senior management and Director succession, and oversees wider people matters for the Group, including culture, diversity, succession, talent and leadership.

SEE PAGES 67 TO 69 FOR MORE DETAILS

Remuneration Committee

Recommends Remuneration Policy and framework to the Board and shareholders, recommends remuneration packages for members of the Board to the Board, approves remuneration packages for senior management, reviews workforce remuneration and related policies and principles, and governs employee share schemes.

SEE PAGES 76 TO 87 FOR MORE DETAILS

Additional Director led committees

DISCLOSURE COMMITTEE

CAPITAL ALLOCATION FRAMEWORK COMMITTEE

Executives

CHIEF EXECUTIVE OFFICER
EMPOWERED BY AUTHORITY OF THE BOARD TO PUT AGREED STRATEGY INTO EFFECT AND RUN CCEP ON A DAY TO DAY BASIS

ELT
MEMBERS REPORT TO AND SUPPORT THE CHIEF EXECUTIVE OFFICER WITHIN THEIR DEFINED AREAS OF RESPONSIBILITY

Effectiveness

Composition of the Board

The composition of the Board and its Committees is set out in table 2 on page 60. This includes details of appointments and resignations during 2018.

The NED terms of appointment are available for inspection at the Company's registered office and at each AGM.

Independence of Non-executive Directors

The Board reviewed the independence of all of the NEDs against the UKCGCs and also considered the requirements of SEC Rule 10A-3 in relation to the Audit Committee. It determined that Jan Bennink, Christine Cross, Javier Ferrán, Nathalie Gaveau (from her appointment), L. Phillip Humann, Orrin H. Ingram II, Thomas H. Johnson, Véronique Morali (until her resignation), Garry Watts and Curtis R. Welling are independent and continue to make effective contributions. The Board recognises that seven of CCEP's NEDs, including the Chairman, cannot be considered independent. However, they continue to demonstrate effective judgement when carrying out their roles and are clear on their obligations as Directors including under section 172 of the Companies Act.

Our CEO, Damian Gammell, is not considered independent because of his executive responsibilities to the Group.

Consequently, the majority of the Directors and the NEDs are independent.

Diversity

As their biographies on pages 50 to 54 show, our Board members have a range of backgrounds, skills, experiences and nationalities, demonstrating a rich cognitive diversity beyond gender.

Our commitment to diversity begins at the top, with clear leadership from our Board, and is embedded at every level of our business through This is Forward and the CoC. Our Board is confident it will achieve its goal for women to make up 33% of its Directors by 2020. The Nomination Committee is committed to overseeing a diverse pipeline for senior management and Director positions.

SEE THE NOMINATION COMMITTEE REPORT ON **PAGES 67 TO 69**

The Board:

- Has started its 2019 review of performance and effectiveness and appointed Lintstock to support this
- Will continue to keep its procedures under review to ensure their effectiveness
- Will monitor and assess how it spends its time so that it can continue to improve and refine the focus and balance of its meetings

SEE THE BOARD'S DIVERSITY POLICY ON THE COMPANY'S WEBSITE AT **IR.CCEP.COM/CORPORATE-GOVERNANCE/OVERVIEW**

SEE OUR EMPLOYEE GENDER DIVERSITY STATISTICS ON **PAGE 19**

Re-election of Directors

The Board has determined that all Directors, subject to continued satisfactory performance, shall stand for re-election at each AGM with the exception of the Chairman and some of the INEDs, as explained on page 57. All Directors appointed by Olive Partners and ER (other than the Chairman) will submit themselves for re-election at the 2019 AGM. Nathalie Gaveau, Dagmar Kollmann and Lord Price will stand for election at the 2019 AGM. Following its performance assessments of Directors, the Board is confident that each Director will continue to perform their duties effectively and remains committed to CCEP.

SEE THE SIGNIFICANT COMMITMENTS OF OUR DIRECTORS IN THEIR BIOGRAPHIES ON **PAGES 50 TO 54**

Induction and training

A comprehensive induction programme is made available to our new Directors, tailored to their individual requirements and phased to allow feedback and further customisation of meetings and other development activities. CCEP provides each of them with a suite of induction materials explaining:

- Their role and responsibilities
- Attributes of an effective board
- Their legal duties and responsibilities, including in relation to section 172 of the Companies Act 2006
- The calendar of Board and Committee meetings
- Governance documents, policies and procedures
- Committee terms of reference
- Our CoC
- Our share dealing code
- Background information about the Group

Meetings with members of the Board and the ELT and site visits in a number of our markets are also arranged. Francisco Crespo Benítez and Álvaro Gómez-Trénor Aguilar completed their induction during 2018 and Nathalie Gaveau commenced her induction in early 2019.

Training and development opportunities are regularly provided to Directors following their induction. The programme for 2018 is set out in table 4.

CORPORATE GOVERNANCE REPORT CONTINUED

Table 4

Director training and development programme

Form of training	Purpose	Subject
Briefings	Focused on in depth studies of matters of topical interest to CCEP as well as on relevant commercial, legal and regulatory developments	Separate deep dives regarding: • The French, GB, German, Iberian, Northern Europe and Netherlands operations • The Group's people strategy • Investor relations • Board Intelligence training materials available through a Board portal
Development sessions	To address requests from Directors	• Competitor deep dive with TCCC • Packaging mix • Adjacent market opportunities
Site visits	Visits to Group businesses, factories and commercial outlets to enhance knowledge of CCEP operations and meet employees, suppliers and customers	• Lille, France • London, GB • Edmonton, GB • Amsterdam, Netherlands • Opportunity to attend kick off meetings in business units and supply chain taken up by some Directors
External speakers	To receive insights from experts and engage with stakeholders	• James Quincey, President and Chief Executive Officer TCCC • Tim Brett, President of TCCC's Western Europe business unit • Analysts that follow CCEP • Professor Thomas Malnight: Escalating the Strategic Conversation • CCEP's Digital Advisory Committee: – Carlos Cordon (Professor of Strategy and Supply Chain, IMD Institute) – Roisin Donnelly (NED, Just Eat PLC and NED, Holland & Barrett, among others) – Daniele Fiandaca (advisor and co-founder of multiple start-up businesses) – Lars Hinrichs (NED, Deutsche Telekom, and digital entrepreneur) – Simon Thompson (Chief Product Officer, Ocado PLC, and NED, Royal Mail PLC) • Brexit panel: – Kevin Gardiner (Global Investment Strategist, Rothschild Wealth Management) – Glenn Hall (Partner and Co-Head of Government Relations & Public Policy, Norton Rose Fulbright) – Daniel Mikkelsen (Senior Partner, McKinsey) – Lord Mark Price (Founder, Engaging Works, and Chairman of Trustees, Fairtrade)

Board evaluation

In 2018, Ffion Hague of Independent Board Evaluation (IBE) carried out an externally facilitated Board evaluation. Neither Ffion nor IBE has any connection with the Board or any individual Director. The Board evaluation process involved interviewing each Director, and observing Board and Committee meetings. The evaluation produced comprehensive reports on the Board, each Committee and the Directors, and the Board discussed them in detail. Overall, the Board confirmed that it continued to perform effectively but identified some areas for improvement. These are set out in table 5.

Board support

Board meetings are scheduled at least one year in advance, with ad hoc meetings arranged to suit business needs. These meetings are held in a variety of locations, reflecting our engagement with all aspects of our international business.

The agenda of Board meetings follows our annual Board programme. This sets out the standing items at each meeting, such as periodic activities (including results and AGM documentation), business plan and the assessment of Board evaluation results.

Ahead of the Board meeting, the Chairman, CEO and Company Secretary agree the final agenda. This covers discussion items such as the status of ongoing projects and stakeholder considerations. Comprehensive briefing papers are circulated electronically to all Directors, to allow time to review the matters which are to be discussed.

Throughout the year Directors have access to the advice and services of the Company Secretary and independent professional advice, at the Company's expense.

Conflicts of interest

The Nomination Committee considers issues involving potential conflicts of interest of Directors. The Prospectus outlines numerous potential conflicts of interest of certain Board members, as at the date of the Prospectus.

The following were recognised as potential conflicts of interests with regards to Cobega, S.A. (Cobega):

- Sol Daurella is a shareholder, co-chairman and member of its executive committee
- Alfonso Líbano Daurella is a shareholder, co-vice chairman and member of its executive committee
- Mario Rotllant Solá is a co-chairman and member of its executive committee
- Sol Daurella and Alfonso Líbano Daurella are indirect shareholders in the following subsidiaries of Cobega:
  - Grupo Norte de Distribucion, S.L. and Daufood U. Lda., which have commercial agreements with Cobega for, respectively, the distribution and purchase of our products
  - Norinvest Consumo, S.L., which has a lease agreement with Norbega S.A., a subsidiary within the Group
  - Delivra, S.L. and Gadisven, S.A., which have agreements in place for the provision of equipment maintenance services to us and, in the case of Gadisven, S.A., also for the supply of our products

Table 5

2018 Board evaluation findings and actions

	Focus and prioritisation of strategic objectives at Board meetings	Succession and recruitment planning	Board support and Director development
2018 findings	Establish a clear medium-term business strategy to complement the long-term business strategy by focusing Board discussions	Improve INED succession planning to ensure the Board has the right skills and experience to support CCEP winning today, to win tomorrow	Provide further governance training based on experience, encourage participation and internal Board mentoring
Actions undertaken in 2018	• Agreed to set annual, measurable objectives for the Board to monitor its performance and facilitate the prioritisation of matters discussed at Board meetings throughout the year • Refined the format for Board papers to ensure the right focus at meetings • Will hold the Board's strategy day separately rather than following a routine Board meeting from 2019 • Developed a stakeholder engagement matrix	• Developed a skills matrix to identify the key skills needed on the Board for the future • Developed succession plans taking into account diversity targets and skills gaps identified in the skills matrix • Delegated role of ensuring a diverse pipeline of senior management to the Nomination Committee, in preparation for 2018 UKCGC implementation	• Developed an induction framework for new Directors to ensure exposure to our operations and understanding of our governance framework • Provided additional training and reference materials in a resources portal

Irial Finan and J. Alexander M. Douglas, Jr held various roles in TCCC until March 2018. Francisco Crespo Benítez continues to hold roles in TCCC. When considering Francisco's appointment as a Director, the Board was confident that these roles would not interfere with Francisco's clear commitment to CCEP as Director.

The following were recognised as potential conflicts of interests with regards to Fimalac Développement (Fimalac):

- Véronique Morali is its chairman and chief officer of its digital division, WEBEDIA

The Board is satisfied that the systems for reporting situational conflicts (situations where a Director has an interest that conflicts, or may conflict, with our interests) are operating effectively.

Accountability

Disclosures of compliance with provisions of the Accountability sections of the 2016 UKCGC are located elsewhere in this Integrated Report. Table 6 sets out where each respective disclosure can be found.

Relations with shareholders

The Board recognises the importance of regular engagement with both existing and potential shareholders. During 2018, the Board, the ELT and the investor relations team worked together to ensure this happened. This included:

- Quarterly results announcements, accompanied by webcast conference calls, where investors and analysts were invited to participate
- A capital markets day, focused on outlining the next phase beyond CCEP's Merger
- Investor conferences, often incorporating webcast presentations alongside group and one to one meetings
- Investor roadshow meetings across Europe, the US and Canada

Our CEO, CFO and the investor relations team engage with investors and analysts throughout the year to ensure our strategy and performance are clearly understood, and that their views and market sentiment are clearly communicated within CCEP. The Board, in particular, receives regular updates on the views of shareholders and the investor relations programme at each Board meeting.

We share market information on the investor relations section of our website. This includes results, annual reports, presentations, archived webcasts and transcripts, other announcements, and shareholder information and services. The website also has a rolling financial calendar with news of upcoming events.

Table 6

Disclosure of compliance with provisions of the Accountability section of the 2016 UKCGC

Items located elsewhere in the 2018 Integrated Report	Page(s)
Directors' responsibilities statement	91
Directors' statement that they consider the Integrated Report and accounts, taken as a whole, to be fair, balanced and understandable	91
Statement by the external auditor of its reporting responsibilities	100
The Group's business model	16 to 17
Group strategy	14 to 15
Going concern statement	90
Assessment of the Group's principal risks	40 to 43
Viability statement	44
Risk management and internal control systems and the Board's review of their effectiveness	43
Audit Committee Report	70 to 75

Annual General Meeting

The AGM continues to be a key date in our annual shareholder engagement programme. In 2018, members of the Board and the ELT attended the AGM to discuss the resolutions in the Notice of AGM, the business, and to answer shareholders' questions. We were pleased that shareholders holding 87.10% of the issued shares provided voting instructions, and all resolutions were passed by more than 80% of those voting.

The 2019 AGM of the Company will be held in May at Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom. The Notice of AGM will set out a full description of the business to be conducted at the meeting. This will be available on our website from the time of its posting to shareholders in April 2019.

As with last year, the Chairman, SID and Committee Chairmen plan to attend the AGM to give shareholders an opportunity to ask them questions about the Group and its business, either during the AGM or informally afterwards. They are also available to shareholders for discussion throughout the year to discuss any matters under their areas of responsibility, by contacting the Company Secretary.

READ MORE ABOUT OUR ENGAGEMENT WITH STAKEHOLDERS IN OUR BUSINESS MODEL ON **PAGES 16** TO **17**

Sol Daurella
Chairman
14 March 2019

NOMINATION COMMITTEE CHAIRMAN'S LETTER

> **"We continue to focus on maintaining a well balanced Board with the right mix of individuals who can apply their wider business knowledge and experience to overseeing and guiding the delivery of the Group's strategy."**

Dear Shareholder

I am pleased to report on the work of the Nomination Committee during 2018. This year our activities have focused on INED succession; Board skills, experience and cognitive diversity; and our people. A brief summary of these activities is provided in table 1 on page 69. We give more details about some of these activities throughout the rest of the Nomination Committee Report.

Changes to our remit

As our Chairman explains in her introduction to the Governance and Directors' Report, a new UK Corporate Governance Code was published in July 2018 and will apply to us from 1 January 2019. We have considered the Committee's terms of reference as part of a wider review of governance arrangements to ensure compliance with the 2018 UKCGC.

Although the Committee was already fulfilling many of the duties regarding culture and workforce on an informal basis, we have now expanded its remit to include specific responsibilities. In particular, it will now formally:

- Oversee the development of a diverse pipeline for senior management positions as well as the Board
- Assess and monitor the Group's culture
- Ensure that diversity, succession and talent policies and practices within the Group are in line with its purpose and values and support its desired culture
- Help set diversity objectives and strategies and monitor the impact of diversity initiatives
- Assess and monitor leadership talent development programmes
- Ensure effective engagement with relevant stakeholders (including the workforce) on diversity, succession and talent policies and practices, making sure their views are understood and considered by the Board

We are working with management to develop the reporting needed to support us in meeting our new responsibilities. We will report on our activities at the end of the year.

Availability to shareholders

I will be available at our 2019 Annual General Meeting to answer any questions about the work of the Committee.

L. Phillip Humann
Chairman of the Nomination Committee
14 March 2019

NOMINATION COMMITTEE REPORT

Nomination Committee role

The key duties and responsibilities of the Nomination Committee are set out in its terms of reference. These are available at ir.ccep.com/corporate-governance/governance-documents. They cover the following areas:

- Corporate governance
- Director selection, re-election and review
- Potential conflicts of interest
- Evaluations of the Board and succession planning
- Culture and workforce

Activities of the Nomination Committee during the year

The Nomination Committee has a process for planning its future meeting agendas and topics to be considered. Table 1 sets out the matters considered by the Committee during 2018. More detail about some of these matters is provided in the rest of this report.

The Committee met five times during the year.

SEE DETAILS OF ATTENDANCE AT MEETINGS ON **PAGE 60**

The Board

Independent Non-executive Director succession

We continue to focus on maintaining a well balanced Board with the right mix of individuals who can apply their wider business knowledge and experience to overseeing and guiding the delivery of the Group's strategy. To support this, as part of the Board evaluation process in 2018, we developed an agreed matrix of skills required on the Board to support the Group's future plans.

Three INEDs will be put up for election or re-election by shareholders at our AGM in 2019. The Committee therefore spent time this year considering the orderly succession of INEDs in light of the matrix of skills.

We engaged MWM Consulting, a firm of external recruitment consultants, to identify potential INED candidates. MWM Consulting supported some of CCEP's specialist recruitment activities in 2017 and has no connection to any individual Director. It is a signatory to the UK's Standard Voluntary Code of Conduct for Executive Search Firms.

To ensure we maintained the right balance of skills and experience on the Board, we drew up INED candidate specifications based on our existing selection criteria, and the gaps identified through our agreed skills matrix. We also considered the need to build a diverse pipeline of potential successors for particular roles on the Board.

Potential candidates for INED roles were interviewed by members of the Committee, the Chairman, Senior Independent Director and other Board members and were assessed objectively against the candidate specifications. Nathalie Gaveau was appointed to succeed Véronique Morali with effect from 1 January 2019. She brings a wealth of digital and international experience to the Board and is undertaking a detailed induction programme.

We announced on 8 March 2019 that Dagmar Kollmann and Lord Mark Price would, subject to their election at the AGM in May 2019, succeed L. Phillip Humann and Curtis R. Welling. Dagmar brings a wealth of experience in finance and international listed groups to the Board, while Mark brings his substantial experience in retail. They will also both undertake a detailed induction programme.

The current INED selection criteria reflect the importance of selecting candidates who can give voice to stakeholder interests effectively, particularly to help discharge the Board's duties under section 172 of the Companies Act 2006.

SEE OUR INED SELECTION CRITERIA AT **IR.CCEP.COM/~/MEDIA/FILES/C/COKECCEP-IR/GOVERNANCE-DOCUMENTS/CRITERIA-FOR-SELECTION-OF-INDEPENDENT-NON-EXECUTIVE-DIRECTORS-03-05-18.PDF**

Other NED appointments to the Board

In early March 2018, in accordance with the Company's Articles of Association and the Shareholders' Agreement, Olive Partners nominated Álvaro Gómez-Trénor Aguilar to replace Francisco Ruiz de la Torre Esporrín and ER nominated Francisco Crespo Benítez to replace J. Alexander (Sandy) M. Douglas, Jr as Directors of the Company. Both Álvaro Gómez-Trénor Aguilar and Francisco Crespo Benítez undertook a detailed induction programme.

SEE MORE ABOUT DIRECTOR INDUCTION
ON **PAGES 63** TO **64**

Diversity on the Board

Cognitive diversity is important to good decision making, and we have paid particular attention to this in our succession planning. This is driven by diversity of background, including gender and ethnic diversity. It is part of the INED selection criteria, and supports the Board's stated target to ensure that 33% of its Directors are women by 2020 and take into account the recommendations of the Parker Review. Diversity is a key consideration in considering potential INED candidates.

During 2018, one female INED chose to step down from the Board and was replaced with a new female INED. Olive Partners and ER each nominated new Directors to the Board in early March 2018, in place of Directors who stepped down. In both cases they replaced male Directors with male Directors. As a result, there were no changes to the gender diversity of the Board during the year.

Female representation on the Board currently stands at 17.6%. It will increase to 23.5%, subject to Dagmar Kollmann's election at the AGM.

READ MORE ABOUT OUR APPROACH TO DIVERSITY
ON THE BOARD ON **PAGE 63**

Table 1

Matters considered by the Nomination Committee during 2018

Meeting date	Key agenda items
March 2018	• Director skills matrix • Director succession, particularly INEDs • Initiatives around key talent
May 2018	• Senior leadership assessment • Director skills matrix • Director succession, particularly INEDs
July 2018	• People engagement, culture and capability initiatives • Director succession, particularly INEDs
October 2018	• Director succession, particularly INEDs • Terms of reference
December 2018	• Director succession, particularly INEDs • Our people: talent, inclusion and diversity, succession planning, and attracting and engaging younger generations • Board evaluation process approval

Executive Leadership Team

Succession planning

During 2018 we considered a detailed assessment of the Group's ELT and gave input into ELT development activities. We also considered succession management plans for the appointment of Executive Directors to the Board. Korn Ferry supported both of these exercises.

Our people

We oversee the approach to culture, succession planning and talent management, including diversity, for the whole Group.

Inclusion, diversity and talent

We are committed to fostering an inclusive environment and building diverse talent within the Group. We received updates on the progress of diversity and inclusion initiatives, in particular the target to have 40% of our management positions held by women by 2025. We also received details about the revised approach to talent management.

READ MORE ABOUT THE GROUP'S APPROACH TO DIVERSITY ON **PAGES 18** TO **19**

Engagement

In 2018 we conducted the Group's first engagement survey, built around our agreed ways of working. We considered the results and action plans with management. We were pleased that the results showed people feel safe at work, feel empowered to make decisions, engage with our purpose and feel that they belong. They also identified some areas to accelerate, including leadership, understanding decision making and personal development.

FOR MORE ABOUT HOW WE ENGAGE WITH OUR PEOPLE, SEE **PAGES 18** TO **19**

Capability

As our engagement survey showed, building our leadership capability is a key differentiator for performance. We considered the Group's new leadership development programme ahead of its launch.

Evaluation

At the start of each year, we begin the process of evaluating the performance of the Board and its Committees.

We wanted to ensure the evaluation process undertaken in early 2018 would support the Board as it looks to the future, as well as reflecting on past performance. Based on our recommendation to the Board, Independent Board Evaluation was appointed to facilitate the evaluation process in 2018.

READ MORE ABOUT THE EVALUATION EXERCISE ON **PAGE 64**

Given the depth and breadth of the 2018 evaluation exercise, we recommended to the Board that a more concise evaluation process be undertaken in early 2019. The Board accepted our recommendation and appointed Lintstock to support a questionnaire based exercise, alongside interviews of all Directors by the SID.

Neither Independent Board Evaluation nor Lintstock has any other connection with CCEP or any individual director.

Independence

SEE THE LIST OF NON-EXECUTIVE DIRECTORS DETERMINED TO BE INDEPENDENT ON **PAGE 60**

L. Phillip Humann
Chairman of the Nomination Committee
14 March 2019

AUDIT COMMITTEE CHAIRMAN'S LETTER

> **"The Committee plays a key role within the governance framework of the Group and continues to support the Board in matters relating to financial reporting, internal control and risk management."**

Dear Shareholder

I am pleased to present the report of the Audit Committee for 2018. The report describes how we have discharged our responsibilities under the 2016 UKCGC. Table 1 on page 72 provides an overview of our activities during 2018, with additional details throughout this Audit Committee Report.

Over the past two years, the Committee has helped support and oversee the successful integration of the Group. The Committee plays a key role within the governance framework of the Group and continues to support the Board in matters relating to financial reporting, internal control and risk management.

During 2018, we discussed a range of topics, with a focus on accounting and reporting matters, internal controls and Sarbanes-Oxley Act section 404 updates, external and internal audit activities, ethics and compliance matters, business continuity management, enterprise risk management, and cybersecurity.

Looking forward to 2019

We have dedicated significant time in 2018 to ensuring that we are ready for the implementation of the new lease reporting standard, IFRS 16, "Leases". We are confident the systems and controls implemented by management will ensure full compliance in the first year of adoption.

A new UK Corporate Governance Code was published in July 2018 and will apply to us from 1 January 2019. The Committee's terms of reference were considered as part of a wider review of governance arrangements to ensure compliance with the 2018 UKCGC.

While the Committee's remit has remained largely unchanged, we have made two key amendments. Firstly, the Committee will report to the Board on whistleblowing arrangements, reports and investigations, in line with the responsibility for whistleblowing matters resting with the Board under the 2018 UKCGC. Secondly, we will ensure we engage effectively with relevant stakeholders. This is to make sure that the views of relevant stakeholders are understood and considered by the Board.

Availability to shareholders

I will be available at our 2019 Annual General Meeting to answer any questions on the work of the Committee.

Garry Watts
Chairman of the Audit Committee
14 March 2019

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The key duties and responsibilities of the Audit Committee are set out in its terms of reference, which are available on the Company's website ir.ccep.com/corporate-governance/governance-documents. They include matters within the following areas:

- Financial reporting, including the annual financial statements of the Group and other periodic announcements relating to the Group's financial performance, the Group's Viability Statement, and the Group's going concern assumption
- Accounting principles, policies and internal controls and emerging business issues that could significantly affect financial results alongside disclosure controls and procedures
- Ethics and compliance programme, which includes operational and financial risk assessments within the broader enterprise risk management programme, business continuity management, anti-bribery and anti-corruption, and fraud prevention
- Whistleblowing policy and other arrangements for employees and contractors to raise concerns, in confidence
- External audit, including scope, output and effectiveness
- External auditor, including independence and objectivity, and appointment, reappointment and removal
- Internal audit, including scope, output and effectiveness
- Supporting the Board in relation to specific matters including annual and long-term business planning, dividend and capital structure, and capital expenditure

The Committee consisted of five independent Directors during the year and now consists of four independent Directors. It has significant experience and competence relevant to the sector in which the Group operates, fast moving consumer goods. In accordance with the NYSE Rules for FPIs, the Group follows UK practice in relation to corporate governance. However, FPIs are required to have an audit committee that satisfies the requirements of SEC Rule 10A-3. The Group's Audit Committee satisfies these independence requirements and the Board has determined that the Chairman of the Committee, Garry Watts, may be regarded as an audit committee financial expert as defined in Item 16A of Form 20-F.

Activities of the Audit Committee during the year

The Audit Committee has a process for planning its future meeting agendas and a schedule of topics to be considered. Table 1 sets out the matters considered by the Committee during 2018. More detail about some key matters is provided in the rest of the Audit Committee Report.

The Committee met seven times during the year.

SEE DETAILS OF ATTENDANCE AT MEETINGS ON **PAGE 60**

Financial reporting, significant financial issues and material judgements

In 2018, the Group adopted two new significant accounting standards: IFRS 15, "Revenue from contracts with customers", and IFRS 9, "Financial Instruments". The Committee oversaw management's implementation of these standards and was comfortable with the Group's approach and processes.

IFRS 16, "Leases", which is effective from 1 January 2019, has a significant impact on the reported assets and liabilities of the Group, as well as the classification of cash flows relating to lease contracts. The Group's implementation of IFRS 16 was governed by a steering committee, which regularly reported its progress during the year to the Audit Committee.

READ MORE ABOUT THE TRANSITION IMPACT OF IFRS 16 IN **NOTE 23** TO THE FINANCIAL STATEMENTS ON **PAGE 147**

The Committee undertook a formal review and recommended for approval each of the Group's interim financial statements and associated earnings announcements. As part of each review, the Committee considered the significant accounting principles, policies and practices applied, their appropriateness, the financial reporting issues concerned and the significant judgements made. Details regarding the significant financial reporting matters and the related Committee considerations are set out later in this report.

The Committee also reviewed and considered the Group's alternative performance measures in each of the Group's earnings announcements. The Committee confirmed that each of the adjusting items complied with the Group's policy on alternative performance measures and did not take exception to any of the adjusting amounts. The Committee also reviewed to its satisfaction the adequacy of the Group's disclosures regarding the use of alternative performance measures, having regard to the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) in October 2015 as well as the SEC guidance with respect to non-GAAP measures.

The Committee spent time reviewing and assessing the processes undertaken by management to support the Group's Viability Statement and going concern statement, both for the half yearly report and the annual report. In particular, the Committee reviewed the results of management's scenario modelling and the stress testing of these models.

SEE OUR VIABILITY STATEMENT ON **PAGE 44**

Table 1

Matters considered by the Audit Committee during 2018[A]

Meeting date	Key standing agenda items	Other topics
February 2018	• Accounting and reporting matters • External auditor report • 2017 preliminary full year and Q4 results • Q1 interim dividend	• US tax reform • Spain VAT refund
March 2018	• Accounting and reporting matters • External auditor report • Internal auditor report • 2017 Annual Report and Form 20-F including related significant judgements and estimates • Legal matters • Ethics and compliance matters • Business continuity management • Enterprise risk management • Capital review and approvals	• Spain VAT refund • Forthcoming changes to IFRS • Debt structure • Code of Conduct compliance • Enterprise risk management framework • IFRS 16, "Leases" • Sarbanes-Oxley Act (SOX) section 404 (s404) compliance
April 2018	• 2018 Q1 results • Q2 interim dividend	
May 2018	• Accounting and reporting matters • External auditor report • Internal auditor report • Legal matters • Ethics and compliance matters • Business continuity management • Enterprise risk management • Capital review and approvals	• Synergy audit and certification • General Data Protection Regulation (GDPR) • IT/cybersecurity update • Transition of transactional activities to the shared service centre from Iberia
July 2018	• Accounting and reporting matters • FPI status • External auditor report • Internal auditor report • 2018 half year results • Q3 interim dividend • Legal matters • Ethics and compliance matters • Business continuity management • Enterprise risk management • Capital review and approvals	• Spain VAT refund • IFRS 16, "Leases" • SOX s404 compliance • Revolving credit facility • CO_2 supply issues • GDPR • Code of Conduct compliance • Competition law compliance • Anti-corruption compliance programme
October 2018	• Accounting and reporting matters • External auditor report • Internal auditor report • 2018 Q3 results • Q4 interim dividend • Legal matters • Ethics and compliance matters • Business continuity management • Enterprise risk management • Capital review and approvals	• IFRS 16, "Leases" • Debt structure • Brexit • IT/cybersecurity update • Committee terms of reference
December 2018	• Accounting and reporting matters • External auditor report • Internal auditor report • Legal matters • Ethics and compliance matters • Business continuity management • Enterprise risk management • Capital review and approvals	• Treasury update • Tax update • Integrated report planning

(A) During February and March 2019, the Committee discussed a number of matters in respect of the year ended 31 December 2018. These included:
- Significant estimates and judgements regarding the Group's 2018 results, including a review of accounting policies, viability statement and going concern
- Reviewing the preliminary 2018 full year earnings announcement and Integrated Report
- Advising the Board, at its request, on whether the Integrated Report is fair, balanced and understandable
- Independent auditor's report in respect of the results
- Approval of this Audit Committee Report

In relation to this Integrated Report, Committee members undertook a review of a developed draft and suggested a number of enhancements that were then implemented to improve it so that the Committee could confirm to the Board that, in its assessment, the Integrated Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Throughout the period under review, the Committee considered the work of, and reports from, several management functions including finance, legal and IT, together with reports from the internal and external auditors on their findings.

The significant financial reporting matters in relation to financial statements that the Committee considered during 2018 are summarised in table 2. In summary, the Committee concluded, after discussion, that the judgements and estimates made on each of the issues it considered were appropriate and acceptable.

Table 2

Significant financial reporting matters in relation to financial statements considered by the Audit Committee during 2018

Accounting area	Key financial impacts	Audit Committee considerations
Deductions from revenue and sales incentives	Total cost of customer marketing programmes in 2018: €3 billion Accrual at 31 December 2018: €753 million	The Group participates in various programmes and arrangements with customers designed to increase the sale of products. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts earned. Under IFRS 15, these types of variable consideration are deducted from revenue. There are significant estimates used at each reporting date to ensure the proper deduction from revenue has been recorded. Actual amounts ultimately paid may be different from estimates. At each reporting date, the Committee received information regarding the amount of customer marketing spend of the Group along with period end accruals. The Committee also discussed and challenged management on key judgements and estimates applied during the period and any relevant information on significant or abnormal movements in accrual balances, if applicable.
Tax accounting and reporting	2018 book tax expense: €296 million 2018 cash taxes: €263 million 2018 effective tax rate: 24.6% VAT receivable at 31 December 2018: €318 million	The Group evaluated a number of tax matters during the year, including legislative developments across tax jurisdictions, risks related to direct and indirect tax provisions in all jurisdictions, the impact of the US Tax Cuts and Jobs Act, the deferred tax inventory and potential transfer pricing exposure. Throughout the year, the Committee received information from management on the critical aspects of tax matters affecting the Group, considered the information received, and gained an understanding of the level of risk involved with each significant conclusion. Additionally, the Committee continued to receive updates on the Group's outstanding VAT receivable in Spain and the efforts undertaken to secure payment of the refund due. The Committee agreed with management's conclusion that, in light of the continued delay in the meeting of the Arbitration Committee, it is appropriate to reclassify €318 million of the receivable balance as non-current assets. The Committee also considered and provided input on the Group's disclosures regarding these and other tax matters. ℹ See further information in Note 21 to the financial statements on **page 144**
Asset impairment analysis	Franchise intangible assets with indefinite lives: €8.1 billion Goodwill: €2.5 billion	The Group performs an annual impairment test of goodwill and intangible assets with indefinite lives, or more frequently if impairment indicators are present. The testing is performed at a cash generating unit (CGU) level, which for the Group are based on geography and generally represent the individual territories in which the Group operates. The Group did not record any impairment charges as a result of the tests conducted in 2018. The Committee received information from management on the impairment analysis performed, focusing on the most critical assumptions such as the terminal growth rate and the discount rate. The Committee reviewed and challenged a sensitivity analysis provided by management to understand the impact of changes in key assumptions, primarily the discount rate. The Committee was satisfied with the assumptions utilised by the Group and also considered and reviewed the Group's disclosures about its impairment testing.
Restructuring accounting	Restructuring cost recorded in 2018: €274 million Restructuring provision at 31 December 2018: €223 million	During 2018 the Group commenced new transformation restructuring initiatives. The Committee has been regularly updated by management on the nature of such initiatives and key assumptions underpinning the related provision in the financial statements. The integration and synergy programme is nearing completion. The Committee continued to receive regular updates from management on the status, including cost incurred and synergy tracking. As in 2017, during 2018 the Committee received programme assurance from a third party audit regarding the validation of synergies captured. The Committee also reviewed the Group's restructuring provision balance as at 31 December 2018 and disclosures in the financial statements. The Committee was satisfied with the appropriateness of the restructuring accounting during the year.

AUDIT COMMITTEE REPORT CONTINUED

External audit

The Committee reviews and makes recommendations to the Board with regard to the reappointment of the external auditor. In doing so, the Committee takes into account external auditor independence and audit partner rotation. Ernst & Young LLP was appointed as the external auditor in 2016 and the lead audit partner is Karl Havers. The Committee confirms voluntary compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority.

During the year, in line with its normal practice, the Committee agreed the approach to and scope of the audit work to be undertaken by the external auditor. The Committee also reviewed and agreed the terms of engagement, and areas of responsibility and the work to be undertaken by the external auditor, and agreed the fees payable in respect of the 2018 audit work. In addition, the external auditor provided the Committee with a schedule of each matter on which there was an initial difference between them and management in relation to the accounting treatment, and the final decisions on these issues.

SEE DETAILS OF THE AMOUNTS PAID TO THE EXTERNAL AUDITOR FOR THEIR AUDIT SERVICES IN NOTE **15** TO THE ACCOUNTS ON **PAGE 134**

The Committee also considered the external auditor's effectiveness. It reviewed the experience and expertise of the audit team, the fulfilment of the agreed audit plan and any variations to it, feedback from the Group's businesses and the contents of the external audit report. The Committee confirmed its satisfaction with the effectiveness of the external auditor.

The Committee has recommended to the Board that Ernst & Young LLP be proposed for reappointment by shareholders as the Group's external auditor at the 2019 AGM.

The independence of the external auditor is important to a successful audit. The Committee actively monitors this. In particular, the Group has a policy on the use of the external auditor for non-audit work and this is regularly reviewed. The external auditor is precluded from engaging in non-audit services that would compromise its independence or violate any laws or regulations affecting its appointment as external auditor. The approval of the Chairman of the Committee is required prior to awarding contracts for non-audit services to the external auditor in excess of specified amounts.

The Committee received a statement of independence from the auditor and a report describing their arrangements to identify, report and manage any conflicts of interest. It reviewed and approved the scope of non-audit services provided by the external auditor to ensure that there was no impairment of independence and objectivity, and subsequently monitored the non-audit work performed to ensure it was within policy guidelines. It also considered the extent of non-audit services provided to the Group. The Committee determined the external auditor was sufficiently independent.

Internal audit

The Committee approved and reviewed internal audit's audit plan for 2018 and agreed its budget and resource requirements. The internal audit function reports directly to the Audit Committee and consists of approximately 25 full time professional audit staff based in London, Berlin, Madrid and Sofia, covering a range of disciplines and business expertise.

The Committee received and discussed, at least quarterly, regular reports from the Chief Audit Executive summarising audit findings and recommendations and describing actions taken by management to address any shortfalls. It also reviewed progress on implementation of recommendations and met independently with the Chief Audit Executive during the year.

The internal audit function reviews the internal control systems across the organisation. As determined by a risk based approach to audit planning, areas of assurance focus during 2018 included: management of deductions from revenue, field sales, product quality management, implementation of new accounting standards, changes to data privacy standards (GDPR), procurement processes, security of information systems, as well as reviews of major capital and transformation projects. A significant proportion of the internal audit's resources was allocated to an extensive testing of the Group's internal control system in support of management's opinion over the design and operating effectiveness of internal controls over financial reporting as required under SOX s404.

At the end of 2018, internal audit participated in the Group's enterprise risk assessment and reviewed the three year strategic audit plan to ensure that it continues to address major strategic, operational, financial and compliance risks. The plan was presented to and approved by the Committee at its March 2019 meeting.

In 2019, the Committee will engage an independent third party to perform an effectiveness review of the internal audit function against the Institute of Internal Audit's Standards.

Internal control and risk management

The Committee is responsible for monitoring the effectiveness of the Group's internal controls, compliance with relevant sections of the UK Corporate Governance Code, and the requirements of SOX, specifically sections 302 and 404, as it applies to a US FPI listed on a US exchange. Robust internal controls and risk management are critical to our ability to deliver on our strategy.

During 2018, the Committee continued to monitor the progress of the Group's internal control framework harmonisation efforts and the remediation of any internal control deficiencies. It also considered the internal control implications of the Group's IT roadmap and continued integration and transition activities.

In 2018, management completed a controls optimisation project, designed to seek efficiencies within the existing control environment, and to ensure control processes continued to be effective in both design and operation. The Committee was regularly updated on the progress of this project and, on closing out the year, is satisfied that the improvements implemented continued to support a robust control environment.

The Group's internal control over financial reporting was deemed to be designed and operating effectively as at 31 December 2018.

FURTHER INFORMATION ABOUT THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES IS SET OUT ON **PAGES 40** TO **43**

Whistleblowing hotline

The Committee has oversight of the adequacy and security of the Group's whistleblowing policy and other arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, including breaches of our CoC. In each of our territories, we have established ways for employees to raise concerns. These include channels for employees to contact a line manager or HR representative, or to share information through our dedicated, independent and confidential Speak Up service. Retaliation against anyone for whistleblowing, including making a genuine report, or for cooperation in an investigation, is prohibited.

Investigations into potential breaches of our CoC are overseen in each business unit by the business unit's CoC Committee, chaired by the business unit's Vice President, Legal. All (potential) CoC breaches and corrective actions are overseen by the Group CoC Committee, which is a sub committee of the Group Compliance and Risk Committee and is chaired by the Chief Compliance Officer. The Group CoC Committee also:

- Ensures that all reported cases have been recorded, investigated and a conclusion reached
- Evaluates trends
- Ensures consistent application of the CoC across CCEP

As required under the Spanish Criminal Code, the Iberia business unit has an Ethics Committee formed of members of the Iberia business unit leadership team. It is responsible for any ethics and compliance activities, including overseeing the local crime prevention model. It reports to the Iberia business unit leadership team and the Chief Compliance Officer.

An overview of all reported incidents is provided to the Audit Committee.

SEE DETAILS OF COC REPORTS ON **PAGE 21**

Garry Watts
Chairman of the Audit Committee
14 March 2019

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIRMAN

> **“Remuneration outcomes continue to reflect good underlying business performance within a framework aligned to the business strategy and reflecting good governance.”**

Dear Shareholder
On behalf of the Board, I am pleased to present the Directors’ Remuneration Report for CCEP (or the Group) for the year ended 31 December 2018. This includes a summary of our Remuneration Policy, which was approved by shareholders at our 2017 AGM and our Annual Report on Remuneration (ARR), which will be subject to an advisory vote at our 2019 AGM.

Context for executive remuneration at CCEP – New UK Corporate Governance Code

We take our reporting obligations to our shareholders and our duty to our employees very seriously. As outlined in my letter last year, we have paid close attention to the new UK Corporate Governance Code that was published in July 2018, and will apply to us from 1 January 2019, plus the annual guidance updates from the three main proxy advisory firms (The Investment Association, ISS and Glass Lewis).

Expanded remit

In line with the provisions of the 2018 UKCGC we have expanded the Committee’s remit to cover reviewing workforce remuneration and related policies.

Our management is developing appropriate reporting mechanisms to enable the Committee to fulfill its responsibilities in this regard and workforce remuneration and policies will be taken into account when setting the remuneration for Executive Directors. The Committee will also have responsibility for ensuring these policies and processes support the culture, purpose, values and diversity initiatives across CCEP.

We intend to report on our activities in this area, in next year’s Directors’ Remuneration Report.

Introduction of LTI holding period

Long-Term Incentive (LTI) awards made to our CEO Damian Gammell in 2019 and future years will be subject to an additional two year holding period following the end of the three year performance period.

CCEP already has a strong focus on ensuring there is alignment between the CEO and the long-term interests of shareholders. The CEO is required to build up and hold shares equivalent to 300% of salary, which he must continue to hold for one year following cessation of employment. He currently holds shares equivalent to 283% of salary.

The introduction of an additional two year holding period in respect of all LTI awards made from 2019 will further enhance this alignment and ensure CCEP is compliant with the provision as set out in the 2018 UKCGC.

Context for executive remuneration at CCEP - business performance

The Remuneration Policy is designed to be simple, transparent and incentivise the delivery of the business strategy in a manner that aligns the interests of management and shareholders. This alignment is reflected through the significant focus on variable remuneration, which sets stretching performance targets against our key financial performance indicators.

SEE OUR PERFORMANCE INDICTORS ON **PAGE 1**

Performance during 2018 has been strong, with above target performance being achieved in respect of all our key financial measures. This has resulted from the delivery of our Merger commitments and our ongoing focus on driving profitable revenue growth through strong price and mix realisation as well as solid in market execution. Payments in respect of our incentive arrangements are reflective of this underlying business performance.

Remuneration outcomes for 2018

Annual bonus

Similarly to last year, the Committee used its discretion to adjust the formulaic outcome of the bonus calculation. This discretion was applied to ensure that the bonus payment was a true reflection of underlying business performance and in particular, not artificially inflated as a result of the underspend in respect of restructuring costs that occurred during the year.

Overall, the adjustments have resulted in a reduction in the overall bonus for Damian Gammell from 71% of maximum to 63% of maximum or 256% of salary to 227% of salary. See further details on page 81.

Long-term incentives

Damian Gammell had no long-term incentive awards vesting in the year that were subject to performance conditions for the year ending 31 December 2018. However, the final tranches of Restricted Stock Units (RSUs) and share option awards that were made prior to the Merger, in November 2015, did vest during the year. See full details on page 83.

Implementation of Remuneration Policy in 2019

Our strategic priorities remain unchanged as we continue to focus on delivering growth aligned with our three year plan. The current remuneration framework continues to support this strategy and therefore the Remuneration Policy will be operated in 2019 on a very similar basis as it was during 2018.

Remuneration element	2019 Implementation	Key terms
Base salary See page 85	2.6% increase	Aligned with UK wider workforce increase
Pension See page 85	£30,000 (2.6% of salary)	Payment in lieu of pension – aligned with policy for all other UK employees
Annual bonus See page 85 for further details including definitions of financial metrics	Target opportunity of 150% of salary	Subject to financial and individual performance calculated on a multiplicative basis
		Financial measures of operating profit, revenue and operating free cash flow aligned with key financial indicators
LTI See page 86	Target award of 250% of salary	Subject to Earnings Per Share (EPS) and Return on Invested Capital (ROIC) performance each with an equal weighting
		Additional two year holding period to apply following three year performance period

Looking ahead

2019 ARR

The Committee continues to focus on ensuring that the ARR remains compliant with all legislative requirements as they come into force and is aligned with evolving good governance, while remaining meaningful and motivational for our employees.

On this basis, the 2019 ARR will include further details of how the provisions of the 2018 UKCGC have been implemented as well as disclosure of the CEO pay ratio for 2019.

Remuneration Policy review

We are entering the third year of our first Remuneration Policy, which was approved by shareholders in 2017 following the Merger. We intend to review this policy fully during 2019 to ensure that it:

- Remains focused on delivering our business strategy
- Continues to be aligned with the latest Corporate Governance guidelines, legislative requirements and best practice
- Is considered in the context of the remuneration of the wider workforce
- Maintains the principles of simplicity, transparency and alignment of interests between management and shareholders

We will ask shareholders to approve this revised Remuneration Policy at our AGM in 2020.

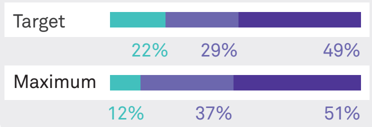
I hope we continue to receive your support in respect of our ARR at our forthcoming AGM and look forward to engaging with you during 2019 as we review our Remuneration Policy.

Christine Cross
Chairman of the Remuneration Committee
14 March 2019

OVERVIEW OF THE REMUNERATION POLICY

OVERVIEW OF THE REMUNERATION POLICY

OUR REMUNERATION POLICY WAS APPROVED BY OVER 90% OF OUR SHAREHOLDERS AND IS BASED ON THE FOLLOWING PRINCIPLES

KEY PRINCIPLE	APPLICATION TO POLICY	CURRENT IMPLEMENTATION
INCENTIVISE DELIVERY OF THE BUSINESS STRATEGY	Annual bonus and LTIP measures aligned to the KPIs of the business	**Annual bonus metrics** Operating profit (50%) Revenue (30%) Operating free cash flow (20%) **LTIP metrics** EPS (50%) ROIC (50%) See ARR for detailed definitions
SIMPLE, TRANSPARENT AND ALIGNED BETWEEN PARTICIPANTS AND SHAREHOLDERS	• Only two simple incentive plans operated • Strong focus on pay for performance • Majority of remuneration package delivered in shares • Significant shareholding requirement of three times salary	CEO PAY MIX LINKED TO PERFORMANCE 
CONSISTENT POLICY ACROSS THE MANAGEMENT TEAM TO FOSTER THE DEVELOPMENT OF TALENT AND SUCCESSION	The same remuneration framework is applied to all members of the ELT (but with lower incentive levels)	Fixed pay + Annual bonus + LTIP
VARIABLE REMUNERATION SHOULD BE PERFORMANCE RELATED AGAINST STRETCHING TARGETS	Targets are set at stretching levels in the context of the business plan and external forecasts	• Target performance linked to business plan • Maximum payout requires performance significantly above consensus

SUMMARY OF REMUNERATION POLICY TABLE

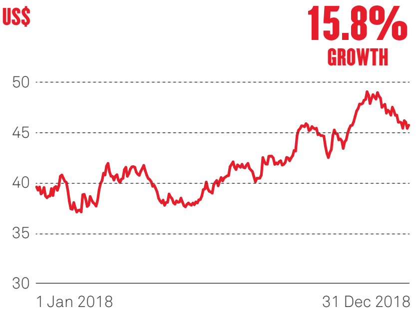
	Fixed pay	Annual bonus	LTIP
KEY FEATURES	**Base salary:** Annual increases will normally take into account business performance and increases awarded to the general workforce. **Benefits:** A range of benefits may be provided in line with market practice. **Pension:** • Can participate in the UK pension plan or receive a cash allowance on the same basis as all other employees • Maximum employer contribution is £30k	• Target bonus opportunity is 150% of salary • Bonus calculated by multiplying the target bonus by a Business Performance Factor (0-200%) and an Individual Performance Factor (0-120%). • Business and Individual performance targets are set in the context of the strategic plan. • Malus and clawback provisions may apply to awards	• Based on performance measures aligned to the strategic plan and measured over at least three financial years • Target LTIP award is 250% of salary (500% of salary maximum) • Malus and clawback provisions may apply to awards
LINK TO STRATEGY	Supports recruitment and retention of Executive Directors of the calibre required for the long-term success of the business	• Incentivises delivery of the business plan on an annual basis • Rewards performance against key indicators which are critical to the delivery of the strategy	• Focused on delivery of Group performance over the long term • Delivered in shares to provide alignment with shareholders' interests

A full copy of the Remuneration Policy can be found in the 2016 Annual Report which is in the Financial Reports section within the Investor section of our website at **http://ir.ccep.com**

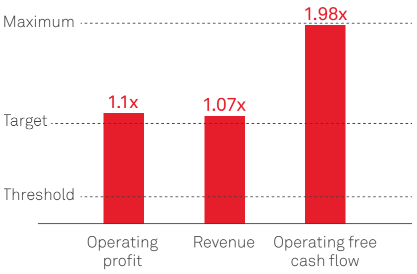
REMUNERATION AT A GLANCE

OVERVIEW OF 2018 REMUNERATION PERFORMANCE

CCEP SHARE PRICE
US$

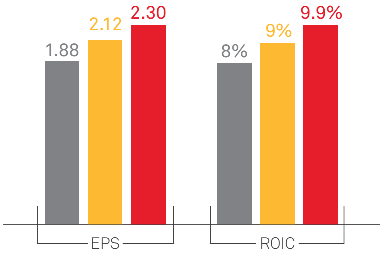


PERFORMANCE VS ANNUAL KPIs
BONUS PAYOUT = 63% OF MAXIMUM
(Including IPF of 1.2x)



See ARR for detailed definitions

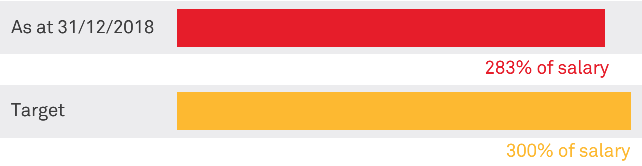
PERFORMANCE VS LONG-TERM KPIs
● 2016 ● 2017 ● 2018



2018 CEO SINGLE FIGURE

● Fixed pay ● Annual Bonus

CEO SHAREHOLDING



● Current shareholding (% salary) ● Shareholding requirement by 31/12/2021

READ MORE IN THE ANNUAL REPORT ON REMUNERATION FROM **PAGE 80**

OVERVIEW OF 2019 CEO REMUNERATION FRAMEWORK

Fixed pay + Annual bonus + LTIP

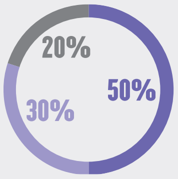
Base salary
Effective from
1 April 2019

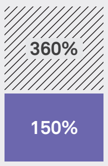
£1.16M

Benefits
- Car allowance
- Private medical
- School fees
- Financial planning

Pension
Cash in lieu

£30K

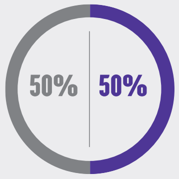


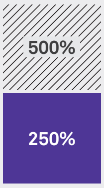


0x–1.2x **Individual Multiplier**

● Operating profit
● Revenue
● Operating free cash flow

● Target
▨ Maximum





● ROIC
● EPS

● Target
▨ Maximum

READ MORE IN THE ANNUAL REPORT ON REMUNERATION FROM **PAGE 85**

ANNUAL REPORT ON REMUNERATION

Remuneration outcomes for 2018

The following pages set out details of the remuneration received by Directors for the financial year ending 31 December 2018. Prior year figures have also been shown. Audited sections of the report have been identified.

Single figure table for Executive Directors (audited)

Individual	Year	Salary (£000)	Taxable benefits (£000)	Annual bonus (£000)	Long-term incentives (£000)	Pension (£000)	Total remuneration (£000)
Damian Gammell	2018	1,121	121	2,546	0	26	3,814
	2017	1,100	185	2,405	0	26	3,716

Notes to the single figure table for Executive Directors (audited)

Base salary

Damian Gammell received a base salary increase of 2.6% from £1,100,000 to £1,128,600 effective from 1 April 2018. This increase was in line with the average increase provided to the wider UK workforce.

Taxable benefits

During the year, Damian Gammell received the following main benefits: car allowance (£14,000), financial planning allowance (£10,000), schooling allowance (£75,000) and family private medical coverage (£8,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other UK employees. Damian Gammell elected to receive a cash allowance in lieu of participation in the pension scheme. This equates to a payment of £30,000 from CCEP inclusive of employer National Insurance costs (i.e. the actual benefit received by Damian is less than £30,000 per year).

Annual bonus

Overview of CCEP's annual bonus design

The 2018 CCEP annual bonus plan was designed to incentivise the delivery of the business strategy and comprised the following elements:

Business Performance Factor (BPF) – provides alignment with our core objectives to deliver strong financial performance against our main financial performance indicators of:

- Operating profit (50%)
- Revenue (30%)
- Operating free cash flow (20%)

Individual Performance Factor (IPF) – individual objectives were also set for Damian Gammell focused on our five strategic imperatives. The five objectives were as follows:

- Driving top line revenue growth
- Improving the customer experience
- Strategic cost management
- Building stakeholder equity
- Leading the development of CCEP's culture, talent and diversity

In line with the Remuneration Policy, Damian Gammell had a target bonus opportunity of 150% of salary. Actual payments could range from zero to a maximum of 360% of salary depending on the extent to which both business and individual performance measures were achieved.

Target bonus (150% of base salary) x **BPF** (0x to 2.0x) x **IPF** (0x to 1.2x) = **Final bonus outcome** (0% salary to 360% salary)

2018 annual bonus outcome – BPF

Performance in 2018 has been strong with above target performance being achieved in respect of all three financial measures:

		Performance targets[A]			Performance outcome	
Measures	**Weighting**	**Threshold (0.25x multiplier)**	**Target (1.0x multiplier)**	**Maximum (2.0x multiplier)**	**Actual outcome[B]**	**Multiplier achieved**
Operating profit[C]	50%	€1,097m	€1,273m	€1,426m	€1,284m	1.10x
Revenue[D]	30%	€11,154m	€11,652m	€12,051m	€11,693m	1.07x
Operating free cash flow[E]	20%	€1,186m	€1,361m	€1,514m	€1,510m	1.98x
Total	**100%**					1.26x

(A) All targets set on a constant currency basis at budgeted foreign exchange rates. Operating profit is defined as comparable operating profit including restructuring expenses. Refer to page 85 for definition of revenue and operating free cash flow targets.
(B) Actual outcome is provided only to assess performance against performance targets for the purpose of calculating the Business Performance Factor (BPF) relating to the annual bonus.
(C) Comparable operating profit (refer to page 29) adjusted for budgeted restructuring and other items (see below), at 2018 budgeted foreign exchange rates.
(D) For the purposes of the annual bonus, revenue is as defined on page 29, at 2018 budgeted foreign exchange rates.
(E) For the purposes of the annual bonus, this measure is defined as comparable operating profit as set out on page 29, including depreciation and amortisation and adjusting for capital expenditures and proceeds from sale of property, plant and equipment, budgeted restructuring cash expenditures (see below) and changes in operating working capital, at 2018 budgeted foreign exchange rates.

The Committee once again determined that in calculating the bonus outcome, all restructuring expenses in respect of the operating profit measure and all cash restructuring costs in respect of the operating free cash flow measure should be held at budgeted amounts. This applied the same principle that was used in respect of the 2017 annual bonus, to ensure that management does not benefit from any underspend in restructuring costs during 2018 that arose purely as a result of a change in assumptions. The Remuneration Committee also neutralised other minor variances in respect of exceptional items which were considered to be outside of management's control or where there had been significant changes to original budget assumptions. These variances related to the acceleration of capital expenditure from 2018 to 2019, the recovery of VAT payments and increases in inventory levels.

The Committee exercised its discretion such that the overall impact of these adjustments resulted in a reduction to the formulaic bonus payout, with a decrease in the Business Performance Factor from 1.42x to 1.26x.

2018 annual bonus outcome – IPF

To determine an appropriate IPF, the Chairman of the Board assesses Damian Gammell's performance against the individual performance objectives that were set at the start of the year based on our five strategic imperatives. The outcome is then discussed with and recommended by the Committee for final approval by the Board.

Overall, the Committee determined that Damian led the business exceptionally well duing 2018, delivering both strong in year business results and laying further foundations for future growth in accordance with the Company's long-term strategic objectives. This performance was also delivered in a challenging external environment which included the sugar tax in the UK as well as the CO_2 shortage across Europe. Given this strong performance the Committee awarded an IPF of 1.2x.

Further details of some of the specific objectives achieved are included in the table below:

Objective	**Achievements**
Drive top line revenue growth	• Total revenue growth above target levels • Continued diversification and portfolio expansion across CCEP (e.g. successful launch of Fuze Tea) • Implemented number of projects to support future growth ambitions
Improve the customer experience	• Obtained Board approval for a new CCEP sales force strategy • Continued to build world class key account and wholesaler capabilities
Strategic cost management	• Delivered target level of synergies of €120m • Implemented digital transformation programme across the business • Created new long-term ways of working with TCCC
Building stakeholder equity	• Has taken a lead role in finding solutions to single use plastics • Significant engagement and collaboration with TCCC to align strategic objectives • Objectives met in respect of wider stakeholder engagement including investors and regulators
Leading the development of CCEP's culture, talent and diversity	• Lost time incident rate reduced from 1.23 to 1.14 • Strong employee engagement score • On track to meet targeted improvements in respect of diversity • Excellent progress on sustainabilty commitments through This is Forward

2018 annual bonus outcome – Calculation

Based on the level of performance achieved as set out above, this resulted in a bonus payment to Damian Gammell of £2.546 million:

Target bonus (150% of base salary) x **BPF** (1.26x) x **IPF** (1.2x) = **Final bonus outcome** (227% of salary)

ANNUAL REPORT ON REMUNERATION CONTINUED

Long-term incentives

Awards vesting for performance in respect of 2018

Damian Gammell had no long-term incentive awards vesting in the year that were subject to performance conditions for the period ending 31 December 2018. Full details of all outstanding awards are on page 83.

Awards granted in 2018

A conditional award was made under the CCEP Long-Term Incentive Plan to Damian Gammell on 12 March 2018, with a target value of 250% of salary. Further details are set out below:

Individual	Date of award	Maximum number of shares under award	Closing share price at date of award	Face value	Performance period	Normal vesting date
Damian Gammell	12/03/2018	178,000	$41.78	$7,436,840	1 Jan 2018 - 31 Dec 2020	12/03/2021

The vesting of awards is subject to the achievement of the following performance targets:

			Vesting level[C]		
Measure	Definition	Weighting	25%	50%	100%
EPS[A]	Compound annual growth over the three year period 2018–2020	50%	4.0% p.a.	7.5% p.a.	11.0% p.a.
ROIC[B]	ROIC achieved in the final year of the performance period (2020)	50%	9.5%	11.0%	12.5%

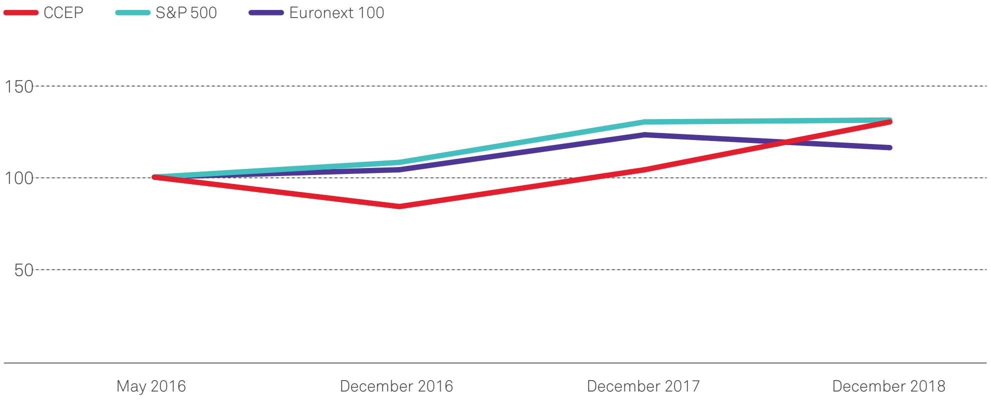
(A) Comparable and on a tax, currency and share buyback neutral basis.

(B) ROIC calculated as comparable operating profit after tax, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents. For the purpose of these awards, invested capital excludes the effect of the Group's adoption of IFRS 16 on 1 January 2019.

(C) Straight line vesting between each vesting level (shown).

Historical TSR performance and Chief Executive remuneration outcomes

The chart below compares the Total Shareholder Return (TSR) performance of CCEP from Admission up until 31 December 2018 with the TSR of both the Euronext 100 and the S&P 500. These indices have been chosen as recognised equity market indices of companies of a similar size, complexity and global reach as CCEP.



The following table summarises the historical CEO's single figure of total remuneration and annual bonus payout as a percentage of the maximum opportunity over this period:

	2016[A] John Brock	2016[A] Damian Gammell	2017 Damian Gammell	2018 Damian Gammell
CEO single figure of remuneration ('000)	$3,890	£27	£3,716	£3,814
Annual bonus payout (as a % of maximum opportunity)	31.23%	40.6%	60.7%	63.1%
LTI vesting (as a % of maximum opportunity)	N/A	N/A	N/A	N/A

(A) The figures for 2016 are in respect of the period for which each individual served as CEO during the year. John Brock served as CEO from 29 May to 28 December 2016. Damian Gammell served as CEO from 29 December to 31 December 2016.

Percentage change in CEO remuneration

The table below shows the percentage change in CEO remuneration from 2017 to 2018 compared to the average percentage change in remuneration for all UK employees. The UK population was considered to be the most appropriate as it most closely reflects the reward environment of the CEO.

	CEO	Other employees
Base salary	2.6%	2.6%
Taxable benefits	(34.6%)	1.7%
Annual bonus	5.9%	9.9%

Relative importance of spend on pay

The table below shows a summary of distributions to shareholders by way of dividends and share buyback as well as total employee expenditure for 2017 and 2018, along with the percentage change of each.

	2018	2017	% change
Total employee expenditure	€1,768m	€1,719m	2.9%
Dividends	€513m	€489m	4.9%
Share buybacks	€502m	N/A	N/A

Payments to past Directors (audited)

As disclosed fully in the 2016 ARR, payments were made to John Brock subsequent to his retirement following the Merger. These payments were in accordance with the rights and obligations set out in his employment agreement, the last of which was paid in May 2018.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Statement of Directors' share ownership and share interests (audited)

Interests of the CEO

As stated above, the CEO is required to hold 300% of his base salary in shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested shares from incentive awards (post-tax) must be retained. The guideline continues to apply for one year following termination of employment.

Share ownership requirements and the number of shares held by Damian Gammell are set out in the table below.

	Interests in shares at 31 December 2018	Interests in share incentive schemes subject to performance conditions at 31 December 2018(A)(B)	Interests in share incentive schemes not subject to performance conditions at 31 December 2018(A)(C)	Interests in share option schemes(A)(B)	Share ownership requirement as a % of salary	Share ownership as a % of salary achieved at 31 December 2018(D)
Damian Gammell	90,345	445,400	60,300	324,643	300%	283%

(A) For further details of these interests, please refer to the outstanding awards table below.
(B) Do not count towards achievement of the share ownership guideline.
(C) Count towards achievement of the share ownership guideline on an assumed net of tax basis.
(D) Our share ownership policy stipulates that the Committee will translate the percentage of base salary requirement (300%) into a number of shares, using base salary (£1.1m), average of the high and low share price on the NYSE ($31.97), and the currency exchange rate (GBP/USD exchange rate of 1:1.25604) on 1 December 2016. This results in a share ownership requirement for Damian Gammell of 129,651 shares.

Details of the CEO's outstanding share awards are set out in the table below.

Director and grant date	Form of award	Exercise price	Number of shares subject to awards at 31 December 2017	Granted during the year	Vested during the year	Exercised during the year	Lapsed during the year	Number of shares subject to awards at 31 December 2018	End of performance period	Vesting date	Exercise period end
Damian Gammell											
02.11.15	RSU(A)	N/A	39,000	—	39,000	N/A	—	—	N/A	12.10.18	N/A
05.11.15	PSU(B)	N/A	60,300	—	—	N/A	—	60,300	31.12.16	30.04.19	N/A
05.11.15	Options(C)	$39.00	108,215	—	108,215	—	—	—		05.11.18	05.11.25
27.03.17	PSU(D)	N/A	267,400	—	—	N/A	—	267,400	31.12.19	28.03.20	N/A
12.03.18	PSU(D)	N/A	—	178,000	—	N/A	—	178,000	31.12.20	12.03.21	N/A

(A) Restricted Stock Unit (RSU) award vests in three tranches. First tranche (19,500) vested on 12 October 2016. Second tranche (19,500) vested on 12 October 2017. Final tranche (39,000) vested on 12 October 2018.
(B) Performance Share Unit (PSU) – the performance condition was satisfied at target on 31 December 2016. Award will vest on 30 April 2019.
(C) Options vest in three equal tranches. First tranche (108,214) vested on 5 November 2016. Second tranche (108,214) vested on 5 November 2017. Final tranche (108,215) vested on 5 November 2018. All options remain unexercised.
(D) Performance Share Unit. The number of shares shown is the maximum number of shares that may vest if the performance targets are met in full.

ANNUAL REPORT ON REMUNERATION CONTINUED

Interests of other Directors

The table below gives details of the share interests of each NED either through direct ownership or connected persons.

	Interests in shares at 31 December 2018
Sol Daurella(A)	32,354,039
Jan Bennink	27,200
José Ignacio Comenge Sánchez-Real(A)	7,740,332
Francisco Crespo Benítez(C)	—
Christine Cross	—
J. Alexander M. Douglas, Jr(B)	—
Javier Ferrán	—
Irial Finan	—
Álvaro Gómez-Trénor Aguilar(C)	3,102,926
L. Phillip Humann	51,717
Orrin H. Ingram II	10,000
Thomas H. Johnson	10,000
Alfonso Líbano Daurella(A)	6,495,125
Véronique Morali	—
Mario Rotllant Solá	—
Francisco Ruiz de la Torre Esporrín(B)	—
Garry Watts	10,000
Curtis R. Welling	10,000

(A) Shares held indirectly through Olive Partners. The numbers of shares increased slightly during the year as a result of a reduction in Olive Partners' share capital.
(B) Resigned from the Board on 7 March 2018.
(C) Appointed to the Board on 7 March 2018.

Dilution levels

The terms of the Company's share plans set limits on the number of newly issued shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association, these limits restrict overall dilution under all plans to under 10% of the Company's issued share capital over a 10 year period in relation to the Company's issued share capital, with a further limitation of 5% in any 10 year period on discretionary plans.

Single figure table for NEDs (audited)

The following table sets out the total fees and taxable benefits received by the Chairman and NEDs for the year ended 31 December 2018. Prior year figures are also shown.

	2018 (£'000)				2017 (£'000)			
Individual	Base fee	Chairman/ Committee fees	Taxable benefits(A)	Total fees	Base fee	Chairman/ Committee fees	Taxable benefits(A)	Total fees
Sol Daurella	550	25	–	575	550	25	6	581
Jan Bennink	80	45	7	132	80	45	6	131
José Ignacio Comenge Sánchez-Real	80	15	7	102	80	15	6	101
Francisco Crespo Benítez(C)	66	8	7	81	N/A	N/A	N/A	N/A
Christine Cross	80	50	8	138	80	50	5	135
J. Alexander M. Douglas, Jr(B)	15	2	–	17	80	10	7	97
Javier Ferrán	80	30	1	111	80	30	6	116
Irial Finan	80	25	7	112	80	25	6	111
Álvaro Gómez-Trénor Aguilar(C)	66	–	6	72	N/A	N/A	N/A	N/A
L. Phillip Humann	80	20	11	111	80	20	11	111
Orrin H. Ingram II	80	25	8	113	80	25	8	113
Thomas H. Johnson	110	25	11	146	110	25	14	149
Alfonso Líbano Daurella	80	20	1	101	80	20	6	106
Véronique Morali	80	25	3	108	80	25	9	114
Mario Rotllant Solá	80	15	6	101	80	15	6	101
Francisco Ruiz de la Torre Esporrín(B)	15	–	–	15	80	–	6	86
Garry Watts	80	50	1	131	80	50	4	134
Curtis R. Welling	80	25	6	111	80	25	8	113

(A) Taxable benefits mainly relate to travel and accommodation costs in respect of attendance at Board meetings with fx rates used as at the date of the transaction.
(B) Resigned from the Board on 7 March 2018.
(C) Appointed to the Board on 7 March 2018.

Implementation of Remuneration Policy for 2019

Base salary

Damian Gammell will receive a 2.6% salary increase with effect from 1 April 2019. This reflects strong performance during the year and is in line with the average increase provided to the wider UK workforce and more generally across the business.

Individual	2018 salary	2019 salary (effective from 1 April)	% increase
Damian Gammell	£1,128,600	£1,157,944	2.6%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2019. The main benefits for Damian Gammell will continue to include allowances in respect of: a car, financial planning, schooling and private healthcare.

Pension

No changes are proposed in respect of the pension provision for Damian Gammell. He will continue to receive a cash allowance of £30,000 (inclusive of employer National Insurance contributions) in lieu of participation in the pension scheme.

Annual bonus

No changes have been made to the structure of the annual bonus plan for 2019 and the opportunity for Damian Gammell will remain unchanged at 150% of salary for target performance and 360% for maximum performance.

Performance will continue to be assessed against financial and individual performance measures on a multiplicative basis as set out on page 80. The financial measures and relative weightings will also remain unchanged. However, the operating profit measure will no longer include restructuring expenses as we are now coming to the end of our synergy programme following the Merger.

Measure	Definition	Weighting
Operating profit	Comparable operating profit on a currency neutral basis	50%
Revenue	Revenue on a currency neutral basis	30%
Operating free cash flow	Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, proceeds from sale of property, plant and equipment, restructuring cash expenditures and changes in operating working capital, on a currency neutral basis	20%

In determining the IPF for Damian Gammell for 2019 he will be assessed against a number of areas of focus which are aligned to the key longer-term strategic objectives of the business, which include:

Strategic Intent	Areas of focus include:
Increase and diversify the revenue and profit pools for CCEP	• Value share in sparkling • Away from home revenues • NPD revenues
Deliver great service internally and externally for our employees and customers	• Customer satisfaction/service levels
Improve the competitivenes of CCEP	• Implementation of competitiveness plan to deliver targeted value of productivity
Enhance and protect CCEP and its industry licence to operate with our stakeholders	• Franchise alignment • Further development of This is Forward • Investor relations
Improve the engagement, diversity and capability of our workforce	• Health and safety, including further improvement of lost time accident rate • Achieve targeted levels in respect of diversity and inclusion • Engagement action plan

The actual financial targets are not disclosed prospectively as they are deemed commercially sensitive. We intend to disclose them in next year's ARR. A description of individual performance including specific quantitative measures (where appropriate) will also be disclosed in next year's ARR.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2019 will be aligned with the limits set out in the Remuneration Policy. He will be made a target award of 250% of salary and may receive up to 2x this target award if the maximum performance targets are achieved.

Performance will be assessed against the following EPS and ROIC targets over a three year period, each with an equal weighting. Targets have been set at stretching levels taking into account both our long-term plan and external forecasts. EPS targets for 2019 awards include the impact of share buybacks to provide greater alignment with external expectations. The targets have been set based on current assumptions in respect of share buybacks over the performance period. The final performance targets will be adjusted to reflect the actual value of share buybacks made during the performance period to neutralise any variances and will be fully disclosed at the time of vesting.

Following the end of the performance period, awards will be subject to an additional two year holding period.

			Vesting level(C)		
Measure	**Definition**	**Weighting**	**25%**	**100%**	**200%**
EPS(A)	Compound annual growth over the three year period to FY 2021	50%	5.7%	11.0%	15.5%
ROIC(B)	ROIC achieved in the final year of the performance period (FY 2021)	50%	10.9%	12.4%	13.9%

(A) Comparable and on a tax and currency neutral basis.

(B) ROIC calculated as comparable operating profit after tax, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the total of borrowings and equity less cash and cash equivalents. For the purpose of these awards, invested capital excludes the effect of the Group's adoption of IFRS 16 on 1 January 2019.

(C) Straight line vesting between each vesting level.

Chairman and NED fees

NED fees were set prior to the Merger and are subject to a review every three years. In accordance with this timeline, the NED and Chairman fees have been reviewed and will increase by approximately 2.6%. This increase will be effective from 1 April 2019.

Role		Current fees	Fees effective 1 April 2019
Chairman		£550,000	£564,250
NED basic fee		£80,000	£82,000
Additional fee for Senior Independent Director		£30,000	£30,750
Additional fee for Committee Chairman:	Audit, Remuneration and Affiliated Transaction Committees	£35,000	£36,000
	Nomination and CSR Committees	£20,000	£20,500
Additional fee for Committee Membership:	Audit, Remuneration and Affiliated Transaction Committees	£15,000	£15,500
	Nomination and CSR Committees	£10,000	£10,250

The Remuneration Committee

The entire Board determines the terms of the compensation of the CEO and fees for the NEDs and Chairman on the Committee's recommendation. The Committee is also responsible for approving the Remuneration Policy and setting the remuneration for each member of the ELT reporting to the CEO. The Committee's terms of reference were reviewed during 2018 in the context of the 2018 UKCGC and approved by the Board on 24 October 2018. They can be found in the corporate governance section within the Investors section of our website at ir.ccep.com.

Remuneration Committee members and attendance

In line with the Shareholders' Agreement, the Committee has five members. They are three independent NEDs, one Director nominated by Olive Partners and one Director nominated by European Refreshments (an indirect subsidiary of TCCC). The Committee met five times during the year, with attendance as set out in the table on page 60 of the Corporate Governance Report.

Remuneration Committee key activities

The table below gives an overview of the key agenda items discussed at each meeting of the Committee during 2018:

Meeting date	Key agenda items
February 2018	• Determine performance outcomes for the 2017 annual bonus • ELT individual objectives for 2018 annual bonus
March 2018	• Annual base salary review for the ELT • Agree target award levels for 2018 Annual Bonus and LTIP awards • Determination of financial performance targets for the 2018 annual bonus and LTIP awards • Agree final performance outcome for legacy German Cash LTIP • Review of Remuneration Policy and ARR • Progress report on ELT shareholding requirements • Consideration of LTI holding period
May 2018	• Annual pension review • Gender and equal pay review • Review of ELT service contracts • AGM voting update
October 2018	• ELT benchmarking review • Performance update for 2018 annual bonus and 2017 LTIP • AGM season review and UK corporate governance reforms update • Update on proposed remuneration arrangements across the wider workforce • Updates to LTI award documentation • Review of terms of reference to align with the 2018 UKCGC
December 2018	• Review of first draft of the ARR • Performance update for 2018 annual bonus and 2017 LTIP • Base pay design for 2019 • Annual bonus and LTIP design for 2019 • All employee remuneration arrangements

Support for the Remuneration Committee

During the year, Deloitte LLP (Deloitte) provided the Committee with external advice on executive remuneration. Deloitte is a member of the Remuneration Consultants Group and has voluntarily signed up to the Remuneration Consultants' Code of Conduct relating to executive remuneration consulting in the UK. The Committee is satisfied that the engagement partner and team that provides advice to the Committee do not have connections with CCEP that may impair their independence. During 2018, the wider Deloitte firm also provided CCEP with unrelated tax and consultancy services, including employment tax and financial advisory services.

Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during the year amounted to £54,350 based on the required time commitment.

The Chairman, the CEO, the CFO, and the Chief Human Resources Officer attended meetings by invitation of the Committee in order to provide it with additional context or information, except where their own remuneration was discussed.

Summary of voting outcomes

The table below shows how shareholders voted in respect of the ARR at the AGM held on 31 May 2018 and the Remuneration Policy at the AGM held on 22 June 2017:

Resolution	Votes For (%)	Votes Against (%)	Number of votes Withheld
Approval of the ARR	99.91%	0.09%	130,634
Approval of the Remuneration Policy	90.27%	9.37%	152,723

This Directors' Remuneration Report is approved by the Board and signed on its behalf by

Christine Cross
Chairman of the Remuneration Committee
14 March 2019