

Directors' Remuneration Report

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIRMAN



"We have made good progress against our strategic goals during 2017, resulting in above target performance in respect of all financial metrics linked to remuneration outcomes."

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for Coca-Cola European Partners plc (the Group) for the year ended 31 December 2017. This includes a summary of our Remuneration Policy which was approved by shareholders at our 2017 Annual General Meeting (AGM) and our Annual Report on Remuneration, which will be subject to an advisory vote at our 2018 AGM.

Context for executive remuneration at CCEP

As set out in my letter last year, following the Merger, the Remuneration Committee spent a considerable amount of time developing our Remuneration Policy and we were pleased that this was approved by over 90% of our shareholders.

The Remuneration Policy is designed to be simple, transparent and incentivise the delivery of the business strategy in a manner which aligns the interests of management and shareholders. This alignment is reflected through the significant focus on variable remuneration which sets stretching performance targets against the Company's key financial performance indicators outlined on page 11 of our Strategic Report.

Work during the year has also focused on cascading the Remuneration Policy through the organisation in order to foster the development of talent and succession, which has been a particular objective this year.

Remuneration outcomes for 2017

Annual bonus

We have made good progress against our strategic goals during 2017 and have started to realise the growth opportunities created by the Merger. This has resulted in above target performance being delivered in respect of all three financial metrics used to assess performance under the annual bonus (operating profit, revenue and operating free cash flow).

Based on performance against each of the financial metrics, the overall Business Performance Factor achieved was 1.27x target which, combined with an Individual Performance Factor for Damian Gammell of 1.15x, resulted in an total bonus payment of 146% of target, which equates to 61% of his maximum opportunity or 219% of salary.

It should be noted that there was an underspend in restructuring costs during the year in comparison to the original budget. This was primarily a result of changes in budget assumptions that were unforeseen at the time the budget was set.

To ensure that the bonus outcome was a fair reflection of the underlying performance of the business, the Committee determined that the bonus outcome should not be artificially inflated as a result of this underspend and adjusted the performance calculation accordingly.

This resulted in a reduction to the formulaic bonus pay-out with a decrease in the Business Performance Factor from 1.74x to 1.27x and a reduction in the overall bonus from 83% of maximum to 61% of maximum. Further details are provided on page 79.

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 2017. However, the second 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. Full details of these awards are provided on page 82.

Damian Gammell was granted an award under the Long-Term Incentive Plan (LTIP) in March 2017 which will vest in March 2020 subject to the achievement of stretching Earnings Per Share (EPS) and Return On Invested Capital (ROIC) targets. Further details of this award are provided on page 80.

Implementation of Remuneration Policy in 2018

Our strategic priorities remain unchanged as we continue to focus on delivering growth aligned with our three year plan. The remuneration framework developed last year continues to support this strategy and therefore, the Remuneration Policy will be operated on a very similar basis in 2018 as it was during 2017.

Base salary

Damian Gammell received a base salary increase of 2.6% effective 1 April 2018 aligned with the average increase provided to the wider UK workforce.

Pension

Damian Gammell will continue to receive an annual payment of £30,000 (2.7% of salary) in lieu of participation in the Company's pension scheme. This is aligned with the policy for all other employees throughout the organisation who receive a payment in lieu of company pension contributions.

Annual bonus

The financial measures for the 2018 annual bonus plan will remain aligned with our core objectives as stated on page 76 focusing on operating profit (50%), revenue (30%) and operating free cash flow (20%). The individual performance multiplier for Damian Gammell will be assessed on the same basis as for all other members of the Executive Leadership Team. This assessment will focus on the delivery of five objectives aligned to the five pillars of our strategic framework as well as the delivery of personal development objectives. No changes have been made to the bonus opportunity, which remains at 150% of salary for target performance and 360% of salary for maximum performance.

Long-term incentive

LTIP awards will be made in accordance with the Remuneration Policy with a target award of 250% of salary and a maximum award of 500% of salary. Awards will continue to be subject to stretching EPS and ROIC performance targets each with an equal weighting. Further details of these targets are provided on page 85.

Share ownership guideline

To provide further alignment with shareholders, Damian Gammell is required to hold shares equivalent to 300% of his base salary, including for a period of one year after cessation of employment. He is required to build up to this level within five years of appointment. Damian currently has a holding of 212% of salary and is therefore on track to meet this guideline within the required timeframe.

2018 AGM and shareholder engagement

I would like to thank shareholders again for the feedback provided during 2017 as we developed our Remuneration Policy and for their support in approving it at our 2017 AGM. We continue to value the feedback provided by our shareholders and are committed to maintaining an open dialogue with our major shareholders.

As outlined above, as our Remuneration Policy was only approved last year, we do not propose to make any significant changes to our remuneration arrangements at present. However, the Remuneration Committee is committed to ensuring that the Remuneration Policy and its implementation remains compliant with all legislative requirements as they come into force, and is aligned with evolving best practice, while continuing to take account of our overarching remuneration philosophy and delivering value to our shareholders.

Consequently, during 2018, the Remuneration Committee will pay close attention to any reforms implemented by the UK Government and will also review our general approach following the publication of the revised Corporate Governance Code which is expected later this year.

Finally, I would like to note that the transparency and equality of pay across all grades, gender and geographies remains a key focus of the business and is a regular item on the Remuneration Committee agenda.

I hope we continue to receive your support in respect of our Annual Report on Remuneration at our forthcoming AGM.

Christine Cross

Chairman of the Remuneration Committee

15 March 2018

OVERVIEW OF THE REMUNERATION POLICY

Strategic Report

Governance and Directors' Report

Financial Statement

Other Information

Overview of the Remuneration Policy

As outlined last year, following the Merger the Remuneration Committee spent considerable time developing our Remuneration Policy which is founded upon the following key principles:

Key principle	Application to Policy	Current implementation
Incentivise delivery of the business strategy	<ul style="list-style-type: none"> Annual bonus and LTIP measures aligned to the KPIs of the business 	<p>Annual bonus metrics^(A)</p> <p>Operating Profit Revenue Operating free cash flow</p> <p>LTIP metrics^(A)</p> <p>EPS ROIC</p>
Simple, transparent and aligned between participants and shareholders	<ul style="list-style-type: none"> 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 	<p>CEO pay mix linked to performance</p> <p>Target</p> <p>23% 29% 48%</p> <p>Maximum</p> <p>12% 37% 51%</p> <p>Key</p> <p>● Fixed pay ● Annual Bonus ● LTIP</p>
Consistent policy across the management team to foster the development of talent and succession	<ul style="list-style-type: none"> The same remuneration framework is applied to all members of the Executive Leadership Team 	<p>Fixed pay + Annual Bonus + LTIP</p>
Variable remuneration should be performance related against stretching targets	<ul style="list-style-type: none"> Targets are set at stretching levels in the context of the business plan and external forecasts 	<ul style="list-style-type: none"> Target performance linked to business plan Maximum payout requires performance significantly above consensus

^(A) See page 85 for definitions of metrics

Summary of Remuneration Policy Table

Element	Key Features	Link to strategy
Fixed pay	<p>Base salary</p> <ul style="list-style-type: none"> Annual increases will normally take into account business performance and increases awarded to the general workforce 	<ul style="list-style-type: none"> Supports recruitment and retention of Executive Directors of the calibre required for the long term success of the business
	<p>Benefits</p> <ul style="list-style-type: none"> A range of benefits may be provided in line with market practice 	
	<p>Pension</p> <ul style="list-style-type: none"> 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 	
Variable	<p>Annual bonus</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Incentivise delivery of the business plan on an annual basis Rewards performance against key indicators which are critical to the delivery of the strategy
	<p>LTIP</p> <ul style="list-style-type: none"> 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 	

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

2017 REMUNERATION AT A GLANCE

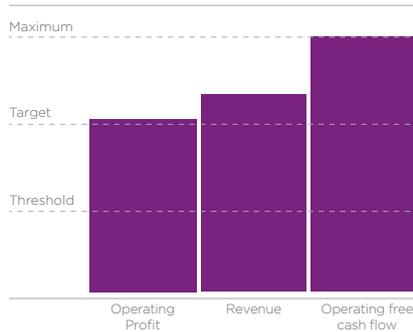
Overview of 2017 Remuneration Performance

CCEP share price
US\$

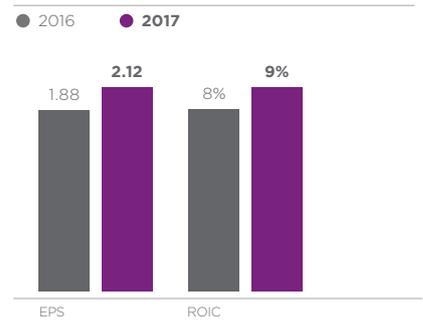


Performance vs Annual KPIs

Bonus payout = 61% of maximum

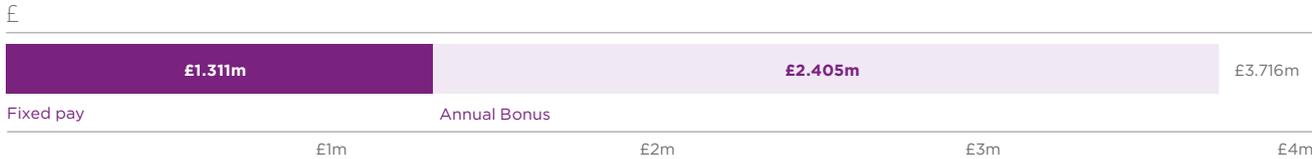


Performance vs long-term KPIs



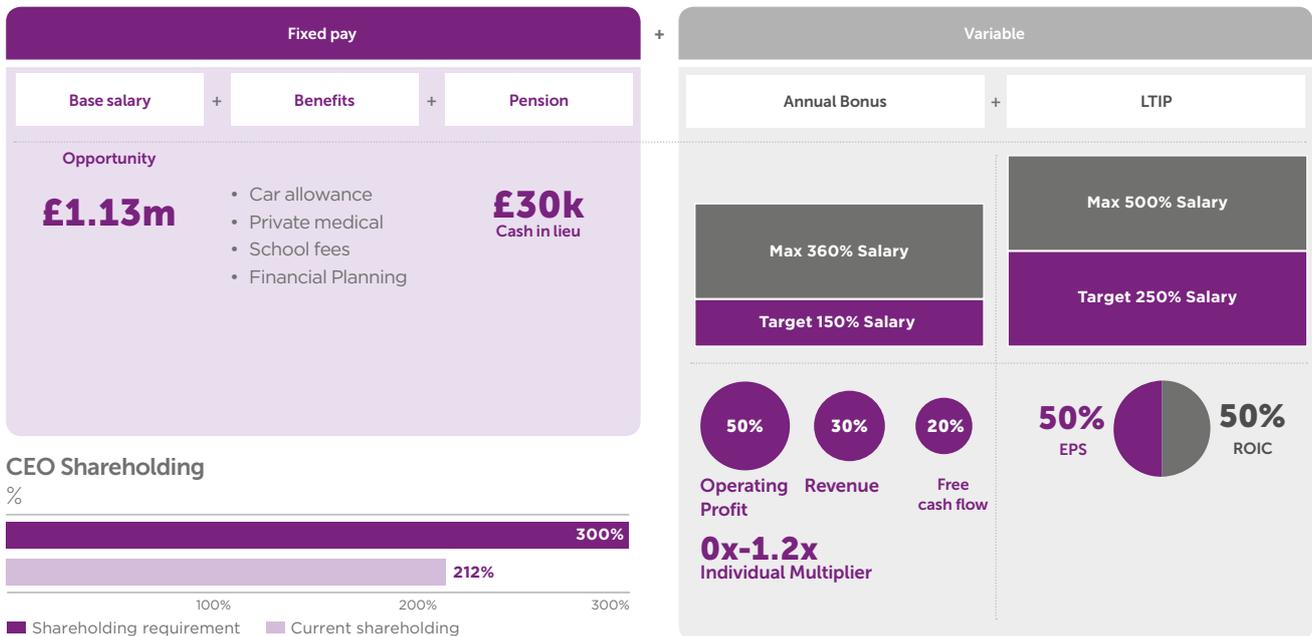
Overview of 2017 CEO Remuneration

Single figure



Overview of 2018 CEO Remuneration Framework

Remuneration elements



ANNUAL REPORT ON REMUNERATION

Remuneration outcomes for 2017

The following pages set out information in respect of remuneration received by Directors for the financial year ending 31 December 2017. Prior year figures have also been shown for the period from Admission (28 May 2016) up until 31 December 2016. Sections of the report that are audited have been highlighted.

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	2017	1,100	185	2,405	0	26	3,716
	2016 ^(A)	9	2	16	0	0	27

^(A) Damian Gammell was appointed as Chief Executive Officer and joined the Board on 29 December 2016. Figures shown above for 2016 are therefore for the period in which he served as an Executive Director (i.e. 29 Dec – 31 Dec: 3/366 days).

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

Base salary

Damian Gammell's base salary was set at £1,100,000 per year upon his appointment to the Board on 29 December 2016. No increase to his salary was made during 2017.

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 on post-tax basis), and international private medical coverage (£20,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other UK employees. Damian elected to receive a cash allowance in lieu of participation in the pension scheme and which equated to a payment of £30,000 from the Company 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 2017 CCEP annual bonus plan was designed following the completion of the Merger 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 aligned with our strategic objectives for the year. These included:

- Embedding a new CCEP culture
- Driving further diversity in the organisation
- Delivering against the Group's stated synergy savings target

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.



2017 annual bonus outcome – BPF

During the year the Company has made good progress in respect of delivering its key strategic objectives. The Group delivered another four consecutive quarters of operating profit growth and full-year revenue growth alongside very strong cash performance. This is reflected in above target performance being delivered under each of the financial elements of the annual bonus.

Measures	Weighting	Performance Targets ^(A)			Performance Outcome	
		Threshold (0.25x multiplier)	Target (1.0x multiplier)	Maximum (2.0x multiplier)	Actual outcome ^(B)	Multiplier achieved
Operating profit ^(C)	50%	€949m	€1,116m	€1,250m	€1,123m	1.05x
Revenue ^(D)	30%	€10,820m	€11,127m	€11,373m	€11,161m	1.14x
Operating free cash flow ^(E)	20%	€1,035m	€1,202m	€1,336m	€1,376m	2.00x
Total	100%					1.27x

^(A) All targets set on a constant currency basis at budgeted foreign exchange rates. Refer to page 85 for definition of 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 21) adjusted for budgeted restructuring (see below) and other items, at 2017 budgeted foreign exchange rates.

^(D) Revenue (refer to page 21), at 2017 budgeted foreign exchange rates.

^(E) Comparable Operating Profit (refer to page 21) 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 2017 budgeted foreign exchange rates.

As outlined in the Remuneration Committee Chairman's letter, the restructuring expense included in the definition of the operating profit measure and the cash restructuring expense included in the operating free cash flow measure were based on a number of assumptions that were difficult to budget for at the time the targets were set. A number of variances to these assumptions have occurred during the year resulting in the actual restructuring costs for the year being lower than those included in the budget.

To ensure that management did not benefit from any underspend in restructuring costs that arose purely as a result of a change in assumptions the Committee 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 rates. This resulted in a reduction to the formulaic bonus pay-out with a decrease in the Business Performance Factor from 1.74x to 1.27x.

2017 annual bonus outcome – IPF

The Remuneration Committee assessed Damian Gammell's performance against a number of individual performance objectives in determining an appropriate IPF. Overall, the Committee determined that Damian performed very strongly as the leader of the business during 2017 and awarded an IPF of 1.15x. This strong performance included: successfully leading the continued integration of the business, building a strong leadership team, setting a clear strategy and making significant positive changes across the portfolio.

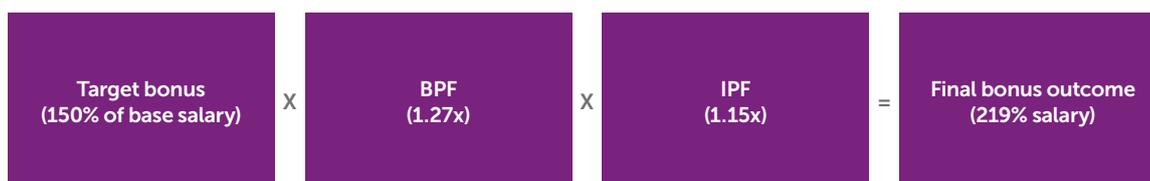
Annual Report on Remuneration continued

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

Objective	Achievements
Deliver synergy savings	<ul style="list-style-type: none"> Synergy savings target for 2017 was met and CCEP remains on track to deliver pre-tax savings of €315m to €340m through synergies by mid-2019
Embedding a new CCEP culture	<ul style="list-style-type: none"> Damian has actively led and supported the implementation and roll-out of the new CCEP culture, leading to a significant impact on the understanding of CCEP key strategies and culture throughout the business Over 350 senior leaders of the business have taken part in Accelerate Performance workshops to embed the new culture throughout the organisation
Driving further diversity through the organisation	<ul style="list-style-type: none"> Developed diversity and inclusion plans across each Business Unit and function with clear goals Board endorsement for CCEP wide gender diversity target
Ensure that safety and wellbeing are priorities of the business	<ul style="list-style-type: none"> Lost time accident rate reduced significantly to 1.23
Delivery of the sustainability and packaging strategy approved by the Board	<ul style="list-style-type: none"> Full execution of this strategy has been delivered through the launch of the This is Forward programme

2017 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 £2.405 million:



Long-term incentives

Awards vesting for performance in respect of 2017

Damian Gammell had no long-term incentive awards vesting in the year that were subject to performance conditions for the period ending 31 December 2017. Full details of all outstanding awards are shown on page 82.

Awards granted in 2017

A conditional award was made under the CCEP Long-Term Incentive Plan to Damian Gammell on 27 March 2017, prior to the current Remuneration Policy coming into effect.

This award comprised of two elements: (i) a target award of 250% of salary aligned with the forward looking Remuneration Policy, in respect of Damian's role as CEO of CCEP; and (ii) an additional transitional award with a target value of 120% of salary in recognition of Damian's previous services and LTI opportunity as COO of Coca-Cola Enterprises, Inc. during 2016, for which he did not receive an award due to the timing of the Merger.

The first awards to be made fully under the new Remuneration Policy will be made in March 2018, further details of which are provided on page 85.

Further details of the award made in March 2017 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	27/03/2017	267,400	\$37.78	\$10,102,372	1 Jan 2017 – 31 Dec 2019	28/03/2020

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

Measure	Definition	Weighting	Vesting level ^(C)		
			25%	50%	100%
EPS ^(A)	Compound annual growth over the three year period to FY 2019	50%	4.0% p.a.	8.7% p.a.	12.0% p.a.
ROIC ^(B)	ROIC achieved in the final year of the performance period (FY 2019)	50%	8.8%	10.4%	11.5%

^(A) Compared on a tax and currency neutral basis.

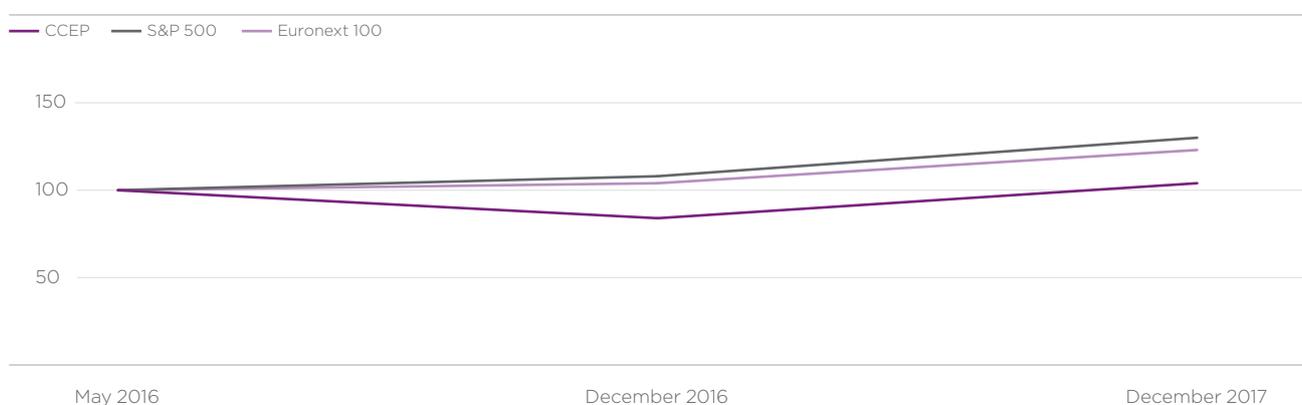
^(B) ROIC calculated as comparable operating profit after tax, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents.

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

Historical TSR performance and Chief Executive Remuneration outcomes

The chart below compares the Total Shareholder Return (TSR) performance of the Company from Admission up until 31 December 2017 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 the Company.

Historical TSR performance



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

	2016 ^(A)		2017
	John Brock	Damian Gammell	Damian Gammell
CEO single figure of remuneration ('000)	\$3,890	£27	£3,716
Annual bonus payout (as a % of maximum opportunity)	31.23%	40.6%	60.7%
LTI vesting (as a % of maximum opportunity)	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.

Requirements related to year on year changes

As the Company was listed in May 2016, details in respect of the percentage change in remuneration of the CEO and the relative importance of the spend on pay are not applicable this year as we have not yet completed two full financial years to compare on a like-for-like basis.

Payments to past directors (audited)

As disclosed fully in last year's Annual Report on Remuneration, payments were made to John Brock during the year in accordance with the rights and obligations set out in Mr Brock's employment agreement as a result of his retirement following the change in control.

Payments for loss of office (audited)

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

Annual Report on Remuneration

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 Company 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) have to 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 of the CEO

	Interests in shares at 31 December 2017	Interests in share incentive schemes subject to performance conditions at 31 December 2017 ^{(A),(B)}	Interests in share incentive schemes not subject to performance conditions at 31 December 2017 ^{(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 2017 ^(D)
Damian Gammell	39,145	267,400	99,300	324,643	300%	212%

^(A) For further details of these interests, please refer to the outstanding awards 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) The Company's share ownership policy stipulates that the Remuneration 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 FX of 1:1.25604) on 1 December 2016. This results in a share ownership requirement for Damian Gammell of 129,651 shares.

Details of CEO outstanding awards

Director and grant date	Form of award	Exercise price	Number of shares subject to awards at 31 December 2016	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 2017	End of performance period	Vesting date	Exercise period end
Damian Gammell											
02.11.15	RSU ^(A)	N/A	58,500	-	19,500	N/A	-	39,000	N/A	12.10.18	N/A
05.11.15	PSU ^(B)	N/A	63,000	-	-	N/A	-	63,000	31.12.16	30.04.19	N/A
05.11.15	Options ^(C)	\$39.00	216,429	-	108,214	-	-	108,215	N/A	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

^(A) Restricted Stock Unit 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) will vest on 12 October 2018.

^(B) Performance Share Unit - 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) will vest on 5 November 2018. All options remain unexercised.

^(D) Performance Share Unit - details of award set out on page 80. The number of shares shown is the maximum number of shares that may vest if the performance targets are met in full.

Interests of other Directors

The table below provides details of the share interests of each Non-executive Director either through direct ownership or connected persons.

	Interests in shares at 31 December 2017
Sol Daurella ^(A)	32,312,263
Jan Bennink	27,200
José Ignacio Comenge Sánchez-Real ^(A)	7,728,413
Christine Cross	0
J. Alexander M. Douglas, Jr	0
Javier Ferrán	0
Irial Finan	0
L. Phillip Humann	50,203
Orrin H. Ingram II	10,000
Thomas H. Johnson	10,000
Alfonso Líbano Daurella ^(A)	6,493,803
Véronique Morali	0
Mario Rotllant Solá	0
Francisco Ruiz de la Torre Esporrín	0
Garry Watts	10,000
Curtis R. Welling	10,000

^(A) Shares held indirectly through Olive Partners, S.A. (Olive Partners).

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.

Annual Report on Remuneration continued

Single Figure table for Non-executive Directors (audited)

The following table sets out the total fees and taxable benefits received by the Chairman and Non-executive Directors for the year ended 31 December 2017. The fees shown in respect of 2016 are from the date of the Company's Admission (28 May 2016) up until 31 December 2016.

Individual	2017 (£'000)				2016 (£'000)			
	Base fee	Chairman/Committee fees	Taxable benefits ^(A)	Total fees	Base fee	Chairman/Committee fees	Taxable benefits ^(A)	Total fees
Sol Daurella	550	25	6	581	321	15	6	342
Jan Bennink	80	45	6	131	47	26	5	78
José Ignacio Comenge Sánchez-Real	80	15	6	101	47	9	4	60
Christine Cross ^(B)	80	50	5	135	47	37 ^(A)	3	50
J. Alexander M. Douglas, Jr	80	10	7	97	47	6	5	58
Javier Ferrán	80	30	6	116	47	18	3	67
Irial Finan	80	25	6	111	47	15	6	67
L. Phillip Humann	80	20	11	111	47	12	7	66
Orrin H. Ingram II	80	25	8	113	47	15	4	65
Thomas H. Johnson	110	25	14	149	64	15	8	86
Alfonso Libano Daurella	80	20	6	106	47	12	10	69
Véronique Morali	80	25	9	114	47	15	10	71
Mario Rotllant Solá	80	15	6	101	47	9	5	61
Francisco Ruiz de la Torre Esporrín	80	0	6	86	47	0	5	52
Garry Watts	80	50	4	134	47	29	2	77
Curtis R. Welling	80	25	8	113	47	15	6	68

^(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. 2016 benefit figures have been updated to reflect the current agreement with HMRC, secured during 2017, in respect of taxable benefits relating to the 2016 financial year.

^(B) Chairman/Committee fees for 2016 have been updated to reflect payments that were made in 2017 in respect of duties performed in 2016.

Implementation of Remuneration Policy for 2018

Base salary

Damian Gammell received a 2.6% salary increase with effect from 1 April 2018 in line with the average increase provided to the wider UK workforce.

Individual	2017 salary	2018 salary (effective from 1 April)	% increase
Damian Gammell	£1,100,000	£1,128,600	2.6%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2018. The main benefits for Damian Gammell will continue to include allowances in respect of: a car, financial planning and schooling, as well as 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 2018 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 78. The financial measures and relative weightings will also remain unchanged:

Measure	Definition	Weighting
Operating Profit	Comparable Operating Profit including restructuring expenses, on a currency neutral basis	50%
Revenue	Revenue on a currency 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 constant currency basis.	20%

In determining the Individual Performance Factor for Damian Gammell for 2018 he will be assessed against five individual objectives which are focused on the five pillars of our strategic framework as well as the delivery of personal development objectives. This approach is consistent with that taken for all senior leaders of the business.

The five objectives are as follows:

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

The actual financial targets are not disclosed prospectively as they are deemed commercially sensitive. It is intended that they will be disclosed in next year's Annual Remuneration Report. A description of individual performance including specific quantitative measures (where appropriate) will also be disclosed in next year's Annual Remuneration Report.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2018 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 a equal weighting. Targets have been set at stretching levels taking into account both the Company's long-term plan and external forecasts.

Measure	Definition	Weighting	Vesting level ^(C)		
			25%	100%	200%
EPS ^(A)	Compound annual growth over the three year period to FY 2020	50%	4.0%	7.5%	11.0%
ROIC ^(B)	ROIC achieved in the final year of the performance period (FY 2020)	50%	9.5%	11.0%	12.5%

^(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 addition of borrowings and equity less cash and cash equivalents.

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

Annual Report on Remuneration continued

Chairman and Non-executive Director fees

No changes have been made to the fees of the Chairman and Non-executive Directors' which are as set out in the table below:

Role	Fees
Chairman	£550,000
Non-executive Directors' basic fee	£80,000
Additional fee for Senior Independent Director	£30,000
Additional fee for Committee Chairman: Audit, Remuneration and ATC	£35,000
Nomination and CSR	£20,000
Additional fee for Committee Membership: Audit, Remuneration and ATC	£15,000
Nomination and CSR	£10,000

The Remuneration Committee

The terms of the compensation of the CEO and fees for the Non-executive Directors and Chairman are determined by the entire Board upon the recommendation of the Remuneration Committee. The Remuneration Committee also has the responsibility of approving the Remuneration Policy and setting the remuneration for each member of the Executive Leadership Team reporting to the CEO. The Remuneration Committee's terms of reference were approved on 17 May 2016 and can be found in the corporate governance section within the Investors section of our website at <http://ir.ccep.com>.

Remuneration Committee members and attendance

In line with the Shareholders' Agreement, the Remuneration Committee has five members including three independent Non-executive Directors, one Director nominated by Olive Partners and one Director nominated by European Refreshments (an indirect subsidiary of The Coca-Cola Company). The Committee met five times during the year, with attendance as follows:

	Attendance
Christine Cross (Chairman of the Remuneration Committee)	5/5
Irial Finan (European Refreshments nominated Director)	5/5
Tom Johnson	5/5
Mario Rotllant Solá (Olive Partners nominated Director)	5/5
Garry Watts	5/5

Remuneration Committee key activities

The table below provides an overview of the key agenda items discussed at each meeting of the Remuneration Committee during 2017:

Meeting date	Key agenda items
March 2017 (2 meetings)	<ul style="list-style-type: none"> • Determine performance outcomes for 2016 annual bonus • Determination of financial performance targets for the 2017 annual bonus and LTIP awards • 2017 Executive Leadership Team (ELT) objectives • Granting of 2017 LTIP awards • Review of Remuneration Policy and Annual Report on Remuneration • Pension arrangements for high earners in the UK • Remuneration Committee performance review
May 2017	<ul style="list-style-type: none"> • Annual pension review • Review of terms of reference • Advisor performance review
October 2017	<ul style="list-style-type: none"> • Corporate governance update • Treatment of legacy German cash long-term incentive awards • Gender pay review • Review of international mobility programmes
December 2017	<ul style="list-style-type: none"> • Review of first draft of the Annual Report on Remuneration • Update on 2017 annual bonus performance • Base pay design for 2018 • Annual bonus and LTIP design for 2018 • 2018 ELT objectives

Support for the Remuneration Committee

During the year, Deloitte LLP (Deloitte) provided the Remuneration 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 in relation to executive remuneration consulting in the UK. The Remuneration Committee is satisfied that the engagement partner and team which provides advice to the Remuneration Committee do not have connections with the Company that may impair their independence. During 2017, 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 Remuneration Committee during the year amounted to £28,600 based on the required time commitment.

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

Summary of voting outcomes at the 2017 AGM

The table below shows how shareholders voted in respect of the Remuneration Policy and Annual Report on Remuneration at the AGM held on 22 June 2017:

Resolution	Votes For (%)	Votes Against (%)	Number of votes Withheld
Approval of the Annual Report on Remuneration	99.90%	0.10%	50,488
Approval of the Remuneration Policy	90.27%	9.73%	152,723

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

Christine Cross

Chairman of the Remuneration Committee

15 March 2018