

ABDALLAH, et al. v. THE COCA-COLA COMPANY

United States District Court
Northern District of Georgia
Case No. 1-98-CV-3679 (RWS)

AS OF NOVEMBER 16, 2000

Settlement Agreement

I.	SETTLEMENT CLASS CERTIFICATION	3
II.	PROGRAMMATIC RELIEF	4
A.	STATEMENT OF PRINCIPLE	4
B.	BOARD OF DIRECTORS	4
C.	NON-RETALIATION	6
D.	THE TASK FORCE	6
1.	Purpose	6
2.	Term	7
3.	Organization and Operation	7
a.	Appointment of the Task Force	7
b.	Compensation	9
c.	Resources	9
d.	Expenses	9
e.	Method for Replacement	9
4.	Powers and Duties	10
a.	Review, Oversight and Monitoring of Human Resources Policies, Practices and Procedures	10
b.	Independent Investigative Function	12
c.	Reporting and Monitoring Function	13
5.	Mechanism for Resolving Disputes	14
6.	Mandate for Review	15
7.	Specific Programmatic Relief	17
a.	Performance Evaluations	17
b.	Staffing	18
c.	Compensation	19
d.	Reporting and Monitoring	19
e.	Diversity Goals	20
f.	Managerial Oversight	21
g.	Training	22
h.	Mentoring and Professional Development	22
i.	Ombuds Function	22
j.	EEO Compliance and Response to Discrimination and Retaliation Complaints	23
k.	Specific Recommendations of the Joint Experts	23
III.	MONETARY RELIEF	25
A.	CONSIDERATION PAID TO SETTLEMENT CLASS	25
1.	Compensatory Damages Fund	25
2.	Make-Whole Relief Back Pay Fund	28
3.	Taxes	30
4.	Reversions/Residual	30
5.	Release	31
B.	PROMOTIONAL ACHIEVEMENT AWARD PAYMENT	32
C.	PROMOTIONAL CLAIMS PROCEDURE	34
D.	FUTURE PAY ADJUSTMENTS	34
E.	MOST FAVORED NATIONS	34
F.	OPT-OUTS	35
G.	ATTORNEYS' FEES, COSTS AND EXPENSES	36
H.	SETTLEMENT CLASS REPRESENTATIVE RELEASE	37
I.	COMPENSATION OF AFFIANTS	40
J.	CLAIMS ARBITRATOR	41
IV.	GENERAL PROVISIONS	46
A.	JUDICIAL ENFORCEMENT	46
B.	NO ADMISSION OF LIABILITY	48
C.	NON-DISPARAGEMENT	47
D.	NOTICE AND FAIRNESS PROCESS	50
E.	FUTURE HIRES	51

F.	EFFECT OF PRIOR AGREEMENTS	51
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Plaintiffs Linda Ingram, Kimberly Gray Orton, Elvenyia Barton-Gibson and George H. Eddings, Jr. ("Settlement Class Representatives"), and their undersigned counsel of record ("Settlement Class Counsel"), on behalf of the putative Settlement Class as defined below ("Settlement Class")¹, and The Coca-Cola Company ("Coca-Cola" or "the Company") (collectively, "the Parties"), hereby agree to the following terms of settlement of the above-styled action, to be memorialized in a formal Consent Decree and subject to court approval after notice, opportunity to object, opt-out as to individual monetary relief, and a fairness hearing.

I. SETTLEMENT CLASS CERTIFICATION

Subject to the approval of the Court, the Parties agree to the certification of the following Settlement Class:

All African-American persons employed by Defendant Coca-Cola in salaried exempt and non-exempt positions (commonly referred to as "Associates" by Defendant) in the United States at any time from April 22, 1995, to June 14, 2000, including, but not limited to, current or former salaried employees of the Corporate Office, Coca-Cola USA, and Minute Maid.

Hourly employees whose pay is specified on an hourly rather than an annual basis (e.g. manufacturing employees) are not within the Settlement Class. Neither are employees of bottlers such as Coca-Cola Enterprises Inc.

Said Settlement Class shall be certified under Fed. R. Civ. P. 23(b)(2) for all purposes except claims for compensatory and punitive damages, which shall be certified under Fed. R. Civ. P. 23(b)(3). This stipulation does not bar either party from presenting to the Court additional alternative bases for certification under any provision of Rule 23. The Parties further

¹ The parties place no precedential value on certification of the Settlement Class if the settlement is not approved for any reason and agree that it shall not be cited or used as such. If the Court makes any inquiry as to the precedential or citational value of the settlement, then Settlement Class Counsel may respond truthfully with their opinion.

agree that if the Court approves the settlement, they will consent to certification of the Settlement Class under the provisions of Rule 23 selected by the Court in its ruling, and if that ruling varies from this stipulation, it will not provide a basis for withdrawal from the Settlement Agreement.

II. PROGRAMMATIC RELIEF

A. Statement of Principle.

Coca-Cola agrees to adopt the following Statement of Principle – a “Gold Standard” - to define the objectives of the programmatic relief component of the Settlement Agreement:

The Coca-Cola Company commits to excel among Fortune 500 Companies in promoting and fostering equal opportunity in compensation, promotion, and career advancement for all employees in all levels and areas of the business, regardless of race, color, gender, religion, age, national origin, or disability, and to promote and foster an environment of inclusion, respect and freedom from retaliation. The Company recognizes that diversity is a fundamental and indispensable value and that the Company, its shareholders and all of its employees will benefit by striving to be a premier “gold standard” company on diversity. The Company will set measurable and lawful business goals to achieve these objectives during the next four years.

Neither this Statement of Principle nor anything else in this Agreement is intended to or shall be construed as creating a contract of employment or otherwise altering any individual’s status as an employee at will.

B. Board of Directors.

1. The Board of Directors will perform oversight of the overall Equal Employment Opportunity (“EEO”) performance of The Coca-Cola Company and the Company’s performance against the Diversity Goals.

- a. The Board of Directors considers it important to review and remain informed about the Company’s progress toward its diversity goals, compliance with its responsibilities as an equal opportunity employer, and compliance with its undertakings in this

Settlement Agreement. To that end, the Board will delegate to its Public Issues and Diversity Review Committee² primary responsibility for Board oversight of the Company's progress toward these objectives.

b. Said Committee shall meet at least annually in connection with the Task Force (or its designee(s)) to review The Coca-Cola Company's overall performance on diversity progress, EEO compliance, and compliance with this Settlement Agreement.

c. Said Committee, through its designee, shall provide a briefing to the Compensation Committee (which shall be comprised of non-management directors) in connection with the Compensation Committee's routine process of setting the annual compensation of elected corporate officers.

d. The Compensation Committee shall consider the status of The Coca-Cola Company's performance regarding the objectives of diversity progress, EEO compliance, and compliance with this Settlement Agreement and the specific contributions thereto of the elected officers in determining whether or not said officers have met their business objectives.

e. The Public Issues and Diversity Review Committee, through its designee, shall provide a briefing to the Committee on Directors in connection with that Committee's routine process of selecting candidates for Board seats.

f. The Committee on Directors may consider the input of any Board Committee in its selection of candidates for Board seats.

2. Understandings.

² The Coca-Cola Company's Board of Directors will rename its Public Issues Review Committee the "Public Issues and Diversity Review Committee."

a. Before any meeting with a committee of the Board of Directors the Task Force will submit at least two (2) weeks in advance a written report to both the Chairman of the Board of Directors and the Chairman of the Public Issues and Diversity Review Committee.

b. Nothing herein is intended to or shall create or enlarge any legal duty on the part of any individual director beyond such ordinary duties as may apply to the directors of a Delaware corporation.

C. Non-Retaliation.

Coca-Cola reaffirms its commitment and acknowledges its legal obligation not to retaliate against persons participating in this lawsuit, asserting claims of unlawful discrimination against it or those who assist them in doing so.

D. The Task Force.

1. Purpose.

The Settlement Agreement establishes a Task Force to ensure³ fair, equitable and effective implementation by Coca-Cola of the terms of this Settlement Agreement and to provide independent oversight of the Company's diversity efforts and its long-term compliance with this Settlement Agreement's Statement of Principle. The Task Force's mandate shall include, but not be limited to, an evaluation of whether Coca-Cola's human resources policies and practices applicable to United States-based employees are fair and equitable for its African-American employees.

³ For purposes of this Agreement, the term "ensure" shall only mean to review, monitor, report on and, where the Task Force deems appropriate, make recommendations for Coca-Cola to implement with respect to Coca-Cola's compliance with the terms of this Settlement Agreement. Any disputed recommendation will be resolved according to paragraph II.D.5.

2. Term.

The members of the Task Force shall be named and assume their duties on the earliest practicable date. In no event shall these appointments be made more than thirty (30) days after the date of Court approval of the Settlement Agreement following a fairness hearing ("Court Approval Date").⁴

The Task Force will have authority for a period of four years to review and monitor, subject to Court oversight, Coca-Cola's compliance with the objectives of this Settlement Agreement. The Parties may agree to shorten or extend the term of the Task Force, or the Court may order the term shortened or extended upon petition by one of the certified Settlement Class Representatives or Coca-Cola for good cause shown.

3. Organization and Operation.

a. Appointment of the Task Force.

The Task Force will consist of three appointees nominated by Coca-Cola, three appointees nominated by Settlement Class Counsel, and one independent appointee agreed to by the Parties who serves as Chairperson. The nominees to the Task Force, including the Chairperson, shall be individuals the Court finds responsible and appropriate. They will come from diverse backgrounds, including racial, ethnic, geographic, and gender diversity. They will come from among one or more of the following fields:

- i. Former government officials in the labor/civil rights area or with other relevant experience;
- ii. Professors/academics specializing in labor/employment issues;

⁴ In the event that the Task Force does not assume its duties on or near the Court Approval Date, all dates calculated in the Settlement Agreement based on the Court Approval Date may be adjusted by the Task Force to reflect the actual date the Task Force is established.

- iii. Current or former Coca-Cola executives or former members of Coca-Cola's Board of Directors with experience and knowledge of the Company and its workforce needs for running its operations;
- iv. Professional employment/diversity consultants;
- v. Legal profession, including former judiciary, knowledgeable in employment/diversity matters; and/or
- vi. Business, with practical experience in management of a diverse workforce, including senior managers or administrators of nonprofit, educational or governmental institutions.

The Parties shall promptly and fully disclose to each other relevant information on each of their respective nominees for review and comment, including, but not limited to, the names and professional backgrounds of the nominees and a full disclosure of any relationship each nominee has or has had with counsel for the Parties, the Settlement Class Representatives, or Coca-Cola, including whether the nominees own Coca-Cola stock and/or options and, if so, in what amounts. Objections or concerns about another party's nominees shall be expressed privately and informally by counsel to opposing counsel well before making any formal comment to the Court. The information on the nominees will then be submitted to the Court, which must approve the nominees, and appoint and swear them in, before they can become Task Force members. Should the Court disapprove of any nominee, an appropriate replacement is to be submitted by the nominating party. The identity of the party nominating each Task Force member shall remain confidential.

b. Compensation.

Coca-Cola shall compensate the Task Force members, including the Chairperson, for their services at annual rates agreed to by the parties or as set by the Court if the parties are unable to agree.

c. Resources.

In fulfilling its responsibilities, the Task Force will have full access to the resources of Coca-Cola's Human Resources Division. If, after reasonable efforts to use the resources of Coca-Cola's Human Resources Division, the Task Force believes additional resources are necessary to fulfill its responsibilities, it may request the appointment of independent consultants and other additional, reasonably necessary resources to be funded at Coca-Cola's expense. Coca-Cola may contest any such retention and/or funding request or decision on grounds of necessity, cost effectiveness, and/or conflict of interest. The Task Force shall use the resources of Coca-Cola's Human Resources Division whenever appropriate.

d. Expenses.

Coca-Cola will provide the funding for the reasonable and necessary expenses of the Task Force.

e. Method for Replacement.

In the event a Task Force member is unable or unwilling to continue to serve as a member of the Task Force, the party who nominated that Task Force member shall nominate a replacement for that member, after disclosing all relevant information concerning the nominee (as described above) to the other party for review and comment, and subject to the Court approving the nomination. If the Chairperson is unwilling or unable to continue to serve as Chairperson, the Parties shall jointly select a new Chairperson, subject to the Court approving the selection. The views of Task Force members shall be solicited prior to any such selection.

4. Powers and Duties.

- a. Review, Oversight and Monitoring of Human Resources Policies, Practices and Procedures.

The Task Force will evaluate all existing Coca-Cola United States employment policies and practices, and will evaluate the Vice President of Human Resources' development and design of procedures, practices, and methodologies to achieve the programmatic relief objectives of this Settlement Agreement, as well as to measure and demonstrate program progress and results.

Coca-Cola's human resources policies, practices and procedures will be evaluated by the Task Force for compliance with Title VII and this Agreement. To the extent consistent with controlling case law under Title VII, relevant standards will include the Uniform Guidelines on Employee Selection Procedures, 29 CFR § 1607 et seq. ("Uniform Guidelines"), and the professional standards of the Society for Industrial and Organizational Psychology. Coca-Cola shall diligently search for and use the employee selection systems with the least adverse impact on protected groups and of at least equal utility to Coca-Cola.

The scope of the Task Force's responsibilities will include all salaried exempt and non-exempt non-officer job positions at all grade levels, in all departments, divisions, and subsidiaries nationwide, except as otherwise provided herein.

The Task Force shall have authority to review, oversee and monitor Coca-Cola's implementation of reforms of its human resources practices to ensure that Coca-Cola's reforms carry out the goals contained in the Statement of Principle and the terms of this Settlement Agreement, including the specific Mandate for Review below. Coca-Cola will be responsible for implementation of all programmatic relief under the terms of this Settlement Agreement, except as otherwise provided in this Settlement Agreement. Coca-Cola is not precluded from

developing and implementing such additional programs as it may find appropriate, and the Task Force shall take those into account in formulating its recommendations. The Task Force will evaluate and monitor the effectiveness of all of the programmatic relief implemented by Coca-Cola during its term.

After conferring with Coca-Cola, the Task Force will recommend a timetable for the implementation and completion of all revisions and additions to current Coca-Cola employment policies and practices, subject to the terms of this Settlement Agreement. Such deadline(s) may be changed for good cause shown. The Task Force shall monitor and report on Coca-Cola's progress in implementing the terms of the Settlement Agreement against this timetable.

Subject to its obligations under this Agreement, Coca-Cola shall retain full operational authority of all of its human resources, EEO and legal functions.

The Task Force will work in conjunction with the Vice-President of Human Resources to the extent feasible in exercising its authority under the Settlement Agreement, except where (1) such cooperation would jeopardize the Task Force's duty to objectively monitor implementation of the terms of the Settlement Agreement, or (2) such cooperation would interfere with the independent investigative or reporting functions of the Task Force.

b. Independent Investigative Function.

The Task Force will have reasonable access to all non-privileged⁵ relevant books, data,⁶ documents, and other sources of information, in whatever form they are maintained in the ordinary course of business, necessary or appropriate to the exercise of its responsibilities. Given the need of the Task Force to review confidential business information of Coca-Cola, each Task Force member will sign a mutually agreeable Confidentiality Agreement, which will be subject to judicial enforcement. The United States District Court for the Northern District of Georgia will retain jurisdiction to enforce this Confidentiality Agreement.

The Task Force may communicate directly with any Coca-Cola officer or employee in any manner that aids the Task Force in performing its duties and does not invade a privilege. In this regard, the Task Force may utilize employee focus groups, anonymous survey instruments with independent sampling, and other appropriate forms of direct communication between the Task Force and Coca-Cola employees, including communication solely with members of the Settlement Class. The Task Force may engage in this direct communication in order to ensure that Coca-Cola makes any appropriate reforms of its human resources policies and practices, and to ensure that the Task Force carries out its reporting and monitoring functions objectively. Before initiating any direct communication with Coca-Cola employees during the employees'

⁵ The Company will provide the Task Force with a privilege log for any withheld systemic studies or reports relating to the Settlement Class or to any issues covered by this Agreement during the life of the Task Force or for any withheld documents specifically requested by the Task Force. The Task Force may seek judicial review of the privilege assertions after complying with a "meet and confer" requirement.

⁶ If there is disagreement between the Task Force and Coca-Cola as to the accuracy and/or completeness of any Coca-Cola data, an independent accounting firm (selected by the Task Force from among the nationally recognized accounting firms) will be appointed to certify its accuracy and/or completeness at Coca-Cola's expense. Coca-Cola shall have the right to contest the reasonableness, necessity and/or cost-effectiveness of any such appointment by petition to the Court.

normal working hours, the Task Force shall notify the office of the Vice President of Human Resources of its intent to do so. Before conducting any group study or investigation involving Coca-Cola employees, the Task Force shall confer with the office of the Vice President of Human Resources to avoid duplication of effort and to minimize confusion.

c. Reporting and Monitoring Function.

Within one year after the Task Force is sworn, the Task Force will complete its initial review and submit an initial report, as well as all subsequent written annual reports, to the Chief Executive Officer ("CEO"), to the Board of Directors, to the Court and to Settlement Class Counsel. The initial report will include a review and evaluation of Coca-Cola's United States employment and Human Resources policies and practices, including addressing any significant statistical disparities in Coca-Cola's current practices, any perceived deficiencies in Coca-Cola's current practices, any reforms implemented since the Final Settlement Date, the recommendations made by the Task Force, and Coca-Cola's compliance with the objectives of the Statement of Principle and the terms of this Settlement Agreement. The report will also identify what the Task Force believes remains to be done by the Company, why it needs to be done, and a recommended timetable for accomplishing it. Thereafter, for the duration of the Task Force, it will be responsible for continuing the review and evaluation of all ongoing employment policies and practices of the Company, as well as monitoring the impact and effectiveness of the revisions and additions to such policies and practices. The Task Force will continue during this time to recommend revisions or modifications to ongoing employment policies and practices in order to achieve the objectives of the Statement of Principle and the terms of this Settlement Agreement.

The Task Force shall submit at least one formal written report each year, and may provide further informal or additional interim reports as it deems appropriate. The Task Force

shall establish an internal Coca-Cola website, at Coca-Cola's expense, containing information about the Task Force and shall ensure that Coca-Cola notifies employees of significant updates of that information. The Task Force's formal annual reports will be made available to the public on Coca-Cola's Internet website. The chair or another representative of the Task Force shall also make an annual in-person report to an appropriate committee of the Board of Directors and to the CEO on the topics contained in the annual written report.

No later than its final report, the Task Force may provide the Company with any observations it sees fit to assist the Company in achieving the human resources and diversity objectives set forth in this Settlement Agreement.

5. Mechanism for Resolving Disputes.

Coca-Cola will implement Task Force recommendations unless the Company seeks and obtains judicial relief. To obtain judicial relief, Coca-Cola must demonstrate, by a preponderance of the evidence, that the Task Force recommendation, in whole or in part, involves the application of unsound business judgment, is technically not feasible, or is not cost-effective.

The Company shall have thirty days after the Task Force issues a recommendation to petition the Court for relief from that recommendation, unless the Task Force and the Company mutually agree to extend this deadline. Before Coca-Cola petitions the Court regarding any disputed recommendation, the Parties and the Task Force shall diligently endeavor to meet and confer in good faith and make a determined effort to resolve the matter without judicial involvement.

If Coca-Cola believes that it should not have to implement a Task Force recommendation while a petition for judicial relief is pending, the Company will, at the same time it files its

petition for judicial relief, move the Court for a stay of the recommendation. In the event the Company files such a stay motion, it will not be obligated to implement the disputed recommendation until seven days after denial of the stay motion.

The Task Force may retain counsel of its choosing, including but not limited to Settlement Class Counsel, to represent the Task Force in the proceedings with the Court in support of the Task Force recommendation objected to by Coca-Cola. Coca-Cola will reimburse such retained counsel for reasonable and necessary attorneys' fees and costs, including reasonable and necessary expert fees and costs, incurred in responding to Coca-Cola's petition. Any such reimbursement shall be on a straight lodestar (without any enhancement) basis using Title VII standards.

6. Mandate for Review.

By the end of the first full year after the Court Approval Date (or at such other reasonable time as is agreed upon by Coca-Cola and the Task Force), under the oversight of the Task Force, Coca-Cola will:

a. Review and revise to the extent necessary its performance evaluation practices to ensure that this process appropriately measures employee performance and, among other things, that the standards for performance objectives are reasonably specific, measurable, achievable, relevant, time-bound, and documented;

b. Review and revise to the extent necessary its staffing practices, including revising and expanding the existing job posting and notification system through at least pay grade 13;

- c. Review and revise to the extent necessary its compensation practices to eliminate any non-job-related pay disparities having a disparate impact (as defined below in footnote 8) on Settlement Class members;
- d. Establish monitoring of all human resources practices;
- e. Ensure that EEO and Diversity Performance are included in management objectives and in determining management compensation;
- f. Evaluate mechanisms for improved internal oversight of managerial decisions regarding compensation, promotion and performance evaluations;
- g. Adopt and implement a diversity and sensitivity training program and expand its management training programs;
- h. Adopt and implement a mentoring program;
- i. Develop and implement an ombudsperson program;
- j. Review and revise where appropriate its EEO compliance and reporting practices;
- k. Evaluate any specific recommendations of the Joint Experts; and
- l. Commence evaluation of a job registration system.

The Task Force will review and report on the effectiveness of these programs and make any appropriate recommendations.

The Task Force will have oversight of the distribution of money to Settlement Class members under the Promotional Bonus Achievement Award and oversight of the funds spent by Coca-Cola on the pay equity adjustments.

7. Specific Programmatic Relief.

During the first full year after the Court Approval Date, with the oversight of the Task Force, the Vice-President of Human Resources will evaluate and where appropriate implement the specific programmatic relief described in the following sections (a) through (k) below:

a. Performance Evaluations.

The Task Force shall ensure that Coca-Cola evaluates and revises or replaces the performance evaluation process so that any performance evaluation mechanism utilized at Coca-Cola reasonably and fairly measures employee performance, and, among other things,

- ◆ all performance appraisals of all substantial population jobs will be grounded in thorough job analyses;
- ◆ performance appraisals for substantial population jobs will be behaviorally-anchored based on the results of those job analyses and designed by first-tier industrial psychologists;
- ◆ performance appraisals will be done by raters who have received rater training and regular refresher training, with particular coverage of EEO/AAP and diversity issues;
- ◆ performance appraisals will be provided to the rated individual to review, keep a copy and sign to indicate review and receipt but not necessarily agreement;
- ◆ performance appraisals will include a comment opportunity and a specifically stated right of appeal if the review is believed to be unfair and/or inaccurate;
- ◆ performance appraisals will be reviewed for adverse impact, job-relatedness, and compliance with performance appraisal training and guidelines, with corrections and rater retraining or other action as appropriate; and
- ◆ performance appraisals will be performed at least annually.

The Task Force shall ensure that: (1) EEO performance is an aspect of performance evaluations of employees with supervisory responsibilities, (2) this objective is measured fairly, and (3) as appropriate, managers are rewarded or penalized based on their performance of this objective.

b. Staffing.

The Task Force shall ensure that Coca-Cola evaluates and revises, to the extent necessary, the promotion and employee development process, including making available to all employees objective promotability criteria, and evaluates and revises job posting procedures to ensure posting of positions at least through pay grade 13. The Task Force shall ensure that Coca-Cola establishes practices and procedures to (1) require managers to make promotion and transfer decisions based on a fair process with diverse candidate slates to the fullest extent practicable,⁷ and (2) ensure that all interested and qualified candidates have a fair opportunity to be considered for advancement to higher-level positions in the Company.

The Task Force shall ensure that Coca-Cola evaluates and revises, to the extent necessary, its methods for determining the appropriate job competencies, including job-related knowledges, skills and abilities (“KSAs”) needed to perform its respective job positions. Coca-Cola will promptly begin implementation of the changed methods and their results. The Task Force will monitor implementation.

The Task Force shall ensure that all Talent Development, “high potential” and similar special career advancement programs pertaining to employees above pay grade 12 present fair

⁷ Any candidate slate for a job above Grade 13 which does not include both genders, African-Americans, Hispanics, Asian-Americans or any other relevant protected groups shall first be reviewed and approved or modified by the Vice President of HR. If the slate remains non-diverse, it shall be reported by the Company to the Task Force with the Company's explanation therefor.

career development opportunities for all employees, by the Vice President of HR (or her designee) reviewing candidate slates to ensure that diverse pools of employees are represented to the extent available, interested and qualified. Such diversity goal shall include but not be limited to African-Americans. Nothing in this section or this Agreement shall limit Coca-Cola's right to select the best available candidate for each job.

c. Compensation.

The Task Force shall ensure that Coca-Cola evaluates and revises to the extent necessary the procedure for setting initial salaries for positions, and of determining merit increases, bonuses and other incentive compensation and stock option awards. The Task Force shall ensure that Coca-Cola conducts job analyses and pay equity studies and a comprehensive review of the Company's current compensation practices and pay grade structure, including its procedure for assigning pay grades to positions, to ensure that all employees receive fair compensation and are in appropriate pay grades. The Task Force shall ensure that Coca-Cola evaluates and revises to the extent necessary the current pay grade system.

The Task Force shall ensure that Coca-Cola evaluates and revises to the extent necessary the current managerial guidelines for determining merit increases, bonuses and stock option allocations and any associated managerial training programs to ensure that all employees receive equitable compensation. The Task Force may provide oversight of any reasonable and necessary salary equity adjustments independently performed by Coca-Cola following the entry of this Settlement Agreement. The Task Force shall ensure that Coca-Cola provides managers with relevant instruction on the proper utilization of compensation tools and guidelines.

d. Reporting and Monitoring.

The Task Force shall ensure that Coca-Cola's Human Resources function reports on a semi-annual basis with respect to promotions, terminations, and annually as to compensation

(including salaries, merit increases, bonuses and stock options), and performance evaluations, by significant protected group, to senior function heads, department managers, officers and executives, and the Board of Directors. These reports shall include easily understood summary data captured on a company-wide and business unit basis, and shall specifically provide data on African-American employees. All employees shall have access to website information on Coca-Cola's company-wide performance and progress against the Diversity Goals (see Section e. below).

The Task Force shall ensure that Coca-Cola develops and implements centralized monitoring of employee compensation and promotion practices to ensure no unlawful (1) disparate treatment or (2) disparate impact⁸ which is not job-related and/or consistent with business necessity, and reviews appropriate data to identify and respond to disparate impact which is not job-related and/or consistent with business necessity. Data may be furnished in such a form as to protect the identity and privacy of individuals. These monitoring reports will include workforce composition and pay equity studies by significant protected group. When completed, Coca-Cola shall provide copies of these studies to the Task Force and the Board of Directors' Compensation Committee.

e. Diversity Goals.

Within six months of the Court Approval Date, the Task Force shall ensure that Coca-Cola establishes appropriate, measurable companywide Goals focused on enhancing the representation of African-Americans and other protected groups at all levels and in all areas of the Company where under-representation of such groups exists.

⁸ "Disparate impact" as used herein will be determined using the two standard deviations (less than 5% probability, using a two-tailed test) or, where applicable, the 95% confidence interval, level of statistical significance.

In addition to goals addressing representation, the Diversity Goals shall also encompass measurable objectives for: (1) addressing non-job-related pay disparities, if any, having a disparate impact on Settlement Class members within a pay grade and skill group; (2) addressing any promotion differentials having a disparate impact between selections and the pool of qualified, available and interested candidates; (3) ensuring a thorough investigation and appropriate disposition of all discrimination and retaliation complaints; and (4) measuring progress in reforming human resources practices.

The Task Force shall ensure that Coca-Cola bases some appropriate proportion of incentive compensation on the Company's progress against the Diversity Goals. This incentive shall encompass a more significant proportion of compensation for senior management, up to and including the CEO, than for line management.

In its annual written reports, the Task Force shall report on Coca-Cola's progress against the Diversity Goals to employees, management and the Board of Directors.

f. Managerial Oversight.

The Task Force shall ensure that Coca-Cola establishes mechanisms for effective internal oversight of individual managerial decisions regarding compensation, promotion and performance evaluations, including considering whether activities such as the following would help identify and eliminate unlawful bias and excessive subjectivity in individual managerial decisions: review of managers by employees they supervise; peer evaluations; external audits; greater disclosure of information; exit interviews; roundtables and focus groups; skip level interviews; anonymous surveys; a 360 degree appraisal process; and/or special recognition programs. The Task Force shall ensure that Coca-Cola establishes appeal procedures for managerial determinations of performance (including performance improvement plans), compensation or promotion.

g. Training.

The Task Force shall ensure that Coca-Cola conducts company-wide mandatory diversity training at least annually for managers and at least bi-annually for all other employees, and that Coca-Cola trains its managers on how to make decisions regarding promotions and compensation and to conduct performance evaluations without unlawful bias. Training programs will include a requirement for a written acknowledgment of attendance from each employee participant.

h. Mentoring and Professional Development.

The Task Force shall ensure that employees have access to meaningful mentoring and professional development opportunities, including individual development planning, career counseling and mentoring.

i. Ombuds Function.

Coca-Cola will establish a 1-800 phone number (operational 24 hours a day, 7 days a week) and retain an independent entity or individual to receive complaints of discrimination, harassment, and/or retaliation. This independent entity or individual will refer all reports or complaints to an internal Ombudsperson, who will be responsible for: (1) ensuring that each report and complaint is appropriately investigated; (2) monitoring the investigations, and (3) reporting the results of each investigation to the appropriate management officials. Coca-Cola will promptly select a candidate for the Ombudsperson position and notify Settlement Class Counsel who may, within 5 business days, comment on the candidate's qualifications. The final decision as to who fills the position will be made by Coca-Cola. The Ombudsperson will be (or become) a Coca-Cola employee at not less than Salary Grade 12. Such person may be removed from his or her position by the Company for: (1) failure to achieve a MR performance rating or higher (or its future equivalent), (2) good cause, or (3) a Code of Business Conduct violation.

Removal may also be recommended by the Task Force. The Ombudsperson will report directly to the CEO. The Ombudsperson will make periodic status reports to the Vice-President of Human Resources and the Task Force, as well as an annual status report to the CEO and the Public Issues and Diversity Review and Compensation Committees of the Board of Directors.

j. EEO Compliance and Response to Discrimination and Retaliation Complaints.

The Task Force shall ensure that Coca-Cola reviews Affirmative Action Plans ("AAPs") developed under Executive Order 11246 to ensure they are properly constructed. The Task Force, the CEO and the Board of Directors shall be informed of the compliance performance of each establishment (as defined by the Office of Federal Contract Compliance Programs guidelines) covered by these plans. The Task Force may recommend appropriate action where deemed necessary.

The Task Force, in conjunction with the Ombudsperson, shall ensure that all complaints of discrimination and retaliation are fully and fairly investigated, according to appropriate written guidelines, by adequately trained personnel, utilizing written record-keeping, and with written dispositions reflecting appropriate remedies. The Task Force, in conjunction with the Ombudsperson, shall ensure that Coca-Cola institutionalizes effective responses to discrimination complaints, through its procedures, reporting and monitoring, and any necessary training programs. The Task Force, in conjunction with the Ombudsperson, shall ensure that all employees have access to the complaint procedure and that adequate avenues for reporting exist. The Task Force, in conjunction with the Ombudsperson, may evaluate whether implementing an ADR procedure would improve reporting and response.

k. Specific Recommendations of the Joint Experts.

The Parties agree that Dr. Kathleen K. Lundquist, who was selected by Coca-Cola, and Dr. Irv Goldstein, who was selected by Settlement Class Counsel, shall perform a full review of

Coca-Cola's human resources practices and procedures and prepare a Joint Expert Report and Recommendation to be submitted to the Task Force as soon as possible but no later than six months from the Court Approval Date. This review shall include the specific topics described under the Task Force Mandate for Review and any related topics as determined by their professional expertise.

If a replacement for Dr. Goldstein becomes necessary, the Mediator shall create a panel of three well-qualified industrial psychologists with relevant experience, from which Settlement Class Counsel will strike first and Coca-Cola second. Class Counsel shall have five (5) business days from receipt of the Mediator's notice identifying the slate of replacement candidates to exercise their strike. Coca-Cola will then have two (2) business days from receipt of notice of Class Counsel's strike to exercise its strike. The remaining expert will serve as the replacement. Coca-Cola shall choose its own replacement for Dr. Lundquist if one should become necessary.

The experts shall develop and assist Coca-Cola in implementing on a prompt basis human resources practices and procedures. To the extent consistent with controlling case law under Title VII, relevant standards will include the Uniform Guidelines, and the professional standards of the Society for Industrial and Organizational Psychology. Coca-Cola shall diligently search for and use the employee selection systems with the least adverse impact on protected groups and of at least equal utility to Coca-Cola.

The Joint Experts will assist Coca-Cola in implementing the Promotional Bonus Achievement Award and the pay equity adjustments.

The Task Force shall have oversight of the Joint Expert analysis. Coca-Cola shall pay all reasonable and necessary costs and expenses associated with this analysis, including the reasonable and necessary fees of both the experts.

In its first Annual Report, the Task Force shall report on the results of the Joint Expert analysis. Thereafter, the Task Force will review and continue to monitor the effectiveness of these programs.

III. MONETARY RELIEF

A. Consideration Paid to Settlement Class.

In conjunction with this Settlement Agreement, and assuming final Court approval of the Settlement, The Coca-Cola Company shall pay the consideration set forth below. The Settlement Fund shall consist of two components: (1) the Compensatory Damages Fund and (2) the Make-Whole Relief Back Pay Fund:

1. Compensatory Damages Fund.

a. Coca-Cola shall create a Compensatory Damages Fund of \$56 million to resolve any and all claims for compensatory damages, including but not limited to claims for emotional distress, hostile environment, and non-wage-related disparate treatment under Title VII and § 1981. Claims for punitive damages are fully and finally waived. Said Fund shall bear interest from June 14, 2000, through the Court Approval Date at the rate of 6% per annum compounded annually.

b. The Compensatory Damages Fund shall be distributed among the Settlement Class members in the following manner:

i. Each Settlement Class member shall be given one point for each full tenth of a year that he or she has been employed by The Coca-Cola Company through June 14, 2000. The total number of points will then be divided into the Compensatory Damages Fund to determine the value of each point.

- ii. Each Settlement Class member will be paid an amount equal to that Settlement Class member's points multiplied by the value of a point, subject solely to paragraphs (iii), (iv) and (v), below.
- iii. In no event shall a Settlement Class member (except the Settlement Class Representatives)⁹ be paid a total amount from a combination of the Compensatory Damages Fund and the Make-Whole Relief Back Pay Fund more than the lower of: (1) \$150,000, or (2) three times the Settlement Class member's salary as of December 31, 1999, or last annual salary if not still employed on December 31, 1999 ("Individual Payment Cap").
- iv. Any amount due to a Settlement Class member in excess of the Individual Payment Cap shall be placed back into the Compensatory Damages Fund and the value of a point for the remaining Settlement Class members shall be recalculated in the manner described above. The recalculation process shall continue until an amount at or below the Individual Payment Cap is determined for all Settlement Class members. Those amounts shall constitute the Individual Payment Amounts.
- v. Minimum Award: Regardless of the calculated Individual Payment amount, in no event shall any Settlement Class member receive a gross amount of less than a total of \$1,000.00, subject to tax considerations outlined in III(A)(3).

⁹ Limitations on Settlement Class Representative awards are covered in footnote 14.

- vi. A Settlement Class member may elect to take up to 100% of his or her Compensatory Damages Fund allocation in ten-year restricted stock shares of Coca-Cola or their contractual equivalent. Said stock shall be valued at face value as of the closing price of the NYSE on Friday of the week in which the Court enters final approval of the Settlement. Any percentage election shall be made within 30 days of the mailing of the Individual Payment Notice described in Section III.J, below. Failure to provide a timely executed election shall result in payment solely in money (by check). No warranties or representations are made about restricted stock or the restricted stock program described above, except that the Notice shall contain the following statement: "Class members who elect to take some or all of their share of the Compensatory Damages Fund in restricted common stock should note that if they elect to receive restricted common stock they will be taxed on the fair market value of such restricted stock in the year of the settlement even though such Class Members will be unable to sell any of the restricted common stock during the restriction period in order to pay any such tax obligations. Furthermore, such Class Members should note that the fair market value of the restricted stock will be deemed for settlement purposes to be equal to the fair market value of the common stock of Coca-Cola not subject to any restrictions."

2. Make-Whole Relief Back Pay Fund.

a. The Make-Whole Relief Back Pay Fund will include four components:

(1) \$17.6 million for non-stock option related backpay; (2) \$1,799,512 for the lost time value of the money described in (1); (3) \$ 4,109,033 for stock-option related backpay; and (4) \$483,644 for the lost time value of the options described in (3). The total value of the Make-Whole Relief Back Pay Fund before the interest adjustment described below is \$23,992,189.

The Make-Whole Relief Back Pay Fund shall bear interest from January 1, 2001 through the Court Approval Date at the rate of 3% per annum compounded annually.

The Make-Whole Relief Back Pay Fund shall be distributed according to the formula proposed by the Settlement Class' consulting labor economist and agreed upon by the parties.

b. Stock Options.

i. Stock Options Owed for "Make Whole" Backpay Relief.

(I). The relevant option grant years are 1996, 1997, 1998 and 1999.

Options for 2000 were granted in October, 2000 and will be subject to Task Force review.

(II). The parties agree that the option exercise price and applicable Black-Scholes values for each option shall be:

<u>Year of Grant</u>	<u>Value</u>	<u>Option Exercise Price</u>
1996	\$20.04	\$48.875
1997	\$26.41	\$59.75
1998	\$26.64	\$65.875
1999	\$26.82	\$53.40625

ii. Distribution of Stock Options to Settlement Class Members.

Settlement Class members whose salary grade as of April 22, 1999 (or last salary grade at the Company) was Grade 10 or above will receive an appropriate portion of their back pay award in the form of non-statutory Coca-Cola stock options. Stock option back pay will be allocated for each year from 1996 through 1999 that the individual Settlement Class member was at Grade 10 or above for at least six months.

The following schedule determines what percentage of a Settlement Class member's back pay award will be paid in stock options:

Grade 10	18%
Grade 11	21%
Grade 12	24%
Grade 13	27%
Grade 14	30%
Grade 15	33%
Grade 16	38%
Grade 17	43%
Grade 18	48%
Grade 19 & over	53%

Stock options will be valued according to the applicable Black-Scholes value, based on the year of the option grant.

The stock options granted under this settlement will have an exercise price equal to the exercise price of options granted in the applicable year. The term of the options will be 10 years, less the time that has elapsed since the time of the applicable grant. If a Settlement Class Member is no longer employed with the Company for reasons other than retirement on the date stock options granted under this settlement are distributed, he or she must exercise these options within 18 months after the date of final court approval of the Settlement, or six (6) months from termination of employment, whichever is later.

3. Taxes.

The Company shall pay all of its costs associated with the administration and distribution of the Settlement Fund. The Company will withhold each Settlement Class member's share of FICA, Medicare and any income or other payroll taxes imposed attendant to the payment of the Make-Whole Relief Back Pay Fund. The Company will pay the employer share of FICA, Medicare, and any income or other payroll taxes imposed attendant to the payment of the Make-Whole Relief Back Pay Fund, on amounts deemed as wages. The compensatory, affiant incentive and Class representative bonus awards are taxable income to the recipient but are not subject to payroll withholding. The Company will issue a Form 1099 reporting these amounts. Settlement Class members should consult their tax advisors in connection with this settlement, including the exercise of stock options, and concerning any estimated tax payments that may be required or advisable. The Company retains the responsibility for its share of all payroll taxes determined to be due on sums paid pursuant to this Agreement. The Settlement Class member retains individual responsibility for his or her employee share, both to the taxing authority and to the Company, in the event the Company has paid the employee's share in lieu of the Settlement Class member.

4. Reversions/Residual.

In the event that the Court declines to approve the full amount of Settlement Class Representative Compensation or Attorneys' Fees, Costs and Expenses agreed to by the parties, the parties agree that any disallowed amount shall revert to the Compensatory Damages Fund for distribution to Settlement Class Members and shall in no event be retained by The Company. If there is any residual in the Settlement Fund at the end of the Decree term, the residual shall be distributed to § 501(c)(3) institutions in the Atlanta University Complex in such allocation as

Coca-Cola may elect. Said residual shall not include amounts retained by Coca-Cola for the shares of opt-outs.

5. Release.

Settlement payment checks and restricted stock (or their contractual equivalent) rights shall be mailed from Coca-Cola within ten business days after its receipt of a properly executed release of all employment claims of any nature whatsoever which could have been asserted in this action (in the form separately agreed upon)¹⁰, other than vested pension rights and pending workers' compensation claims, from the Settlement Class member in question. The language of the agreed-upon release shall be approved by the Court as a part of the overall fairness procedure. Any Settlement Class member not providing a properly executed release to Coca-Cola within twelve months of the date it was initially mailed to him or her shall be deemed to have waived his or her rights to the Settlement Funds allocated to him or her. Such unclaimed monies shall be deemed a residual.

¹⁰ The release to be executed as a condition of a Settlement Class member receiving money under this Agreement is to include all employment claims of any nature whatsoever which could have been asserted in this action, except vested pension rights, rights to retirement or severance benefits previously established by written contract executed by Coca-Cola, and pending workers' compensation claims. By way of illustration, *but not limitation*, claims released include all forms of employment discrimination (e.g., race, color, gender, national origin, hostile work environment, religion, pregnancy, veteran status, age, disability or handicap, harassment, retaliation, sexual preference, marital status), negligent or intentional infliction of emotional distress or harm, libel, slander, negligent hiring, negligent retention or negligent supervision, assault, battery, invasion of privacy, claims under Title VII, § 1981, Family and Medical Leave Act, Fair Labor Standards Act, Equal Pay Act, and Executive Order No. 11246.

B. Promotional Achievement Award Payment.

1. A Promotional Achievement Award Fund of \$10 million shall be created and funded by Coca-Cola. It shall be distributed as referenced below.
2. To encourage and compensate African-American employees for being promoted into positions where African-Americans may have been underutilized and from which Plaintiffs argue African-Americans may have been deterred and/or excluded, Coca-Cola will pay bonuses from the Promotional Achievement Award Fund.
3. Coca-Cola agrees to pay promotional achievement awards to African-American employees promoted to positions in which Settlement Class members are underutilized as compared to their availability in the relevant qualified labor pool. Such positions and the related awards schedule shall be established at least annually by the Vice-President, Human Resources (currently Coretha Rushing), subject to the review and recommendations of the Task Force.
4. To earn such an award, an employee must serve for at least twelve months in the position and receive a performance evaluation of at least the median appraisal rating for that salary grade on the current performance appraisal system.¹¹ Coca-Cola shall provide a performance appraisal to each such person within sixty days of the end of the twelve-month period, or at the nearest regular performance appraisal date, as it may elect. To the extent a person is rated as performing below the median level in any given twelve-month appraisal period, he/she shall not earn an award for that year, but shall retain the ability to earn awards in subsequent years. These awards will be paid in addition to all other salary, benefits and other bonuses available to

¹¹ If the system changes during the Decree, *at least* the median actual rating will be the substitute requirement.

the employee. Employees shall be eligible for successive levels of awards and shall receive the higher level, but not both, for bridged service where at least three months has been spent in the higher-level job.

5. Coca-Cola shall spend the entire amount of the Fund during a period not to exceed ten years. Any money remaining in the Fund at the end of ten years shall be distributed by Coca-Cola to § 501(c)(3) institutions in the Atlanta University Complex.

C. Promotional Claims Procedure.

Any Settlement Class member who wishes to pursue an individual promotional discrimination claim rather than accept his or her share of the Make-Whole Relief Back Pay Fund may do so under the rules and procedures set forth below:

1. A verified and specific claim form must be filed within forty-five days of the mailing of the Individual Payment Notice described in Section III.J, below. Said claim form must identify the specific available position which the claimant asserts he or she did not receive due to racial discrimination, the approximate date each such opening was filled, and the facts upon which the claimant bases the claim of racial discrimination in each instance;
2. Settlement Class Counsel are not obligated or expected to represent Promotional Claimants;
3. Each Promotional Claim will be heard solely by a U.S. Magistrate Judge in this Court. There will be no appeals from his or her decision;
4. The Federal Rules of Civil Procedure and Local Rules of this Court will apply unless otherwise stated;

5. Each side is permitted up to ten hours of deposition(s), to be allocated as the deposing party may elect;
6. Each side is limited to ten interrogatories, ten requests for productions, and ten requests for admission, except for good cause;
7. No punitive or compensatory damages are allowed. However, all other Title VII monetary and equitable relief, including individual injunctive relief and attorneys' fees and costs, are available on a "make whole" basis for any promotion denied on the basis of race within the statute of limitation. The claimant retains the burden of proof, and Coca-Cola retains all individual defenses which it may have to each particular claim.
8. A losing (but not a prevailing) promotional claimant retains the right to earn awards from the Promotional Achievement Award Fund.
9. Said Settlement Class member will receive his or her allotted share of the Compensatory Damages Fund regardless of the outcome of their Promotional Claims.

D. Future Pay Adjustments.

Coca-Cola will make appropriate pay equity adjustments to eliminate non-job-related pay disparities, if any, having a disparate impact on Settlement Class members.

E. "Most Favored Nations" Principle.

The Company has agreed to grant members of the Settlement Class who stay in the settlement "most favored nations" treatment. Specifically, if between June 14, 2000 and June 13, 2001, the Company pays in settlement of any employment race discrimination claim compensatory and/or punitive damages to any ten (10) or more Settlement Class members who have opted-out of the Consent Decree and sued the Company (the "Individual Filers"), an

amount of compensatory/punitive damages that on average exceeds the average amount of compensatory damages being paid to non-opting out Settlement Class members as a whole, the Company will pay such additional damages, if any, to the Settlement Class members who do not opt-out of the Consent Decree as are necessary to bring their compensatory damages settlement payments to an amount equal to the average of the compensatory and/or punitive damages of the ten (10) or more Individual Filers. Individual Filers do not include Settlement Class members who had lawsuits, individual claims or charges pending against the Company before June 14, 2000. The Company shall notify the Mediator of the terms regarding any settlements made to any Individual Filers. If, but only if, ten or more such settlements are reported to the Mediator between June 14, 2000 and June 13, 2001, the Mediator shall report to Class Counsel the terms of each such agreement.

F. Opt-Outs.

Should two hundred or more members of the Settlement Class properly “opt-out” of the Settlement Class, then Coca-Cola shall have the right, but not the obligation, to unilaterally declare the settlement null and void. Coca-Cola shall advise the Court and Settlement Class Counsel of its decision in this regard within 10 business days of the date by which members of the Settlement Class are required to submit their written opt-outs. In such event, the Settlement Class certification, if any, shall be revoked and of no precedential value or use.

As to any Settlement Class members who effect timely opt-outs from this settlement (assuming that it is not declared void pursuant to the foregoing provision), Coca-Cola shall be entitled to deduct from each part of the Settlement Fund and retain the amount of cash and/or options that such opting-out Settlement Class members would otherwise have been entitled to receive, if they had not opted out. Such deductions shall occur before distribution calculations

are made for non-opt-out Settlement Class members and shall not constitute a residual under this Settlement Agreement.

G. Attorneys' Fees, Costs and Expenses.

"Settlement Class Counsel" is defined to mean Bondurant, Mixson & Elmore, LLP; Mehri, Malkin & Ross, PLLC; DeVille, Milhollin, Voyles & Wales; and Gordon, Silberman, Wiggins & Childs.

Subject to Court approval and direction, The Coca-Cola Company agrees to pay directly to Settlement Class Counsel (or their designee)¹² an amount in lieu of and in complete settlement of all claims inuring to Settlement Class Counsel for all attorneys' fees, ("Settlement Class Counsel Fees"). Said payments shall be made by the Company no later than 30 days after all provisions of this Settlement Agreement become final and binding and in such shares as Settlement Class Counsel may collectively direct and the Court approve.¹³ Such Settlement Class Counsel Fees shall equal \$14 million (bearing interest from June 14, 2000, through the Court Approval Date at the rate of 6% per annum compounded annually) plus \$5,998,047 (bearing interest from January 1, 2001, through the Court Approval Date at the rate of 3% per annum compounded annually).

¹² If the composition of Settlement Class Counsel or any component firm thereof changes prior to payment by Coca-Cola of Settlement Class Counsel Fees and Expenses of Litigation, it shall be the responsibility of Settlement Class Counsel to determine the proper recipients and allocations of such payments and to timely notify Coca-Cola. The Court shall resolve any conflicting directives received by Coca-Cola.

¹³ Nothing in the parties' agreement setting an outside deadline by which Coca-Cola must pay fees of Settlement Class Counsel shall preclude Settlement Class Counsel from petitioning the Court for an interim distribution of fees and expenses pertaining to aspects of relief not subject to objection or appeal (e.g., injunctive relief). Coca-Cola reserves the right to comment or object to any such petition.

Expenses of litigation, including expert fees and expenses, shall be paid to Class Counsel from the Compensatory Damages Fund. As of November 30, 2000, Settlement Class Counsel's expenses totaled approximately \$1,191,000. Class Counsel estimates that additional expenses of \$350,000 are reasonably foreseeable in order to: a) bring this Settlement through the process of a fairness hearing and final conclusion, and b) represent the class' interest in monitoring the Company's compliance with the terms of the Settlement.

The purpose of the Company's payment of Settlement Class Counsel Fees is to settle and resolve claims for all attorneys' fees relating to and arising during and as a result of this litigation, including all fees for monitoring Consent Decree and Settlement Agreement compliance during the life of the Consent Decree, except as expressly specified herein. It is the intention of the parties to demarcate clearly between settlement proceeds in which Settlement Class members have an interest which may subject them to tax liability and Settlement Class Counsel Fees in which Settlement Class members have no interest and on which it is intended they should not pay tax. Accordingly, the amount paid separately to Settlement Class Counsel for Settlement Class Counsel Fees is independent of and apart from the amounts the Company shall pay to members of the Settlement Class and members of the Settlement Class shall at no time have any interest in Settlement Class Counsel Fees, and the Company shall treat these amounts accordingly. Except as expressly provided herein, neither the Company nor Settlement Class Counsel make any representation regarding and shall have no responsibility for the tax treatment of the foregoing attorneys' fees. Nothing in this section III.G. shall be deemed to limit the Court's authority to review, approve or alter the proposed attorneys' fees and expenses award to Plaintiffs' counsel.

H. Settlement Class Representative Release.

In exchange for such compensation from the Compensatory Damages Fund as the Court may approve or set,¹⁴ Elvenyia-Barton Gibson, George Eddings, Jr., Linda Ingram and Kimberly Orton ("Settlement Class Representatives") will fully and finally resign their employment with The Coca-Cola Company ("Coca-Cola") effective retroactive to June 14, 2000 (or their termination date, whichever is earlier) subject to judicial confirmation of the Consent Decree. They will represent and warrant that they will not directly or indirectly seek an employment or contractual relationship with Coca-Cola (including related companies – e.g., Coca-Cola Enterprises, Inc.) in the future and that such status is fair and reasonable under all of the relevant facts and circumstances. The Settlement Class Representatives will execute a full and final general release of all claims of whatsoever nature (prior to the date of execution of the release) in favor of Coca-Cola, excepting only claims relating to vested pension benefits and vested disability rights. The release will not affect any disability payments to which a Settlement Class Representative is otherwise entitled. The Company will execute a full and final general release of all claims of whatsoever nature (prior to the date of execution of the release) in favor of each of the Settlement Class Representatives. The Settlement Class Representatives agree to Coca-Cola providing them solely with a neutral reference stating their dates of employment and last job held. The parties will agree to a mutual public non-disparagement clause, subject to compelled truthful testimony. Said mutual public non-disparagement clause applies immediately.

¹⁴ Settlement Class Representatives will apply for total awards not to exceed \$300,000 each. The Court will review and determine the appropriate amounts for each Settlement Class Representative.

I. Compensation of Affiants.

Each person providing an executed affidavit to Settlement Class Counsel in support of the Settlement Class' claims by June 14, 2000 shall be tendered the sum of \$3,000.00 for their assistance in prosecuting this litigation. Said payments are estimated to total \$465,000.00 and shall not meaningfully exceed that amount. The approximately \$465,000.00 in payments shall be subtracted from the Compensatory Damages Fund prior to the allocation determination, thereby allowing the affiant payment to be separate from and in addition to the payment the affiant is otherwise entitled to receive under the Settlement Agreement. An overall check in the proper amount shall be furnished to the Mediator for disbursal to the list of affiants as furnished by Settlement Class Counsel.

Each payment check to an affiant will contain the following restrictive endorsement legend:

"In full and final payment of all sums due for time, expense, services and any other claims of whatsoever nature for involvement in the Abdallah, et al. v. The Coca-Cola Company lawsuit in U.S. District Court for the Northern District of Georgia, Civil Action No. 1-98-CV-3679 (RWS)."

Any balance from checks not cashed by the payee within six months from the date of issuance shall be returned to the Compensatory Damages Fund.

The Mediator shall include with each disbursal a letter requesting the affiant to permit his/her affidavit to be furnished to the Ombudsperson appointed under the Consent Decree. The letter shall state that the affidavit will be furnished to the Ombudsperson for the purpose of allowing him/her to identify and resolve any areas where discrimination may exist. For those affiants who do not grant such permission, Settlement Class Counsel will provide copies of all affidavits to the Ombudsperson after redacting the names of the affiants and any other clearly individually identifying data. Copies of the complete unredacted affidavits shall be provided to

the Court-appointed mediator, where they will remain throughout the life of the Decree and for thirty (30) months thereafter and will be available for subpoena by Coca-Cola if and when needed. Settlement Class Counsel, however, will not reveal the affiant's name except as set forth above.

J. Claims Arbitrator

1. General Provisions.

a. The Parties have agreed that Thomas A. Warren of Settlement Services, Inc., Tallahassee, Florida will serve as Claims Arbitrator. The Claims Arbitrator will be approved and sworn by the Court.

b. All decisions by the Claims Arbitrator are final, binding and non³-appealable.

c. In the event that the Claims Arbitrator resigns or is otherwise unable to perform his duties under the Decree, the Mediator shall select a new Claims Arbitrator, subject to approval by the United States District Court.

2. Procedure for Agreement on List of Class Members

a. By January 3, 2000, Class Counsel shall provide to the Company its proposed list of Class Members eligible to receive awards from the Settlement Fund and the Company shall provide Class Counsel its proposed list of Class Members eligible to receive awards from the Settlement Fund.

b. Within ten business days, each side after reviewing the other side's list shall provide the other with a list of names that party believes may be ineligible to receive awards from the Settlement Fund ("Disputed Class Members"). All other names on both lists not subject to objection by one side or the other shall be deemed eligible. The Company shall provide copies of any payroll or personnel records relating to the Disputed Class members.

c. The parties shall attempt to reach agreement on the Disputed Class Members.

If they fail to do so before the Court approves the Class Notice, the parties will follow an expedited schedule and procedures set by the Mediator for resolving conflicts over Disputed Class Members without delaying the Class Notice.

d. Any individuals who notify Class Counsel or Coca-Cola that they believe they have been wrongly excluded from the Class, whom the Parties agree are ineligible, shall be so notified and advised of the right to seek relief from the Claims Arbitrator within 30 days of receipt of such notice. If the Parties dispute eligibility, it shall be resolved under the Challenge Procedures set forth below.

e. Within ten business days after the close of the opt-out period, Counsel for the Parties shall meet and confer regarding a determination of which Class members have filed timely notices to opt-out and are therefore no longer eligible to receive awards.

3. Confirming Data for Award Computations

a. Within ten business days of the end of the opt-out period, the Company, after conferring with Class Counsel, will send each non-opting-out Class Member a confirmation of the information contained in the database about that individual necessary for calculations under the distribution formulas, such as dates of employment, pay grade, and compensation ("Individual Data Points.")

b. The confirmation of Individual Data Points will require the Class Member to respond in writing within thirty days of the mailing if any of the information is believed to be incorrect, and to provide any necessary supporting documentation.

c. Any disputes over the Individual Data Points will be resolved according to the Challenge Procedures.

4. Individual Award Computations

a. No later than ten business days after the Court Approval Date, Class Counsel shall provide Coca-Cola with a list of each Class member's estimated share of the Settlement Fund, including the estimated shares for any opting-out Class members to be credited back to Coca-Cola.

b. If Coca-Cola contends that any Class Member share is incorrectly calculated, the Company shall notify Class Counsel within ten business days.

c. Any disputes over the estimated shares will be resolved under the Challenge Procedures.

d. Within ten business days after the Settlement becomes final and binding, Coca-Cola shall send each Class member whose eligibility and share are undisputed a release to be executed, a form to elect participation in the Promotional Claims Procedure, a form to elect restricted stock, and a notice that states the formula for establishing such Settlement Class member's payment and the estimated gross amount of the Class member's monetary award ("Individual Payment Notice"). The release, form, and calculations must be approved by Class Counsel.

e. The Individual Payment Notice shall inform the Class member of the right to challenge the payment amount before the Claims Arbitrator. The only basis for challenging an award is that the award was incorrectly calculated under the distribution formulas established at Section III.A., above.

f. Class members wishing to challenge the Individual Payment Notice must do so by mailing a written statement to the Claims Arbitrator, stating the reason the Class member

believes the formula was applied incorrectly, and returning the statement to the Claims Arbitrator within thirty days of the date of the Individual Payment Notice.

g. Challenges shall not delay distribution to Class Members, but the Parties shall hold back an amount from distribution until the challenges are resolved.

5. Challenge Procedures

a. Challenges by a Party.

Counsel for either side may challenge: (1) whether an individual is a member of the Class eligible to receive a share of the Settlement Fund; (2) the accuracy of the information to be used to calculate any Class member's individual payment; and/or (3) the amount calculated for any Class member (or any individual who opts out) under the distribution formulas. Counsel shall register such challenges by informing opposing counsel within ten business days of notification of the information to be challenged. If the Parties are unable to resolve the challenge, it shall be referred to the Claims Arbitrator.

b. Challenges by an Individual. An individual may seek relief from the Claims Administrator for an adverse determination of eligibility or to resolve a dispute over the calculation of Individual Data Points or the incorrect application of the distribution formula to calculate an Individual Payment Amount. Challenges filed by an Individual shall be immediately forwarded to the Parties for review.

c. In the event of a challenge by an individual or a Party, Counsel for each party shall meet and confer in an attempt to resolve such challenges in good faith. Coca-Cola shall search its payroll and personnel records and provide Class Counsel any information or documents related to the challenge.

d. Counsel for either side may request supporting information and documents from the individual to resolve a challenge to a determination of eligibility or Individual Data Points. Individual challenges to an Individual Payment Notice will be referred directly to the Claims Arbitrator for adjudication. The individual shall respond to such Counsel's or the Claims Arbitrator's request for additional information by returning the documents and/or statement containing the requested information. The response must be received no later than forty-five days from the date of the request.

e. If such issue is not thereby resolved, then Class Counsel shall send the Claims Arbitrator a notice that states the issues in dispute, and informs the Class member of the right to challenge any determination of ineligibility or of Individual Data Points ("Notice of Right to Challenge").

f. Any individual wishing to file such a challenge must do so by fully and specifically stating in writing each of the reasons that the determination is incorrect and by returning that written statement so as to be received by the Claims Arbitrator no later than thirty days after the date of notice under the foregoing subsection (e). No challenge that fails to comply with this deadline shall be permitted.

g. The Claims Arbitrator shall attempt to resolve expeditiously any challenges within thirty days of the date they are filed with or referred to the Claims Arbitrator. In the case of an individual challenge, the Claims Arbitrator shall provide a copy of the decision to the Settlement Class Member filing the challenge, with a copy to Counsel for the Parties.

h. The Claims Arbitrator shall establish any additional procedures necessary to resolve disputes under this Section.

6. Final Accounting of Distribution

a. Prior to distribution of compensation to Class members, Class Counsel may direct that a portion (not to exceed 1%) of the Settlement Fund be withheld as a reserve against contingent class obligations including, but not limited to, unresolved challenges to adverse eligibility determinations on class participation (“The Contingent Class Obligation Reserve”). Coca-Cola shall maintain The Contingent Class Obligation Reserve as a separate segregated account for the benefit of the Settlement Class. Any post-distribution accretions to the Compensatory Damages Fund (*e.g.*, unclaimed affiant incentive bonus payments pursuant to III(I)) shall be deposited into The Contingent Class Obligation Reserve. The Company shall disburse this Reserve only: (a) as directed by Settlement Class Counsel and approved by the Court; or (b) as directed by the Court. The Contingent Class Obligation Reserve shall accrue interest payable by Coca-Cola to the Settlement Class at the rate of six (6%) per cent per annum, compounded annually from the date Coca-Cola receives Class Counsel’s direction until the day the final balance is ultimately disbursed either in payment of liquidated obligations owed by the Settlement Class or to the Settlement Class by supplemental distribution.

b. Within thirty days after the initial distribution of compensation to Class members under this Settlement, the Company shall provide to Class Counsel an accounting of such distribution. Such accounting shall include:

- (i) The full name and social security number of the Class member;
- (ii) The means by which the compensation was distributed (if by mail, the mailing address);
- (iii) The amount of compensation distributed to the Class member;
- (iv) Whether the Class member elected the Promotional Claims procedure in lieu of accepting a back pay award;

(v) Whether the Class member elected to take some or all of the Compensatory Damages Fund payment in restricted stock and the allocation of cash and restricted stock paid to that Class member;

(vi) Any tax withholding and any tax payments made on behalf of the Class member, delineating the Company share;

(vii) A balance of any additional monies subject to distribution under the Agreement, including but not limited to The Contingent Class Obligation Reserve; and

(viii) An accounting of all amounts credited to the Company for those individuals opting-out of the Class, including the name of the individual and the calculation of that individual's share.

To the extent any further compensation is paid to Class members under the terms of the Settlement, the Company shall give a written accounting to Class Counsel setting forth the information called for by items (i) through (vii) above within forty-five days after each distribution to Settlement Class Members under this Settlement Agreement.

IV. GENERAL PROVISIONS

A. Judicial Enforcement.

The Court shall have continuing authority and jurisdiction during the four-year implementation period to enforce this Settlement Agreement. The Parties shall have the authority to seek enforcement of this Settlement Agreement and any of its aspects, terms or provisions under any appropriate mechanism, including contempt proceedings. The Parties will meet and confer in good faith prior to seeking judicial enforcement of this Settlement Agreement.

B. No Admission of Liability.

The parties acknowledge and agree that the terms of this Agreement embody a voluntary and mutually acceptable resolution, full settlement and release of the Settlement Class' claims and shall not constitute an admission of liability on the part of Coca-Cola as to any matter whatsoever. While the Settlement Class reaffirms the discrimination assertions in the Amended Complaint, Coca-Cola denies it has discriminated against the Settlement Class or any member thereof on the basis of race or any other protected characteristic.

C. Non-Disparagement.

No corporate officer of Coca-Cola shall disparage a Settlement Class member in any media or official statement except as may be required for truthful sworn testimony. The Company will advise all of its employees after final Court approval of the settlement that the case has been settled and that no employee should disparage any current or former employee of the Company for having participated in the lawsuit, its defense, or the settlement. In the event an employee is found to have disparaged a current or former employee of the Company for having participated in the lawsuit, its defense, or its settlement, such event will not be attributable to the Company or its officers and will not constitute a material breach of this Agreement. Any such individual who is found to have violated this disparagement provision shall be subject to such sanctions and penalties as are provided for by governing law.

Each member of the Settlement Class and Settlement Class Counsel agree to refrain from publicly or in the media (1) disparaging Coca-Cola or its products, and (2) taking any action designed to harm the public perception of the Company or its products, except as may be required for truthful sworn testimony. To that end, after final Court approval of the settlement, Settlement Class Counsel will advise the Settlement Class members through a posting on its web site not to violate this provision. The Company may bring appropriate enforcement, injunctive,

and other proceedings (including contempt proceedings) against any Settlement Class member who breaches this provision of the Agreement. In the event a Settlement Class member is found to have violated this provision, such event will not be attributable to the Settlement Class Counsel or the Settlement Class Representatives and will not constitute a material breach of this Agreement unless the action was taken with the authorization of Settlement Class Counsel or any Settlement Class Representative.

D. Notice and Fairness Process.

1. Coca-Cola will distribute the Court-approved notice to all Settlement Class members within twenty (20) days of the Court's approval of such notice. Said notice distribution shall be at Coca-Cola's expense by first-class mail to the last known address in Coca-Cola's Human Resource records¹⁵ unless the Company has been notified of a change of address by a Class member or Class Counsel. Class Counsel shall provide the Company with any change of address information collected from Class members within a reasonable time after the date of the Court's approval of the notice. Any notices returned as undelivered shall be promptly turned over to Plaintiffs' counsel for additional transmittal efforts.
2. Objections and Opt-Outs shall be filed with the Court within sixty (60) days of the filing of the Court's approval of such notice.
3. The parties may conduct discovery concerning objections from the time an objection is filed until forty-five (45) days after the deadline for filing objections or the next business day, whichever is later.
4. A fairness hearing will be scheduled at the Court's convenience not sooner than fifteen (15) days after the close of the Objection discovery period described in paragraph 3, above.

E. Future Hires.

All African-Americans hired by Coca-Cola during the term of the Consent Decree, but after June 14, 2000, may avail themselves of the programmatic relief provided pursuant to the

¹⁵ In keeping with the parties' intention to effect actual notice on every settlement class member, the Company shall make reasonable efforts to update such records to obtain actual current mailing addresses.

Consent Decree, but shall not be entitled to any portion of the monetary relief provided herein, except to the extent such persons may earn awards from the Promotional Achievement Award Fund.

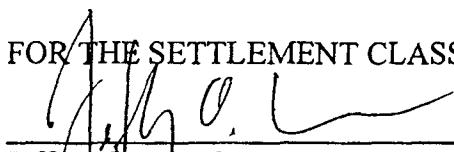
F. Effect of Prior Agreements.

This Agreement supercedes all prior Agreements between the Parties and constitutes the final and complete terms of the Settlement.

Each side shall be bound by a singular signature. Each signature warrants that the signer has authority to bind his party.

EXECUTED this 22nd day of December, 2000.

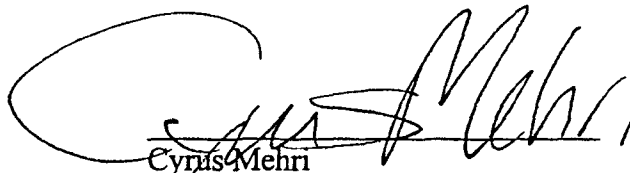
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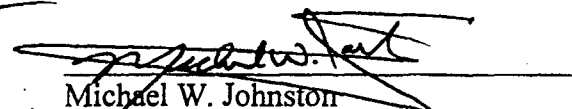

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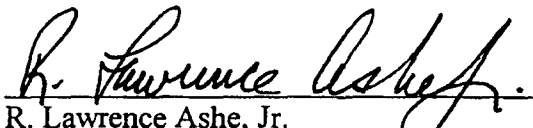
FOR THE COCA-COLA COMPANY

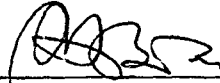

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