UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** for the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-13163

YUM! BRANDS, INC.
(Exact name of registrant as specified in its charter)

North Carolina	13-3951308
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1441 Gardiner Lane, Louisville, Kentucky	40213
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (502) 874-8300

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, no par value	YUM	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☒

The aggregate market value of the voting stock (which consists solely of shares of Common Stock) held by non-affiliates of the registrant as of June 30, 2024, computed by reference to the closing price of the registrant's Common Stock on the New York Stock Exchange Composite Tape on such date was approximately $ 37 billion. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant. The number of shares outstanding of the registrant's Common Stock as of February 17, 2025, was 279,101,936 shares.

Documents Incorporated by Reference

Portions of the definitive proxy statement furnished to shareholders of the registrant in connection with the annual meeting of shareholders to be held on May 15, 2025, are incorporated by reference into Part III.

Forward-Looking Statements

In this Form 10-K, as well as in other written reports and oral statements, we present “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with those safe harbor provisions.

Forward-looking statements can be generally identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “expect,” “expectation,” “believe,” “anticipate,” “may,” “could,” “intend,” “belief,” “plan,” “estimate,” “target,” “predict,” “likely,” “seek,” “project,” “model,” “ongoing,” “will,” “should,” “forecast,” “outlook” or similar terminology. Forward-looking statements are based on and reflect our current expectations, estimates, assumptions and/or projections, our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions and/or projections will be achieved. Factors that could cause actual results and events to differ materially from our expectations, estimates, assumptions, projections and/or forward-looking statements include (i) the risks and uncertainties described in the Risk Factors included in Part I, Item 1A of this Form 10-K and (ii) the factors described in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Part II, Item 7 of this Form 10-K. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The forward-looking statements included in this Form 10-K are only made as of the date of this Form 10-K and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

PART I

Item 1. Business.

Yum! Brands, Inc. (referred to herein as "YUM", the "Registrant" or the "Company"), was incorporated under the laws of the state of North Carolina in 1997. The principal executive offices of YUM are located at 1441 Gardiner Lane, Louisville, Kentucky 40213, and the telephone number at that location is (502) 874-8300. Our website address is https://www.yum.com.

YUM, together with its subsidiaries, is referred to in this Form 10-K annual report ("Form 10-K") as the Company. The terms "we," "us" and "our" are also used in the Form 10-K to refer to the Company. Throughout this Form 10-K, the terms "restaurants," "stores" and "units" are used interchangeably. While YUM does not directly own or operate any restaurants, throughout this document we may refer to restaurants that are owned or operated by our subsidiaries as being Company-owned.

Overview of Business

YUM has over 61,000 restaurants in more than 155 countries and territories primarily operating under the four concepts of KFC, Taco Bell, Pizza Hut and Habit Burger & Grill (the "Concepts"). The Company's KFC, Taco Bell and Pizza Hut brands are global leaders of the chicken, Mexican-inspired food and pizza categories, respectively. Habit Burger & Grill is a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more. At December 31, 2024, 98% of our Concepts' units are operated by independent franchisees or licensees under the terms of franchise or license agreements. The terms franchise or franchisee within this Form 10-K are meant to describe third parties that operate units under either franchise or license agreements.

The following is a brief description of each Concept and a summary of our Concepts' operations as of and for the year ended December 31, 2024:

	Number of Units	% of Units International	Number of Countries and Territories	% Franchised	System Sales[(a)] (in Millions)
KFC Division	31,981	89 %	150	99 %	$ 34,452
Taco Bell Division	8,757	13 %	33	94 %	17,193
Pizza Hut Division	20,225	68 %	111	99 %	13,108
Habit Burger & Grill Division	383	2 %	3	17 %	713
YUM	61,346	70 %	156	98 %	$ 65,466

(a) Constitutes sales of all restaurants, both Company-owned and franchised. See further discussion of this performance metric within Part II, Item 7 of this Form 10-K.

KFC

KFC was founded in Corbin, Kentucky, by Colonel Harland D. Sanders, an early developer of the quick service food business and a pioneer of the restaurant franchise concept. The Colonel perfected his secret blend of 11 herbs and spices for Kentucky Fried Chicken in 1939 and signed up his first franchisee in 1952. KFC restaurants across the world offer fried and non-fried chicken products such as sandwiches, chicken strips, chicken-on-the-bone and other chicken products marketed under a variety of names.

Taco Bell

The first Taco Bell restaurant was opened in 1962 by Glen Bell in Downey, California, and in 1964, the first Taco Bell franchise was sold. Taco Bell specializes in Mexican-style food products, including various types of tacos, burritos, quesadillas, salads, nachos and other related items.

Pizza Hut

The first Pizza Hut restaurant was opened in 1958 in Wichita, Kansas, and within a year, the first franchise unit was opened. Today, Pizza Hut specializes in the sale of ready-to-eat pizza products and operates in the delivery, carryout and casual dining segments around the world.

Habit Burger & Grill

The first Habit Burger & Grill restaurant opened in 1969 in Santa Barbara, California. The Habit Burger & Grill restaurant concept is built around a distinctive and diverse menu that includes chargrilled burgers and sandwiches made-to-order over an open flame and topped with fresh ingredients.

Business Strategy

Through our Recipe for Good Growth we intend to deliver iconic restaurant brands and consistently drive better customer experiences, improved unit economics and higher rates of growth. Key enablers include accelerated use of digital and technology, increased collaboration and better leverage of our systemwide scale. This is done through a framework of three pillars: being Loved, Trusted and Connected.

Loved: We grow by delighting customers with craveable food and a distinctive experience. We innovate and elevate our iconic restaurant brands that people trust and champion, resulting in relevant, easy and distinctive brands.

Trusted: We operate responsibly with consistency and efficiency in our restaurants, across our system and in our communities. This includes a commitment to our priorities for social responsibility, risk management and sustainable stewardship of our people, food and planet.

Connected: We use our teamwork, technology and global scale to serve every customer, everywhere, anytime. Our unmatched operating capability allows us to recruit and equip the best restaurant operators in the world to deliver great customer experiences. And our commitment to bold restaurant development drives market and franchise unit expansion with strong economics.

Our unrivaled culture and talent and leading with smart, heart and courage are key to our success, fueling brand performance and franchise success.

Information about Operating Segments

As of December 31, 2024, YUM consists of four operating segments:

- The KFC Division which includes our worldwide operations of the KFC concept
- The Taco Bell Division which includes our worldwide operations of the Taco Bell concept
- The Pizza Hut Division which includes our worldwide operations of the Pizza Hut concept
- The Habit Burger & Grill Division which includes our worldwide operations of the Habit Burger & Grill concept

Franchise Agreements

The franchise programs of the Company are designed to promote consistency and quality, and the Company is selective in granting franchises. The Company is focused on partnering with franchisees who have the commitment, capability and capitalization to grow our Concepts. Franchisees can range in size from individuals owning just one restaurant to large publicly-traded companies. The Company has franchise relationships that are particularly important to our business, such as our relationship with Yum China (defined below) and our relationships with certain other large franchisees.

The Company currently has approximately 1,500 franchisees with whom we have franchise contracts. The Company utilizes both store-level franchise and master franchise programs to grow our businesses. Of our over 60,000 franchised units at December 31, 2024, approximately 35% operate under our master franchise programs, including over 15,400 units in mainland China. The remainder of our franchise units operate under store-level franchise agreements. Under both types of franchise programs, franchisees supply capital by purchasing or leasing the land, building, equipment, signs, seating, inventories and supplies and, over the longer term, by reinvesting in the business. In certain historical refranchising transactions the Company may have retained ownership of land and building and continues to lease them to the franchisee. Store-level franchise agreements typically require payment to the Company of certain upfront fees such as initial fees paid upon opening of a store, fees paid to renew the term of the franchise agreement and fees paid in the event the franchise agreement is transferred to another franchisee. Franchisees also pay monthly continuing fees based on a percentage of their restaurants' sales (typically between 4% to 6%) and are required to spend a certain amount to advertise and promote the brand. Under master franchise arrangements, the Company enters into agreements that allow master franchisees to operate restaurants as well as sub-franchise restaurants within certain geographic territories. Master franchisees are typically responsible for overseeing development within their territories and performing certain other administrative duties with regard to the oversight of sub-franchisees. In exchange,

master franchisees retain a certain percentage of fees payable by the sub-franchisees under their franchise agreements and often pay lower fees for the restaurants they operate.

On October 31, 2016, we completed the spin-off of our China business into an independent, publicly-traded company under the name of Yum China Holdings, Inc. (“Yum China”). As our largest master franchisee, Yum China, pays the Company a continuing fee of 3% on system sales of our Concepts in mainland China. The use by Yum China of certain of our material trademarks and service marks is governed by a master license agreement between Yum Restaurants Consulting (Shanghai) Company Limited, a wholly-owned indirect subsidiary of Yum China, and YUM, through YRI China Franchising LLC, a subsidiary of YUM.

The Company seeks to maintain strong and open relationships with our franchisees and their representatives. To this end, the Company invests a significant amount of time working with the franchisee community and their representative organizations on key aspects of the business, including products, technology, equipment, operational improvements and standards.

Restaurant Operations

Through its Concepts, YUM develops, operates and franchises a worldwide system of both traditional and non-traditional Quick Service Restaurants (“QSR”). Traditional units can feature dine-in, carryout, drive-thru and delivery services. Non-traditional units include express units that have a more limited menu, usually generate lower sales volumes and operate in non-traditional locations like malls, airports, gasoline service stations, train stations, subways, convenience stores, stadiums, amusement parks and colleges, where a full-scale traditional outlet would not be practical or efficient.

Most restaurants in each Concept offer consumers the ability to dine in, carryout and/or have the Concepts’ food delivered either by store-level personnel or third-party delivery services such as aggregators. In addition, Taco Bell, KFC and Habit Burger & Grill offer a drive-thru option in many stores. Pizza Hut offers a drive-thru option on a much more limited basis.

Restaurant management structure varies by Concept, unit size and franchise organization. Generally, each restaurant is led by a restaurant general manager (“RGM”), together with one or more assistant managers, depending on the operating complexity and sales volume of the restaurant. Each Concept issues manuals, which may then be customized to meet local regulations and customs. These manuals set forth standards and requirements for restaurant operations, including food safety and quality, food handling and product preparation procedures, equipment maintenance, facility standards and accounting control procedures. Each franchise organization and their respective restaurant management teams are responsible for the day-to-day operation of their units, including all matters related to employment of restaurant staff, and for ensuring compliance with operating standards.

Digital and technology are at the core of our Recipe for Good Growth. In recent years the Company has focused on building and acquiring a distinctive set of solutions with next-generation capabilities tailored for our brands and scaling these common digital and technology platforms across the globe. In 2024, we accelerated our technology transformation by integrating our digital and technology teams into a unified global team. Additionally, we have introduced our Byte by Yum! platform, a comprehensive collection of proprietary software as a service and artificial intelligence ("AI") driven products that enables easy operations for team members and improved experiences for customers, while consolidating essential systems into a cohesive, easy-to-manage platform. The Byte by Yum! platform includes online and mobile app ordering, point of sale, kitchen and delivery optimization, menu management, inventory and labor management and team member tools. The implementation of Byte by Yum! is also designed to enable a faster and more impactful adoption of AI by YUM and its brands, and offers franchisees leading technology capabilities with advantaged economics made possible by the scale of YUM all with a goal of unlocking new insights and driving profitable sales growth.

Digital sales include transactions where consumers at system restaurants utilize ordering interaction that is primarily facilitated by automated technology. In 2024, our system restaurants generated digital sales of $33 billion, representing over 50% of overall system sales.

The Company and its Concepts own numerous registered trademarks. The Company believes that many of these marks, including our Kentucky Fried Chicken®, KFC®, Taco Bell®, Pizza Hut® and The Habit® marks, have significant value and material importance to our business. The Company’s policy is to pursue registration of important marks whenever feasible and to challenge any infringement of our marks vigorously. The use of certain of these marks by franchisees has been authorized in our franchise agreements. Under current law and with proper use, the Company’s rights in our marks can generally last indefinitely. The Company also has certain patents on restaurant equipment and technology which, while valuable, are not currently considered material to our business.

Supply and Distribution

The Company and franchisees of the Concepts are substantial purchasers of a number of food and paper products, equipment and other restaurant supplies. The principal items purchased include chicken, cheese, beef and pork products, paper and packaging materials. Prices paid for these supplies fluctuate. When prices increase, the Concepts may attempt to pass on such increases to their customers, although there is no assurance that this can be done in practice. The Company does not typically experience significant continuous shortages of supplies, and alternative sources for most of these supplies are generally available.

In the U.S., the Company, along with the representatives of the Company's KFC, Taco Bell and Pizza Hut franchisee groups, are members of Restaurant Supply Chain Solutions, LLC ("RSCS"), a third party which is responsible for purchasing certain restaurant products and equipment. Additionally, Habit Burger & Grill entered into a purchasing agreement with RSCS effective July 31, 2020. The core mission of RSCS is to provide the lowest possible sustainable store-delivered prices for restaurant products and equipment. This arrangement combines the purchasing power of the Company-owned and franchisee restaurants, which the Company believes leverages the system's scale to drive cost savings and effectiveness in the purchasing function. The Company also believes that RSCS fosters closer alignment of interests and a stronger relationship with our franchisee community.

Most food products, paper and packaging supplies, and equipment used in restaurant operations are distributed to individual restaurant units by third-party distribution companies. In the U.S., McLane Foodservice, Inc. is the distributor for the majority of items used in Company-owned restaurants and for a substantial number of franchisee restaurants. Outside the U.S., we and our Concepts' franchisees primarily use decentralized sourcing and distribution systems involving many different global, regional and local suppliers and distributors. Our international franchisees generally select and manage their own third-party suppliers and distributors, subject to our internal standards. All suppliers and distributors are expected to provide products and/or services that comply with all applicable laws, rules and regulations in the state and/or country in which they operate as well as comply with our internal standards.

Advertising and Promotional Programs

Company-owned and franchise restaurants are required to spend a percentage of their respective restaurants' sales on advertising programs with the goal of increasing sales and enhancing the reputation of the Concepts. Advertising may be conducted nationally, regionally and locally. When multiple franchisees operate in the same country or region, the national and regional advertising spending is typically conducted by a cooperative to which the franchisees and Company-owned restaurants, if any, contribute funds as a percentage of restaurants' sales. The contributions are primarily used to pay for expenses relating to purchasing media for advertising, market research, commercial production, talent payments and other support functions for the respective Concepts. We have the right to control the advertising activities of certain advertising cooperatives, typically in markets where we have Company-owned restaurants, through our majority voting rights.

Working Capital

Information about the Company's working capital is included in MD&A in Part II, Item 7 and the Consolidated Statements of Cash Flows in Part II, Item 8.

Seasonal Operations

The Company does not consider its operations to be seasonal to any material degree.

Competition

The retail food industry, in which our Concepts compete, is made up of supermarkets, supercenters, warehouse stores, convenience stores, coffee shops, snack bars, delicatessens and restaurants (including those in the QSR segment), and is intensely competitive with respect to price and quality of food products, new product development, digital engagement, advertising levels and promotional initiatives, customer service reputation, restaurant location and attractiveness and maintenance of properties. Competition has also increased from and been enabled by delivery aggregators and other food delivery services in recent years, particularly in urbanized areas. Our Concepts also face competition as a result of convergence in grocery, convenience, deli and restaurant services, including the offering by the grocery industry of convenient meals, including pizzas and entrees with side dishes. The retail food industry is often affected by: changes in consumer tastes; national, regional or local economic conditions; currency fluctuations; demographic trends; traffic patterns; the type, number and location of competing food retailers and products; and disposable purchasing power. Within the retail food industry, each of our Concepts competes with international, national and regional chains as well as locally-owned establishments, not only for customers, but also for management and hourly personnel, suitable real estate sites and qualified franchisees. Given the various types and vast number of competitors, our Concepts do not constitute a significant portion of the retail food industry in terms of number of system units or system sales, either on a worldwide or individual country basis.

Environmental Matters

The Company is not aware of any federal, state or local environmental laws or regulations that will materially affect our earnings or competitive position, or result in material capital expenditures. However, the Company cannot predict the effect on our operations due to possible future environmental legislation or regulations. During 2024, there were no material capital expenditures for environmental control facilities and no such material expenditures are anticipated.

Government Regulation

U.S. Operations. The Company and its U.S. operations, as well as our franchisees, are subject to various federal, state and local laws affecting our business, including laws and regulations concerning information security, privacy, labor and employment, health, marketing, food labeling, competition, public accommodation, sanitation and safety. Each of our and our Concepts' franchisees' restaurants in the U.S. must comply with licensing requirements and regulations promulgated by a number of governmental authorities, which include health, sanitation, safety, fire and zoning agencies in the state and/or municipality in which the restaurant is located. In addition, each Concept must comply with various state and federal laws that regulate the franchisor/franchisee relationship. To date, the Company has not been materially adversely affected by such licensing requirements and regulations or by any difficulty, delay or failure to obtain required licenses or approvals.

International Operations. Our and our Concepts' franchisees' restaurants outside the U.S. are subject to national and local laws and regulations which have similarities to those affecting U.S. restaurants but may differ among jurisdictions. Like restaurants in the U.S., restaurants outside the U.S. are subject to certain regulations and tariffs on imported commodities and equipment, laws regulating foreign investment and anti-bribery and anti-corruption laws.

See Item 1A "Risk Factors" of this Form 10-K for a discussion of risks relating to federal, state, local and international regulation of our business.

Human Capital Management

As of December 31, 2024, the Company and its subsidiaries employed approximately 40,000 persons (collectively referred to throughout this filing as "our employees" or "YUM employees"), including approximately 23,000 employees in the U.S. and approximately 17,000 employees outside the U.S. Approximately 85% of our employees work in restaurants while the remainder work in our restaurant-support centers. In the U.S., approximately 85% of our Company-owned restaurant employees are part-time and approximately 40% have been employed by the Company for less than a year. Some of our International employees are subject to labor council relationships whose terms vary due to the diverse countries in which the Company operates.

In addition to the persons employed by the Company and its subsidiaries, our approximately 60,000 franchise restaurants around the world are responsible for the employment of over an estimated 1 million people who work in and support those restaurants. Each year YUM and our franchisees around the world create thousands of restaurant jobs, which are part-time, entry-level opportunities to grow careers at our KFC, Taco Bell, Pizza Hut and Habit Burger & Grill brands. As evidence of the opportunities these positions create, approximately 80% of the Company-owned Restaurant General Managers ("RGMs")

located in the U.S. have been promoted from other positions in our brands' restaurants and such RGMs often earn pay greater than the average American household income.

Human capital management considerations are integral to our Recipe for Good Growth strategy, the drivers of which include leveraging our culture and people capability to fuel brand performance and franchise success, as well as recruiting and equipping the best restaurant operators in the world to deliver great customer experiences. Our investment in people includes creating a culture of engagement that attracts, retains and grows the best people and creates high performance in our restaurants. We are also highly focused on building an inclusive culture among our employees, franchisees, suppliers and partners that reflects all of our customers and communities, which we believe provides us with a competitive advantage with respect to the performance of our business. Our commitments and progress towards our vision of culture, opportunity and belonging are reflected below.

- Continually building upon ongoing inclusion efforts to help ensure our workplaces are environments where all people can be successful.
- Consistent with our Code of Conduct, making employment-related decisions based on an individual's abilities and merit, not personal characteristics that are unrelated to the job.
- Measuring YUM employee engagement regularly. For example, every other year we conduct a global employee engagement survey of all employees working in our restaurant support centers. The most recent survey conducted was in 2023 and reflected an engagement level among our employees significantly exceeding the average engagement levels of benchmarked companies.
- Providing YUM employees with training and development that builds world-class leaders and drives business results.
- Enabling a culture that fuels results and cross-brand collaboration on operational execution, people capability and customer experience initiatives throughout our system.
- Assessing progress towards lowering turnover and increasing retention rates, particularly at the restaurant-employee level.

Available Information

The Company makes available, through the Investor Relations section of its internet website at https://www.yum.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after electronically filing such material with the Securities and Exchange Commission ("SEC") at https://www.sec.gov.

Our Corporate Governance Principles and our Code of Conduct are also located within the Investor Relations section of the Company's website. The references to the Company's website address in this Form 10-K do not constitute incorporation by reference of the information contained on the website and should not be considered part of this Form 10-K. These documents, as well as our SEC filings, are available in print free of charge to any shareholder who requests a copy from our Investor Relations Department.

Item 1A. Risk Factors.

You should carefully review the risks described below as they identify important factors that could cause our actual results to differ materially from our forward-looking statements, expectations and historical trends. Any of the following risk factors, either by itself or together with other risk factors, could materially adversely affect our business, growth prospects, results of operations, cash flows and/or financial condition.

Risks Related to Food Safety and Catastrophic Events

Food safety and food- or beverage-borne illness concerns may have an adverse effect on our business and/or our growth prospects.

Food or beverage-borne illnesses (that can be caused by food-borne pathogens such as E. coli, Listeria, Salmonella, Cyclospora and Trichinosis) and food safety issues (such as food tampering, contamination including with respect to allergens or adulteration) have occurred and may occur within our system from time to time. In addition, the health and environmental risks of certain ubiquitous substances (including per-and polyfluoroalkyl substances (PFAS)) commonly found in packaging have been the subject of increased regulatory scrutiny and lawsuits against us and other restaurant companies. Any report linking our or our Concepts' franchisees' restaurants, our suppliers or distributors or otherwise involving the types of products used at our restaurants, or linking our competitors, suppliers, distributors or the retail food industry generally, to instances of food- or beverage-borne illness or food safety issues or substances having perceived health or environmental risks could result in adverse publicity and otherwise adversely affect us and possibly lead to consumer complaints, litigation and/or governmental investigations. There is also a risk that we or our Concepts' franchisees' restaurants, suppliers or distributors under report food safety incidents or system failures, which could hinder response and tracking of such risks. Moreover, our Concepts' restaurants' reliance on third-party food suppliers and distributors and increasing reliance on food delivery aggregators may increase the risk that food- or beverage-borne illness incidents and food safety issues could be caused by factors outside of our control. If a customer is believed to have become ill from food or beverage-borne illnesses or as a result of food safety issues, remediation efforts could include temporary closure of restaurants, which could disrupt our operations and adversely affect our reputation, business and/or our growth prospects. The occurrence of food-borne pathogens in restaurant products or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in our supply chain and/or lower margins for us and our Concepts' franchisees.

Our business may be adversely affected by adverse public health conditions or the occurrence of other catastrophic or unforeseen events.

If public health conditions related to the coronavirus ("COVID-19") were to significantly worsen in markets where we conduct significant operations, our business and financial results could be adversely impacted, and we may be unable to effectively respond to any such developments. In addition, our business and/or growth prospects could be adversely impacted by various catastrophic or other unforeseen events (which may be beyond our control), including health epidemics or pandemics, natural disasters, geopolitical events, military conflict, terrorism, political, financial or social instability, boycotts, social or civil unrest, workplace violence, or other events that lead to avoidance of public places or restrictions on public gatherings such as in our and our Concepts' franchisees' restaurants, particularly if located in regions where we have significant operations.

In addition, our operations could be disrupted if any employees at our, our Concepts' franchisees' restaurants or our business partner employees had or were suspected of having avian flu or swine flu, or other highly communicable illnesses such as hepatitis A or norovirus, since this could require us, our Concepts' franchisees, or our business partners to quarantine some or all of such employees and close facilities, including restaurants. Prior outbreaks of avian flu have resulted in confirmed human cases and it is possible that outbreaks could reach pandemic levels. Public concern over avian flu may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less poultry and related products, which would adversely affect us given that poultry is widely offered at our Concepts' restaurants. Avian flu outbreaks could also adversely affect the price and availability of poultry, which could negatively impact our business.

Furthermore, other viruses may be transmitted through human contact, and the risk or perceived risk of contracting viruses could cause employees or guests to avoid gathering in public, which could adversely affect restaurant guest traffic or the ability to adequately staff restaurants. We could also be adversely affected if government authorities impose mandatory or voluntary closures, impose restrictions on operations of restaurants, or restrict the import or export of products, or if suppliers issue mass recalls of products.

Risks Related to our Business Strategy and Reliance upon Franchisees

Our operating results and growth strategies are closely tied to the success of our Concepts ' franchisees.

The vast majority (98%) of our restaurants are operated by our Concepts' franchisees. Our long-term growth depends on maintaining the pace of our new unit growth rate largely through our Concepts' franchisees. We also rely on master franchisees, who have rights to license to sub-franchisees the right to develop and operate restaurants, to achieve our expectations for new unit development. If our Concepts' franchisees and master franchisees do not meet our expectations for new unit development, we may not achieve our desired growth.

We have limited control over how our Concepts' franchisees' businesses are run, and their inability to operate successfully could adversely affect our operating results through decreased royalties, advertising funds contributions, and fees paid to us for other discrete services we may provide to our Concepts' franchisees Our control is further limited where we utilize master franchise arrangements, which require us to rely on our master franchisees to enforce sub-franchisee compliance with our operating standards.

If our Concepts' franchisees fail to adequately capitalize their businesses or incur too much debt, if their operating expenses or commodity prices increase or if economic or sales trends deteriorate such that franchisees are unable to operate profitably or repay existing debt, it could result in their financial distress, including insolvency or bankruptcy, or the inability to meet development targets or obligations. If any significant franchisee of our Concepts individually or in the aggregate becomes, financially distressed, as has occurred from time to time, our operating results could be impacted through reduced or delayed fee payments that cause us to record bad debt expense and reduced advertising fund contributions, and we could experience reduced new unit development.

In addition, we are secondarily liable on certain Concepts' franchisees' restaurant lease agreements, including lease agreements that we have guaranteed or assigned to franchisees, and our operating results and/or growth prospects could be impacted by any rent obligations to the extent such franchisees default on these lease agreements.

Our results may also be impacted by whether our Concepts' franchisees implement marketing programs or other major initiatives, such as restaurant remodels or equipment or technology upgrades, which may require financial investment by such franchisees. Our Concepts may be unable to successfully implement strategies that we believe are necessary for growth if our Concepts' franchisees do not participate, which may harm our growth prospects and financial results. Additionally, the failure of our Concepts' franchisees to focus on key elements of restaurant operations, such as compliance with our operating standards addressing quality, service and cleanliness (even if such failures do not breach the franchise documents), may be attributed by guests to our Concepts' brand and could negatively impact our reputation, business and/or our growth prospects.

Franchisee noncompliance with our franchise agreements and/or or brand standards may also adversely impact customer perception of our Concepts' brands, including by failing to meet health and safety standards, to engage in quality control or maintain product consistency or to comply with cybersecurity requirements, as well as through the participation in improper business practices.

Moreover, franchisee noncompliance with our franchise agreements and/or brand standards may lead to us to terminate franchise agreements and close related stores, which may have an impact on our results. For example, on January 8, 2025, we terminated franchise agreements with the owner and operator of KFC and Pizza Hut restaurants in Turkey after failure to meet our brand standards.

We have franchise relationships that are particularly important to our business due to their scale and/or growth prospects such as our relationship with Yum China, our largest franchisee. In connection with the spin-off of our China business in 2016 into an independent publicly-traded company (the "Separation" or "Yum China spin-off"), we entered into a Master License Agreement ("MLA") pursuant to which Yum China is the exclusive licensee of the KFC, Taco Bell and Pizza Hut Concepts and their related marks and other intellectual property rights for restaurant services in mainland China. Any failure to realize the expected benefits of key franchise relationships, including with Yum China, may adversely impact our business and growth prospects.

Our growth strategy depends upon our and our franchisees ' ability to successfully open new restaurants and to operate these restaurants profitably.

Our growth strategy depends on our and our Concepts' franchisees' ability to increase the number of restaurants around the world. The successful development of new units depends in large part on the ability of our Concepts' franchisees to open new

restaurants and to operate these restaurants profitably. Effectively managing growth can be challenging, particularly as we expand into new markets, and we cannot guarantee that we, or our Concepts' franchisees, including Yum China, will be able to achieve our expansion goals or that new restaurants will be operated profitably, consistent with results of existing restaurants or with our or our Concepts' franchisees' expectations. Other risks that could impact our ability to open new restaurants include: (i) economic conditions and trade or economic policies or sanctions, (ii) our ability to attract new franchisees, (iii) new restaurant construction and development costs, (iv) our Concepts' franchisees' ability to meet new restaurant permitting, construction, development and team member training timelines, and (v) supply chain challenges, including our ability to secure sufficient supply to support new restaurants.

Expansion could also be affected by our Concepts' franchisees' willingness to invest capital or ability to obtain financing to construct and open new restaurants. If it becomes more difficult or more expensive for our Concepts' franchisees to obtain financing to develop new restaurants, or if the perceived return on invested capital is not sufficiently attractive, our expected growth and future financial results could be adversely impacted.

In addition, new restaurants could impact the sales of our Concepts' existing restaurants nearby, and the risks of such sales cannibalization may become more significant in the future as we increase our presence in existing markets.

We may not realize the anticipated benefits from past or potential future acquisitions, investments or other strategic transactions, or our portfolio business model.

From time to time we have completed, and we may evaluate and continue to complete, mergers, acquisitions, divestitures, joint ventures, strategic partnerships, minority investments (including minority investments in third parties, such as, franchisees or master franchisees) and other strategic transactions.

Past and potential future strategic transactions may involve various inherent risks, including, without limitation:

- expenses, delays or difficulties in integrating acquired companies, joint ventures, strategic partnerships or investments into our organization, including the failure to realize expected synergies and/or the inability to retain key personnel;
- diversion of management's attention from other initiatives and/or day-to-day operations to effectively execute our growth strategy;
- inability to generate sufficient revenue, profit, and cash flow from acquired companies, joint ventures, strategic partnerships or investments;
- the possibility that we have acquired substantial contingent or unanticipated liabilities in connection with acquisitions or other strategic transactions; and
- the possibility that our interests and strategic direction do not align with those of acquired companies or other parties that maintain an interest in our investments.

Past and potential future strategic transactions may not ultimately create value for us and may harm our reputation and adversely affect our business, growth prospects and financial results. In addition, our investments, including minority investments in certain franchisees, are potentially subject to changes in value, including through impairment, which have caused and could continue to cause, fluctuations in our results of operations.

Risks Related to Operating a Global Business

We have significant exposure to the Chinese market through our largest franchisee, Yum China, which subjects us to risks that could negatively affect our business and/or our growth prospects.

A meaningful portion of our total business, particularly with respect to our KFC Concept, is conducted in mainland China through our largest franchisee, Yum China. We are contractually entitled to receive a 3% sales-based license fee on all Yum China system sales related to our KFC, Taco Bell and Pizza Hut Concepts. Yum China's business is exposed to risks in mainland China, which include, among others, potential political, financial and social instability, changes in economic conditions (including consumer spending, unemployment levels and ongoing wage and commodity inflation), consumer preferences, the regulatory environment (including uncertainties with respect to the interpretation and enforcement of Chinese laws, rules and regulations), heightened data and cybersecurity risks associated with the conduct of business in China, and food safety related matters (including compliance with food safety regulations and ability to ensure product quality and safety). Any significant or prolonged deterioration in U.S.–China relations, including as a result of changes in U.S.–China foreign policy, trade regimes or trade disputes, or geopolitical developments, could adversely affect our Concepts in mainland China. Additionally, Chinese law regulates Yum China's business conducted in mainland China, and as such our license fee from the Yum China business is subject to numerous uncertainties based on Chinese laws, regulations and policies, which may change

from time to time. If Yum China's business is harmed or development of our Concepts' restaurants is slowed in mainland China due to any of these factors, it could negatively impact the license fee paid by Yum China to us, which would negatively impact our financial results.

Our relationship with Yum China is governed primarily by the MLA, as amended from time to time, which may be terminated upon the occurrence of certain events, such as the insolvency or bankruptcy of Yum China. In addition, if we are unable to enforce our intellectual property or contract rights in mainland China, if Yum China is unable or unwilling to satisfy its obligations under the MLA, or if the MLA is otherwise terminated, it could result in an interruption in the operation of our brands that have been exclusively licensed to Yum China for use in mainland China. Disputes over the proper interpretation of the MLA have arisen in the past and may arise from time to time in the future. Such interruption or disputes could cause a delay in, or loss of, the license fee paid to us, which would negatively impact our financial results.

Our global operations subject us to risks that could negatively affect our business.

A significant portion of our Concepts' restaurants are operated outside of the U.S., and we intend to continue expansion of our global operations. As a result, our and our Concepts' franchisees' business and/or growth prospects are increasingly exposed to risks inherent in global operations. These risks, which can vary substantially by country, include political, financial or social instability or conditions, corruption, increasing anti-American sentiment and perception of our Concepts as American brands, social and ethnic unrest, natural disasters, military conflicts and terrorism, as well as exposure to the macroeconomic environment in such markets, the regulatory environment (including the risks of operating in markets in which there are uncertainties regarding the interpretation and enforceability of legal requirements and contract and intellectual property rights), and income and non-income based tax rates and laws. Additional risks include the impact of trade disputes, restrictive actions of foreign or U.S. governmental authorities affecting trade or foreign investment, potential increases in tariffs, import restrictions and controls, sanctions, foreign exchange control regimes (including restrictions on currency conversion), health guidelines and safety protocols, labor costs and conditions, compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other similar laws prohibiting bribery of government officials and other corrupt practices, and the laws and policies that govern foreign investment in countries where our Concepts' restaurants are operated. For example, we have been subject to a regulatory enforcement action in India alleging violation of foreign exchange laws for failure to satisfy conditions of certain operating approvals, such as minimum investment and store build requirements as well as limitations on the remittance of fees outside of the country (see Note 20).

As a result of our global operations, we also have significant exposure to geopolitical events and instability. We have been adversely affected, and may continue to be adversely affected, by events such as the conflict in the Middle East as well as the conflict between Russia and Ukraine, and ongoing geopolitical instability associated therewith. Such conflicts have adversely affected, and may continue to adversely affect our business and operations as result of, among other things, the economic consequences and disruptions from such conflicts, increased energy and supply prices, weaker consumer sentiment for Western brands, consumer reaction to perceived acts or failures to act by us or our Concepts including maintaining operations in countries or regions that are linked to such conflicts, and economic sanctions restricting cross-border commerce. In particular, sales in certain of our markets were adversely impacted in 2024 by the conflict in the Middle East. Given the ongoing and dynamic nature of this conflict, sales may continue to be adversely impacted by the conflict going forward. These risks may be further heightened if current conflicts expand in scope, or other conflicts arise in other areas of the globe.

In addition, we and our Concepts' franchisees do business in jurisdictions that may be subject to trade or economic sanction regimes, which sanctions could be expanded. Any failure to comply with such sanctions or other similar legal requirements could result in the imposition of damages or penalties, the suspension of business licenses, or a cessation of operations at our Concepts' restaurants, as well as damage to our and our Concepts' brand images and reputations.

Foreign currency risks and foreign exchange controls could adversely affect our financial results.

Our results of operations, growth prospects and the value of our assets are affected by fluctuations in currency exchange rates, which have had, and may continue to have adverse effects on our reported earnings. More specifically, an increase in the value of the U.S. dollar, relative to other currencies, such as the Chinese Renminbi ("RMB"), Australian Dollar, the British Pound and the Euro, as well as currencies in certain other markets have had and could continue to have an adverse effect on our reported earnings. Any significant fluctuation in the value of currencies of countries in which we or our Concepts' franchisees operate, particularly the RMB in China, could materially impact the U.S. dollar value of royalty payments made to us, which could result in lower revenues, could lead to increased costs and lower profitability to us or our Concepts' franchisees and/or could cause us or our Concepts' franchisees to increase prices to customers, which could negatively impact sales in these markets and harm our financial results. In addition, the governments in certain countries where our Concepts operate, including China, restrict the conversion of local currency into foreign currencies and, in certain cases, the remittance of currency out of

the country. Currency control restrictions on the conversion of other currencies to U.S. dollars or restrictions imposed by countries on cash remittances could cause royalty payments to us to be delayed, remitted only partially or not at all, which could cause us to incur bad debt expense and impact our liquidity.

Risks Related to Technology, Data Privacy and Intellectual Property

Any cybersecurity incident, including the failure to protect the integrity or availability of IT systems or the security of Confidential Information, or the introduction of malware or ransomware, could materially affect our business, financial results and/or our growth prospects and result in substantial costs, litigation, reputational harm and a loss of consumer confidence.

Our business relies heavily on computer systems, hardware, software, technology infrastructure and online websites, platforms and networks (collectively, "IT Systems") to support both internal and external, including franchisee-related, operations. We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services. In addition, we and other parties (such as vendors and franchisees), collect, transmit and/or maintain certain personal, financial and other information about our customers, employees, vendors and franchisees, as well as proprietary information pertaining to our business (collectively, "Confidential Information"). The security and availability of our IT Systems and Confidential Information is critical to our business and regulated by evolving and increasingly demanding laws and regulations in various jurisdictions, certain third-party contracts and industry standards.

The current cyber threat environment presents increased risk for all companies, including companies in our industry. The cybersecurity risks we face include cyber-attacks involving ransomware and malicious software, advanced persistent threats, social engineering, credential stuffing or distributed denial-of-service attacks and other attempts by malicious threat actors, including nation-state actors, ransomware groups, and others to access, acquire, use, disclose, misappropriate, shut down or manipulate our information, systems, databases, processes and people. In addition, the rapid evolution and increased adoption of AI and other emerging technologies also may heighten our cybersecurity risks by making cyber-attacks and social engineering more difficult to detect, contain and mitigate. Further, the cybersecurity risks we face have increased in recent years due to an increase in the use of and reliance on our digital commerce platforms and products. Moreover, remote working and personal device use further increases the risk of cyber incidents and the improper dissemination of personal or Confidential Information.

We are regularly the target of cyber-attacks and other attempts to breach, or gain unauthorized access to, our systems and databases. Moreover, given the current cyber threat environment, we expect the volume and intensity of cyber-attacks and attempted intrusions to continue to increase. Despite our security measures, we, and the third parties upon which we rely, have experienced security incidents from time to time and we and such third parties will continue to experience such incidents in the future. In particular, on January 18, 2023, we announced a ransomware attack that impacted certain IT Systems which resulted in the closure of fewer than 300 restaurants in one market for one day, temporarily disrupted certain of our affected systems and resulted in data being taken from our network. As disclosed under Part I, Item 1C of this Form10-K, we remain subject to risks and uncertainties as a result of the incident, including as a result of the data that was taken from the Company's network and putative class actions filed against us in connection with this incident.

There is no assurance that the security measures we take to reduce the risk of such incidents and protect our systems will be sufficient or that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

If our IT Systems or the information systems of any of our franchisees, or other third parties which we interact, such as suppliers, distributors or third-party delivery providers, are disrupted or compromised, in a manner which impacts us or our IT Systems, as a result of a cyber-attack, data or security breach, or other security incident, or if our employees, franchisees, suppliers or vendors fail to comply with applicable laws and regulations or fail to meet contractual and industry standards in connection therewith, any such developments could result in liabilities and penalties, have an adverse impact on our financial results and growth prospects, damage our brands and reputation, cause interruption of normal business operations, cause us to incur substantial costs, result in a loss of consumer confidence and sales and disrupt our supply chain, business and plans. Additionally, such events could result in the loss, misappropriation, corruption or unauthorized access, acquisition, use or disclosure of data or inability to access data, the release of Confidential Information about our operations and subject us to claims, litigation and government enforcement actions. Moreover, any significant cybersecurity event which impacts us or our IT Systems could require us to devote significant management time and resources to address such events, interfere with our pursuit of other important business strategies and initiatives, and cause us to incur additional expenditures, which could be material, including to investigate such events, remedy cybersecurity problems, recover lost data, prevent future compromises and adapt systems and practices in response to such events. There is no assurance that any remedial actions will meaningfully limit the success of future attempts to breach our IT Systems, particularly because malicious actors are increasingly

sophisticated and utilize tools and techniques specifically designed to circumvent security measures, avoid detection and obfuscate forensic evidence, which means we may be unable to identify, investigate or remediate effectively or in a timely manner. Further, we are subject to an increasing number of cybersecurity reporting obligations in different jurisdictions that vary in their scope and application, which may create conflicting reporting obligations and inhibit our ability to quickly provide complete and reliable information about cybersecurity incidents to customers, counterparties, and regulators, as well as the public. Additionally, while we maintain insurance coverage designed to address certain aspects of cybersecurity risks, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise. Further, our franchisees may not have insurance coverage (or may have insufficient insurance coverage) designed to cover business interruption losses and/or all types of claims that may arise from cybersecurity risks.

Further, the payment card industry sets controls standards used in the transmission and approval of electronic payment transactions. If we or our Concepts' franchisees fail to comply with the global Payment Card Industry Data Security Standards or fail to adequately control fraudulent credit card and debit card transactions, we or our Concepts' franchisees may face civil liability, diminished public perception of our security measures, fines and assessments from the card brands, and significantly higher credit card and debit card related costs, any of which could adversely affect us.

The failure to maintain satisfactory compliance with legal requirements regarding data privacy, data protection and emerging technologies may adversely affect our business and/or growth prospects and subject us to penalties.

Data privacy is subject to frequently changing legal requirements, which sometimes conflict among the various jurisdictions where we and our Concepts' franchisees do business. We are subject to numerous global laws, including but not limited to, the European Union's ("E.U.") General Data Protection Regulation ("GDPR") and the U.K. General Data Protection Regulations, which impose strict data protection requirements and provide for significant penalties for noncompliance. In addition, an increasing number of states and other jurisdictions in the U.S. where we and our Concepts' franchisees operate have enacted privacy and data protection requirements. Moreover, the U.S. federal government and a significant number of additional states are considering expanding or passing privacy laws in the near term. These and other newly enacted and evolving legal requirements, have required, and may continue to require, us and our Concepts' franchisees to modify our data processing practices and policies and to incur substantial costs and expenses to comply. Additionally, state regulatory bodies and other governmental authorities tasked with enforcing new privacy laws are engaging in enforcement investigations and actions. Future enforcement priorities from these bodies may be unclear or changing.While we have established procedures to manage individual privacy requests from consumers and employees intended to ensure compliance with privacy laws, there remains potential residual risk of failure to comply with comprehensive privacy laws passed at the international, federal or state level and this may result in regulatory enforcement action, lawsuits, the imposition of monetary penalties, and damage our reputation.

The Federal Trade Commission ("FTC") and many state attorneys general are also interpreting federal and state consumer protection laws to impose standards for the collection, use, dissemination and security of data. The FTC has also been pursuing privacy as a dedicated enforcement priority, with specialized attorneys seeking enforcement action for violation of US privacy laws including unfair or deceptive practices relating to privacy policies, consumer data collection and processing consent, and digital advertising practices. Moreover, new and changing cross-border data transfer requirements, have required and may continue to require us to incur costs to comply and have impacted the transfer of personal data throughout our organization and to third parties. Additionally, we are subject to increasing legal requirements with respect to the use of AI and machine learning applications and tools (including in relation to hiring and employment practices and in digitally marketing our Concepts), data collected from minors, and biometric information. These legal requirements are rapidly changing and are not consistent across jurisdictions, and our inability to adapt to or comply with such legal requirements may adversely impact us, including as the result of liabilities or penalties as the result of any such non-compliance.

The increasingly complex, restrictive and evolving regulatory environment at the international, federal and state level related to data privacy and data protection may require significant continued effort and cost, changes to our business practices and impact our ability to obtain and use data to provide personalized experiences for our customers. In addition, failure to comply with applicable requirements may subject us and our Concepts' franchisees to fines, sanctions, governmental investigation, lawsuits and other potential liability, as well as reputational harm.

Unreliable or inefficient restaurant technology or the failure to successfully implement technology initiatives could adversely impact our business and the overall consumer experience.

We and our Concepts' franchisees rely heavily on IT Systems to efficiently operate our restaurants and drive the customer experience, sales growth and margin improvement, which may be impacted by our initiatives to implement proprietary technology, as well as third-party technology solutions (including, proprietary and third-party, point-of-sale processing

solutions in our restaurants, management of our supply chain, and various other processes and procedures), and gather and leverage data to enhance restaurant operations and improve the customer experience. These IT Systems are subject to damage, interruption or failure due to theft, fire, power outages, telecommunications failure, computer viruses, employee misuse, security breaches, malicious cyber-attacks including the introduction of malware or ransomware or other disruptive behavior by hackers, or other catastrophic events. If our or our Concepts' franchisees' IT Systems are damaged or fail to function properly, we may incur substantial costs to repair or replace them, and may experience loss of critical data and interruptions or delays in our ability to manage inventories or process transactions, which could result in lost sales, customer or employee dissatisfaction, or negative publicity that could adversely impact our reputation, growth prospects, and financial results.

Moreover, our failure to adequately invest in new technology or adapt to technological advancements and industry trends, particularly with respect to digital commerce capabilities, could result in a loss of customers and related market share. If our Concepts' digital commerce platforms do not meet customers' expectations in terms of security, speed, privacy, attractiveness or ease of use, customers may be less inclined to return to such digital commerce platforms, which could negatively impact us and our Concepts' franchisees. Developing and implementing consumers' evolving technology demands may place a significant financial burden on us and our Concepts' franchisees, and our Concepts' franchisees may have differing views on investment priorities. Our strategic digital and technology initiatives may not be implemented timely or may not achieve the desired results. Failure to adequately manage implementations, updates or enhancements of new technology or interfaces between platforms could place us at a competitive disadvantage, and disrupt and otherwise adversely impact our operations and/or growth prospects. It may be difficult to recruit and retain qualified individuals for these efforts due to intense competition for developers necessary to innovate, develop and implement new technologies for us. Even if we effectively implement and manage these technology initiatives, there is no guarantee that this will result in sales growth or margin improvement.

In particular, we are currently allocating significant resources to accelerate our digital, technology, and innovation capabilities, and as part of this process we have been developing and/or implementing various AI initiatives. The development of such AI initiatives is complex and uncertain, and presents various risks and uncertainties, including as the result of the rapidly evolving legal, regulatory and ethical landscape associated with the use of AI. If we were to fail to successfully or effectively implement AI initiatives, or we encounter other deficiencies or failures in our AI systems or initiatives, this could put us at a competitive disadvantage and result in legal and regulatory risk, and brand or reputational harm.

Certain IT Systems which are managed, hosted, provided and/or used by third parties may also be unreliable or inefficient, and technology vendors may limit or terminate product support and maintenance, which could impact the reliability of critical systems' operations. Further, if there are issues with the proprietary technology, we may be subject to liability or financial penalties to our Concepts' franchisees.

Moreover, technology and consumer offerings continue to develop and evolve and we cannot predict consumer or team member acceptance of these existing and new technologies (e.g. automation, AI, new delivery channels) or their impact on our business, and/or our growth prospects, nor can we be certain of our ability to implement or execute such technologies, which could result in loss of sales; dissatisfaction from our customers, employees, or employees of our Concepts' franchisees; or negative publicity that could adversely impact our reputation or financial results.

There are risks associated with our increasing dependence on digital commerce and delivery platforms to maintain and grow sales.

Customers are increasingly using our internally-owned e-commerce websites and apps, such as kfc.com, tacobell.com, pizzahut.com, habitburger.com, and the KFC, Taco Bell, Pizza Hut and the Habit Burger & Grill apps in several geographies, including the U.S. Our customers also increasingly utilize alternative methods of digital ordering and delivery technology, including apps owned by third-party delivery aggregators and third-party developers and payment processors, to order, pay for and have delivered our Concepts' products. As a result, our Concepts and our Concepts' franchisees are increasingly reliant on digital ordering and payment as a sales channel and our business and/or growth prospects could be negatively impacted if we are unable to successfully implement, execute or maintain our consumer-facing digital initiatives, such as delivery, curbside pick-up and mobile carryout, or are otherwise unable to effectively adapt to developments associated with alternative methods of delivery, including advances in digital ordering and delivery technology, autonomous vehicle delivery, and changes in consumer behavior resulting from these developments.

If the third-party aggregators that we utilize for delivery, including marketplace and delivery as a service, cease or curtail their operations, fail to maintain sufficient labor force to satisfy demand, provide poor customer service, materially change fees, access or visibility to our products, or give greater priority or promotions to our competitors, our business may be negatively impacted. In addition, third-party delivery services typically charge restaurants a per order fee, and as such utilizing third-party delivery services may not be as profitable as sales directly to our customers, and may also introduce food quality and customer

satisfaction risks outside of our control. The third-party delivery business is also the subject of increased scrutiny from regulators, which may result in additional costs and expenses that the third-party delivery businesses and aggregators may seek to pass through to participating restaurants or otherwise adversely impact such restaurants. These digital ordering and payment platforms used in connection with our restaurants also could be damaged or interrupted by power loss, technological failures, user errors, cyber-attacks, other forms of sabotage, inclement weather or natural disasters and have experienced, and may continue to experience, interruptions limiting or delaying customers' ability to order through such platforms and potentially making customers less inclined to return to such platforms. The rapid acceleration in growth of digital sales has placed additional stress on those platforms that are more reliant upon legacy technology, such as certain platforms used by Pizza Hut, which may result in more frequent and potentially more severe interruptions. Moreover, our reliance on multiple digital commerce platforms to support our global footprint, multiple Concepts and highly franchised business model could increase our vulnerability to cyber-attacks and/or security breaches and could necessitate additional expenditures as we endeavor to consolidate and standardize such platforms.

Yum China, our largest franchisee, utilizes third-party mobile payment apps such as Alipay, WeChat Pay and Union Pay as a means through which to generate sales and process payments. Should customers become unable to access mobile payment apps in China, should the relationship between Yum China and one or more third-party mobile payment processors become interrupted, or should Yum China's ability to use Alipay, WeChat Pay, Union Pay or other third-party mobile payment apps in its operations be restricted, its business could be adversely affected, which could have a negative impact on the license fee paid to us.

Our inability or failure to recognize, respond to and effectively manage the increased impact of social media could adversely impact our business and/or growth prospects.

There has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. The rising popularity of social media and other consumer-oriented technologies has increased the speed and accessibility of information dissemination and given users the ability to more effectively organize collective actions such as boycotts and other brand-damaging behaviors. Many social media platforms immediately publish content, often without filters or checks on accuracy. Information posted on such platforms may be adverse to our interests and/or may be inaccurate. The dissemination of information online could harm our reputation, business and/or growth prospects, regardless of the information's accuracy. The damage may be immediate without an opportunity for redress or correction.

In addition, social media is frequently used by our Concepts or Concepts' franchisees to communicate with customers and the public. Failure by our Concepts or Concepts' franchisees to use social media effectively or appropriately, particularly as compared to our Concepts' competitors, could lead to a decline in brand reputation, brand value, customer visits and revenue. Social media is also increasingly used to compel companies to express public positions on issues and topics not directly related to their core business, which could prove controversial or divisive to consumers and result in lost sales or a misallocation of resources. In addition, laws and regulations, including FTC enforcement, are rapidly evolving to govern social media platforms and communications. A failure of us, our employees, our Concepts' franchisees or third parties acting at our direction or on our behalf, or others perceived to be associated with us or our Concepts' franchisees, to abide by applicable laws and regulations regarding the use of social media, or to appropriately use social media, could adversely impact our Concepts' brands, our reputation and our business, result in negative publicity, or subject us or our Concepts' franchisees to fines, other penalties or litigation. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our Concepts' brands, exposure of personally identifiable information, fraud, hoaxes or malicious dissemination of false information. Further, with the increase in the use of AI and social media outlets, adverse publicity impacting a company, whether warranted or not, can be disseminated quickly and broadly without context or vetting for accuracy, making it increasingly difficult for companies to effectively respond.

Failure to protect our trademarks or other intellectual property could harm our Concepts' brands and overall business and/or growth prospects.

We regard our registered trademarks (e.g., Yum®, KFC®, Taco Bell®, Pizza Hut® and The Habit®), unregistered trademarks, copyrightable works, inventions, software, domain names, and trade secrets related to our restaurant businesses as having significant value and being important to our marketing efforts. Our trademarks, many of which are registered in various jurisdictions, create brand awareness and help build goodwill among our customers.

We rely on a combination of legal protections provided by trademark registrations, contracts, copyrights, patents and common law rights, such as unfair competition, passing off and trade secret laws to protect our intellectual property from potential infringement. However, from time to time, we become aware of other persons or companies using names and marks that are

identical or confusingly similar to our brands' names and marks, or using other proprietary intellectual property we own. Although our policy is to challenge infringements and other unauthorized uses of our intellectual property, certain or unknown unauthorized uses or other misappropriation of our trademarks and other intellectual property could diminish the value of our Concepts' brands and adversely affect our business and goodwill.

In addition, effective intellectual property protection may not be available in every country in which our Concepts have, or may in the future open or franchise, a restaurant and the laws of some countries do not protect intellectual property rights to the same extent as the laws of the U.S. There can be no assurance that the steps we have taken to protect our intellectual property or the legal protections that may be available will be adequate or that our Concepts' franchisees will maintain the quality of the goods and services offered under our brands' trademarks or always act in accordance with guidelines we set for maintaining our brands' intellectual property rights and defending or enforcing our trademarks and other intellectual property could result in significant expenditures.

Our brands may also be targets of infringement claims that could interfere with the use of certain names, trademarks, works of authorship, and/or the proprietary know-how, inventions, recipes, or trade secrets used in our business. Defending against such claims can be costly, and as a result of defending such claims, we may be prohibited from using such intellectual property or proprietary information in the future or forced to pay damages, royalties, or other fees for using such proprietary information, any of which could negatively affect our business, growth prospects, reputation and financial results.

Risks Related to Our Supply Chain and Employment

Shortages or interruptions in the availability and delivery of food, equipment and other supplies may increase costs or reduce revenues.

The products sold or used by our Concepts and their franchisees are sourced from a wide variety of suppliers although certain products and equipment have limited suppliers, which increases our reliance on those suppliers. We, along with our Concepts' franchisees, are also dependent upon third parties to make frequent deliveries of food products, equipment and supplies that meet our specifications at competitive prices. We have experienced from time to time, and may continue to experience, supply chain disruptions and shortages or interruptions in the supply or distribution of food items, equipment and other supplies to our Concepts' restaurants, which have adversely affected and may continue to adversely affect our business. Future shortages or disruptions could also be caused by factors such as natural disasters, health epidemics and pandemics, social unrest, the impacts of climate change, inaccurate forecasting of customer demand, problems in production or distribution, restrictions on imports or exports including due to trade disputes or restrictions, the inability of vendors to obtain credit, political instability in the countries in which the suppliers and distributors are located, the financial instability of suppliers and distributors, suppliers' or distributors' failure to meet our standards or requirements, transitioning to new suppliers or distributors, product quality issues or recalls, inflation, labor unrest or work stoppages, food safety warnings or advisories, the cancellation of supply or distribution agreements or an inability to renew such arrangements or to find replacements on commercially reasonable terms.

In addition, in the U.S., the Company and the Company's KFC, Taco Bell and Pizza Hut franchisee groups are members of Restaurant Supply Chain Solutions, LLC ("RSCS"), which is a third party responsible for purchasing certain restaurant products and equipment. Habit Burger & Grill entered into a purchasing agreement with RSCS in 2020. RSCS manages our relationship with McLane Foodservice, Inc. ("McLane") which serves as the largest distributor for the Company's KFC, Taco Bell and Pizza Hut Concepts in the U.S. RSCS and McLane both have certain contractual rights to terminate the relevant distribution contract upon a specified notice period. Any failure or inability of our significant suppliers or distributors to meet their respective service requirements or any termination of relevant agreements without a notice period sufficient to enable an appropriate transition, could result in shortages or interruptions in the availability of food and other supplies.

The loss of key personnel, labor shortages and increased labor costs could adversely affect our business.

Much of our future success depends on the continued availability and service of senior management personnel. The loss or failure to engage in adequate succession planning of any of our executive officers or other key senior management personnel could harm our business and/or our growth prospects.

In addition, our restaurant operations are highly service-oriented, and our success depends in part on our and our Concepts' franchisees' ability to attract, retain and motivate a sufficient number of qualified employees, including franchisee management, restaurant managers and other crew members. Our Concepts and their franchisees have experienced and may continue to experience increased labor shortages and employee turnover at many restaurants and increased competition for qualified employees, given ongoing challenging labor market conditions. These labor market conditions and the ongoing inflationary environment in markets where we operate have increased in recent years, and may continue to increase, the labor costs for our

Concepts and their franchisees, including due to the payment of higher wages to attract or retain qualified employees (including franchisee management, restaurant managers and other crew members) and due to increased overtime costs to meet demand. Moreover, there may be a long-term trend toward higher wages in emerging markets as well as various other markets. In addition, increases in labor costs have also been driven by, and may continue to be driven by regulatory requirements to raise minimum wages, including in connection with the increases in minimum wages that have recently been enacted in various jurisdictions. For example, effective April 1, 2024, California's Assembly Bill No. 1228 ("AB 1228") raised the minimum wage to $20 an hour beginning April 2024 for workers at quick service restaurants in the state that are part of brands that have more than 60 establishments nationwide. AB 1228 also created an advisory-only council with powers to enact additional minimum wage increases and to recommend that state agencies enact additional health, safety and employment standards for quick service restaurants. AB 1228 has increased, and is expected to continue to increase the operating costs for our Concepts' restaurants in California, and may otherwise adversely impact and disrupt our operations in California.

The inability to recruit and retain a sufficient number of qualified individuals at the store level, coupled with increased labor rates, may result in reduced operating hours, have a negative impact on service or customer experience, delay our planned use, development or deployment of technology, impact planned openings of new restaurants, or result in closures of existing restaurants by us and our Concepts' franchisees, any of which could adversely affect our business. In addition, our Concepts and their franchisees have been, and will continue to be, subject to the risk of increasing union activity in the restaurant space. In the event of a strike, work slowdown or other labor unrest, the ability to adequately staff at the store level could be impaired, which could adversely impact our operations and distract management from focusing on our business and strategic priorities.

An increase in food prices and other operating costs may have an adverse impact on our business and/or our growth prospects.

Our and our Concepts' franchisees' businesses depend on reliable sources of large quantities of raw materials such as proteins (including poultry, pork, beef and seafood), cheese, oil, flour and vegetables (including potatoes and lettuce). Raw materials purchased for use in our Concepts' restaurants are subject to price volatility caused by fluctuations in aggregate supply and demand, or other external conditions, such as weather and climate conditions, (which may be exacerbated by climate change), energy costs or natural events or disasters that affect expected harvests of such raw materials, taxes and tariffs (including potential tariffs or other adverse impacts resulting from restrictive trade policies or trade disputes), industry demand, inflationary conditions, labor shortages, transportation issues, fuel costs, food safety concerns, product recalls, governmental regulation and other factors, all of which are beyond our control and in many instances are unpredictable. While inflationary conditions have somewhat abated in recent periods, we have recently experienced and expect to continue to experience, an increase in the price of various raw materials and other operating costs (such as rent and energy costs) as well as increased volatility in such prices and costs, which has adversely affected, and may continue to adversely affect our results of operations. In addition, a significant increase in gasoline prices could result in the imposition of fuel surcharges by our distributors.

We and/or our Concepts' franchisees have taken, and may continue to take, certain actions as a result of inflationary increases in food and other operating costs noted above, including by increasing food prices beyond typical pricing patterns at certain of our Concepts' restaurants, attempting to negotiate favorable pricing terms with our suppliers and/or shifting to suppliers with more favorable pricing where feasible, and utilizing forward contracts and commodity futures and options contracts where possible to hedge commodity prices. However, because we and our Concepts' franchisees provide competitively priced food, we have not always been able to pass through to our customers the full amount of our cost increases or otherwise fully mitigate the cost increases experienced by us or our Concepts' franchisees. If we and our Concepts' franchisees are unable to manage the cost of raw materials or to increase the prices of products proportionately, our and our Concepts' franchisees' profit margins and return on invested capital may be adversely impacted. Moreover, many customers at our Concepts' restaurants are sensitive to price increases, and to the extent that we raise menu prices to offset these costs, this could result in decreased consumer demand and adversely affect our business.

Risks Related to our Concepts' Brands and Reputation

Our success depends substantially on our corporate reputation and on the value and perception of our brands.

Our success depends in large part upon our ability and our Concepts' franchisees' ability to maintain and enhance our corporate reputation and the value and perception of our brands, and a key aspect of our growth strategy is based on enhancing the perception of our restaurant brands. Brand value is based in part on consumer perceptions regarding a variety of subjective factors, including the nutritional content and preparation of our food, our ingredients, food safety, our business practices, including with respect to how we source commodities, and our pricing (including price increases and discounting). Consumer acceptance of our offerings is subject to change and some changes can occur rapidly. For example, nutritional, health and other scientific studies and conclusions, which constantly evolve and may have contradictory implications, drive popular opinion, litigation and regulation (including initiatives intended to drive consumer behavior) in ways that may affect perceptions of our

Concepts' brands generally or relative to alternatives. The retail food industry has also been subject to scrutiny and claims that the menus and practices of restaurant chains have led to customer health issues, such as weight gain and other adverse effects. Publicity about these matters (particularly directed at the quick service and fast-casual segments of the retail food industry) may harm our Concepts' reputations and adversely affect our business. Moreover, this scrutiny could lead to increased regulation of the content or marketing of our products, including legislation or regulation taxing and/or regulating food with high-fat, sugar and salt content, or foods otherwise deemed to be "unhealthy," which may increase costs of compliance and remediation to us and our Concepts' franchisees. Additionally, if the demand for offerings at our Concepts' restaurants and other fast-casual or quick service segments of the retail food industry decreases or shifts as a result of wellness trends or changing dietary preferences, including as a result of developments in or increased adoption of weight loss medications, our business and/or financial results may be adversely impacted.

In addition, business or other incidents, whether isolated or recurring, and whether originating from us, our Concepts' restaurants, franchisees, competitors, governments, suppliers or distributors, can significantly reduce brand value and consumer perception, particularly if the incidents receive considerable publicity or result in litigation or investigations. For example, the reputation of our Concepts' brands could be damaged by negative publicity, or claims or perceptions (whether real or perceived) regarding the quality, safety or reputation of our products, suppliers, distributors or franchisees; that we, founders of our Concepts, our Concepts' franchisees or other business partners have acted or are acting in an unethical, illegal, racially-biased or socially irresponsible manner, are not fostering an equitable, inclusive and diverse environment or have an actual or perceived allegiance towards one community over another, including with respect to the service and treatment of customers at our Concepts' restaurants, and our or our Concepts' franchisees' treatment of employees; Company action or brand imagery; misconduct by any of our or our Concepts' franchisees' employees; utilization of emerging technologies such as AI; or a real or perceived failure of corporate governance. Any such developments could adversely impact the perception of our Concepts' brands or our products, reduce consumer demand for our products or otherwise adversely impact us.

We cannot guarantee that franchisees or other third parties with licenses to use our intellectual property will not take actions that may harm the value of our intellectual property. Whilst franchisee use of our Concepts' trademarks are governed through franchise agreements and we monitor use of our trademarks by both franchisees and third parties, franchisees or other third parties may use our trademarks in ways, or may refer to or make statements about our Concepts' brands that do not make proper use of our trademarks or required designations, that improperly alter trademarks or branding, or that are critical of our Concepts' brands or place our Concepts' brands in a context that may tarnish their reputation. Moreover, unauthorized third parties, including our Concepts' current and former franchisees, may use our intellectual property to trade on the goodwill of our Concepts' brands, resulting in consumer confusion or brand dilution.

Our ability to reach consumers and drive results is heavily influenced by brand marketing and advertising and our ability to adapt to evolving consumer preferences, including developing and launching new and innovative products and offerings. Our marketing and advertising programs may not be as successful as intended, or may not be as successful as our competitors, which may adversely affect our reputation and business. In addition, any decisions we may make to collaborate or cease to collaborate with certain endorsers or marketing partners in light of actions taken or statements made by them could seriously harm our brand image with consumers, and, as a result, could have an adverse effect on our reputation and financial results.

We and our Concepts' franchisees are subject to heightened and evolving expectations and requirements with respect to social and environmental sustainability matters, which expose us and our Concepts' franchisees to numerous risks.

There has been an increased focus, including from investors, the public and governmental and nongovernmental authorities, on environmental, social and governance ("ESG") matters, such as climate change, greenhouse gases, packaging and waste, human rights, diversity, sustainable supply chain practices, animal health and welfare, deforestation, land, energy and water use and other corporate responsibility matters. At the same time, other stakeholders and regulators have increasingly expressed or pursued opposing views, legislation and investment expectation with respect to sustainability initiatives, including so-called anti-ESG legislation or policies. Further, we and our Concepts' franchisees are and may become subject to changing rules and regulations promulgated by governmental and self-regulatory organizations with respect to ESG matters. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, an increase in expenses and management focus associated with satisfying such regulations and expectations. As a result of these expectations and evolving requirements, as well as our commitment to social and environmental sustainability matters, we may continue to establish or expand goals, commitments or targets, and take actions to meet such goals, commitments and targets. These goals could be difficult and expensive to implement for us and our Concepts' franchisees, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we or our Concepts' franchisees may be criticized for the accuracy, adequacy or completeness of disclosures. Further, these goals may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, assumptions that are subject to change, and other risks and uncertainties, many of which are outside of our control. If our or our Concepts' franchisees' data, processes and

reporting with respect to social and environmental matters are incomplete or inaccurate, or if we or our Concepts' franchisees fail to achieve progress with respect to these goals on a timely basis, consumer and investor trust in our brands may suffer. In addition, some third parties (including ESG groups) may object to the scope or nature of our social and environmental program initiatives or goals, or any revisions to these initiatives or goals (or those of our Concepts' franchisees), which could give rise to negative responses by governmental actors (such as retaliatory legislative actions) or consumers (such as boycotts, lawsuits or negative publicity campaigns) that could adversely affect us or our brand value.

We may be adversely affected by climate change.

We could be adversely affected by the physical and/or transitional effects of climate change. Our and our franchisees' properties and operations may be vulnerable to the adverse effects of climate change, which is predicted to result in ongoing changes in global weather patterns and more frequent and severe weather-related events such as droughts, wildfires, hurricanes and other natural disasters. Such adverse weather-related impacts may also adversely affect the general economy in countries where we operate, disrupt our operations, cause restaurant closures or delay the opening of new restaurants, adversely impact our supply chain and increase the costs of (and decrease the availability of) food and other supplies needed for our operations. In addition, various legislative and regulatory efforts to combat climate change may increase in the future, which could result in additional taxes, increased compliance costs, and otherwise disrupt and adversely impact us and our franchisees.

Risks Related to Government Regulation and Litigation

We may be subject to litigation that could adversely affect us by increasing our expenses, diverting management attention or subjecting us to significant monetary damages and other remedies.

We are regularly involved in legal proceedings, which include regulatory claims or disputes by claimants such as franchisees, suppliers, employees, customers, governments and others related to operational, commercial, foreign exchange, tax, franchise, contractual or employment issues. These claims or disputes may relate to personal injury, employment, real estate, environmental, tort, intellectual property, false advertising, breach of contract, technology services, data privacy, securities, consumer protection, derivative and other litigation matters. See the discussion of legal proceedings in Note 20 to the Consolidated Financial Statements included in Item 8 of this Form 10-K. Plaintiffs often seek recovery of large or indeterminate amounts, and lawsuits are subject to inherent uncertainties (some of which are beyond the Company's control). We may also be adversely affected by unfavorable rulings or developments in cases we are not involved in. Moreover, regardless of whether any such lawsuits have merit, or whether we are ultimately held liable or settle, such litigation may be expensive to defend, may divert resources and management attention, and may negatively impact our financial results. With respect to insured claims, a judgment for damages in excess of any insurance coverage could adversely affect our financial condition and/or results of operations. Any adverse publicity resulting from these allegations may also adversely affect our Concepts' reputations, which could adversely affect our financial results.

Changes in, or non-compliance with, legal requirements may adversely affect our business operations, growth prospects or financial condition.

The Company, and our Concepts and their franchisees, are subject to numerous laws and regulations around the world. These laws and regulations change regularly and are increasingly complex. For example, we are subject to:

- The Americans with Disabilities Act in the U.S. and similar laws that provide protection to individuals with disabilities in the context of employment, public accommodations and other areas.
- Various laws related to employment, including the U.S. Fair Labor Standards Act and similar laws, which govern matters such as minimum wages, and overtime; the U.S. Family and Medical Leave Act and similar laws which provide protected leave rights to employees and laws related to workplace health and safety, meal and rest breaks, non-discrimination, non-harassment, whistleblower protections, and other terms and conditions of employment.
- Laws and regulations in government-mandated health care benefits such as the Patient Protection and Affordable Care Act in the U.S.
- Laws and regulations relating to nutritional content, nutritional labeling, product safety, product marketing and menu labeling.
- Laws relating to state and local licensing.
- Laws relating to the relationship between franchisors and franchisees.
- Laws and regulations relating to health, sanitation, food, workplace safety, child labor, including laws regulating the use of certain "hazardous equipment", building and zoning, and fire safety and prevention.
- Laws and regulations relating to union organizing rights and activities.

- Laws relating to information and data security, privacy, cashless payments, consumer protection, and the use of AI and other emerging technologies.
- Laws relating to our use of third party aggregators.
- Laws relating to currency conversion or exchange.
- Laws relating to international trade and sanctions.
- Anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act.
- Environmental laws and regulations, including with respect to climate change and greenhouse gas emissions.
- Federal and state immigration laws and regulations in the U.S.
- Public company compliance, disclosure and governance matters.

We may also be adversely impacted by legal developments resulting in broader standards for determining when two or more entities may be found to be joint employers of the same employees under laws such as the National Labor Relations Act (the "NLRA"). In this regard, a rule issued by the National Labor Relations Board ("NLRB") in 2023 addressing the joint-employer test under the NLRA, which would have provided for more expansive joint employer standards, is not in effect after having been vacated by a federal district court in 2024. However, if any governmental authority such as the NLRB were to adopt and implement a broader joint employer standard in the future under laws such as the NLRA in a manner that was determined to be applicable to franchise relationships, we or our Concepts could be liable or held responsible for unfair labor practices and other violations and could be required to engage in collective bargaining with representatives of the employees of our Concepts' franchisees. In addition to the foregoing, many states (including California) have enacted or are considering legislation regarding, or otherwise increased their focus on, the misclassification of independent contractors, which could have an adverse impact on and disrupt the operations of our Concepts' restaurants in other ways, such as costs relating to delivery aggregators or certain staff augmentation models.

Any failure or alleged failure to comply with applicable laws or regulations or related standards or guidelines, or publicity associated therewith, could adversely affect our reputation, global expansion efforts, growth prospects and financial results or result in, among other things, litigation, revocation of required licenses, internal investigations, governmental investigations or proceedings, administrative enforcement actions, fines and civil and criminal liability. In addition, the compliance costs associated with complying with new or existing legal requirements could be substantial.

Tax matters, including changes in tax rates or laws, disagreements with taxing authorities, imposition of new taxes and our restructurings could impact our financial results and growth prospects.

We are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property, withholding and franchise taxes in various jurisdictions. Our accruals for tax liabilities are based on past experience, interpretations of applicable law, and judgments about potential actions by tax authorities. Such tax positions require significant judgment which may be incorrect or challenged by tax authorities and may result in payments greater than the amounts accrued. If the Internal Revenue Service ("IRS") or another taxing authority disagrees with our tax positions, we could face additional tax liabilities, including interest and penalties, which could be material. For example, as disclosed in Note 20, as a result of an audit by the IRS for fiscal years 2013 through 2015, in August 2022, we received a Revenue Agent's Report that includes a proposed adjustment for the 2014 fiscal year relating to a series of reorganizations we undertook during that year in connection with the business realignment of our corporate and management reporting structure along brand lines. While we disagree with the position of the IRS and intend to contest it vigorously, an unfavorable resolution of this matter could have a material, adverse impact on our Consolidated Financial Statements in future periods.

In addition, if jurisdictions in which we or our Concepts operate enact tax legislation, modify tax treaties and/or increase audit scrutiny, it could increase our taxes and have an adverse impact on our financial results and growth prospects. For example, the Organization for Economic Cooperation and Development (the "OECD"), the E.U. and other countries (including countries in which we operate) have enacted or committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed in an effort to limit perceived base erosion and profit shifting incentives. In particular, the OECD's Pillar Two initiative provides for a 15% global minimum tax applied on a country-by-country basis. These proposals have been or are expected to be implemented in many jurisdictions in which we operate, and we anticipate an increase in the burdens related to the tax compliance and reporting costs as a result of these developments.

Risks Related to the Yum China Spin-Off

The Yum China spin-off and certain related transactions could result in substantial U.S. tax liability.

We received opinions of outside counsel substantially to the effect that, for U.S. federal income tax purposes, the Yum China spin-off and certain related transactions qualified as generally tax-free under Sections 355 and 361 of the U.S. Internal Revenue

Code. The opinions relied on various facts and assumptions, as well as certain representations as to factual matters and undertakings (including with respect to future conduct) made by Yum China and us. If any of these facts, assumptions, representations or undertakings are incorrect or not satisfied, we may not be able to rely on these opinions of outside counsel. Accordingly, notwithstanding receipt of the opinions of outside counsel, the conclusions reached in the tax opinions may be challenged by the IRS. Because the opinions are not binding on the IRS or the courts, there can be no assurance that the IRS or the courts will not prevail in any such challenge.

If, notwithstanding receipt of any opinion, the IRS were to conclude that the Yum China spin-off was taxable, in general, we would recognize taxable gain as if we had sold the Yum China common stock in a taxable sale for its fair market value. In addition, each U.S. holder of our Common Stock who received shares of Yum China common stock in connection with the spin-off transaction would generally be treated as having received a taxable distribution of property in an amount equal to the fair market value of the shares of Yum China common stock received. That distribution would be taxable to each such U.S. stockholder as a dividend to the extent of accumulated earnings and profits as of the date of the spin-off. For each such U.S. stockholder, any amount that exceeded our earnings and profits would be treated first as a non-taxable return of capital to the extent of such stockholder's tax basis in our shares of Common Stock with any remaining amount being taxed as a capital gain.

The Yum China spin-off may be subject to China's indirect transfer tax.

In February 2015, the Chinese State Tax Administration ("STA") issued the Bulletin on Several Issues of Enterprise Income Tax on Income Arising from Indirect Transfers of Property by Non-resident Enterprises ("Bulletin 7"). Pursuant to Bulletin 7, an "indirect transfer" of Chinese taxable assets, including equity interests in a China resident enterprise ("Chinese interests"), by a non-resident enterprise, may be recharacterized and treated as a direct transfer of Chinese taxable assets, if such arrangement does not have reasonable commercial purpose and the transferor has avoided payment of Chinese enterprise income tax. Using general anti-tax avoidance provisions, the STA may treat an indirect transfer as a direct transfer of Chinese interests if the transfer has avoided Chinese tax by way of an arrangement without reasonable commercial purpose. As a result, gains derived from such indirect transfer may be subject to Chinese enterprise income tax, and the transferee or other person who is obligated to pay for the transfer would be obligated to withhold the applicable taxes, currently at a rate of up to 10% of the capital gain in the case of an indirect transfer of equity interests in a China resident enterprise. We evaluated the potential applicability of Bulletin 7 in connection with the Separation in the form of a tax free restructuring and continue to believe it is more likely than not that Bulletin 7 does not apply and that the restructuring had reasonable commercial purpose.

However, there are significant uncertainties on what constitutes a reasonable commercial purpose, how the safe harbor provisions for group restructurings are to be interpreted and how the Chinese tax authorities will ultimately view the spin-off. As a result, our position could be challenged by the Chinese tax authorities resulting in a tax at a rate of 10% assessed on the difference between the fair market value and the tax basis of Yum China at the date of the spin-off. As our tax basis in Yum China was minimal, the amount of such a tax could be significant and have an adverse effect on our results of operations, growth prospects and our financial condition.

Risks Related to Consumer Discretionary Spending and Macroeconomic Conditions

Our business may be adversely impacted by changes in consumer discretionary spending and macroeconomic conditions, including inflationary pressures and elevated interest rates, in markets in which we operate.

As a company dependent upon consumer discretionary spending, we (and our Concepts' franchisees) are sensitive to macroeconomic conditions and consumer discretionary spending levels in markets where we and our Concepts' franchisees operate. Some of the factors that may impact discretionary consumer spending and macroeconomic conditions include unemployment and underemployment rates, fluctuations in disposable income, the price of gasoline, other inflationary pressures, higher taxes, reduced access to credit, elevated interest rate levels, stock market performance and changes in consumer confidence and cost consciousness. In this regard, we and our Concepts' franchisees have been adversely impacted by, and may continue to be adversely impacted by, negative macroeconomic conditions in certain markets where we and our Concepts' franchisees operate, including impacts from increased commodity prices and other inflationary pressures, elevated interest rates, challenging labor market conditions, ongoing geopolitical instability, changes in political conditions, supply chain disruption, and increases in real estate costs in certain domestic and international markets. Any significant deterioration in current negative macroeconomic conditions in markets where we operate, or any recovery therefrom that is significantly slower than anticipated, could have an adverse effect on our business, growth prospects, financial conditions, or results of operations. In addition, negative macroeconomic conditions or other adverse business developments may result in future asset impairment charges. Moreover, if negative macroeconomic conditions result in significant disruptions to capital and financial markets, or negatively impact our credit ratings, our cost of borrowing, our ability to access capital on favorable terms and our overall liquidity and capital structure could be adversely impacted.

Risks Related to Competition

The retail food industry is highly competitive.

Our Concepts' restaurants compete with international, national and regional restaurant chains as well as locally-owned restaurants, and the industry in which we operate is highly competitive with respect to price and quality of food products, new product development, digital engagement, advertising levels and promotional initiatives, customer service reputation, restaurant location and attractiveness and maintenance of properties, management and hourly personnel and qualified franchisees. Moreover, if we are unable to successfully respond to changing consumer or dietary preferences, if our marketing efforts and/or launch of new products are unsuccessful, or if our Concepts' restaurants are unable to compete successfully with other retail food outlets, our and our Concepts' franchisees' businesses and/or our growth prospects could be adversely affected. We also face ongoing competition due to convergence in grocery, convenience, deli and restaurant services, including the offering by the grocery industry of convenient meals, including pizzas and entrees with side dishes. Competition has also increased from and been enabled by delivery aggregators and other food delivery services in recent years, particularly in urbanized areas, and such competition is expected to continue to increase. Finally, not all of our competitors may seek to establish environmental or sustainability goals comparable to ours, which could result in lower supply chain or operating costs for our competitors. Increased competition and other competitive factors could have an adverse effect on our business or development plans.

Risks Related to Our Indebtedness

Our level of indebtedness makes us more sensitive to adverse economic conditions, may limit our ability to plan for or respond to significant changes in our business, and requires a significant amount of cash to service our debt payment obligations that we may be unable to generate or obtain.

As of December 31, 2024, our total outstanding short-term borrowings and long-term debt was approximately $11.4 billion. Subject to the limits contained in the agreements governing our outstanding indebtedness, we may incur additional debt from time to time, which would increase the risks related to our level of indebtedness. Our level of indebtedness could have important potential consequences, including, but not limited to:

- increasing our vulnerability to, and reducing our flexibility to plan for and respond to, adverse economic and industry conditions and changes in our business and the competitive environment;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing or eliminating the availability of such cash flow to fund working capital, capital expenditures, acquisitions, dividends, share repurchases or other corporate purposes;
- increasing our vulnerability to a downgrade of our credit rating, which could adversely affect our cost of funds, liquidity and access to capital markets;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- placing us at a disadvantage compared to other less leveraged competitors or competitors with comparable debt at more favorable interest rates;
- increasing our exposure to the risk of increased interest rates insofar as current and future borrowings are subject to variable rates of interest or we are forced to refinance indebtedness at higher interest rates, which risks are heightened by the current elevated interest rate environment;
- increasing our exposure to the risk of discontinuance, replacement or modification of certain reference rates;
- making it more difficult for us to repay, refinance or satisfy our debt obligations;
- limiting our ability to borrow additional funds in the future and increasing the cost of any such borrowing;
- imposing restrictive covenants on our operations due to the terms of our indebtedness, which, if not complied with, could result in an event of default, which if not cured or waived, could result in the acceleration of the applicable debt, and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies; and
- increasing our exposure to risks related to fluctuations in foreign currency as we earn profits in a variety of currencies around the world and our debt is primarily denominated in U.S. dollars.

If our business does not generate sufficient cash flow from operations or if future debt or equity financings are not available to us on acceptable terms in amounts sufficient to pay our indebtedness or to fund other liquidity needs, our financial condition may be adversely affected. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have an adverse effect on our business, growth prospects and financial condition.

Item 1B. Unresolved Staff Comments.

The Company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission that were issued 180 days or more preceding the end of its 2024 fiscal year and that remain unresolved.

Item 1C. Cybersecurity.

Cybersecurity Risk Management Program

Information security and data privacy have been and remain of the utmost importance to the Company in light of the value we place on maintaining the trust and confidence of our consumers, employees and other stakeholders.

We have a risk-based cybersecurity risk management program (the “Program”) in place designed to assess, identify and manage material risks from cybersecurity threats. The Program falls under the oversight of our Chief Information Security Officer (“CISO”) and defines controls for access management, data protection and vulnerability detection, in addition to incident response protocols which are discussed further in the “Governance” section herein. The Program incorporates customized elements from industry-leading standards to drive robust and comprehensive protection.

To supplement our own internal processes and controls, we regularly engage consultants and other third parties as part of our Program, including to periodically:

- Test our information security defenses and to perform external penetration assessments; and
- Review and assess the Program and its maturity

We also have processes to oversee and identify material cybersecurity risks associated with our use of third-party service providers and their information systems. As part of these processes, we conduct cybersecurity due diligence around significant third-party service providers who access our information technology systems before their engagement. We require third-party service providers to promptly notify us of any actual or suspected breach impacting our data or operations. Additionally, we obtain Type 1 and Type 2 System and Organization Controls (“SOC”) 2 reports on an annual basis from vendors that host our significant financial applications to aid in our assessment of information security risk associated with our relationship with the host vendor. If a host vendor is not able to provide a SOC 2 report, we take additional steps to assess information security risk associated with the relationship.

The vast majority (98 %) of our restaurants are owned and operated by franchisees who themselves are at risk of cyber-attacks or security incidents. Whilst some of those franchisees do operate their restaurants utilizing the Company’s networks and systems, many use networks and systems which they manage themselves. In such instances, there is limited direct connectivity between the networks that the Company manages and the networks which our franchisees manage. We have established minimum information security standards for our franchisees through our Franchise Agreement Policy Manuals and Brand Standards and those minimum information security standards are in the process of being adopted.

Despite the security measures implemented as part of our Program, the current cyber threat environment presents increased risks for all companies, and we are a frequent target of cyber-attacks and have experienced security incidents. For example, on January 18, 2023, the Company announced a ransomware attack that impacted certain Information Technology (“IT”) systems. This incident resulted in the closure of fewer than 300 restaurants in one market for one day, and certain of the Company’s IT systems and data were affected. In addition, although data was taken from our network, the affected data was limited to certain personal information of former and current employees, and we have no evidence that customer databases were accessed.

We have incurred, and may continue to incur, certain expenses related to this attack, including expenses to respond to, remediate and investigate this matter. In addition, several separate putative class actions have been filed in U.S. federal and state court by current and/or former employees alleging violations of privacy and other rights in connection with the ransomware incident.

We do not believe that any risks we have identified to date from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. For additional information regarding the risks to us associated with cybersecurity incidents, see Item 1A. “Risk Factors”.

Governance

The Company's cybersecurity risk management processes are integrated into the Company's overall risk management processes. The Board of Directors has overall responsibility for the oversight of the Company's risk management and has delegated the oversight of specific risk-related responsibilities to certain Board committees. The Audit Committee oversees the Company's business and financial technology risk exposure, which includes data privacy and data protection, information security and cybersecurity, as well as the controls in place to monitor and mitigate these risks.

At a management level, our Program is led by our CISO, who reports to the Company's Chief Digital and Technology Officer. Our CISO has expertise in cybersecurity risk management through, among other things, over 30 years of information security experience, prior CISO and security leadership positions at other public companies, and certain technology and information security matters certifications. Additionally, we have a formal data privacy management committee made up of privacy professionals, operational experts and specialist legal counsel which is overseen by our Chief Legal Officer.

We have a Data Incident Response Plan ("the Plan") which provides for controls and procedures in connection with cybersecurity events including escalation procedures as summarized below. Under the Plan, we have established a Data Incident Response Team (the "Response Team"), a cross-functional group comprised of certain members of senior management, including our Chief Legal Officer and CISO. The Plan provides that the Response Team is responsible for assessing, investigating and responding to any cybersecurity event elevated for its consideration by our CISO.

In addition, under the Plan, we have established a cross-functional management group comprised of our Chief Legal Officer, Chief Financial Officer, Chief Digital and Technology Officer, Vice President Internal Audit, Chief Compliance Officer, Senior Vice President Finance & Corporate Controller and CISO. The Plan provides that any cybersecurity incident that is elevated for the review of the Response Team will also be reviewed by this group to determine whether any such incident is material for securities laws purposes and whether public disclosure is required or advisable in connection therewith, following any necessary consultation with the Company's senior management, Disclosure Committee, Audit Committee and/or Board of Directors.

Our CISO and Chief Digital and Technology Officer advise the Audit Committee at least four times a year, and the Board of Directors regularly, on our management and oversight of information security risks and data protection risks. The Audit Committee also receives periodic updates on data privacy from members of management within our data privacy group in addition to the regular updates from our CISO. The Audit Committee provides a summary to the full Board at each regular Board meeting of the information security risk review together with any other risk related subjects discussed at the Audit Committee meeting.

Item 2. Properties.

As of year end 2024, the Company's Concepts owned land, building or both for 362 restaurants worldwide in connection with the operation of our 1,311 Company-owned restaurants. These restaurants are further detailed as follows:

- The KFC Division owned land, building or both for 100 restaurants.
- The Taco Bell Division owned land, building or both for 260 restaurants.
- The Pizza Hut Division owned land, building or both for 2 restaurants.

The Company currently also owns land, building or both related to approximately 425 franchise restaurants that it leases to franchisees and leases land, building or both related to approximately 200 franchise restaurants that it subleases to franchisees, principally in the U.S., United Kingdom, Australia and Germany.

Company-owned restaurants in the U.S. with leases are generally leased for initial terms of 10 to 20 years and generally have renewal options. Company-owned restaurants outside the U.S. with leases have initial lease terms and renewal options that vary by country.

The KFC Division and Pizza Hut Division corporate headquarters and a KFC and Pizza Hut research facility in Plano, Texas are owned by Pizza Hut. A leased building in Irvine, California contains the Taco Bell Division and the Habit Burger & Grill Division corporate headquarters and a Taco Bell research facility. The YUM corporate headquarters and a KFC research facility in Louisville, Kentucky are owned by KFC. Additional information about the Company's properties is included in the Consolidated Financial Statements in Part II, Item 8.

The Company believes that its properties are generally in good operating condition and are suitable for the purposes for which they are being used.

Item 3. Legal Proceedings.

The Company is subject to various lawsuits covering a variety of allegations. The Company believes that the ultimate liability, if any, in excess of amounts already provided for these matters in the Consolidated Financial Statements, is not likely to have a material adverse effect on the Company's annual results of operations, financial condition or cash flows. Matters faced by the Company include, but are not limited to, claims from franchisees, suppliers, employees, customers, governments and others related to operational, foreign exchange, tax, franchise, contractual, cybersecurity or employment issues as well as claims that the Company has infringed on third-party intellectual property rights. In addition, the Company brings claims from time-to-time relating to infringement of, or challenges to, our intellectual property, including registered marks. Finally, as a publicly-traded company, disputes arise from time-to-time with our shareholders, including allegations that the Company breached federal securities laws or that officers and/or directors breached fiduciary duties. Descriptions of significant current specific claims and contingencies appear in Note 20, Contingencies, to the Consolidated Financial Statements included in Part II, Item 8, which is incorporated by reference into this item.

Item 4. Mine Safety Disclosures.

Not applicable.

Executive Officers of the Registrant.

The executive officers of the Company as of February 19, 2025, and their ages and current positions as of that date are as follows:

David Gibbs, 61, is Chief Executive Officer of YUM a position he has held since January 2020. Prior to that, he served as President and Chief Operating Officer from August 2019 to December 2019, as President, Chief Financial Officer and Chief Operating Officer from January 2019 to August 2019 and as President and Chief Financial Officer from May 2016 to December 2018. Prior to these positions, he served as Chief Executive Officer of Pizza Hut Division from January 2015 to April 2016. From January 2014 to December 2014, Mr. Gibbs served as President of Pizza Hut U.S. Prior to this position, Mr. Gibbs served as President and Chief Financial Officer of Yum! Restaurants International, Inc. ("YRI") from May 2012 through December 2013. Mr. Gibbs served as Chief Financial Officer of YRI from January 2011 to April 2012. He was Chief Financial Officer of Pizza Hut U.S. from September 2005 to December 2010.

Erika Burkhardt, 51, is Chief Legal Officer and Corporate Secretary of YUM. She has served in this position since November 2024. Prior to that, she served as Associate General Counsel of YUM from July 2020 to November 2024 where she oversaw the Company's trademark and employment law teams. She has been with the Company since 2004, including as Pizza Hut U.S. Human Resources & Litigation Counsel and Vice President, Brand Protection.

Aaron Powell, 53, is Chief Executive Officer of Pizza Hut Division, a position he has held since September 2021. Before joining YUM, Mr. Powell served in various positions at Kimberly-Clark from September 2007 to August 2021. Prior to joining Kimberly-Clark, he served in various positions at Bain & Company and Proctor & Gamble.

David Russell, 55, is Senior Vice President, Finance and Corporate Controller of YUM. He has served as YUM's Corporate Controller since February 2011 and as Senior Vice President, Finance since February 2017. Prior to serving as Corporate Controller, Mr. Russell served in various positions at the Vice President level in the YUM Finance Department, including Controller-Designate from November 2010 to February 2011 and Vice President, Assistant Controller from January 2008 to December 2010.

Sabir Sami, 57, is Chief Executive Officer of KFC Division, a position he has held since January 2022. He has informed the Company that he plans to resign as Chief Executive Officer of KFC Division on March 1, 2025. From January 2020 to December 2021 he served in a dual role as KFC Division Chief Operating Officer and Managing Director of KFC Asia. Prior to this, from April 2013 to December 2019, he was Managing Director for the KFC Middle East, North Africa, Pakistan and Turkey markets. Before joining YUM in 2009, Mr. Sami served in various leadership roles at Procter & Gamble, the Coca-Cola Company and Reckitt Benckiser.

Tracy Skeans, 52, is Chief Operating Officer and Chief People & Culture Officer of YUM. She has served as Chief Operating Officer since January 2021 and Chief People & Culture Officer since January 2016. She also served as Chief Transformation Officer from November 2016 to December 2020. From January 2015 to December 2015, she was President of Pizza Hut International. Prior to this position, Ms. Skeans served as Chief People Officer of Pizza Hut Division from December 2013 to December 2014 and Chief People Officer of Pizza Hut U.S. from October 2011 to November 2013. From July 2009 to September 2011, she served as Director of Human Resources for Pizza Hut U.S and was on the Pizza Hut U.S. Finance team from September 2000 to June 2009.

Sean Tresvant, 54, is Chief Executive Officer of Taco Bell Division. He joined Taco Bell in January 2022 as the Global Chief Brand Officer. In February 2023, he was elevated to Global Chief Brand & Strategy Officer, and in January 2024 he became Chief Executive Officer. He is also Vice Chairman of the Taco Bell Foundation. Previously he spent 15 years at Nike, most recently as Chief Marketing Officer of the Jordan Brand.

Christopher Turner, 50, is Chief Financial and Franchise Officer of YUM. He has served as Chief Financial Officer since August 2019 and Chief Franchise Officer since November 2024. Before joining YUM, he served as Senior Vice President and General Manager in PepsiCo's retail and e-commerce businesses with Walmart in the U.S. and more than 25 countries and across PepsiCo's brands from December 2017 to July 2019. Prior to leading PepsiCo's Walmart business, he served in various positions including Senior Vice President of Transformation for PepsiCo's Frito-Lay North America business from July 2017 to December 2017 and Senior Vice President of Strategy for Frito-Lay from February 2016 to June 2017. Prior to joining PepsiCo, he was a partner in the Dallas office of McKinsey & Company, a strategic management consulting firm.

Additionally, the following executive officer of the Company has been appointed:

Scott Mezvinsky, 49, is President of Taco Bell North America and International, a position he has held since December 2023. Effective March 1, 2025, he will become the Chief Executive Officer of KFC Division. Prior to his current role, he served as President of Taco Bell North America from September 2023 to December 2023, as Managing Director of Taco Bell North America from February 2023 to September 2023 and as Global Chief Strategy & Financial Officer for Taco Bell from February 2021 to February 2023. Since joining the Company in 2004, Mr. Mezvinsky has served in various positions at KFC and YUM, including General Manager of KFC Iberia, as well as roles in the KFC Latin America and Caribbean market, including Chief Development Officer and Vice President, Development and Operations.

Executive officers are elected by and serve at the discretion of the Board of Directors.

PART II

Item 5. Market for the Registrant's Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information and Dividend Policy

The Company's Common Stock trades under the symbol YUM and is listed on the New York Stock Exchange ("NYSE").

As of February 17, 2025, there were 32,381 registered holders of record of the Company's Common Stock.

In 2024, the Company declared and paid four cash dividends of $0.67 per share. In February 2025, the Company's Board of Directors declared a dividend of $0.71 per share to be distributed March 7, 2025, to shareholders of record at the close of business on February 21, 2025. Future decisions to pay cash dividends continue to be at the discretion of the Company's Board of Directors and will be dependent on our operating performance, financial condition, capital expenditure requirements and other factors that the Company's Board of Directors consider relevant.

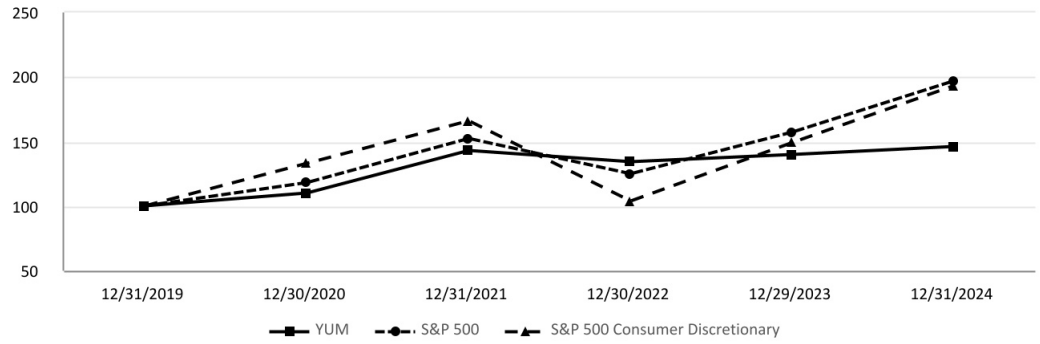
Issuer Purchases of Equity Securities

The following table provides information as of December 31, 2024, with respect to shares of Common Stock repurchased by the Company during the quarter then ended. In May, 2024, our Board of Directors authorized share repurchases of up to $2.0 billion (excluding applicable transaction fees and excise taxes) of our outstanding Common Stock through December 31, 2026. As of December 31, 2024, we have remaining capacity to repurchase up to $1.6 billion of Common Stock under this authorization.

Fiscal Periods	Total number of shares purchased (thousands)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (thousands)	Approximate dollar value of shares that may yet be purchased under the plans or programs (millions)
10/1/24 - 10/31/24	717	$ 135.00	717	$ 1,627
11/1/24 - 11/30/24	24	$ 133.10	24	$ 1,623
12/1/24 - 12/31/24	107	$ 131.77	107	$ 1,609
Total	848	$ 134.54	848	

Stock Performance Graph

This graph compares the cumulative total return of our Common Stock to the cumulative total return of the S&P 500 Index and the S&P 500 Consumer Discretionary Sector Index, a peer group that includes YUM, for the period from December 31, 2019 to December 31, 2024. The graph assumes that the value of the investment in our Common Stock and each index was $100 at December 31, 2019, and that all cash dividends were reinvested.



	12/31/2019	12/30/2020	12/31/2021	12/30/2022	12/29/2023	12/31/2024
YUM	$ 100	$ 110	$ 143	$ 134	$ 140	$ 146
S&P 500	$ 100	$ 118	$ 152	$ 125	$ 157	$ 197
S&P Consumer Discretionary	$ 100	$ 133	$ 166	$ 104	$ 149	$ 193

Source of total return data: Bloomberg

Item 6. **[Reserved]**

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction and Overview

The following Management's Discussion and Analysis ("MD&A"), should be read in conjunction with the Consolidated Financial Statements ("Financial Statements") in Item 8 and the Forward-Looking Statements and the Risk Factors set forth in Item 1A. All Note references herein refer to the Notes to the Financial Statements. Tabular amounts are displayed in millions of U.S. dollars except per share and unit count amounts, or as otherwise specifically identified. Percentages may not recompute due to rounding.

Yum! Brands, Inc. and its subsidiaries (collectively referred to herein as the "Company", "YUM", "we", "us" or "our") franchise or operate a system of over 61,000 restaurants in more than 155 countries and territories, primarily under the concepts of KFC, Taco Bell, Pizza Hut and Habit Burger & Grill (collectively, the "Concepts"). The Company's KFC, Taco Bell and Pizza Hut brands are global leaders of the chicken, Mexican-style food and pizza categories, respectively. The Habit Burger & Grill is a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more. Of the over 61,000 restaurants, 98% are operated by franchisees.

As of December 31, 2024, YUM consists of four operating segments:

- The KFC Division which includes our worldwide operations of the KFC concept
- The Taco Bell Division which includes our worldwide operations of the Taco Bell concept
- The Pizza Hut Division which includes our worldwide operations of the Pizza Hut concept
- The Habit Burger & Grill Division which includes our worldwide operations of the Habit Burger & Grill concept

Through our Recipe for Good Growth we intend to deliver iconic restaurant brands and consistently drive better customer experiences, improved unit economics and higher rates of growth. Key enablers include accelerated use of digital and technology, increased collaboration and better leverage of our systemwide scale. This is done through a framework of three pillars: being Loved, Trusted and Connected.

Loved: We grow by delighting customers with craveable food and a distinctive experience. We innovate and elevate our iconic restaurant brands that people trust and champion, resulting in relevant, easy and distinctive brands.

Trusted: We operate responsibly with consistency and efficiency in our restaurants, across our system and in our communities. This includes a commitment to our priorities for social responsibility, risk management and sustainable stewardship of our people, food and planet.

Connected: We use our teamwork, technology and global scale to serve every customer, everywhere, anytime. Our unmatched operating capability allows us to recruit and equip the best restaurant operators in the world to deliver great customer experiences. And our commitment to bold restaurant development drives market and franchise unit expansion with strong economics.

Our unrivaled culture and talent and leading with smart, heart and courage are key to our success, fueling brand performance and franchise success.

We intend to drive long-term growth and shareholder returns primarily through consistent same-store sales growth and new unit development across all of our Concepts. We intend to support this growth and development through a capital and operating structure that:

- Invests capital in a manner consistent with an asset light, franchisor model;
- Allocates G&A in an efficient manner that provides leverage to operating profit growth while at the same time opportunistically investing in strategic growth initiatives;
- Targets a consolidated net leverage ratio that balances shareholder returns, cost of capital and flexibility against various risk factors; and
- Maximizes shareholder return through a combination of paying a competitive dividend and returning excess free cash flow through share repurchases.

We intend for this MD&A to provide the reader with information that will assist in understanding our results of operations, including performance metrics that management uses to assess the Company's performance. Throughout this MD&A, we commonly discuss the following performance metrics:

- Same-store sales growth is the estimated percentage change in system sales of all restaurants that have been open and in the YUM system for one year or more, including those temporarily closed. From time-to-time restaurants may be temporarily closed due to remodeling or image enhancement, rebuilding, natural disasters, health epidemic or pandemic, landlord disputes, boycotts, social or civil unrest or other issues. The system sales of restaurants we deem temporarily closed remain in our base for purposes of determining same-store sales growth and the restaurants remain in our unit count (see below). Same-store sales growth excludes, for subsidiaries operating on a monthly calendar, the extra day resulting from a leap year and excludes, for subsidiaries operating on a weekly periodic calendar, the last week of the year in fiscal years with 53 weeks. We believe same-store sales growth is useful to investors because our results are heavily dependent on the results of our Concepts' existing store base. Additionally, same-store sales growth is reflective of the strength of our Brands, the effectiveness of our operational and advertising initiatives and local economic and consumer trends.

- Gross unit openings reflects new openings by us and our franchisees. Net new unit growth reflects gross unit openings offset by permanent store closures, by us and our franchisees. To determine whether a restaurant meets the definition of a unit we consider factors such as whether the restaurant has operations that are ongoing and independent from another YUM unit, serves the primary product of one of our Concepts, operates under a separate franchise agreement (if operated by a franchisee) and has substantial and sustainable sales. We believe gross unit openings and net new unit growth are useful to investors because we depend on new units for a significant portion of our growth. Additionally, gross unit openings and net new unit growth are generally reflective of the economic returns to us and our franchisees from opening and operating our Concept restaurants.

- System sales, System sales excluding the impacts of foreign currency translation ("FX") and, in 2024, System sales excluding FX and the 53rd week for our U.S. subsidiaries and certain international subsidiaries that operate on a weekly periodic calendar, reflect the results of all restaurants regardless of ownership, including Company-owned and franchise restaurants. Sales at franchise restaurants typically generate ongoing franchise and license fees for the Company at a rate of 3% to 6% of sales. Increasingly, customers are paying a fee to a third party to deliver or facilitate the ordering of our Concepts' products. We also include in System sales any portion of the amount customers pay these third parties for which the third party is obligated to pay us a license fee as a percentage of such amount. Franchise restaurant sales and fees paid by customers to third parties to deliver or facilitate the ordering of our Concepts' products are not included in Company sales on the Consolidated Statements of Income; however, any resulting franchise and license fees we receive are included in the Company's revenues. We believe System sales growth is useful to investors as a significant indicator of the overall strength of our business as it incorporates our primary revenue drivers, Company and franchise same-store sales as well as net new unit growth.

As of the beginning of the second quarter of 2022, as a result of our progress towards exiting Russia and our decision to reclass future net profits attributable to Russia subsequent to the date of invasion of Ukraine from the Division segments in which those profits were earned to Unallocated Other income (see Notes 3 and 19), we elected to remove all Russia units from our unit count as well as to begin excluding those units' associated sales from our system sales totals. We removed 1,112 units and 53 units in Russia from our global KFC and Pizza Hut unit counts, respectively. These units were treated similar to permanent store closures for purposes of our same-store sales calculations and thus they were removed from our same-store sales calculations beginning April 1, 2022.

In addition to the results provided in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), the Company provides the following non-GAAP measurements.

- Diluted Earnings Per Share ("EPS") excluding Special Items (as defined below) and, in 2024, Diluted EPS excluding Special Items and the 53rd week;

- Effective Tax Rate excluding Special Items and, in 2024, Effective Tax Rate excluding Special Items and the 53rd week;

- Core Operating Profit and, in 2024, Core Operating Profit excluding the 53rd week. Core Operating Profit excludes Special Items and FX and we use Core Operating Profit for the purposes of evaluating performance internally;

- Net Income excluding Special Items and, in 2024, Net Income excluding Special Items and the 53rd week;

- Company restaurant profit and Company restaurant margin as a percentage of sales (as defined below).

These non-GAAP measurements are not intended to replace the presentation of our financial results in accordance with GAAP. Rather, the Company believes that the presentation of these non-GAAP measurements provide additional information to investors to facilitate the comparison of past and present operations.

Special Items are not included in any of our Division segment results as the Company does not believe they are indicative of our ongoing operations due to their size and/or nature. Our chief operating decision maker does not consider the impact of Special Items when assessing segment performance.

Company restaurant profit is defined as Company sales less Company restaurant expenses, both of which appear on the face of our Consolidated Statements of Income. Company restaurant expenses include those expenses incurred directly by our Company-owned restaurants in generating Company sales, including cost of food and paper, cost of restaurant-level labor, rent, depreciation and amortization of restaurant-level assets and advertising expenses incurred by and on behalf of that Company restaurant. Company restaurant margin as a percentage of sales ("Company restaurant margin %") is defined as Company restaurant profit divided by Company sales. We use Company restaurant profit for the purposes of internally evaluating the performance of our Company-owned restaurants and we believe Company restaurant profit provides useful information to investors as to the profitability of our Company-owned restaurants. In calculating Company restaurant profit, the Company excludes revenues and expenses directly associated with our franchise operations as well as non-restaurant-level costs included in General and administrative expenses, some of which may support Company-owned restaurant operations. The Company also excludes restaurant-level asset impairment and closures expenses, which have historically not been significant, from the determination of Company restaurant profit as such expenses are not believed to be indicative of ongoing operations. Further, while we generally include depreciation and amortization of restaurant-level assets within Divisional Company restaurant expenses used to derive Divisional Company restaurant profit, we record amortization of reacquired franchise rights arising from acquisition accounting within Corporate and unallocated Company restaurant expenses as such amortization is not believed to be indicative of ongoing Divisional results as well as to enhance comparability of acquired stores' margins with those of existing restaurants within Divisional results. Company restaurant profit and Company restaurant margin % as presented may not be comparable to other similarly titled measures of other companies in the industry.

Certain performance metrics and non-GAAP measurements are presented excluding the impact of FX. These amounts are derived by translating current year results at prior year average exchange rates. We believe the elimination of the FX impact provides better year-to-year comparability without the distortion of foreign currency fluctuations.

For 2024 we provided System sales excluding FX and the 53rd week, Core Operating Profit excluding the 53rd week, Net Income excluding Special Items and the 53rd week, Diluted EPS excluding Special Items and the 53rd week and Effective Tax Rate excluding Special Items and the 53rd week to further enhance the comparability given the 53rd week that was part of our fiscal calendar in 2024.

Results of Operations

Summary

All comparisons within this summary are versus the same period a year ago. For discussion of our results of operations for 2023 compared to 2022, refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations included in Part II, Item 7 of our Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 20, 2024.

2024 financial highlights:

	% Change				
	System Sales, ex FX	Same-Store Sales	Units	GAAP Operating Profit	Core Operating Profit
KFC Division	+3	(2)	+7	+4	+6
Taco Bell Division	+8	+4	+2	+11	+11
Pizza Hut Division	(1)	(4)	+2	(5)	(3)
Worldwide	+4	(1)	+4	+4	+9

	Results Excluding 53rd Week in 2024 (% Change)	
	System Sales, ex FX	Core Operating Profit
KFC Division	+3	+5
Taco Bell Division	+6	+9
Pizza Hut Division	(1)	(4)
Worldwide	+3	+8

Additionally:

- Foreign currency translation negatively impacted Divisional Operating Profit by $28 million for the year ended December 31, 2024. This included a negative impact to our KFC Division Operating Profit of $22 million for the year ended December 31, 2024.

	2024	**2023**	**% Change**
GAAP EPS	$5.22	$5.59	(7)
Special Items EPS	$(0.26)	$0.42	NM
EPS Excluding Special Items	$5.48	$5.17	+6

- Gross unit openings for the year were 4,535 units resulting in 2,757 net new units.
- Full-year EPS excluding Special Items and 53rd Week was $5.39.

Worldwide

GAAP Results

	Amount			% B/(W)	
	2024	2023	2022	2024	2023
Company sales	$ 2,552	$ 2,142	$ 2,072	19	3
Franchise and property revenues	3,295	3,247	3,096	1	5
Franchise contributions for advertising and other services	1,702	1,687	1,674	1	1
Total revenues	7,549	7,076	6,842	7	3
Company restaurant expenses	$ 2,120	$ 1,774	$ 1,745	(20)	(2)
G&A expenses	1,181	1,193	1,140	1	(5)
Franchise and property expenses	134	123	123	(8)	(1)
Franchise advertising and other services expense	1,711	1,683	1,667	(2)	(1)
Refranchising (gain) loss	(34)	(29)	(27)	NM	NM
Other (income) expense	34	14	7	NM	NM
Total costs and expenses, net	5,146	4,758	4,655	(8)	(2)
Operating Profit	2,403	2,318	2,187	4	6
Investment (income) expense, net	21	(7)	(11)	NM	NM
Other pension (income) expense	(7)	(6)	9	NM	NM
Interest expense, net	489	513	527	5	3
Income before income taxes	1,900	1,818	1,662	5	9
Income tax provision	414	221	337	(88)	35
Net Income	$ 1,486	$ 1,597	$ 1,325	(7)	21
Diluted EPS[(a)]	$ 5.22	$ 5.59	$ 4.57	(7)	23
Effective tax rate	21.8 %	12.1 %	20.3 %	(9.7) ppts.	8.2 ppts.

(a) See Note 4 for the number of shares used in this calculation.

Performance Metrics

				% Increase (Decrease)	
Unit Count	2024	2023	2022	2024	2023
Franchise	60,035	57,691	54,371	4	6
Company-owned	1,311	1,017	990	29	3
Total	61,346	58,708	55,361	4	6

	2024	2023	2022
Same-Store Sales Growth (Decline) %	(1)	6	4
System Sales Growth %, reported	3	8	2
System Sales Growth %, excluding FX	4	10	6
System Sales Growth %, excluding FX and 53rd week	3	N/A	N/A

Our system sales breakdown by Company and franchise sales was as follows:

	Year		
	2024	2023	2022
Consolidated			
Company sales[a]	$ 2,552	$ 2,142	$ 2,072
Franchise sales	62,914	61,647	57,211
System sales	65,466	63,789	59,283
Negative (Positive) Foreign Currency Impact[b]	638	1,169	N/A
System sales, excluding FX	66,104	64,958	59,283
Impact of 53rd week	(568)	N/A	N/A
System sales, excluding FX and the 53rd Week	$ 65,536	$ 64,958	$ 59,283
KFC Division			
Company sales[a]	$ 801	$ 484	$ 491
Franchise sales	33,651	33,379	30,625
System sales	34,452	33,863	31,116
Negative (Positive) Foreign Currency Impact[b]	515	965	N/A
System sales, excluding FX	34,967	34,828	31,116
Impact of 53rd week	(171)	N/A	N/A
System sales, excluding FX and the 53rd Week	$ 34,796	$ 34,828	$ 31,116
Taco Bell Division			
Company sales[a]	$ 1,155	$ 1,069	$ 1,002
Franchise sales	16,038	14,846	13,651
System sales	17,193	15,915	14,653
Negative (Positive) Foreign Currency Impact[b]	(1)	(3)	N/A
System sales, excluding FX	17,192	15,912	14,653
Impact of 53rd week	(279)	N/A	N/A
System sales, excluding FX and the 53rd Week	$ 16,913	$ 15,912	$ 14,653
Pizza Hut Division			
Company sales[a]	$ 8	$ 14	$ 21
Franchise sales	13,100	13,301	12,832
System sales	13,108	13,315	12,853
Negative (Positive) Foreign Currency Impact[b]	124	207	N/A
System sales, excluding FX	13,232	13,522	12,853
Impact of 53rd week	(107)	N/A	N/A
System sales, excluding FX and the 53rd Week	$ 13,125	$ 13,522	$ 12,853
Habit Burger & Grill Division			
Company sales[a]	$ 588	$ 575	$ 558
Franchise sales	125	121	103
System sales	713	696	661
Negative (Positive) Foreign Currency Impact[b]	—	—	N/A
System sales, excluding FX	713	696	661
Impact of 53rd Week	(11)	N/A	N/A
System sales, excluding FX and the 53rd Week	$ 702	$ 696	$ 661

(a) Company sales represents sales from our Company-operated stores as presented on our Consolidated Statements of Income.

(b) The foreign currency impact on System sales is presented in relation only to the immediately preceding year presented. When determining applicable System sales growth percentages, the System sales excluding FX for the current year should be compared to the prior year System sales prior to adjustment for the prior year FX impact.

Non-GAAP Items

Non-GAAP Items, along with the reconciliation to the most comparable GAAP financial measure, are presented below.

	2024	2023	2022
Core Operating Profit Growth %	9	12	5
Core Operating Profit Growth %, excluding the 53rd week	8	N/A	N/A
Diluted EPS Growth %, excluding Special Items	6	14	1
Diluted EPS Growth %, excluding Special Items and the 53rd week	4	N/A	N/A
Effective Tax Rate excluding Special Items	23.6 %	20.6 %	20.9 %
Effective Tax Rate excluding Special Items and the 53rd week	23.5 %	N/A	N/A

	2024	2023	2022
Company restaurant profit	$ 432	$ 368	$ 327
Company restaurant margin %	16.9 %	17.2 %	15.8 %

	Year		
	2024	2023	2022
Reconciliation of GAAP Operating Profit to Core Operating Profit and Core Operating Profit, excluding the 53rd Week			
Consolidated			
GAAP Operating Profit	$ 2,403	$ 2,318	$ 2,187
Detail of Special Items:			
(Gain) loss associated with market-wide refranchisings [(a)]	1	5	—
Operating (profit) loss impact from decision to exit Russia [(b)]	—	11	(44)
Charges associated with resource optimization [(c)]	79	21	11
German acquisition and Turkey termination-related costs [(d)]	61	—	—
Other Special Items (Income) Expense	—	2	—
Special Items (Income) Expense - Operating Profit	141	39	(33)
Negative (Positive) Foreign Currency Impact on Operating Profit	28	49	N/A
Core Operating Profit	2,572	2,406	2,154
Impact of 53rd Week Operating Profit	(36)	N/A	N/A
Core Operating Profit, excluding the 53rd Week	$ 2,536	$ 2,406	$ 2,154

Special Items as shown above were recorded to the financial statement line items identified below:

	Year		
	2024	2023	2022
Consolidated Statement of Income Line Item			
Franchise and property revenues	$ 18	$ —	$ —
General and administrative expenses	84	28	19
Franchise and property expenses	—	1	6
Refranchising (gain) loss	1	5	—
Other (income) expense	38	5	(58)
Special Items (Income) Expense - Operating Profit	$ 141	$ 39	$ (33)

KFC Division			
GAAP Operating Profit	$ 1,363	$ 1,304	$ 1,198
Negative (Positive) Foreign Currency Impact	22	41	N/A
Core Operating Profit	1,385	1,345	1,198
Impact of 53rd Week	(9)	N/A	N/A
Core Operating Profit, excluding the 53rd Week	$ 1,376	$ 1,345	$ 1,198
Taco Bell Division			
GAAP Operating Profit	$ 1,049	$ 944	$ 850
Negative (Positive) Foreign Currency Impact	—	—	N/A
Core Operating Profit	1,049	944	850
Impact of 53rd Week	(21)	N/A	N/A
Core Operating Profit, excluding the 53rd Week	$ 1,028	$ 944	$ 850
Pizza Hut Division			
GAAP Operating Profit	$ 373	$ 391	$ 387
Negative (Positive) Foreign Currency Impact	6	8	N/A
Core Operating Profit	379	399	387
Impact of 53rd Week	(5)	N/A	N/A
Core Operating Profit, excluding the 53rd Week	$ 374	$ 399	$ 387
Habit Burger & Grill Division			
GAAP Operating Profit (Loss)	$ —	$ (14)	$ (24)
Negative (Positive) Foreign Currency Impact	—	—	N/A
Core Operating Profit (Loss)	—	(14)	(24)
Impact of 53rd Week	(1)	N/A	N/A
Core Operating Profit (Loss), excluding the 53rd Week	$ (1)	$ (14)	$ (24)
Reconciliation of GAAP Net Income to Net Income excluding Special Items and Net Income excluding Special Items and the 53rd week			
GAAP Net Income	$ 1,486	$ 1,597	$ 1,325
Special Items (Income) Expense - Operating Profit	141	39	(33)
Special Items (Income) Expense - Interest Expense, net[e]	—	—	28
Special Items Tax (Benefit) Expense[f]	(66)	(161)	(8)
Net Income excluding Special Items	1,561	1,475	1,312
Impact of 53rd Week	(25)	—	—
Net Income excluding Special Items and the 53rd Week	$ 1,536	$ 1,475	$ 1,312
Reconciliation of Diluted EPS to Diluted EPS excluding Special Items and Diluted EPS excluding Special Items and the 53rd Week			
Diluted EPS	$ 5.22	$ 5.59	$ 4.57
Less Special Items Diluted EPS	(0.26)	0.42	0.04
Diluted EPS excluding Special Items	5.48	5.17	4.53
Less Impact of 53rd Week	0.09	—	—
Diluted EPS excluding Special Items and the 53rd Week	$ 5.39	$ 5.17	$ 4.53
Reconciliation of GAAP Effective Tax Rate to Effective Tax Rate excluding Special Items and Effective Tax Rate excluding Special Items and the 53rd Week			
GAAP Effective Tax Rate	21.8 %	12.1 %	20.3 %
Impact on Tax Rate as a result of Special Items	(1.8)%	(8.5)%	(0.6)%
Effective Tax Rate excluding Special Items	23.6 %	20.6 %	20.9 %
Impact on Tax Rate as a result of the 53rd Week	0.1 %	N/A	N/A
Effective Tax Rate excluding Special Items and the 53rd Week	23.5 %	20.6 %	20.9 %

(a) Due to their size and volatility, we have reflected as Special Items those refranchising gains and losses that were recorded in connection with market-wide refranchisings. During the years ended December 31, 2024 and 2023, we recorded net refranchising losses of $1 million and $5 million, respectively, that have been reflected as Special Items.

Additionally, during the years ended December 31, 2024, 2023 and 2022, we recorded net refranchising gains of $35 million, $34 million and $27 million, respectively, that have not been reflected as Special Items. These net refranchising gains relate to refranchising of restaurants unrelated to market-wide refranchisings that we believe are indicative of our expected ongoing refranchising activity.

(b) In the first quarter of 2022, as a result of the Russian invasion of Ukraine, we suspended all investment and restaurant development in Russia. We also suspended all operations of our 70 company-owned KFC restaurants in Russia and began finalizing an agreement to suspend all Pizza Hut operations in Russia, in partnership with our master franchisee. Further, we pledged to redirect any future net profits attributable to Russia subsequent to the date of invasion to humanitarian efforts. During the second quarter of 2022, we completed the transfer of ownership of the Pizza Hut Russia business to a local operator. In April 2023, we completed our exit from the Russia market by selling the KFC business in Russia to Smart Service Ltd.

Our GAAP operating results presented herein reflect revenues from and expenses to support the Russian operations for KFC and Pizza Hut prior to the dates of sale or transfer, within their historical financial statement line items and operating segments. However, given our decision to exit Russia and our pledge to direct any future net profits attributable to Russia subsequent to the date of invasion to humanitarian efforts, we reclassed such net operating profits or losses from the Division segment results in which they were earned to Unallocated Other income (expense). Additionally, we incurred certain expenses related to the dispositions of the businesses and other one-time costs related to our exit from Russia which we recorded within Corporate and unallocated G&A and Unallocated Franchise and property expenses. Also recorded in Unallocated Other income (expense) were foreign exchange impacts attributable to fluctuations in the value of the Russian ruble and a charge of $3 million recorded during the year ended December 31, 2023, as a result of the completion of the sale of the KFC Russia business. The resulting net Operating Loss of $11 million for the year ended December 31, 2023, and net Operating Profit of $44 million for the year ended December 31, 2022, have been reflected as Special Items.

(c) Charges related to a resource optimization program initiated in the third quarter of 2020. See Note 5. Due to their scope and size, the charges over the life of the program, which have primarily resulted from severance associated with positions that have been eliminated or relocated and consultant fees, are being recorded within Corporate and unallocated G&A and have been reflected as Special Items.

(d) On January 8, 2025, we terminated our franchise agreements with franchisee IS Gida A.S. (IS Gida), the owner and operator of KFC and Pizza Hut restaurants in Turkey and a subsidiary of IS Holding A.S. (IS Holding), after failure by IS Gida to meet our standards. The termination affects 284 KFC restaurants and 254 Pizza Hut restaurants in Turkey. We also re-acquired the master franchise rights in Germany for KFC and Pizza Hut from the owner of IS Holding in December 2024. There is no impact in Germany from the termination in Turkey. As a result, we recorded charges of $37 million to Unallocated Other (income) expense, $18 million to Unallocated Franchise and property revenues and $6 million to Corporate and unallocated General and administrative expenses consisting primarily of transaction costs associated with the German acquisition and termination-related costs associated with the Turkey business in the year ended December 31, 2024, that have been reflected as Special Items.

(e) Amounts recorded in connection with redemptions of long-term debt. See Note 5. Due to their size and the fact that they are not indicative of our ongoing interest expense, these amounts have been reflected as Special Items.

(f) The below table includes the detail of Special Items Tax (Benefit) Expense:

	Year		
	2024	2023	2022
Tax (Benefit) Expense on Special Items Operating Profit and Interest Expense	$ (28)	$ (8)	$ 2
Tax (Benefit) Expense - Other Income tax impacts from decision to exit Russia	—	(7)	72
Tax (Benefit) - Intra-entity transfers and valuations of intellectual property	(32)	(183)	(82)
Tax (Benefit) Expense - Other Income tax impacts recorded as Special	(6)	37	—
Special Items Tax (Benefit) Expense	$ (66)	$ (161)	$ (8)

Tax (Benefit) Expense on Special Items Operating Profit and Interest Expense was determined by assessing the tax impact of each individual component within Special Items based upon the nature of the item and jurisdictional tax law.

In addition to the corresponding Tax (Benefit) Expense on the Operating (Profit) Loss impact from our decision to exit Russia as included above, Special Items Tax (Benefit) Expense also includes $72 million of incremental net tax expense recorded in the year ended December 31, 2022 from the remeasurement and reassessment of the need for a valuation allowance on deferred tax assets in Switzerland due to the expected reduction in the tax basis of intellectual property rights ("IP") associated with the loss of the Russian royalty income. In addition, we reassessed certain deferred tax liabilities associated with the Russia business given the expectation that the existing basis difference would reverse by way of sale.

Special Items Tax (Benefit) Expense includes $32 million, $183 million and $82 million of tax benefit recorded in the years ended December 31, 2024, 2023 and 2022 respectively, associated with intra-entity transfers and valuations of certain IP rights.

- The benefit recorded in the year ended December 31, 2024, resulted primarily from the tax liquidation of certain subsidiaries in Israel and Australia as well as the intra-entity transfer of software from those subsidiaries to subsidiaries in the U.S.

- The benefit recorded in the year ended December 31, 2023, resulted primarily from $99 million of deferred tax benefit arising from the remeasurement of deferred tax assets associated with previously transferred IP rights in Switzerland as a result of an increase in our jurisdictional tax rate, as well as a $29 million deferred tax benefit associated with credits granted by local Swiss tax authorities. The benefit recorded in the year ended December 31, 2023, also includes $30 million of deferred tax benefit associated with the intra-entity transfer of certain Asia region IP rights to Singapore or the U.S.

- The benefit recorded in the year ended December 31, 2022, resulted from the remeasurement of deferred tax assets associated with IP rights held in Switzerland in connection with an annual valuation under Swiss law, as well as the reassessment of the need for a valuation allowance on those deferred tax assets based on forecasted future taxable income. The annual valuation supported an increase to tax basis of Swiss IP rights associated with parts of our business that continue to use these IP rights due to expected royalty growth assumptions in those parts of the business that largely offset the loss of Russia royalty income associated with such IP rights as a result of our decision to exit the Russia market.

Other Income Tax impacts recorded as Special in the year ended December 31, 2023 included $41 million of expense associated with a correction in the timing of capital loss utilization related to refranchising gains previously recorded as Special Items to tax years with a lower statutory tax rate.

Reconciliation of GAAP Operating Profit to Company Restaurant Profit

	2024					
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Consolidated
GAAP Operating Profit (Loss)	$ 1,363	$ 1,049	$ 373	$ —	$ (382)	$ 2,403
Less:						
Franchise and property revenues	1,685	997	622	9	(18)	3,295
Franchise contributions for advertising and other services	613	708	378	3	—	1,702
Add:						
General and administrative expenses	363	199	219	54	346	1,181
Franchise and property expenses	63	33	34	4	—	134
Franchise advertising and other services expense	610	708	390	3	—	1,711
Refranchising (gain) loss	—	—	—	—	(34)	(34)
Other (income) expense	(3)	(1)	(16)	10	44	34
Company restaurant profit (loss)	$ 98	$ 283	$ —	$ 59	(8)	$ 432
Company sales	$ 801	$ 1,155	$ 8	$ 588	—	$ 2,552
Company restaurant margin %	12.2 %	24.4 %	(0.6)%	10.1 %	N/A	16.9 %

	2023					
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Consolidated
GAAP Operating Profit (Loss)	$ 1,304	$ 944	$ 391	$ (14)	$ (307)	$ 2,318
Less:						
Franchise and property revenues	1,698	918	622	9	—	3,247
Franchise contributions for advertising and other services	648	654	383	2	—	1,687
Add:						
General and administrative expenses	383	204	221	59	326	1,193
Franchise and property expenses	72	32	15	3	1	123
Franchise advertising and other services expense	648	644	389	2	—	1,683
Refranchising (gain) loss	—	—	—	—	(29)	(29)
Other (income) expense	6	—	(11)	10	9	14
Company restaurant profit	$ 67	$ 252	$ —	$ 49	$ —	$ 368
Company sales	$ 484	$ 1,069	$ 14	$ 575	$ —	$ 2,142
Company restaurant margin %	13.7 %	23.7 %	0.1 %	8.5 %	N/A	17.2 %

	2022					
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Consolidated
GAAP Operating Profit (Loss)	$ 1,198	$ 850	$ 387	$ (24)	$ (224)	$ 2,187
Less:						
Franchise and property revenues	1,645	837	607	7	—	3,096
Franchise contributions for advertising and other services	698	598	376	2	—	1,674
Add:						
General and administrative expenses	390	191	211	51	297	1,140
Franchise and property expenses	69	33	13	2	6	123
Franchise advertising and other services expense	684	599	382	2	—	1,667
Refranchising (gain) loss	—	—	—	—	(27)	(27)
Other (income) expense	67	(2)	(10)	4	(52)	7
Company restaurant profit	$ 65	$ 236	$ —	$ 26	$ —	$ 327
Company sales	$ 491	$ 1,002	$ 21	$ 558	$ —	$ 2,072
Company restaurant margin %	13.2 %	23.6 %	(2.2)%	4.7 %	N/A	15.8 %

Items Impacting Reported Results and/or Reasonably Likely to Impact Future Results

The following items impacted reported results in 2024 and/or 2023 and/or are reasonably likely to impact future results. See also the Detail of Special Items section of this MD&A for other items similarly impacting results.

Extra Week in 2024

Fiscal 2024 included a 53rd week for all of our U.S. and certain international subsidiaries that operate on a period calendar. See Note 2 for additional details related to our fiscal calendar. The following table summarizes the estimated impact of the 53rd week on Revenues and Operating Profit for the year ended December 31, 2024. The 53rd week in 2024 favorably impacted Diluted EPS by approximately $0.09 per share.

	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
Revenues					
Company sales	$ 16	$ 21	$ —	$ 9	$ 46
Franchise and property revenues	8	16	6	—	30
Franchise contributions for advertising and other services	4	11	5	—	20
Total revenues	$ 28	$ 48	$ 11	$ 9	$ 96
Operating Profit					
Franchise and property revenues	$ 8	$ 16	$ 6	$ —	$ 30
Franchise contributions for advertising and other services	4	11	5	—	20
Restaurant profit	3	7	—	1	11
Franchise for advertising and other services expenses	(4)	(11)	(5)	—	(20)
G&A expenses	(2)	(2)	(1)	—	(5)
Operating Profit	$ 9	$ 21	$ 5	$ 1	$ 36

Middle East Conflict

During the fourth quarter of 2023, certain of our markets, principally in our KFC and Pizza Hut Divisions, began being impacted by a military conflict in the Middle East region. Our sales continued to be impacted during 2024, most significantly in markets across the Middle East, Malaysia and Indonesia. The impact in these markets represented an approximate one-point headwind to YUM's overall same-store sales growth in the year ended December 31, 2024. Additionally, we believe we experienced conflict-related impacts in a broader set of markets and trade areas, though such amounts are difficult to precisely quantify.

In a few isolated cases, the scale and duration of these sales impacts have affected the financial health of our less scaled or less well-capitalized franchisees, particularly those whose restaurants have been most heavily impacted. On January 8, 2025, we terminated our franchise agreements with franchisee IS Gida A.S. (IS Gida), the owner and operator of KFC and Pizza Hut restaurants in Turkey and a subsidiary of IS Holding A.S. (IS Holding), after failure by IS Gida to meet our standards. The termination affects 284 KFC restaurants and 254 Pizza Hut restaurants in Turkey, which will be reflected as a reduction in the Company's reported unit counts at the end of the first quarter of 2025. We also re-acquired the master franchise rights in Germany for KFC and Pizza Hut from the owner of IS Holding in December 2024. There is no impact in Germany from the termination in Turkey. We recorded a charge of approximately $61 million in the year ended December 31, 2024, consisting primarily of transaction costs associated with the German acquisition and termination-related costs associated with the Turkey business. Due to issues specific to this franchisee and market, the recent sales in the Turkey restaurants were significantly below the global average sales per restaurant for each brand. As a result, the loss of royalties from the store closures will have no material impact to the Company's Core Operating Profit in 2025 and beyond. We are actively searching for the right franchise partner to reopen the Turkey market and drive future success.

While we began to see some recovery in the markets most impacted by the Middle East conflict in the fourth quarter of 2024, the conflict is ongoing, and its dynamic nature makes it difficult to forecast any impacts on the Company's 2025 revenues, operating profit, including the impacts of any bad debt expense, and unit count with any certainty.

Investment in Devyani

During the quarter ended March 31, 2024, we sold our approximate 5% minority investment in Devyani International Limited ("Devyani"), a franchise entity that operates KFC and Pizza Hut restaurants in India, for pre-tax proceeds of $ 104 million. Changes in the fair value of our ownership interest in Devyani prior to the date of sale resulted in pre-tax investment losses of $ 20 million in the year ended December 31, 2024 and pre-tax investment income of $ 8 million and $ 11 million in the years ended December 31, 2023 and 2022, respectively.

KFC Division

The KFC Division has 31,981 units, 89% of which are located outside the U.S. Additionally, 99% of the KFC Division units were operated by franchisees as of the end of 2024.

	2024	2023	2022	% B/(W) 2024 Reported	% B/(W) 2024 Ex FX	% B/(W) 2024 Ex FX and 53rd Week in 2024	% B/(W) 2023 Reported	% B/(W) 2023 Ex FX
System Sales	$ 34,452	$ 33,863	$ 31,116	2	3	3	9	12
Same-Store Sales Growth (Decline) %	(2)%	7 %	4 %	N/A	N/A	N/A	N/A	N/A
Company sales	$ 801	$ 484	$ 491	66	64	60	(2)	2
Franchise and property revenues	1,685	1,698	1,645	(1)	1	Even	3	6
Franchise contributions for advertising and other services	613	648	698	(5)	(6)	(6)	(7)	(6)
Total revenues	$ 3,099	$ 2,830	$ 2,834	10	10	9	Even	2
Company restaurant profit	$ 98	$ 67	$ 65	48	47	43	2	7
Company restaurant margin %	12.2 %	13.7 %	13.2 %	(1.5) ppts.	(1.4) ppts.	(1.5) ppts.	0.5 ppts.	0.6 ppts.
G&A expenses	$ 363	$ 383	$ 390	5	5	6	2	2
Franchise and property expenses	63	72	69	13	12	12	(5)	(6)
Franchise advertising and other services expense	610	648	684	6	6	7	5	4
Operating Profit	$ 1,363	$ 1,304	$ 1,198	4	6	5	9	12

				% Increase (Decrease)	
Unit Count	2024	2023	2022	2024	2023
Franchise	31,513	29,680	27,541	6	8
Company-owned	468	220	219	113	—
Total	31,981	29,900	27,760	7	8

Company sales and Company restaurant margin %

In 2024, the increase in Company sales, excluding the impacts of foreign currency translation and the 53rd week, was driven by the KFC U.K. and Ireland restaurant acquisition (see Note 3) in the second quarter of 2024, partially offset by a Company same-store sales decline of 3%.

In 2024, the decrease in Company restaurant margin percentage was driven by higher labor and restaurant operating costs, partially offset by commodity deflation.

Franchise and property revenues

In 2024, Franchise and property revenues, excluding the impacts of foreign currency translation and the 53rd week, were flat as unit growth was offset by a franchise same-store sales decline of 2% and a 1% negative impact from the KFC U.K. and Ireland restaurant acquisition.

G&A

In 2024, the decrease in G&A, excluding the impacts of foreign currency translation and the 53rd week, was driven by lower expenses related to our annual incentive compensation programs, lower travel related costs, refranchising and the impact of the sale of our KFC Russia business in 2023, partially offset by higher expenses related to the operation of acquired KFC U.K. and Ireland restaurants.

Operating Profit

In 2024, the increase in Operating Profit, excluding the impacts of foreign currency translation and the 53rd week, was driven by unit growth and lower G&A, partially offset by a same-store sales decline.

Taco Bell Division

The Taco Bell Division has 8,757 units, 87% of which are in the U.S. The Company owned 7% of the Taco Bell units in the U.S. as of the end of 2024.

				% B/(W) 2024			% B/(W) 2023	
	2024	2023	2022	Reported	Ex FX	Ex FX and 53rd Week in 2024	Reported	Ex FX
System Sales	$ 17,193	$ 15,915	$ 14,653	8	8	6	9	9
Same-Store Sales Growth %	4 %	5 %	8 %	N/A	N/A	N/A	N/A	N/A
Company sales	$ 1,155	$ 1,069	$ 1,002	8	8	6	7	7
Franchise and property revenues	997	918	837	9	9	7	10	10
Franchise contributions for advertising and other services	708	654	598	8	8	7	9	9
Total revenues	$ 2,860	$ 2,641	$ 2,437	8	8	7	8	8
Company restaurant profit	$ 283	$ 252	$ 236	12	12	9	7	7
Company restaurant margin %	24.4 %	23.7 %	23.6 %	0.7 ppts.	0.7 ppts.	0.6 ppts.	0.1 ppts.	0.1 ppts.
G&A expenses	$ 199	$ 204	$ 191	3	3	4	(7)	(7)
Franchise and property expenses	33	32	33	(3)	(3)	(2)	4	4
Franchise advertising and other services expense	708	644	599	(10)	(10)	(8)	(7)	(7)
Operating Profit	$ 1,049	$ 944	$ 850	11	11	9	11	11

				% Increase (Decrease)	
Unit Count	2024	2023	2022	2024	2023
Franchise	8,253	8,081	7,754	2	4
Company-owned	504	483	464	4	4
Total	8,757	8,564	8,218	2	4

Company sales and Company restaurant margin %

In 2024, the increase in Company sales, excluding the impacts of the 53rd week, was driven by company same-store sales growth of 3% and unit growth.

In 2024, the increase in Company restaurant margin percentage, excluding the impacts of the 53rd week, was driven by same-store sales growth partially offset by higher labor costs, commodity inflation and an increase in other restaurant operating costs.

Franchise and property revenues

In 2024, the increase in Franchise and property revenues, excluding the impacts of the 53rd week, was driven by franchise same-store sales growth of 4% and unit growth.

G&A

In 2024, the decrease in G&A, excluding the impacts of the 53rd week, was driven by lower share-based compensation and lower expenses related to our annual incentive compensation programs partially offset by higher digital and technology expenses.

Operating Profit

In 2024, the increase in Operating Profit, excluding the impacts of the 53rd week, was driven by same-store sales growth, unit growth and lower G&A partially offset by higher restaurant operating costs.

Pizza Hut Division

The Pizza Hut Division has 20,225 units, 68% of which are located outside the U.S. Over 99% of the Pizza Hut Division units were operated by franchisees as of the end of 2024. The Pizza Hut Division uses multiple distribution channels including delivery, dine-in and express (e.g. airports) and includes units operating under both the Pizza Hut and Telepizza brands.

				% B/(W) 2024			% B/(W) 2023	
	2024	2023	2022	Reported	Ex FX	Ex FX and 53rd Week in 2024	Reported	Ex FX
System Sales	$ 13,108	$ 13,315	$ 12,853	(2)	(1)	(1)	4	5
Same-Store Sales Growth (Decline) %	(4)%	2 %	Even	N/A	N/A	N/A	N/A	N/A
Company sales	$ 8	$ 14	$ 21	(45)	(45)	(47)	(33)	(33)
Franchise and property revenues	622	622	607	Even	1	Even	3	4
Franchise contributions for advertising and other services	378	383	376	(1)	(1)	(3)	2	2
Total revenues	$ 1,008	$ 1,019	$ 1,004	(1)	(1)	(2)	1	2
Company restaurant profit	$ —	$ —	$ —	NM	NM	NM	NM	NM
Company restaurant margin %	(0.6)%	0.1 %	(2.2)%	(0.7) ppts.	(0.7) ppts.	(0.8) ppts.	2.3 ppts.	2.3 ppts.
G&A expenses	$ 219	$ 221	$ 211	1	1	2	(5)	(5)
Franchise and property expenses	34	15	13	(122)	(121)	(118)	(16)	(15)
Franchise advertising and other services expense	390	389	382	Even	Even	1	(2)	(2)
Operating Profit	$ 373	$ 391	$ 387	(5)	(3)	(4)	1	3

				% Increase (Decrease)	
Unit Count	2024	2023	2022	2024	2023
Franchise	20,202	19,859	19,013	2	4
Company-owned	23	7	21	NM	(67)
Total	20,225	19,866	19,034	2	4

Franchise and property revenues

In 2024, Franchise and property revenues, excluding the impacts of foreign currency translation and the 53rd week, were flat, as a franchise same-store sales decline of 4% was offset by unit growth.

G&A

In 2024, the decrease in G&A, excluding the impacts of foreign currency translation and the 53rd week, was driven by lower expenses related to our annual incentive compensation programs, partially offset by higher salaries and benefits.

Operating Profit

In 2024, the decrease in Operating Profit, excluding the impacts of foreign currency translation and the 53rd week, was driven by higher bad debt expense and a same-store sales decline, partially offset by unit growth.

Habit Burger & Grill Division

The Habit Burger & Grill Division has 383 units, the vast majority of which are in the U.S. The Company owned 84% of the Habit Burger & Grill units in the U.S. as of the end of 2024.

				% B/(W) 2024			% B/(W) 2023	
	2024	2023	2022	Reported	Ex FX	Ex FX and 53rd Week in 2024	Reported	Ex FX
System Sales	$ 713	$ 696	$ 661	2	2	1	6	6
Same-Store Sales Growth (Decline) %	(4)%	(3)%	(1)%	N/A	N/A	N/A	N/A	N/A
Total revenues	$ 600	$ 586	$ 567	2	2	1	3	3
Operating Profit (Loss)	$ —	$ (14)	$ (24)	99	99	90	42	42

				% Increase (Decrease)	
Unit Count	2024	2023	2022	2024	2023
Franchise	67	71	63	(6)	13
Company-owned	316	307	286	3	7
Total	383	378	349	1	8

Corporate & Unallocated

				% B/(W)	
(Expense)/Income	2024	2023	2022	2024	2023
Corporate and unallocated G&A	$ (346)	$ (326)	$ (297)	(6)	(10)
Unallocated Company restaurant expenses (See Note 19)	(8)	—	—	NM	NM
Unallocated Franchise and property revenues (See Note 19)	(18)	—	—	NM	NM
Unallocated Franchise and property expenses	—	(1)	(6)	NM	NM
Unallocated Refranchising gain (loss) (See Note 5)	34	29	27	NM	NM
Unallocated Other income (expense) (See Note 19)	(44)	(9)	52	NM	NM
Investment income (expense), net (See Note 5)	(21)	7	11	NM	NM
Other pension income (expense) (See Note 15)	7	6	(9)	NM	NM
Interest expense, net	(489)	(513)	(527)	5	3
Income tax provision (See Note 18)	(414)	(221)	(337)	(88)	35
Effective tax rate (See Note 18)	21.8 %	12.1 %	20.3 %	(9.7) ppts.	8.2 ppts.

Corporate and unallocated G&A

In 2024, the year to date increase in Corporate and unallocated G&A expense was driven by higher costs associated with our resource optimization program (see Note 5), partially offset by lower current year expenses related to our annual incentive

compensation programs, lower share based compensation expense and lapping net costs related to the prior year ransomware attack.

Interest expense, net

The decrease in Interest expense, net for 2024 was primarily driven by lower average outstanding borrowings and higher interest income.

Consolidated Cash Flows

Net cash provided by operating activities was $1,689 million in 2024 versus $1,603 million in 2023. The increase was primarily driven by an increase in Operating Profit before Special Items, partially offset by higher income tax payments and an increase in payments related to our resource optimization program.

Net cash used in investing activities was $422 million in 2024 versus $107 million in 2023. The change was primarily driven by outflows in the current year related to the KFC U.K. and Ireland restaurant acquisition, lapping proceeds from the prior year sale of KFC Russia and current year purchases of short-term investments, partially offset by current year proceeds arising from the sale of our approximate 5% minority investment in Devyani.

Net cash used in financing activities was $1,163 million in 2024 versus $1,429 million in 2023. The change was primarily driven by net borrowings in the current year as compared to net debt repayments in the prior year, partially offset by higher current year share repurchases.

Liquidity and Capital Resources

We have historically generated substantial cash flows from our extensive franchise operations, which require a limited YUM investment, and from the operations of our Company-owned stores. Our annual operating cash flows have been in excess of $1.4 billion in each of the past four years and we expect that to continue to be the case in 2025. It is our intent to use these operating cash flows to continue to invest in growing our business and pay a competitive dividend, with any remaining excess then returned to shareholders through share repurchases. Subject to market conditions, we expect to maintain our consolidated net leverage ratio at its current level of approximately 4.0x Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") over the medium term by issuing incremental debt as our business grows. As a result, we plan to deliver materially higher capital returns going forward as compared to the past two years when we were using significant amounts of excess cash to reduce our debt outstanding.

To the extent operating cash flows plus other sources of cash do not cover our anticipated cash needs, we maintain a $1.5 billion Revolving Facility under our Credit Agreement (see Note 11) which had $350 million outstanding as of December 31, 2024. We believe that our ongoing cash from operations, cash on hand, which was approximately $600 million at December 31, 2024, and availability under our Revolving Facility will be sufficient to fund our cash requirements over the next twelve months. Borrowings under our Revolving Facility in 2024 had original maturities of three months or less.

Our material cash requirements include the following contractual and other obligations.

Debt Obligations and Interest Payments

As of December 31, 2024, approximately 96%, including the impact of interest rate swaps, of our $11.0 billion of total debt outstanding, excluding the Revolving Facility balance, finance leases and debt issuance costs and discounts, is fixed with an effective overall interest rate of approximately 4.5%. We target a capital structure which we believe provides an attractive balance between optimized interest rates, duration and flexibility with diversified sources of liquidity and maturities spread over multiple years, and as mentioned above, we expect to maintain our net leverage ratio at approximately 4.0x EBITDA over the medium term by issuing incremental debt as our business grows. We currently have credit ratings of BB (Standard & Poor's)/Ba2 (Moody's).

The following table summarizes the future maturities of our outstanding long-term debt, excluding finance leases and debt issuance costs and discounts, as of December 31, 2024.

	2025	2026	2027	2028	2029	2030	2031	2032	2037	2043	Total
Securitization Notes		$ 938	$ 884	$ 595	$ 589		$ 737				$ 3,743
Credit Agreement	$ 21	27	34	1,424	438						1,944
Revolving Facility					350						350
Subsidiary Senior Unsecured Notes			750								750
YUM Senior Unsecured Notes						$ 800	1,050	$ 2,100	$ 325	$ 275	4,550
Total	$ 21	$ 965	$ 1,668	$ 2,019	$ 1,377	$ 800	$ 1,787	$ 2,100	$ 325	$ 275	$ 11,337

Interest payments on the outstanding long-term debt in the table above total approximately $2.7 billion, with approximately $500 million due within the next twelve months on the outstanding amounts on a nominal basis. The estimated interest payments related to the variable rate portion of our debt, net of our interest rate swaps, are based on current Secured Overnight Financing Rate (“SOFR”) interest rates.

See Note 11 for details on the Securitization Notes, the Credit Agreement, Subsidiary Senior Unsecured Notes and YUM Senior Unsecured Notes.

Operating and Finance Leases

Payments required under our operating and finance leases total $1,355 million, of which $148 million is payable within the next 12 months. These amounts are on a nominal basis and include payments related to lease renewal options we are reasonably certain to exercise. These leases relate primarily to approximately 950 Company-owned restaurants and approximately 200 leased restaurants for which we sublease land, building or both to our franchisees. See Note 12.

Investing Activities

We remain committed to maintaining our asset light, franchisor model that includes at least a 98% franchise mix. Our allocation strategy for investing activities includes:

- Run-rate capital expenditures consisting of company restaurant repairs, maintenance and remodels, support of our digital and technology initiatives and project-specific capital expenditures,
- Targeted new company unit development to spur additional growth that is partially funded through refranchising a comparable number of existing company units, and
- Strategic investments that create incremental value for shareholders and franchisees.

In 2025, we expect gross capital expenditures of approximately $350 million driven by technology initiatives and continued investments in Taco Bell, Habit Burger & Grill and KFC company restaurants. Additionally, we expect approximately $55 million of refranchising proceeds, resulting in net capital expenditures of approximately $295 million.

Purchase Obligations

Our purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. We have excluded agreements that are cancellable without penalty. Our purchase obligations relate primarily to marketing, information technology and supply agreements. We have purchase obligations of approximately $525 million at December 31, 2024, with approximately $325 million due within the next 12 months.

In addition to our contractual and other obligations, we seek to pay a competitive dividend and return excess cash to shareholders through share repurchases. As discussed in Note 20, we are also subject to claims and contingencies related to certain tax and legal matters that may require future cash outlays.

Dividends and Share Repurchases

In February 2025, our Board of Directors declared a quarterly dividend of $0.71 per share of Common Stock, a 6% increase from the quarterly dividend of $0.67 per share of Common Stock paid in 2024. This quarterly dividend will be distributed March 7, 2025, to shareholders of record at the close of business on February 21, 2025, and will total approximately $200 million.

In May 2024, our Board of Directors authorized share repurchases of up to $2 billion (excluding applicable transaction fees and excise taxes) of our outstanding Common Stock through December 31, 2026. This authorization took effect on July 1, 2024 upon the exhaustion of a prior authorization approved in September 2022. As of December 31, 2024, we have remaining capacity to repurchase up to $1.6 billion of Common Stock under this authorization. This authorization does not obligate the Company to acquire any specific number of shares.

Contingencies

As discussed in Note 20, as a result of an audit by the Internal Revenue Service (“IRS”) for fiscal years 2013 through 2015, in August 2022, we received a Revenue Agent’s Report (“RAR”) from the IRS asserting an underpayment of tax of $2.1 billion plus $418 million in penalties for the 2014 fiscal year. Additionally, interest on the underpayment is estimated to be approximately $1.4 billion through December 31, 2024. The proposed underpayment relates primarily to a series of reorganizations we undertook during that year in connection with the business realignment of our corporate and management reporting structure along brand lines. The IRS asserts that these transactions resulted in taxable distributions of approximately $6.0 billion.

We disagree with the IRS’s position as asserted in the RAR and intend to contest that position vigorously. In September 2022, we filed a Protest with the IRS Examination Division disputing on multiple grounds the proposed underpayment of tax and penalties. We have received the IRS Examination Division’s Rebuttal to our Protest and the matter is proceeding with the IRS Office of Appeals.

Also, as discussed in Note 20, on January 29, 2020, we received an order from the Special Director of the Directorate of Enforcement (“DOE”) in India imposing a penalty on Yum! Restaurants India Private Limited (“YRIPL”) of approximately Indian Rupee 11 billion, or approximately $130 million, primarily relating to alleged violations of operating conditions imposed in 1993 and 1994. We have been advised by external counsel that the order is flawed and have filed a writ petition with the Delhi High Court, which granted an interim stay of the penalty order on March 5, 2020. In November 2022, YRIPL was notified that an administrative tribunal bench had been constituted to hear an appeal by DOE of certain findings of the January 2020 order, including claims that certain charges had been wrongly dropped and that an insufficient amount of penalty had been imposed. A hearing with the administrative tribunal has been rescheduled to March 18, 2025. The stay order remains in effect, and the next in the Delhi High Court has been rescheduled to April 29, 2025. We deny liability and intend to continue vigorously defending this matter.

See the Lease Guarantees section of Note 20 for discussion of our off-balance sheet arrangements.

New Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which updates income tax disclosure requirements related to the income tax rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The standard is effective for the Company's Annual Report on Form 10-K for fiscal 2025. The amendments should be applied prospectively; however, retrospective application is permitted. We are currently evaluating the impact of the standard on our disclosures.

In March 2024, the SEC issued a final rule under SEC Release Nos. 33-11275 and 34-99678, The Enhancement and Standardization of Climate-Related Disclosures for Investors. The rule requires disclosure of material climate-related information outside of the audited financial statements and disclosure in the footnotes addressing specified financial statement effects of severe weather events and other natural conditions above certain financial thresholds, certain carbon offsets and renewable energy credits or certificates. The standard is effective for the Company's Annual Report on Form 10-K for fiscal 2025. In April 2024, the SEC released an order staying this final rule pending judicial review of all the petitions challenging the rule. We are in the process of analyzing the impact of the rule on our disclosures should the stay be lifted.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40), which requires new financial statement disclosures disaggregating prescribed expense categories within relevant income statement expense captions. The standard is effective for the Company's Annual Report on Form 10-K for fiscal 2027, and subsequent interim periods, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is permitted. We are currently evaluating the impact of the standard on our disclosures.

Critical Accounting Policies and Estimates

Our reported results are impacted by the application of certain accounting policies that require us to make subjective or complex judgments. These judgments involve estimations of the effect of matters that are inherently uncertain and may significantly impact our quarterly or annual results of operations or financial condition. Changes in the estimates and judgments could significantly affect our results of operations and financial condition and cash flows in future years. A description of what we consider to be critical accounting policies follows.

Impairment or Disposal of Long-Lived Assets

We review long-lived assets of restaurants we intend to continue operating as Company restaurants (primarily PP&E, right-of-use operating lease assets and allocated intangible assets subject to amortization) annually for impairment, or whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. We use two consecutive years of operating losses as our primary indicator of potential impairment for our annual impairment testing of these restaurant assets. We evaluate recoverability based on the restaurant's forecasted undiscounted cash flows, which incorporate our best estimate of sales growth and margin improvement based upon our plans for the unit and actual results at comparable restaurants. For restaurant assets that are deemed to not be recoverable, we write-down the impaired restaurant to its estimated fair value.

Fair value is an estimate of the price a franchisee would pay for the restaurant and its related assets, including any right-of-use assets, and is determined by discounting the estimated future after-tax cash flows of the restaurant, which include a deduction for royalties we would receive under a franchise agreement with terms substantially at market. The after-tax cash flows incorporate reasonable sales growth and margin improvement assumptions as well as expectations as to the useful lives of the restaurant assets that would be used by a franchisee in the determination of a purchase price for the restaurant.

We perform an impairment evaluation at a restaurant group level when it is more likely than not that we will refranchise restaurants as a group. Expected net sales proceeds are generally based on actual bids from the buyer, if available, or anticipated bids given the discounted projected after-tax cash flows for the group of restaurants. Historically, these anticipated bids have been reasonably accurate estimations of the proceeds ultimately received. The after-tax cash flows used in determining the anticipated bids incorporate similar assumptions to those of a restaurant level assessment.

The discount rate used in the fair value calculations is our estimate of the required rate of return that a franchisee would expect to receive when purchasing a similar restaurant or groups of restaurants and the related long-lived assets. The discount rate incorporates rates of returns for historical refranchising market transactions and is commensurate with the risks and uncertainty inherent in the forecasted cash flows.

Estimates of future cash flows are highly subjective judgments and can be significantly impacted by changes in the business or economic conditions. We formulate these estimates in consideration of historical experience, recent economic and industry trends, and competitive conditions. If our estimates or underlying assumptions, including the discount rate, change, we may experience higher impairment charges in the future.

We evaluate indefinite-lived intangible assets for impairment on an annual basis as of the beginning of our fourth quarter or more often if an event occurs or circumstances change that indicates impairment might exist. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is generally estimated by discounting the expected future after-tax cash flows associated with the intangible asset. Our most significant indefinite-lived intangible asset is our Habit Burger & Grill brand asset with a book value of $96 million at December 31, 2024. As of our fourth quarter 2024 annual impairment testing date, the fair values of all of our indefinite-lived intangible assets were in excess of their respective carrying values and no impairment was recorded.

Impairment of Goodwill

We evaluate goodwill for impairment on an annual basis as of the beginning of our fourth quarter or more often if an event occurs or circumstances change that indicates impairment might exist. Goodwill is evaluated for impairment by determining whether the fair value of our reporting units exceed their carrying values. Our reporting units are our business units (which are aligned based on geography) in our KFC, Taco Bell, Pizza Hut and Habit Burger & Grill Divisions. Fair value is the price a willing buyer would pay for the reporting unit, and is generally estimated using discounted expected future after-tax cash flows from franchise royalties and Company-owned restaurant operations, if any. Future cash flow estimates and the discount rate are the key assumptions when estimating the fair value of a reporting unit.

Future cash flows are based on growth expectations relative to recent historical performance and incorporate sales growth (from net new units or same-store sales growth) and margin improvement (for those reporting units which include Company-owned restaurant operations) assumptions that we believe a third-party buyer would assume when determining a purchase price for the reporting unit. Any margin improvement assumptions that factor into the discounted cash flows are highly correlated with sales growth as cash flow growth can be achieved through various interrelated strategies such as product pricing and restaurant productivity initiatives. The discount rate is our estimate of the required rate of return that a third-party buyer would expect to receive when purchasing a business from us that constitutes a reporting unit. We believe the discount rate is commensurate with the risks and uncertainty inherent in the forecasted cash flows.

The fair values of all our reporting units with goodwill balances were in excess of their respective carrying values as of our fourth quarter 2024 goodwill testing date, with all but the Habit Burger & Grill reporting unit having fair values that were substantially in excess of their respective carrying values. As it relates to our Habit Burger & Grill reporting unit, which includes a goodwill balance of $66 million as of the end of 2024, the assumptions that are most impactful to our fair value estimate include margin improvement, sales growth from net new units and same-store sales growth. Significant changes in the assumptions used in our analysis could result in a future goodwill impairment charge. Circumstances that could result in changes to our assumptions and related fair value estimate include, but are not limited to, expectations of lower than originally estimated margin improvement, which can be caused by a variety of factors including changes in expected labor costs and commodity inflation.

When we refranchise restaurants, we include goodwill in the carrying amount of the restaurants disposed of based on the relative fair values of the portion of the reporting unit disposed of in the refranchising versus the portion of the reporting unit that will be retained. The fair value of the portion of the reporting unit disposed of in a refranchising is determined by reference to the discounted value of the future cash flows expected to be generated by the restaurant and retained by the franchisee, which include a deduction for the anticipated, future royalties the franchisee will pay us associated with the franchise agreement entered into simultaneously with the refranchising transaction. The fair value of the reporting unit retained is based on the price a willing buyer would pay for the reporting unit retained and includes the value of franchise agreements. Appropriate adjustments are made to the fair value determinations if such franchise agreements are determined to not be at prevailing market rates. As such, the fair value of the reporting unit retained can include expected future cash flows from royalties from those restaurants currently being refranchised, royalties from existing franchise businesses and retained company restaurant operations. As a result, the percentage of a reporting unit's goodwill that will be written off in a refranchising transaction will be less than the percentage of the reporting unit's Company-owned restaurants that are refranchised in that transaction and goodwill can be allocated to a reporting unit with only franchise restaurants. When determining whether such franchise agreement is at prevailing market rates our primary consideration is consistency with the terms of our current franchise agreements both within the country that the restaurants are being refranchised in and around the world. The Company believes consistency in royalty rates as a percentage of sales is appropriate as the Company and franchisee share in the impact of near-term fluctuations in sales results with the acknowledgment that over the long-term the royalty rate represents an appropriate rate for both parties.

The discounted value of the future cash flows expected to be generated by the restaurant and retained by the franchisee is reduced by future royalties the franchisee will pay the Company. The Company thus considers the fair value of future royalties to be received under the franchise agreement as fair value retained in its determination of the goodwill to be written off when refranchising. Others may consider the fair value of these future royalties as fair value disposed of and thus would conclude that a larger percentage of a reporting unit's fair value is disposed of in a refranchising transaction.

During 2024, refranchising activity completed by the Company was limited and the write-off of goodwill associated with these transactions was less than $1 million.

Pension Plans

Certain of our employees are covered under defined benefit pension plans. Our two most significant plans are in the U.S. and combined had a projected benefit obligation ("PBO") of $776 million and a fair value of plan assets of $644 million at December 31, 2024.

The PBO reflects the actuarial present value of all benefits earned to date by employees and incorporates assumptions as to future compensation levels. Due to the relatively long time frame over which benefits earned to date are expected to be paid, our PBOs are highly sensitive to changes in discount rates. For these U.S. plans, we measured our PBOs using a discount rate of 5.80% at December 31, 2024. The primary basis for this discount rate determination is a model that consists of a hypothetical portfolio of ten or more corporate debt instruments rated Aa or higher by Moody's or Standard & Poor's ("S&P") with cash flows that mirror our expected benefit payment cash flows under the plans. We exclude from the model those corporate debt instruments flagged by Moody's or S&P for a potential downgrade (if the potential downgrade would result in a rating below Aa by both Moody's and S&P) and bonds with yields that were two standard deviations or more above the mean. In considering possible bond portfolios, the model allows the bond cash flows for a particular year to exceed the expected benefit payment cash flows for that year. Such excesses are assumed to be reinvested at appropriate one-year forward rates and used to meet the benefit payment cash flows in a future year. The weighted-average yield of this hypothetical portfolio was used to arrive at an appropriate discount rate. We also ensure that changes in the discount rate as compared to the prior year are consistent with the overall change in prevailing market rates and make adjustments as necessary. A 50 basis-point increase in this discount rate would have decreased these U.S. plans' PBOs by approximately $40 million at our measurement date. Conversely, a 50 basis-point decrease in this discount rate would have increased these U.S. plans' PBOs by approximately $40 million at our measurement date.

The net periodic benefit cost we will record in 2025 is also impacted by the discount rate, as well as the long-term rates of return on plan assets and mortality assumptions we selected at our measurement date. We expect net periodic benefit income for these U.S. plans of $2 million in 2025 compared to $3 million of periodic benefit income in 2024, which represents a decrease in benefit of $1 million year-over-year. A 50 basis-point change in our discount rate assumption at our 2024 measurement date would impact this 2025 U.S. net periodic benefit income by approximately $1 million. The impacts of changes in net periodic benefit income are reflected primarily in Other pension (income) expense.

Our estimated long-term rate of return on U.S. plan assets is based upon the weighted-average of historical and expected future returns for each asset category. Our expected long-term rate of return on U.S. plan assets, for purposes of determining 2025 pension expense, at December 31, 2024, was 6.85%, net of administrative and investment fees paid from plan assets. We believe this rate is appropriate given the composition of our plan assets and historical market returns thereon. A 100 basis point change in our expected long-term rate of return on plan assets assumption would impact our 2025 U.S. net periodic benefit cost by approximately $8 million. Additionally, every 100 basis point variation in actual return on plan assets versus our expected return of 6.85% will impact our unrecognized pre-tax actuarial net loss by approximately $8 million.

We have an unrecognized pre-tax actuarial net loss of $125 million included in Accumulated other comprehensive income for these U.S. plans at December 31, 2024. We will recognize approximately $2 million of this loss in 2025 versus $1 million of loss recognized in 2024.

Income Taxes

At December 31, 2024, we had valuation allowances of $369 million to reduce our $1,768 million of deferred tax assets to amounts that are more likely than not to be realized. The net deferred tax assets primarily relate to temporary differences and tax credit carryforwards in profitable U.S. federal, state and foreign jurisdictions and net operating loss carryforwards in certain foreign jurisdictions, the majority of which do not expire. In evaluating our ability to recover our deferred tax assets, we consider future taxable income in the various jurisdictions, carryforward periods, restrictions on usage and prudent and feasible tax planning strategies. The estimation of future taxable income in these jurisdictions and our resulting ability to utilize deferred tax assets can significantly change based on future events, including our determinations as to feasibility of certain tax planning strategies and refranchising plans. Thus, recorded valuation allowances may be subject to material future changes.

As a matter of course, we are regularly audited by federal, state and foreign tax authorities. We recognize the benefit of positions taken or expected to be taken in our tax returns in our Income tax provision when it is more likely than not that the position would be sustained upon examination by these tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. At December 31, 2024, we had $126 million of unrecognized tax benefits, $81 million of which would impact the effective income tax rate if recognized. We

evaluate unrecognized tax benefits, including interest thereon, on a quarterly basis to ensure that they have been appropriately adjusted for events, including audit settlements, which may impact our ultimate payment for such exposures.

Repatriation of earnings generated after December 31, 2017, will generally be eligible for the 100% dividends received deduction or considered a distribution of previously taxed income and, therefore, exempt from U.S. federal tax. Undistributed foreign earnings may still be subject to certain state and foreign income and withholding taxes upon repatriation. Subject to limited exceptions, we do not intend to indefinitely reinvest our unremitted earnings outside the U.S. Thus, we have provided taxes, including any U.S. federal and state income, foreign income, or foreign withholding taxes on the majority of our unremitted earnings. In jurisdictions where we do intend to indefinitely reinvest our unremitted earnings, we would be required to accrue and pay applicable income taxes (if any) and foreign withholding taxes if the funds were repatriated in taxable transactions. We believe any such taxes would be immaterial.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company is exposed to financial market risks associated with interest rates, foreign currency exchange rates and commodity prices. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies, which may include the use of financial and commodity derivative instruments to hedge our underlying exposures. Our policies prohibit the use of derivative instruments for trading purposes, and we have processes in place to monitor and control their use.

Interest Rate Risk

We have a market risk exposure to changes in interest rates, principally in the U.S. Our outstanding total debt, excluding the Revolving Facility balance, finance leases and debt issuance costs and discounts, of $11.0 billion includes 82% fixed-rate debt and 18% variable-rate debt. We have attempted to minimize the interest rate risk from variable-rate debt through the use of interest rate swaps that, as of December 31, 2024, result in a fixed interest rate on $1.5 billion of our variable-rate debt. As a result, approximately 96% of this $11.0 billion of outstanding debt at December 31, 2024, is effectively fixed-rate debt. These interest rate swaps mature in March 2025. See Note 11 for details on our outstanding debt and Note 13 for details related to interest rate swaps.

At December 31, 2024, a hypothetical 100 basis-point increase in short-term interest rates would result, over the following twelve-month period after consideration of the aforementioned interest rate swaps through maturity, in an increase of approximately $16 million in Interest expense, net within our Consolidated Statement of Income. These estimated amounts are based upon the current level of variable-rate debt that has not been swapped, both through and after maturity of our existing interest rate swaps, to fixed and assume no changes in the volume or composition of that debt and exclude any impact from interest income related to cash and cash equivalents.

The fair value of our cumulative fixed-rate debt of $8.7 billion as of December 31, 2024, would decrease approximately $375 million as a result of the same hypothetical 100 basis-point increase. At December 31, 2024, a hypothetical 100 basis-point decrease in short-term interest rates would decrease the asset associated with the fair value of our interest rate swaps by approximately $3 million. Fair value was determined based on the present value of expected future cash flows considering the risks involved and using discount rates appropriate for the durations.

Foreign Currency Exchange Rate Risk

Changes in foreign currency exchange rates impact the translation of our reported foreign currency denominated earnings, cash flows and net investments in foreign operations and the fair value of our foreign currency denominated financial instruments. Historically, we have chosen not to hedge foreign currency risks related to our foreign currency denominated earnings and cash flows through the use of financial instruments. In addition, we attempt to minimize the exposure related to foreign currency denominated financial instruments by purchasing goods and services from third parties in local currencies when practical. Consequently, foreign currency denominated financial instruments consist primarily of intercompany receivables and payables. At times, we utilize forward contracts and cross-currency swaps to reduce our exposure related to these intercompany receivables and payables. The notional amount and maturity dates of these contracts match those of the underlying receivables or payables such that our foreign currency exchange risk related to these instruments is minimized.

The Company’s foreign currency net asset exposure (defined as foreign currency assets less foreign currency liabilities) totaled approximately $1.1 billion as of December 31, 2024. Operating in international markets exposes the Company to movements in foreign currency exchange rates. The Company’s primary exposures result from our operations in Asia-Pacific, Europe and the

Americas. For the fiscal year ended December 31, 2024, Operating Profit would have decreased approximately $150 million if all foreign currencies had uniformly weakened 10% relative to the U.S. dollar. This estimated reduction assumes no changes in sales volumes, local currency sales or input prices.

Commodity Price Risk

We are subject to volatility in food costs at our Company-operated restaurants as a result of market risk associated with commodity prices. Our ability to recover increased costs through higher pricing is, at times, limited by the competitive environment in which we operate. We manage our exposure to this risk primarily through pricing agreements with our vendors.

Item 8. Financial Statements and Supplementary Data.

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Financial Statement Schedules

No schedules are required because either the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the above-listed financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Yum! Brands, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Yum! Brands, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows, and shareholders' deficit for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company acquired the operations and related assets of two franchise entities that owned 216 KFC restaurants in the U.K. and Ireland ("KFC U.K. & Ireland") during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, KFC U.K. & Ireland's internal control over financial reporting associated with 6% of total assets and 4% of total revenues included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of KFC U.K. & Ireland.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of unrecognized tax benefits

As discussed in Note 18 to the consolidated financial statements, the Company has recorded unrecognized tax benefits, excluding associated interest, of $126 million. Tax laws are complex and often subject to different interpretations by tax payers and the respective tax authorities.

We identified the evaluation of the Company's unrecognized tax benefits as a critical audit matter. Subjective and complex auditor judgment was required to evaluate tax law and regulations, court rulings and audit settlements in the related taxing jurisdictions to determine the population of significant uncertain tax positions identified by the Company arising from tax planning strategies.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process for identification of uncertain tax positions. This included controls related to (1) identifying tax planning strategies that create significant uncertain tax positions, (2) evaluating interpretations of tax laws and court rulings, and (3) assessing which tax positions may not be sustained upon examination by a taxing authority. We involved tax professionals with specialized skills and knowledge who assisted in:

- Obtaining an understanding of the Company's tax planning strategies;
- Identifying tax positions created by tax planning strategies and comparing the results to the Company's identification of uncertain tax positions;
- Evaluating the Company's interpretation of tax laws and court rulings by developing an independent assessment; and
- Performing an independent assessment to identify tax positions that may not be sustained upon examination by the respective taxing authority and comparing the results to the Company's assessment.

/s/ KPMG LLP

We have served as the Company's auditor since 1997.

Louisville, Kentucky
February 19, 2025

Consolidated Statements of Income

Yum! Brands, Inc. and Subsidiaries

Fiscal years ended December 31, 2024, 2023 and 2022

(in millions, except per share data)

	2024	2023	2022
Revenues			
Company sales	$ 2,552	$ 2,142	$ 2,072
Franchise and property revenues	3,295	3,247	3,096
Franchise contributions for advertising and other services	1,702	1,687	1,674
Total revenues	7,549	7,076	6,842
Costs and Expenses, Net			
Company restaurant expenses	2,120	1,774	1,745
General and administrative expenses	1,181	1,193	1,140
Franchise and property expenses	134	123	123
Franchise advertising and other services expense	1,711	1,683	1,667
Refranchising (gain) loss	(34)	(29)	(27)
Other (income) expense	34	14	7
Total costs and expenses, net	5,146	4,758	4,655
Operating Profit	2,403	2,318	2,187
Investment (income) expense, net	21	(7)	(11)
Other pension (income) expense	(7)	(6)	9
Interest expense, net	489	513	527
Income before income taxes	1,900	1,818	1,662
Income tax provision	414	221	337
Net Income	$ 1,486	$ 1,597	$ 1,325
Basic Earnings Per Common Share	$ 5.28	$ 5.68	$ 4.63
Diluted Earnings Per Common Share	$ 5.22	$ 5.59	$ 4.57
Dividends Declared Per Common Share	$ 2.68	$ 2.42	$ 2.28

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Yum! Brands, Inc. and Subsidiaries

Fiscal years ended December 31, 2024, 2023 and 2022

(in millions)

	2024	2023	2022
Net Income	$ 1,486	$ 1,597	$ 1,325
Other comprehensive income (loss), net of tax:			
Translation adjustments and gains (losses) from intra-entity transactions of a long-term investment nature			
Adjustments and gains (losses) arising during the year	(37)	18	(84)
Reclassifications of adjustments and (gains) losses into Net Income	—	71	—
	(37)	89	(84)
Tax (expense) benefit	—	—	—
	(37)	89	(84)
Changes in pension and post-retirement benefits			
Unrealized gains (losses) arising during the year	(54)	(12)	(115)
Reclassification of (gains) losses into Net Income	2	1	34
	(52)	(11)	(81)
Tax (expense) benefit	13	1	21
	(39)	(10)	(60)
Changes in derivative instruments			
Unrealized gains (losses) arising during the year	14	14	115
Reclassification of (gains) losses into Net Income	(33)	(30)	18
	(19)	(16)	133
Tax (expense) benefit	5	4	(33)
	(14)	(12)	100
Other comprehensive income (loss), net of tax	(90)	67	(44)
Comprehensive Income	$ 1,396	$ 1,664	$ 1,281

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Yum! Brands, Inc. and Subsidiaries

Fiscal years ended December 31, 2024, 2023 and 2022

(in millions)

	2024	2023	2022
Cash Flows – Operating Activities			
Net Income	$ 1,486	$ 1,597	$ 1,325
Depreciation and amortization	175	153	146
Impairment and closure expense	12	13	10
Refranchising (gain) loss	(34)	(29)	(27)
Investment (income) expense, net	21	(7)	(11)
Deferred income taxes	(30)	(290)	(55)
Share-based compensation expense	69	95	84
Changes in accounts and notes receivable	(53)	(89)	(84)
Changes in prepaid expenses and other current assets	(12)	(15)	1
Changes in accounts payable and other current liabilities	8	(30)	(39)
Changes in income taxes payable	(29)	43	17
Other, net	76	162	60
Net Cash Provided by Operating Activities	1,689	1,603	1,427
Cash Flows – Investing Activities			
Capital spending	(257)	(285)	(279)
Proceeds from sale of Devyani Investment	104	—	—
Proceeds from sale of KFC Russia	—	121	—
Acquisition of KFC U.K. and Ireland restaurants	(174)	—	—
Proceeds from refranchising of restaurants	49	60	73
Maturities (purchases) of Short term investments, net	(91)	—	—
Other, net	(53)	(3)	4
Net Cash Used in Investing Activities	(422)	(107)	(202)
Cash Flows – Financing Activities			
Proceeds from long-term debt	237	—	999
Repayments of long-term debt	(479)	(397)	(699)
Revolving credit facilities, three months or less, net	345	(279)	279
Repurchase shares of Common Stock	(441)	(50)	(1,200)
Dividends paid on Common Stock	(752)	(678)	(649)
Other, net	(73)	(25)	(53)
Net Cash Used in Financing Activities	(1,163)	(1,429)	(1,323)
Effect of Exchange Rate on Cash and Cash Equivalents	(21)	10	(26)
Net Increase (Decrease) in Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents	83	77	(124)
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents – Beginning of Year	724	647	771
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents – End of Year	$ 807	$ 724	$ 647

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

Yum! Brands, Inc. and Subsidiaries

December 31, 2024 and 2023

(in millions)

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 616	$ 512
Accounts and notes receivable, net	775	737
Prepaid expenses and other current assets	480	360
Total Current Assets	1,871	1,609
Property, plant and equipment, net	1,304	1,197
Goodwill	736	642
Intangible assets, net	416	377
Other assets	1,329	1,361
Deferred income taxes	1,071	1,045
Total Assets	$ 6,727	$ 6,231
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and other current liabilities	$ 1,211	$ 1,169
Income taxes payable	31	55
Short-term borrowings	27	53
Total Current Liabilities	1,269	1,277
Long-term debt	11,306	11,142
Other liabilities and deferred credits	1,800	1,670
Total Liabilities	14,375	14,089
Shareholders' Deficit		
Common Stock, no par value, 750 shares authorized; 279 shares and 281 shares issued in 2024 and 2023, respectively	—	60
Accumulated deficit	(7,256)	(7,616)
Accumulated other comprehensive loss	(392)	(302)
Total Shareholders' Deficit	(7,648)	(7,858)
Total Liabilities and Shareholders' Deficit	$ 6,727	$ 6,231

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Deficit

Yum! Brands, Inc. and Subsidiaries

Fiscal years ended December 31, 2024, 2023 and 2022

(in millions)

	Issued Common Stock			Accumulated Other	
	Shares	Amount	Accumulated Deficit	Comprehensive Income (Loss)	Total Shareholders' Deficit
Balance at December 31, 2021	289	$ —	$ (8,048)	$ (325)	$ (8,373)
Net Income			1,325		1,325
Translation adjustments and gains (losses) from intra-entity transactions of a long-term investment nature				(84)	(84)
Pension and post-retirement benefit plans (net of tax impact of $ 21 million)				(60)	(60)
Net gain on derivative instruments (net of tax impact of $ 33 million)				100	100
Comprehensive Income					1,281
Dividends declared			(653)		(653)
Repurchase of shares of Common Stock	(10)	(69)	(1,131)		(1,200)
Employee share-based award exercises	1	(31)			(31)
Share-based compensation events		100			100
Balance at December 31, 2022	280	$ —	$ (8,507)	$ (369)	$ (8,876)
Net Income			1,597		1,597
Translation adjustments and gains (losses) from intra-entity transactions of a long-term investment nature				18	18
Reclassification of translation adjustments into income				71	71
Pension and post-retirement benefit plans (net of tax impact of $ 1 million)				(10)	(10)
Net loss on derivative instruments (net of tax impact of $ 4 million)				(12)	(12)
Comprehensive Income					1,664
Dividends declared			(680)		(680)
Repurchase of shares of Common Stock	—	(24)	(26)		(50)
Employee share-based award exercises	1	(24)			(24)
Share-based compensation events		108			108
Balance at December 31, 2023	281	$ 60	$ (7,616)	$ (302)	$ (7,858)
Net Income			1,486		1,486
Translation adjustments and gains (losses) from intra-entity transactions of a long-term investment nature				(37)	(37)
Pension and post-retirement benefit plans (net of tax impact of $ 13 million)				(39)	(39)
Net loss on derivative instruments (net of tax impact of $ 5 million)				(14)	(14)
Comprehensive Income					1,396
Dividends declared			(756)		(756)
Repurchase of shares of Common Stock[1]	(3)	(73)	(370)		(443)
Employee share-based award exercises	1	(70)			(70)
Share-based compensation events		83			83
Balance at December 31, 2024	279	$ —	$ (7,256)	$ (392)	$ (7,648)

[1] Includes excise tax on share repurchases.

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
(Tabular amounts in millions, except share data)

Note 1 – Description of Business

Yum! Brands, Inc. and its Subsidiaries (collectively referred to herein as the "Company," "YUM," "we," "us" or "our") franchise or operate a system of over 61,000 restaurants in more than 155 countries and territories primarily under the concepts of KFC, Taco Bell, Pizza Hut and the Habit Burger & Grill (collectively, the "Concepts"). The Company's KFC, Taco Bell and Pizza Hut brands are global leaders of the chicken, Mexican-inspired and pizza categories. The Habit Burger & Grill is a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more. At December 31, 2024, 98 % of our restaurants were owned and operated by franchisees.

Through our widely-recognized Concepts, we develop, operate or franchise a system of both traditional and non-traditional restaurants. The terms "franchise" or "franchisee" within these Consolidated Financial Statements are meant to describe third parties that operate units under either franchise or license agreements. Our traditional restaurants feature dine-in, carryout and, in some instances, drive-thru service. Non-traditional units include express units which have a more limited menu and operate in non-traditional locations like malls, airports, gasoline service stations, train stations, subways, convenience stores, stadiums, amusement parks and colleges, where a full-scale traditional outlet would not be practical or efficient. We also operate or franchise multibrand units, where two or more of our Concepts are operated in a single unit.

As of December 31, 2024, YUM consisted of four operating segments:

- The KFC Division which includes our worldwide operations of the KFC concept
- The Taco Bell Division which includes our worldwide operations of the Taco Bell concept
- The Pizza Hut Division which includes our worldwide operations of the Pizza Hut concept
- The Habit Burger & Grill Division which includes our worldwide operations of the Habit Burger & Grill concept

Note 2 – Summary of Significant Accounting Policies

Our preparation of the accompanying Consolidated Financial Statements in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP") requires us to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Principles of Consolidation and Basis of Preparation. Intercompany accounts and transactions have been eliminated in consolidation. We consolidate entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. We also consider for consolidation an entity, in which we have certain interests, where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity ("VIE"), is required to be consolidated by its primary beneficiary. The primary beneficiary is the entity that possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it.

Our most significant variable interests are in certain entities that operate restaurants under our Concepts' franchise arrangements. We do not have a significant equity interest in any of our franchisee businesses. Additionally, we do not typically provide significant financial support such as loans or guarantees to our franchisees. Thus, our most significant variable interests in franchisees result from real estate lease arrangements to which we are a party. At the end of 2024, YUM has future lease payments due from certain franchisees, on a nominal basis, of approximately $ 650 million, and we are secondarily liable on certain other lease agreements that have been assigned to certain franchisees. See the Lease Guarantees section in Note 20. As our franchise arrangements provide our franchisee entities the power to direct the activities that most significantly impact their economic performance, we do not consider ourselves the primary beneficiary of any such entity that might otherwise be considered a VIE.

We participate in various advertising cooperatives with our franchisees, typically within a country where we have both Company-owned restaurants and franchise restaurants, established to collect and administer funds contributed for use in advertising and promotional programs designed to increase sales and enhance the reputation of the Company and our Concepts. Contributions to the advertising cooperatives are required of both Company-owned, if any, and franchise restaurants and are generally based on a percentage of restaurant sales. We maintain certain variable interests in these cooperatives. As the cooperatives are required to spend all funds collected on advertising and promotional programs, total equity at risk is not

sufficient to permit the cooperatives to finance their activities without additional subordinated financial support. Therefore, these cooperatives are VIEs. We consolidate certain of these cooperatives for which we are the primary beneficiary due to our voting rights.

Fiscal Year. YUM's fiscal year begins on January 1 and ends December 31 of each year, with each quarter comprised of three months. The majority of our U.S. subsidiaries and certain international subsidiaries operate on a weekly periodic calendar where the first three quarters of each fiscal year consists of 12 weeks and the fourth quarter consists of 16 weeks in fiscal years with 52 weeks and 17 weeks in fiscal years with 53 weeks. Our remaining international subsidiaries operate on a monthly calendar similar to that on which YUM operates.

Fiscal year 2024 included 53 weeks for our U.S. businesses and for our international subsidiaries that reported on a period calendar. See Note 5.

Our next fiscal year scheduled to include a 53rd week for our period calendar reporters is 2030.

Foreign Currency. The functional currency of our foreign entities is the currency of the primary economic environment in which the entity operates. Functional currency determinations are made based upon a number of economic factors, including but not limited to cash flows and financing transactions. The operations, assets and liabilities of our entities outside the U.S. are initially measured using the functional currency of that entity. Income and expense accounts for our operations of these foreign entities are then translated into U.S. dollars at the average exchange rates prevailing during the period. Assets and liabilities of these foreign entities are then translated into U.S. dollars at exchange rates in effect at each period-end balance sheet date. As of December 31, 2024, net cumulative translation adjustment losses of $ 238 million are recorded in Accumulated other comprehensive income ("AOCI") in the Consolidated Balance Sheet.

The majority of our foreign currency net asset exposure is in countries where we have Company-owned restaurants. As we manage and share resources at the individual brand level within a country, cumulative translation adjustments are recorded and tracked at the foreign-entity level that represents the operations of our individual brands within that country. Translation adjustments recorded in AOCI are subsequently recognized as income or expense generally only upon sale of the related investment in a foreign entity, or upon a sale of assets and liabilities within a foreign entity that represents a complete or substantially complete liquidation of that foreign entity. For purposes of determining whether a sale or complete or substantially complete liquidation of an investment in a foreign entity has occurred, we consider those same foreign entities for which we record and track cumulative translation adjustments.

Gains and losses arising from the impact of foreign currency exchange rate fluctuations on transactions in foreign currency are included in Other (income) expense in our Consolidated Statements of Income.

Reclassifications. We have reclassified certain items in the Consolidated Financial Statements for prior periods to be comparable with the classification for the fiscal year ended December 31, 2024. These reclassifications had no effect on previously reported Net Income.

Revenue Recognition. Below is a discussion of how our revenues are earned, our accounting policies pertaining to revenue recognition under Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("Topic 606") and other required disclosures.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue transaction and collected from a customer are excluded from revenue.

Company Sales

Revenues from the sale of food items by Company-owned restaurants are recognized as Company sales when a customer purchases the food, which is when our obligation to perform is satisfied.

Franchise and Property Revenues

Franchise Revenues

Our most significant source of revenues arises from the operation of our Concepts' stores by our franchisees. Franchise rights may be granted through a store-level franchise agreement or through a master franchise agreement that set out the terms of our arrangement with the franchisee. Our franchise agreements require that the franchisee remit continuing fees to us as a percentage of the applicable restaurant's sales in exchange for the license of the intellectual property associated with our Concepts' brands (the "franchise right"). Our franchise agreements also typically require certain, less significant, upfront franchise fees such as initial fees paid upon opening of a store, fees paid to renew the term of the franchise right and fees paid in the event the franchise agreement is transferred to another franchisee.

Continuing fees represent the substantial majority of the consideration we receive under our franchise agreements. Continuing fees are typically billed and paid monthly and are usually 4 % - 6 % for store-level franchise agreements. Master franchise agreements allow master franchisees to operate restaurants as well as sub-franchise restaurants within certain geographic territories. The percentage of sales that we receive for restaurants owned or sub-franchised by our master franchisees as a continuing fee is typically less than the percentage we receive for restaurants operating under a store-level franchise agreement. Based on the application of the sales-based royalty exception within Topic 606 continuing fees are recognized as the related restaurant sales occur.

Upfront franchise fees are typically billed and paid when a new franchise or sub-franchise agreement becomes effective or when an existing agreement is transferred to another franchisee or sub-franchisee. We have determined that the services we provide in exchange for upfront franchise fees, which primarily relate to pre-opening support, are highly interrelated with the franchise right and are not individually distinct from the ongoing services we provide to our franchisees. As a result, upfront franchise fees are recognized as revenue over the term of each respective franchise or sub-franchise agreement. Revenues for these upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's or sub-franchisee's right to use and benefit from the intellectual property.

Additionally, from time-to-time we provide consideration to franchisees in the form of cash (e.g. cash payments to offset new build costs) or other incentives (e.g. free or subsidized equipment) with the intent to drive new unit development or same-store sales growth that will result in higher future revenues for the Company. Such payments are capitalized and presented within Prepaid expense and other current assets or Other assets. These assets are being amortized as a reduction in Franchise and property revenues over the period of expected cash flows from the franchise agreements to which the payment relates and are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of these incentive assets may not be recoverable.

Property Revenues

From time to time, we enter into rental agreements with franchisees for the lease or sublease of restaurant locations. These rental agreements typically originate from refranchising transactions and revenues related to the agreements are recognized as they are earned. Amounts owed under the rental agreements are typically billed and paid on a monthly basis. Related expenses are presented as Franchise and property expenses within our Consolidated Statements of Income and primarily include depreciation or, in the case of a sublease, rent expense.

Franchise Contributions for Advertising and Other Services

Advertising Cooperatives

We have determined we act as a principal in the transactions entered into by the advertising cooperatives we are required to consolidate based on our responsibility to define the nature of the goods or services provided and/or our commitment to pay for advertising services in advance of the related franchisee contributions. Additionally, we have determined the advertising services provided to franchisees are highly interrelated with the franchise right and therefore not distinct. Franchisees remit to these consolidated advertising cooperatives a percentage of restaurant sales as consideration for providing the advertising services. As a result, revenues for advertising services are recognized when the related franchise restaurant sales occur based on the application of the sales-based royalty exception within Topic 606. Revenues for these services are typically billed and received on a monthly basis.

Other Goods or Services

On a much more limited basis, we provide goods or services to certain franchisees that are individually distinct from the franchise right because they do not require integration with other goods or services we provide. Such arrangements typically relate to technology, supply chain and quality assurance services. The extent to which we provide such goods or services varies by brand, geographic region and, in some instances, franchisee. In instances where we rely on third parties to provide goods or services to franchisees at our direction, we have determined we act as a principal in these transactions and recognize related revenues as the goods or services are transferred to the franchisee.

Franchise Support Costs. Certain direct costs of our franchise operations are charged to Franchise and property expenses. These costs include provisions for estimated uncollectible upfront and continuing fees, rent or depreciation expense associated with restaurants we lease or sublease to franchisees, marketing funding on behalf of franchisees, amortization expense for franchise-related intangible assets, value added taxes on royalties and certain other direct incremental franchise support costs.

The costs we incur to provide support services to our franchisees for which we do not receive a reimbursement are charged to General and administrative expenses (“G&A”) as incurred. Expenses related to the provisioning of goods or services for which we receive reimbursement for all or substantially all of the expense amount from a franchisee are recorded in Franchise advertising and other services expense (the associated revenue is recorded within Franchise contributions for advertising and other services as described above). The majority of these expenses relate to advertising and are incurred on behalf of franchisees by the advertising cooperatives we are required to consolidate. These expenses are accounted for as described in the Advertising Costs policy below. For such expenses that do not relate to advertising the expenses are recognized as incurred.

Advertising Costs. To the extent we participate in advertising cooperatives, we, like our participating franchisees, are required to make contributions. Our contributions are based on a percentage of sales of our participating Company restaurants. These contributions as well as direct marketing costs we may incur outside of a cooperative related to Company restaurants are recorded within Company restaurant expenses. Advertising expense included in Company restaurant expenses totaled $ 112 million, $ 81 million and $ 78 million in 2024, 2023 and 2022, respectively.

To the extent we consolidate advertising cooperatives, we incur advertising expense as a result of our obligation to spend franchisee contributions to those cooperatives (see above for our accounting for these contributions). Such advertising expense is recorded in Franchise advertising and other services expense and totaled $ 1,277 million, $ 1,293 million and $ 1,298 million in 2024, 2023 and 2022, respectively. At the end of each fiscal year additional advertising costs are accrued to the extent advertising revenues exceed the related advertising expense to date, as we are obligated to expend such amounts on advertising.

From time to time, we may make the decision to incur discretionary advertising expenditures on behalf of franchised restaurants. Such amounts are recorded within Franchise and property expenses and totaled $ 12 million, $ 13 million and $ 8 million in 2024, 2023 and 2022, respectively.

To the extent the advertising cooperatives we are required to consolidate are unable to collect amounts due from franchisees they incur bad debt expense. In 2024, 2023 and 2022, such amounts totaled $ 15 million, $ 3 million and $ 6 million in net provisions, respectively. To the extent our consolidated advertising cooperatives have a provision or recovery for bad debt expense, the cooperative’s advertising spend obligation is adjusted such that there is no net impact within our Financial Statements.

Share-Based Employee Compensation. We recognize ongoing share-based payments to employees, including grants of stock appreciation rights (“SARs”) and restricted stock units ("RSUs"), in the Consolidated Financial Statements as compensation cost over the service period based on their fair value on the date of grant. This compensation cost is recognized over the service period on a straight-line basis, net of an assumed forfeiture rate, for awards that actually vest. Forfeiture rates are estimated at grant date based on historical experience and compensation cost is adjusted in subsequent periods for differences in actual forfeitures from the previous estimates. We present this compensation cost consistent with the other compensation costs for the employee recipient in G&A, Franchise advertising and other services expense or Company restaurant expenses. See Note 16 for further discussion of our share-based compensation plans.

Legal Costs. Settlement costs are accrued when they are deemed probable and reasonably estimable. Anticipated legal fees related to self-insured workers’ compensation, employment practices liability, general liability, automobile liability, product liability and property losses (collectively, “property and casualty losses”) are accrued when deemed probable and reasonably estimable. Legal fees not related to self-insured property and casualty losses are recognized as incurred. See Note 20 for further discussion of our legal proceedings.

Impairment or Disposal of Long-Lived Assets. Long-lived assets, including Property, plant and equipment ("PP&E") as well as right-of-use operating lease assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. The assets are not recoverable if their carrying value is less than the undiscounted cash flows we expect to generate from such assets. If the assets are not deemed to be recoverable, impairment is measured based on the excess of their carrying value over their fair value.

For purposes of impairment testing for our restaurants, we have concluded that an individual restaurant is the lowest level of independent cash flows unless it is more likely than not that we will refranchise restaurants as a group. We review our long-lived assets of such individual restaurants (primarily PP&E, right-of-use operating lease assets and allocated intangible assets subject to amortization) that we intend to continue operating as Company restaurants annually for impairment, or whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. We use two consecutive years of operating losses as our primary indicator of potential impairment for our annual impairment testing of these restaurant assets. We evaluate the recoverability of these restaurant assets by comparing the estimated undiscounted future cash flows, which are based on our entity-specific assumptions, to the carrying value of such assets. For restaurant assets that are not deemed to be recoverable, we write-down an impaired restaurant to its estimated fair value, which becomes its new cost basis. Individual restaurant-level impairment is recorded within Other (income) expense. Any operating lease right-of-use asset may alternatively be valued at the amount we could receive for such right-of-use asset from a third-party that is not a franchisee through a sublease if doing so would result in less overall impairment of the restaurant assets in total.

In executing our refranchising initiatives, we most often offer groups of restaurants for sale. When we believe it is more likely than not a restaurant or groups of restaurants will be refranchised for a price less than their carrying value, but do not believe the restaurant(s) have met the criteria to be classified as held for sale, we review the restaurants for impairment. We evaluate the recoverability of these restaurant assets by comparing estimated sales proceeds plus holding period cash flows, if any, to the carrying value of the restaurant or group of restaurants. For restaurant assets that are not deemed to be recoverable, we recognize impairment for any excess of carrying value over the fair value of the restaurants, which is based on the expected net sales proceeds. To the extent ongoing agreements to be entered into with the franchisee simultaneous with the refranchising are expected to contain terms, such as royalty rates or rental payments, not at prevailing market rates, we consider the off-market terms in our impairment evaluation. We recognize any such impairment charges in Refranchising (gain) loss. We recognize gains on restaurant refranchisings when the sale transaction closes and control of the restaurant operations have transferred to the franchisee.

When we decide to close a restaurant, it is reviewed for impairment, which includes an estimate of sublease income that could be reasonably obtained, if any, in relation to the right-of-use operating lease asset. Additionally, depreciable lives are adjusted based on the expected disposal date. Other costs incurred when closing a restaurant such as costs of disposing of the assets as well as other facility-related expenses from previously closed stores are generally expensed as incurred. Any costs related to a store closure as well as any changes in estimates of sublease income or subsequent adjustments to liabilities for remaining lease obligations as a result of lease termination are recorded in Other (income) expense. To the extent we sell assets, primarily land, associated with a closed store, any gain or loss upon that sale is also recorded in Other (income) expense.

Management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

Guarantees. We recognize, at inception of a guarantee, a liability for the fair value of certain obligations undertaken, in addition to a liability for the expected credit losses under the life of such guarantees.

The majority of our guarantees are issued as a result of assigning our interest in obligations under operating leases as a condition to the refranchising of certain Company restaurants. We recognize a liability for such lease guarantees upon refranchising and upon subsequent renewals of such leases when we remain secondarily liable. The related expense and any subsequent changes are included in Refranchising (gain) loss. Any expense and subsequent changes in the guarantees for other franchise support guarantees not associated with a refranchising transaction are included in Franchise and property expenses.

Income Taxes. We record deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as operating loss, capital loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences or carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in our Income tax provision in the period that includes the enactment date. Additionally, in determining the need for recording a valuation allowance against the carrying amount of deferred tax assets, we consider the amount of taxable income and periods over which it must be earned, actual levels of past taxable income and known trends and events or transactions that are expected to affect

future levels of taxable income. Where we determine that it is more likely than not that all or a portion of an asset will not be realized, we record a valuation allowance.

We recognize the benefit of positions taken or expected to be taken in our tax returns in our Income tax provision when it is more likely than not (i.e., a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement with the taxing authorities. We evaluate these amounts on a quarterly basis to ensure that they have been appropriately adjusted for audit settlements and other events we believe may impact the outcome. Changes in judgment that result in subsequent recognition, derecognition or a change in measurement of a tax position taken in a prior annual period (including any related interest and penalties) are recognized as a discrete item in the interim period in which the change occurs. We recognize accrued interest and penalties related to unrecognized tax benefits as components of our income tax provision.

We do not record a deferred tax liability for unremitted earnings of our foreign subsidiaries to the extent that the earnings meet the indefinite reversal criteria. This criteria is met if the foreign subsidiary has invested, or will invest, the earnings indefinitely. The decision as to the amount of unremitted earnings that we intend to maintain in non-U.S. subsidiaries considers items including, but not limited to, forecasts and budgets of financial needs of cash for working capital, liquidity plans and expected cash requirements in the U.S.

See Note 18 for a further discussion of our income taxes.

Fair Value Measurements. Fair value is the price we would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. For those assets and liabilities we record or disclose at fair value, we determine fair value based upon the quoted market price, if available. If a quoted market price is not available for identical assets, we determine fair value based upon the quoted market price of similar assets or the present value of expected future cash flows considering the risks involved, including counterparty performance risk if appropriate, and using discount rates appropriate for the duration. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation.

Level 1	Inputs based upon quoted prices in active markets for identical assets.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
Level 3	Inputs that are unobservable for the asset.

Cash and Cash Equivalents. Cash equivalents represent funds we have temporarily invested (with original maturities not exceeding three months), including short-term, highly liquid debt securities. Cash and overdraft balances that meet the criteria for right of setoff are presented net on our Consolidated Balance Sheet.

Receivables. The Company's receivables are primarily generated from ongoing business relationships with our franchisees as a result of franchise agreements, including contributions due to advertising cooperatives we consolidate. These receivables from franchisees are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on our Consolidated Balance Sheet and are presented net of expected credit losses. Expected credit losses for uncollectible franchisee receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions we consider include pre-defined aging criteria as well as specified events that indicate we may not collect the balance due, including foreign currency control restrictions that may exist. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available data regarding default probability. While we use the best information available in making our determination, the ultimate recovery of recorded receivables is dependent upon future economic events and other conditions that may be beyond our control. Receivables that are ultimately deemed to be uncollectible, and for which collection efforts have been exhausted, are written off against the allowance for doubtful accounts.

We recorded $ 28 million, $ 4 million and $ 5 million of net bad debt expense in 2024, 2023 and 2022, respectively, within Franchise and property expenses related to continuing fees, upfront fees and rent receivables from our franchisees.

Accounts and notes receivable as well as the Allowance for doubtful accounts, including balances attributable to our consolidated advertising cooperatives, as of December 31, 2024 and 2023, respectively, are as follows:

	2024	2023
Accounts and notes receivable	$ 849	$ 776
Allowance for doubtful accounts	(74)	(39)
Accounts and notes receivable, net	$ 775	$ 737

Our financing receivables primarily consist of notes receivables and direct financing leases with franchisees which we enter into from time-to-time. As these receivables primarily relate to our ongoing business agreements with franchisees, we consider such receivables to have similar risk characteristics and evaluate them as one collective portfolio segment and class for determining the allowance for doubtful accounts. Balances of notes receivable and direct financing leases due within one year are included in Accounts and notes receivable, net while amounts due beyond one year are included in Other assets. Amounts included in Other assets totaled $ 56 million (net of an allowance of less than $ 1 million) and $ 61 million (net of an allowance of less than $ 1 million) at December 31, 2024 and December 31, 2023, respectively. Financing receivables that are ultimately deemed to be uncollectible, and for which collection efforts have been exhausted, are written off against the allowance for doubtful accounts. Interest income recorded on financing receivables has historically been insignificant.

Property, Plant and Equipment. PP&E is carried net of accumulated depreciation and amortization. We calculate depreciation and amortization on a straight-line basis over the estimated useful lives of the assets as follows: 5 to 25 years for buildings and leasehold improvements and 3 to 20 years for machinery and equipment. We suspend depreciation and amortization on assets that are held for sale.

Leases and Leasehold Improvements. We lease land, buildings or both for certain of our Company-operated restaurants and restaurant support centers worldwide. Rent expense for leased Company-operated restaurants is presented in our Consolidated Statements of Income within Company restaurant expenses and rent expense for restaurant support centers is presented within G&A. The length of our lease terms, which vary by country and often include renewal options, are an important factor in determining the appropriate accounting for leases including the initial classification of the lease as finance or operating as well as the timing of recognition of rent expense over the duration of the lease. We include renewal option periods in determining the term of our leases when failure to renew the lease would impose a penalty on the Company in such an amount that a renewal appears to be reasonably certain at the commencement of the lease. The primary penalty to which we are subject is the economic detriment associated with the existence of leasehold improvements that might be impaired if we choose not to continue the use of the leased property. Leasehold improvements are amortized over the shorter of their estimated useful lives or the lease term. We generally do not receive leasehold improvement incentives upon opening a store that is subject to a lease. We expense rent associated with leased land or buildings while a restaurant is being constructed whether rent is paid or we are subject to a rent holiday. Our leasing activity for other assets, including equipment, is not significant.

Right-of-use assets and liabilities are recognized upon lease commencement for operating and finance leases based on the present value of lease payments over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Subsequent reductions in the right-of-use asset and accretion of the lease liability for an operating lease are recognized as a single lease cost, on a straight-line basis, over the lease term. For finance leases, the right-of-use asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. As the discount rate implicit in most of our leases is not readily determinable, we use our group incremental secured borrowing rate based on the information available at commencement date, including the lease term and currency, in determining the present value of lease payments for both operating and finance leases. Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheet; we recognize rent expense for these leases on a straight-line basis over the lease term.

Right-of-use assets are assessed for impairment in accordance with our long-lived asset impairment policy, which is performed annually for restaurant-level assets or whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. We reassess lease classification and remeasure right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment. The difference between operating lease single lease cost recognized in our Consolidated Statements of Income and cash payments for operating leases is recognized within Other, net within Net Cash Provided by Operating Activities in our Consolidated Statements of Cash Flows.

In certain instances, we lease or sublease certain restaurants to franchisees. Our lessor and sublease portfolio primarily consists of stores that have been leased to franchisees subsequent to refranchising transactions. Our most significant leases with lease and non-lease components are leases with our franchisees that include both the right to use a restaurant as well as a license of the intellectual property associated with our Concepts' brands. For these leases, which are primarily classified as operating leases, we account for the lease and non-lease components separately. Revenues from rental agreements with franchisees are presented within Franchise and property revenues in our Consolidated Statements of Income and related expenses (e.g. depreciation and rent expense) are presented within Franchise and property expenses.

Goodwill and Intangible Assets. From time-to-time, the Company acquires restaurants from one of our Concept's franchisees or acquires another business. Goodwill from these acquisitions represents the excess of the cost of a business acquired over the net of the amounts assigned to assets acquired, including identifiable intangible assets, and liabilities assumed. Goodwill is not amortized and has been assigned to reporting units for purposes of impairment testing. Our reporting units are our business units (which are aligned based on geography) in our KFC, Taco Bell, Pizza Hut and Habit Burger & Grill Divisions.

We evaluate goodwill for impairment on an annual basis or more often if an event occurs or circumstances change that indicate impairment might exist. We have selected the beginning of our fourth quarter as the date on which to perform our ongoing annual impairment test for goodwill. We may elect to perform a qualitative assessment for our reporting units to determine whether it is more likely than not that the fair value of the reporting unit is greater than its carrying value. If a qualitative assessment is not performed, or if as a result of a qualitative assessment it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, then the reporting unit's fair value is compared to its carrying value. An impairment charge is recognized based on the excess of a reporting unit's carrying amount over its fair value.

If we record goodwill upon acquisition of a restaurant(s) from a franchisee and such restaurant(s) is then sold within two years of acquisition, the goodwill associated with the acquired restaurant(s) is written off in its entirety. When we refranchise restaurants, or if a previously acquired restaurant is refranchised two years or more subsequent to its acquisition, we include goodwill in the carrying amount of the restaurants disposed of based on the relative fair values of the portion of the reporting unit disposed of in the refranchising and the portion of the reporting unit that will be retained.

We evaluate the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, we amortize the intangible asset prospectively over its estimated remaining useful life. Intangible assets that are deemed to have a finite life are amortized on a straight-line basis to their residual value.

We evaluate our indefinite-lived intangible assets for impairment on an annual basis or more often if an event occurs or circumstances change that indicate impairments might exist. We perform our annual test for impairment of our indefinite-lived intangible assets at the beginning of our fourth quarter. We may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is greater than its carrying value. If a qualitative assessment is not performed, or if as a result of a qualitative assessment it is not more likely than not that the fair value of an indefinite-lived intangible asset exceeds its carrying value, then the asset's fair value is compared to its carrying value.

Our finite-lived intangible assets, including capitalized software, that are not allocated to an individual restaurant are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. An intangible asset that is deemed not recoverable on an undiscounted basis is written down to its estimated fair value. Once these assets are fully amortized and it is determined that we are no longer deriving economic benefit from ownership of the asset, the cost basis and accumulated amortization are written off.

Capitalized Software. We state capitalized software at cost less accumulated amortization within Intangible assets, net on our Consolidated Balance Sheets. Software development costs primarily include costs to develop software to be used solely to meet internal needs and cloud-based applications used to deliver our software services for use in our Company restaurants or by our franchisees. We capitalize development costs related to software developed for our internal needs and such cloud-based applications once the preliminary project stage is complete and it is probable that the project will be completed and the software will be used to perform the function intended. We calculate amortization on a straight line basis over the estimated useful life of the software which generally ranges from 3 to 5 years upon initial capitalization. Customer facing software is typically amortized over a useful life at the shorter end of this range, while back office and corporate systems may have a longer useful life.

Derivative Financial Instruments. We use derivative instruments primarily to hedge interest rate and foreign currency risks, and to reduce our exposure to market-driven charges in certain of the liabilities associated with employee compensation deferrals into our Executive Income Deferral (“EID”) Plan. These derivative contracts are entered into with financial institutions. We do not use derivative instruments for trading purposes and we have procedures in place to monitor and control their use.

We record all derivative instruments on our Consolidated Balance Sheet at fair value. For derivative instruments that are designated and qualify as a cash flow hedge, gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, the gain or loss is recognized in the results of operations immediately.

As a result of the use of derivative instruments, the Company is exposed to risk that the counterparties will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we only enter into contracts with carefully selected major financial institutions based upon their credit ratings and other factors, and continually assess the creditworthiness of counterparties. At December 31, 2024 and December 31, 2023, all of the counterparties to our derivative instruments had investment grade ratings according to the three major ratings agencies. To date, all counterparties have performed in accordance with their contractual obligations.

Common Stock Share Repurchases. From time-to-time, we repurchase shares of our Common Stock under share repurchase programs authorized by our Board of Directors. Shares repurchased constitute authorized, but unissued shares under the North Carolina laws under which we are incorporated. Additionally, our Common Stock has no par or stated value. Accordingly, we record the full value of share repurchases, or other deductions to Common Stock such as shares cancelled upon employee share-based award exercises, upon the trade date, against Common Stock on our Consolidated Balance Sheet except when to do so would result in a negative balance in such Common Stock account. In such instances, on a period basis, we record the cost of any further share repurchases or other deductions to Common Stock as an addition to Accumulated deficit. Due to the large number of share repurchases of our stock in certain years, our Common Stock balance can be zero at the end of any period. Accordingly, $ 368 million, $ 26 million and $ 1,131 million in share repurchases in 2024, 2023 and 2022, respectively, were recorded as an addition to Accumulated deficit. Additionally, we recorded $ 2 million of excise tax related to share repurchases in 2024 as an addition to Accumulated deficit. See Note 17 for additional information on our share repurchases.

Pension and Post-retirement Medical Benefits. We measure and recognize the overfunded or underfunded status of our pension and post-retirement plans as an asset or liability in our Consolidated Balance Sheet as of our fiscal year end. The funded status represents the difference between the projected benefit obligations (“PBOs”) and the fair value of plan assets, which is calculated on a plan-by-plan basis. The PBO and related funded status are determined using assumptions as of the end of each year. The PBO is the present value of benefits earned to date by plan participants, including the effect of future salary increases, as applicable. The difference between the PBO and the fair value of plan assets that has not previously been recognized in our Consolidated Statement of Income is recorded as a component of AOCI.

The net periodic benefit costs associated with the Company’s defined benefit pension and post-retirement medical plans are determined using assumptions regarding the PBO and, for funded plans, the market-related value of plan assets as of the beginning of each year, or remeasurement period if applicable. The service cost component of net periodic benefit costs is primarily recorded in G&A. Non-service cost components are recorded in Other pension (income) expense. We have elected to use a market-related value of plan assets to calculate the expected return on assets, net of administrative and investment fees paid from plan assets, in net periodic benefit costs. For each individual plan we amortize into pension expense the net amounts in AOCI, as adjusted for the difference between the fair value and market-related value of plan assets, to the extent that such amounts exceed 10% of the greater of a plan’s PBO or market-related value of assets, over the remaining service period of active participants in the plan or, for plans with no active participants, over the expected average life expectancy of the inactive participants in the plan. The market-related value of plan assets is the fair value of plan assets as of the beginning of each year adjusted for variances between actual returns and expected returns. We attribute such variances to the market-related value of plan assets evenly over five years.

We record a curtailment when an event occurs that significantly reduces the expected years of future service or eliminates the accrual of defined benefits for the future services of a significant number of employees. We record a curtailment gain when the employees who are entitled to the benefits terminate their employment; we record a curtailment loss when it becomes probable a loss will occur. We recognize settlement gains or losses only when we have determined that the cost of all settlements in a year will exceed the sum of the service and interest costs within an individual plan.

Recent Accounting Pronouncements. In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which updates reportable

segment disclosure requirements through enhanced disclosures about significant segment expenses. We adopted this standard for the fiscal year ended December 31, 2024. See Note 19 for additional disclosures.

Note 3 - Acquisitions and Divestitures

KFC United Kingdom ("U.K.") and Ireland Restaurant Acquisition

On April 29, 2024, we completed the acquisition of all of the issued shares of two franchisee entities that owned 216 KFC restaurants in the U.K. and Ireland. The acquisition creates a significant opportunity to accelerate KFC's growth strategy in the large and growing U.K. and Ireland chicken market. The purchase price to be allocated for accounting purposes of $ 177 million consisted of cash, net of cash acquired, in the amount of $ 180 million, which included $174 million paid in 2024 and $6 million paid in 2025, offset by the settlement of a liability of $ 3 million related to our preexisting contractual relationship with the franchisee.

The acquisition was accounted for as a business combination using the acquisition method of accounting. The preliminary allocation of the purchase price is based on management's analysis, including preliminary work performed by third party valuation specialists, as of April 29, 2024.

During the quarter ended December 31, 2024, we adjusted our preliminary estimate of the fair value of net assets acquired and the purchase price to be allocated. The components of the preliminary purchase price allocation, subsequent to the adjustments to the allocation in the quarter ended December 31, 2024, were as follows:

Total Current Assets	$	2
Property, plant and equipment, net		96
Reacquired franchise rights (included in Intangible assets, net)		47
Operating lease right-of-use assets (included in Other assets)		124
Total Identifiable Assets		269
Total Current Liabilities		(30)
Operating lease liabilities (included in Other liabilities and deferred credits)		(115)
Other liabilities		(39)
Total Liabilities Assumed		(184)
Total identifiable net assets		85
Goodwill		92
Purchase price to be allocated	$	177

The adjustments to the preliminary estimate of identifiable net assets acquired and consideration transferred (as recorded in the June 30, 2024 quarter of acquisition) resulted in a corresponding $ 16 million increase in estimated goodwill due to the following changes to the preliminary purchase price allocation.

	Increase (Decrease) in Goodwill
Increase in Property, plant and equipment, net	$ (8)
Increase in Operating lease right-of-use assets	(15)
Increase in Total Current Liabilities	12
Increase in Operating lease liabilities	13
Increase in Other liabilities	8
Increase in consideration	6
Total increase in Goodwill	$ 16

We will continue to obtain information to assist in determining the fair value of net assets acquired during the remaining measurement period.

Reacquired franchise rights, which were valued based on after-royalty cash flows expected to be earned by the acquired restaurants over the remaining term of their then-existing franchise agreements, have an estimated weighted average useful life of 5 years. The excess of the purchase price over the preliminary estimated fair value of the net, identifiable assets acquired was recorded as goodwill. The goodwill recognized represents expected benefits of the acquisition that do not qualify for recognition as intangible assets. This includes value arising from cash flows expected to be earned in years subsequent to the expiration of the terms of franchise agreements existing upon acquisition. The goodwill is expected to be partially deductible for income tax purposes and has been allocated to our KFC U.K. reporting unit.

The financial results of the acquired restaurants have been included in our Consolidated Financial Statements since the date of the acquisition but did not significantly impact our results for the year ended December 31, 2024. The pro forma impact on our results of operations if the acquisition had been completed as of the beginning of 2023 would not have been material. The direct transaction costs associated with the acquisition were also not material and were expensed as incurred.

Russia Invasion of Ukraine

In the first quarter of 2022, as a result of the Russian invasion of Ukraine, we suspended all investment and restaurant development in Russia. We also suspended all operations of our 70 company-owned KFC restaurants in Russia and began finalizing an agreement to suspend all Pizza Hut operations in Russia, in partnership with our master franchisee. Further, we pledged to redirect any future net profits attributable to Russia subsequent to the date of invasion to humanitarian efforts.

During the second quarter of 2022, we completed the transfer of ownership of the Pizza Hut Russia business to a local operator. In April 2023, we completed our exit from the Russian market by selling the KFC business in Russia to Smart Service Ltd., including all Russian company owned KFC restaurants, operating system, and master franchise rights as well as the trademark for the Rostik's brand. Under the sale and purchase agreement, the buyer agreed to lead the process to rebrand KFC restaurants in Russia to Rostik's and to retain the Company's employees in Russia. We recorded a charge of $ 3 million to Other income (expense) during the year ended December 31, 2023 as the write-off of our net investment in KFC Russia, including the related cumulative foreign currency translation losses of $ 60 million, exceeded the consideration received from the sale which primarily included cash proceeds of $ 121 million.

Our operating results presented herein reflect revenues from and expenses to support the Russian operations for KFC and Pizza Hut prior to the dates of sale or transfer, within their historical financial statement line items and operating segments. However, given our decision to exit Russia and our pledge to direct any future net profits attributable to Russia subsequent to the date of invasion to humanitarian efforts, we reclassed the resulting net profits or losses subsequent to that date from the Division segment results in which they were earned to Unallocated Other income (expense). See Note 19.

Note 4 – Earnings Per Common Share (“EPS”)

	2024	2023	2022
Net Income	$ 1,486	$ 1,597	$ 1,325
Weighted-average common shares outstanding (for basic calculation)	282	281	286
Effect of dilutive share-based employee compensation	3	4	4
Weighted-average common and dilutive potential common shares outstanding (for diluted calculation)	285	285	290
Basic EPS	$ 5.28	$ 5.68	$ 4.63
Diluted EPS	$ 5.22	$ 5.59	$ 4.57
Unexercised employee SARs, RSUs, PSUs and stock options (in millions) excluded from the diluted EPS computation[(a)]	1.7	1.7	1.9

(a) These unexercised employee SARs, RSUs, performance share units ("PSUs") and stock options were not included in the computation of diluted EPS because to do so would have been antidilutive for the periods presented.

Note 5 – Items Affecting Comparability of Net Income and Cash Flows

Extra Week in 2024

Fiscal year 2024 included 53 weeks for our U.S. businesses and for our international subsidiaries that reported on a period calendar. The 53rd week added $ 96 million to Total revenues, $ 36 million to Operating Profit and $ 25 million to Net Income in our Consolidated Statement of Income for the year ended December 31, 2024.

Refranchising (Gain) Loss

The Refranchising (gain) loss by our Divisional reportable segments is presented below. Given the size and volatility of refranchising initiatives, our chief operating decision maker ("CODM") does not consider the impact of Refranchising (gain) loss when assessing Divisional segment performance. As such, we do not allocate such gains and losses to our Divisional segments for performance reporting purposes.

During the years ended December 31, 2024, 2023 and 2022, we refranchised 1 , 15 and 22 restaurants, respectively, and we sold certain restaurant assets (primarily land) associated with existing franchise restaurants to the franchisee. We received $ 49 million, $ 60 million and $ 73 million in pre-tax cash refranchising proceeds in 2024, 2023 and 2022, respectively, as a result of the sales of these restaurants and restaurant assets.

A summary of Refranchising (gain) loss is as follows:

	Refranchising (gain) loss		
	2024	2023	2022
KFC Division	$ 1	$ 2	$ (3)
Taco Bell Division	(32)	(33)	(13)
Pizza Hut Division	(2)	2	(1)
Habit Burger & Grill Division	(1)	—	(10)
Worldwide	$ (34)	$ (29)	$ (27)

German Acquisition and Turkey Termination

On January 8, 2025, we terminated our franchise agreements with franchisee IS Gida A.S. (IS Gida), the owner and operator of KFC and Pizza Hut restaurants in Turkey and a subsidiary of IS Holding A.S. (IS Holding), after failure by IS Gida to meet our standards. The termination affects 284 KFC restaurants and 254 Pizza Hut restaurants in Turkey. We also re-acquired the master franchise rights in Germany for KFC and Pizza Hut from the owner of IS Holding in December 2024. There is no impact in Germany from the termination in Turkey. We recorded charges of $ 37 million to Unallocated Other (income) expense, $ 18 million to Unallocated Franchise and property revenues and $ 6 million to Corporate and unallocated General and administrative expenses consisting primarily of transaction costs associated with the German acquisition and termination-related costs associated with the Turkey business in the year ended December 31, 2024. The amount of consideration paid related to the German acquisition was not significant.

Resource Optimization

During the third quarter of 2020, we initiated a resource optimization program that has allowed us to reallocate significant resources to accelerate our digital, technology and innovation capabilities to deliver a modern, world-class team member and customer experience and improve unit economics. During 2024, we expanded the program to identify further opportunities to optimize the company's spending and identify additional, critical areas in which to potentially reallocate resources, both with a goal to enable the acceleration of the Company's growth rate. Costs incurred to date related to the program primarily include severance associated with positions that have been eliminated or relocated and consultant fees.

As a result of this program, we recorded charges of $ 79 million, $ 21 million and $ 11 million in the years ended December 31, 2024, 2023 and 2022, respectively. These charges were primarily recorded as General and administrative expenses. Due to their scope and size, these costs were not allocated to any of our segment operating results for performance reporting purposes.

Investment in Devyani

During the quarter ended March 31, 2024, we sold our approximate 5 % minority investment in Devyani International Limited ("Devyani"), a franchise entity that operates KFC and Pizza Hut restaurants in India, for pre-tax proceeds of $ 104 million. Changes in the fair value of our ownership interest in Devyani prior to the date of sale resulted in pre-tax investment losses of $ 20 million in the year ended December 31, 2024 and pre-tax investment income of $ 8 million and $ 11 million in the years ended December 31, 2023 and 2022, respectively (see Note 14).

Refinancing of Credit Agreement and Long-term Debt Redemptions

On April 26, 2024, certain subsidiaries of the Company completed a refinancing of our Credit Agreement. See Note 11 for further discussion of the Credit Agreement refinancing.

On February 23, 2022, the Company issued a notice of redemption for April 1, 2022, for $ 600 million aggregate principal amount of 7.75 % YUM Senior Unsecured Notes due in 2025. The redemption amount was equal to 103.875 % of the $ 600 million aggregate principal amount redeemed, reflecting a $ 23 million call premium, plus accrued and unpaid interest to the date of redemption. We recognized the call premium and the write-off of $ 5 million of unamortized debt issuance costs associated with the notes within Interest expense, net.

Income Tax Matters

Our effective tax rates in the years ended 2024, 2023 and 2022 have been significantly impacted by upfront recognition of and subsequent adjustments to amounts associated with recently completed intra-entity transfers of intellectual property ("IP") rights.

As a result, our effective tax rates have fluctuated significantly and were 21.8 %, 12.1 % and 20.3 % for the years ended December 31, 2024, 2023 and 2022, respectively. See Note 18.

Note 6 – Revenue Recognition

Disaggregation of Total Revenues

The following tables disaggregate revenue by Concept, for our two most significant markets based on Operating Profit and for all other markets. We believe this disaggregation best reflects the extent to which the nature, amount, timing and uncertainty of our revenues and cash flows are impacted by economic factors.

	2024				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
U.S.					
Company sales	$ 75	$ 1,154	$ 8	$ 588	$ 1,825
Franchise revenues	194	899	289	7	1,389
Property revenues	14	39	4	2	59
Franchise contributions for advertising and other services	45	697	315	3	1,060
China					
Franchise revenues	259	1	67	—	327
Other					
Company sales	726	1	—	—	727
Franchise revenues	1,172	58	261	—	1,491
Property revenues	46	—	1	—	47
Franchise contributions for advertising and other services	568	11	63	—	642
	$ 3,099	$ 2,860	$ 1,008	$ 600	$ 7,567

Additionally, we recorded charges of $ 18 million to Unallocated Franchise revenues associated with the Turkey termination during the year ended December 31, 2024. See Note 5.

	2023				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
U.S.					
Company sales	$ 67	$ 1,069	$ 14	$ 575	$ 1,725
Franchise revenues	205	822	284	7	1,318
Property revenues	14	42	4	2	62
Franchise contributions for advertising and other services	36	645	318	2	1,001
China					
Franchise revenues	250	—	66	—	316
Other					
Company sales	417	—	—	—	417
Franchise revenues	1,178	54	266	—	1,498
Property revenues	51	—	2	—	53
Franchise contributions for advertising and other services	612	9	65	—	686
	$ 2,830	$ 2,641	$ 1,019	$ 586	$ 7,076

	2022				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
U.S.					
Company sales	$ 67	$ 1,002	$ 21	$ 558	$ 1,648
Franchise revenues	202	745	280	6	1,233
Property revenues	14	44	5	1	64
Franchise contributions for advertising and other services	29	591	312	2	934
China					
Franchise revenues	219	—	57	—	276
Other					
Company sales	424	—	—	—	424
Franchise revenues	1,152	48	263	—	1,463
Property revenues	58	—	2	—	60
Franchise contributions for advertising and other services	669	7	64	—	740
	$ 2,834	$ 2,437	$ 1,004	$ 567	$ 6,842

Contract Liabilities

Our contract liabilities are comprised of unamortized upfront fees received from franchisees and are presented within Accounts payable and other current liabilities and Other liabilities and deferred credits on our Consolidated Balance Sheet. A summary of significant changes to the contract liability balance during 2024 and 2023 is presented below.

	Deferred Franchise Fees
Balance at December 31, 2022	$ 434
Revenue recognized that was included in unamortized upfront fees received from franchisees at the beginning of the period	(81)
Increase for upfront fees associated with contracts that became effective during the period, net of amounts recognized as revenue during the period	101
Other[(a)]	(10)
Balance at December 31, 2023	$ 444
Revenue recognized that was included in unamortized upfront fees received from franchisees at the beginning of the period	(82)
Increase for upfront fees associated with contracts that became effective during the period, net of amounts recognized as revenue during the period	85
Other[(b)]	(9)
Balance at December 31, 2024	$ 438

(a) Includes impact of foreign currency translation and the recognition of deferred franchise fees into Refranchising (gain) loss upon the termination of existing franchise agreements when entering into master franchise agreements.

(b) Primarily includes the settlement of a preexisting contractual relationship related to the KFC U.K. and Ireland restaurant acquisition (see Note 3) and the impact of foreign currency translation.

We expect to recognize contract liabilities as revenue over the remaining term of the associated franchise agreement as follows:

Less than 1 year	$ 73
1 - 2 years	66
2 - 3 years	59
3 - 4 years	51
4 - 5 years	44
Thereafter	145
Total	$ 438

We have applied the optional exemption, as provided for under Topic 606, which allows us to not disclose the transaction price allocated to unsatisfied performance obligations when the transaction price is a sales-based royalty.

Note 7 – Supplemental Cash Flow Data

	2024	2023	2022
Cash Paid For:			
Interest[a]	$ 510	$ 526	$ 486
Income taxes	494	432	371
Reconciliation of Cash and cash equivalents to Consolidated Statements of Cash Flows:			
Cash and cash equivalents as presented in Consolidated Balance Sheets	$ 616	$ 512	$ 367
Restricted cash included in Prepaid expenses and other current assets [b]	155	177	220
Restricted cash and restricted cash equivalents included in Other assets [c]	36	35	35
Cash and restricted cash related to KFC Russia included in assets held for sale (see Note 3)	$ —	—	25
Cash, Cash Equivalents and Restricted Cash as presented in Consolidated Statements of Cash Flows	$ 807	$ 724	$ 647

(a) Amounts exclude payments of $ 23 million in 2022 classified as Interest expense in our Consolidated Statements of Income which are included in Repayments of long-term debt within financing activities in our Consolidated Statements of Cash Flows (see Note 5).

(b) Restricted cash within Prepaid expenses and other current assets reflects the cash related to advertising cooperatives which we consolidate that can only be used to settle obligations of the respective cooperatives and cash held in reserve for Taco Bell Securitization interest payments (see Note 11).

(c) Primarily trust accounts related to our self-insurance program.

Note 8 – Other (Income) Expense

	2024	2023	2022
Foreign exchange net (gain) loss	$ 6	$ 5	$ (9)
Impairment and closure expense	13	12	8
Other[a]	15	(3)	8
Other (income) expense	$ 34	$ 14	$ 7

(a) The year ended December 31, 2024, includes a charge of $ 37 million related to the German acquisition and Turkey termination (see Note 5).

Note 9 – **Supplemental Balance Sheet Information**

Prepaid Expenses and Other Current Assets	2024	2023
Income tax receivable	$ 55	$ 20
Restricted cash	155	177
Short term investments	91	—
Assets held for sale [(a)]	21	4
Other prepaid expenses and current assets	158	159
Prepaid expenses and other current assets	$ 480	$ 360

Property, Plant and Equipment	2024	2023
Land	$ 383	$ 373
Buildings and improvements	1,512	1,421
Finance leases, primarily buildings	79	59
Machinery, equipment and other	714	676
Property, plant and equipment, gross	2,688	2,529
Accumulated depreciation and amortization	(1,384)	(1,332)
Property, plant and equipment, net	$ 1,304	$ 1,197

Depreciation and amortization expense related to PP&E was $ 143 million, $ 126 million and $ 128 million in 2024, 2023 and 2022, respectively.

Other Assets	2024	2023
Operating lease right-of-use assets	$ 881	$ 764
Franchise incentives	144	175
Investment in Devyani International Limited	—	124
Other	304	298
Other assets	$ 1,329	$ 1,361

Accounts Payable and Other Current Liabilities	2024	2023
Accounts payable	$ 249	$ 231
Accrued compensation and benefits	242	258
Accrued advertising	126	146
Operating lease liabilities	91	79
Accrued interest	84	82
Gift card liability	74	72
Liabilities held for sale [(a)]	12	2
Other current liabilities	333	299
Accounts payable and other current liabilities	$ 1,211	$ 1,169

(a) Assets and liabilities held for sale reflect the carrying value of restaurants we have offered for sale to franchisees and excess properties that we do not intend to use for restaurant operations in the future.

Note 10 – Goodwill and Intangible Assets

The changes in the carrying amount of goodwill are as follows:

	KFC	Taco Bell	Pizza Hut	Habit Burger & Grill	Worldwide
Goodwill, net as of December 31, 2022 [a]	$ 225	$ 98	$ 249	$ 66	$ 638
Disposals and other, net [b]	1	—	3	—	4
Goodwill, net as of December 31, 2023 [a]	$ 226	$ 98	$ 252	$ 66	$ 642
Acquisitions [c]	98	—	—	—	98
Disposals and other, net [b]	(3)	—	(1)	—	(4)
Goodwill, net as of December 31, 2024 [a]	$ 321	$ 98	$ 251	$ 66	$ 736

(a) Goodwill, net includes $ 144 million of accumulated impairment losses related to our Habit Burger & Grill segment and $ 17 million of accumulated impairment losses related to our Pizza Hut segment for each year presented.

(b) Disposals and other, net includes the impact of foreign currency translation on existing balances and goodwill write-offs associated with refranchising.

(c) Primarily relates to the acquisition from a franchisee of KFC restaurants in the U.K. and Ireland. See Note 3 .

Intangible assets, net for the years ended 2024 and 2023 are as follows:

	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets				
Capitalized software costs	$ 479	$ (266)	$ 524	$ (309)
Reacquired franchise rights	59	(10)	7	(3)
Franchise contract rights	26	(24)	78	(73)
Other	20	(16)	24	(19)
	$ 584	$ (316)	$ 633	$ (404)
Indefinite-lived intangible assets				
KFC trademark	$ 31		$ 31	
Habit Burger & Grill brand asset	96		96	
Other	21		21	
	$ 148		$ 148	

Amortization expense for all finite-lived intangible assets was $ 82 million in 2024, $ 74 million in 2023 and $ 68 million in 2022. Amortization expense for finite-lived intangible assets, based on existing intangible assets as of December 31, 2024, is expected to approximate $ 89 million in 2025, $ 70 million in 2026, $ 53 million in 2027, $ 32 million in 2028 and $ 16 million in 2029.

Note 11 – Short-term Borrowings and Long-term Debt

	2024	2023
Short-term Borrowings		
Current maturities of long-term debt	$ 29	$ 56
Less current portion of debt issuance costs and discounts	(2)	(3)
Short-term borrowings	$ 27	$ 53
Long-term Debt		
Securitization Notes	$ 3,743	$ 3,743
Subsidiary Senior Unsecured Notes	750	750
Revolving Facility	350	—
Term Loan A Facility	500	717
Term Loan B Facility	1,444	1,459
YUM Senior Unsecured Notes	4,550	4,550
Finance lease obligations (See Note 12)	67	50
	$ 11,404	$ 11,269
Less long-term portion of debt issuance costs and discounts	(69)	(71)
Less current maturities of long-term debt	(29)	(56)
Long-term debt	$ 11,306	$ 11,142

Securitization Notes

Taco Bell Funding, LLC (the "Issuer"), a special purpose limited liability company and a direct, wholly-owned subsidiary of Taco Bell Corp. ("TBC") through a series of securitization transactions has issued fixed rate senior secured notes collectively referred to as the "Securitization Notes". The following table summarizes Securitization Notes outstanding at December 31, 2024:

			Interest Rate	
Issuance Date	Anticipated Repayment Date[a]	Outstanding Principal (in millions)	Stated	Effective[b]
May 2016	May 2026	$ 938	4.970 %	5.14 %
November 2018	November 2028	$ 595	4.940 %	5.06 %
August 2021	February 2027	$ 884	1.946 %	2.11 %
August 2021	February 2029	$ 589	2.294 %	2.42 %
August 2021	August 2031	$ 737	2.542 %	2.64 %

(a) The legal final maturity dates of the Securitization Notes issued in 2016, 2018 and 2021 are May 2046, November 2048 and August 2051, respectively. If the Issuer has not repaid or refinanced a series of Securitization Notes prior to its respective Anticipated Repayment Dates, rapid amortization of principal on all Securitization Notes will occur and additional interest will accrue on the Securitization Notes.

(b) Includes the effects of the amortization of any discount and debt issuance costs.

The Securitization Notes were issued in transactions pursuant to which certain of TBC's domestic assets, consisting principally of franchise-related agreements and domestic intellectual property, were contributed to the Issuer and the Issuer's special purpose, wholly-owned subsidiaries (the "Guarantors", and collectively with the Issuer, the "Securitization Entities") to secure the Securitization Notes. The Securitization Notes are secured by substantially all of the assets of the Securitization Entities, and include a lien on all existing and future U.S. Taco Bell franchise and license agreements and the royalties payable thereunder, existing and future U.S. Taco Bell intellectual property, certain transaction accounts and a pledge of the equity interests in asset-owning Securitization Entities. The remaining U.S. Taco Bell assets that were excluded from the transfers to the Securitization Entities continue to be held by Taco Bell of America, LLC ("TBA") and TBC. The Securitization Notes are not guaranteed by these remaining U.S. Taco Bell assets, the Company, or any other subsidiary of the Company.

Payments of interest and principal on the Securitization Notes are made from the continuing fees paid pursuant to the franchise and license agreements with all U.S. Taco Bell restaurants, including both company and franchise operated restaurants. Interest on and principal payments of the Securitization Notes are due on a quarterly basis. In general, no amortization of principal of the Securitization Notes is required prior to their anticipated repayment dates unless as of any quarterly measurement date the consolidated leverage ratio (the ratio of total debt to Net Cash Flow (as defined in the related indenture)) for the preceding four fiscal quarters of either the Company and its subsidiaries or the Issuer and its subsidiaries exceeds 5.0:1, in which case amortization payments of 1% per year of the outstanding principal as of the closing of the Securitization Notes are required. As of the most recent quarterly measurement date the consolidated leverage ratio for the Issuer and its subsidiaries did not exceed 5.0:1 and, as a result, amortization payments are not required.

The Securitization Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Issuer maintains specified reserve accounts to be available to make required interest payments in respect of the Securitization Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments in the case of the Securitization Notes under certain circumstances, (iii) certain indemnification payments relating to taxes, enforcement costs and other customary items and (iv) covenants relating to recordkeeping, access to information and similar matters. The Securitization Notes are also subject to rapid amortization events provided for in the indenture, including events tied to failure to maintain a stated debt service coverage ratio (as defined in the related indenture) of at least 1.1:1 , gross domestic sales for U.S. Taco Bell restaurants being below certain levels on certain measurement dates, a manager termination event, an event of default and the failure to repay or refinance the Securitization Notes on the Anticipated Repayment Date (subject to limited cure rights). The Securitization Notes are also subject to certain customary events of default, including events relating to non-payment of required interest or principal due on the Securitization Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, certain judgments and failure of the Securitization Entities to maintain a stated debt service coverage ratio . As of December 31, 2024, we were in compliance with all of our debt covenant requirements and were not subject to any rapid amortization events .

In accordance with the indenture, certain cash accounts have been established with the indenture trustee for the benefit of the note holders, and are restricted in their use. The indenture requires a certain amount of securitization cash flow collections to be allocated on a weekly basis and maintained in a cash reserve account. As of December 31, 2024, the Company had restricted cash of $74 million primarily related to required interest reserves included in Prepaid expenses and other current assets on the Consolidated Balance Sheets. Once the required reserve obligations are satisfied, there are no further restrictions, including payment of dividends, on the cash flows of the Securitization Entities. The amount of weekly securitization cash flow collections that exceed the required weekly allocations is generally remitted to the Company.

Additional cash reserves are required if any of the rapid amortization events occur, as noted above, or in the event that as of any quarterly measurement date the Securitization Entities fail to maintain a debt service coverage ratio (or the ratio of Net Cash Flow to all debt service payments for the preceding four fiscal quarters) of at least 1.75:1 . During the most recent quarter ended December 31, 2024, the Securitization Entities maintained a debt service coverage ratio significantly in excess of the 1.75:1 requirement .

Term Loan Facilities, Revolving Facility and Subsidiary Senior Unsecured Notes

KFC Holding Co., Pizza Hut Holdings, LLC, and TBA, each of which is a wholly-owned subsidiary of the Company, as co-borrowers (the “Borrowers”) have entered into a credit agreement providing for senior secured credit facilities and a $ 1.5 billion revolving facility (the “Revolving Facility”). The senior secured credit facilities, which include a Term Loan A Facility and a Term Loan B Facility, and the Revolving Facility are collectively referred to as the “Credit Agreement”. Additionally, the Borrowers through a series of transactions have issued Subsidiary Senior Unsecured Notes (collectively referred to as the “Subsidiary Senior Unsecured Notes”).

The following table summarizes borrowings outstanding under the Credit Agreement, as well as our Subsidiary Senior Unsecured Notes as of December 31, 2024. There were $ 350 million in outstanding borrowings under the Revolving Facility as of December 31, 2024.

	Issuance Date	Maturity Date	Outstanding Principal (in millions)	Interest Rate	
				Stated	Effective[c]
Term Loan A Facility	April 2024	(a)	$ 500	(b)	5.35 %
Term Loan B Facility	March 2021	March 2028	$ 1,444	(b)	5.06 %
Subsidiary Senior Unsecured Notes	June 2017	June 2027	$ 750	4.75 %	4.90 %

(a) The Term Loan A Facility and the Revolving Facility will mature on the earliest of (i) April 26, 2029, (ii) the date that is 91 days prior to the March 15, 2028 maturity of the Borrowers' existing Term Loan B Facility if more than $250 million of such Term Loan B remains outstanding as of such date or (iii) the date that is 91 days prior to the June 1, 2027 maturity of the Borrowers' existing Subsidiary Senior Unsecured Notes if more than $250 million of such Subsidiary Senior Unsecured Notes remains outstanding as of such date.

(b) The interest rates applicable to the Term Loan A Facility as well as the Revolving Facility range from 0.75 % to 1.50 % plus Secured Overnight Financing Rate ("SOFR") or from 0.00 % to 0.50 % plus the Base Rate (as defined in the Credit Agreement), at the Borrowers' election, based upon the total leverage ratio (as defined in the Credit Agreement). As of December 31, 2024, the interest rate spreads on the SOFR and Base Rate applicable to both our Term Loan A Facility and borrowings under the Revolving Facility were 0.75 % and 0.00 %, respectively.

The interest rates applicable to the Term Loan B Facility are 1.75 % plus SOFR or 0.75 % plus the Base Rate, at the Borrowers' election.

(c) Includes the effects of the amortization of any discount and debt issuance costs as well as the impact of the interest rate swaps on the Term Loan A and Term Loan B Facilities (see Note 13). The effective rates related to our Term Loan A and B Facilities are based on SOFR-based interest rates at December 31, 2024.

On April 26, 2024, the Borrowers completed the refinancing of the then outstanding $ 713 million under the term loan A facility and $ 1.25 billion capacity under the revolving facility through the issuance of a new $ 500 million term loan A facility (the "Term Loan A Facility") and a $ 1.5 billion revolving facility (the "Revolving Facility") pursuant to an amendment to the Credit Agreement. The amendment also removed the excess cash flow mandatory prepayment requirement with respect to the Term Loan A Facility.

As a result of this refinancing, $ 8 million of fees were capitalized as debt issuance costs, $ 6 million of which were paid directly to lenders. During the year ended December 31, 2024, previously recorded unamortized debt issuance costs of $ 1 million were written off and recognized within Interest expense, net due to this refinancing.

The refinanced Term Loan A Facility is subject to quarterly amortization payments in an amount equal to 0.625 % of the principal amount of the facility as of the refinance date of $ 500 million, now beginning with the third quarter of 2025. The Term Loan A Facility quarterly amortization payments increase to 1.25 % of the principal amount of the facility as of the refinance date, beginning with the third quarter of 2027. All other material provisions of the Credit Agreement remained unchanged.

The Term Loan B Facility is subject to quarterly amortization payments in an amount equal to 0.25 % of the principal amount of the facility as of the issuance date of $ 1.5 billion, with the balance payable at maturity on March 15, 2028.

The Credit Agreement is unconditionally guaranteed by the Company and certain of the Borrowers' principal domestic subsidiaries and excludes Taco Bell Funding LLC and its special purpose, wholly-owned subsidiaries (see above). The Credit Agreement is also secured by first priority liens on substantially all assets of the Borrowers and each subsidiary guarantor, excluding the stock of certain subsidiaries and certain real property, and subject to other customary exceptions.

The Credit Agreement is subject to certain mandatory prepayments in the event certain covenants are not met, including an amount equal to 50% of excess cash flow (as defined in the Credit Agreement) on an annual basis and the proceeds of certain asset sales, casualty events and issuances of indebtedness, subject to customary exceptions and reinvestment rights .

The Credit Agreement's covenants include two financial maintenance covenants which require the Borrowers to maintain a total leverage ratio (defined as the ratio of Consolidated Total Debt to Consolidated EBITDA (as these terms are defined in the

Credit Agreement)) of 5.0:1 or less and a fixed charge coverage ratio (defined as the ratio of EBITDA minus capital expenditures to fixed charges (inclusive of rental expense and scheduled amortization)) of at least 1.5:1 , each as of the last day of each fiscal quarter. The Credit Agreement includes other affirmative and negative covenants and events of default that are customary for facilities of this type. The Credit Agreement contains, among other things, limitations on certain additional indebtedness and liens, and certain other transactions specified in the agreement. We were in compliance with all debt covenants as of December 31, 2024 .

The Subsidiary Senior Unsecured Notes are guaranteed on a senior unsecured basis by (i) the Company, (ii) the Specified Guarantors (as defined in the Credit Agreement) and (iii) by each of the Borrower's and the Specified Guarantors' domestic subsidiaries that guarantees the Borrower's obligations under the Credit Agreement, except for any of the Company's foreign subsidiaries. The indenture governing the Subsidiary Senior Unsecured Notes contains covenants and events of default that are customary for debt securities of this type. We were in compliance with all debt covenants as of December 31, 2024 .

YUM Senior Unsecured Notes

The majority of our remaining long-term debt primarily comprises YUM Senior Unsecured Notes. The following table summarizes all YUM Senior Unsecured Notes issued that remain outstanding at December 31, 2024:

			Interest Rate	
Issuance Date	Maturity Date	Principal Amount (in millions)	Stated	Effective[(a)]
October 2007	November 2037	$ 325	6.88 %	7.45 %
October 2013	November 2043	$ 275	5.35 %	5.42 %
September 2019	January 2030	$ 800	4.75 %	4.90 %
September 2020	March 2031	$ 1,050	3.63 %	3.77 %
April 2021	January 2032	$ 1,100	4.63 %	4.77 %
April 2022	April 2032	$ 1,000	5.38 %	5.53 %

(a) Includes the effects of the amortization of any (1) premium or discount; (2) debt issuance costs; and (3) gain or loss upon settlement of related treasury locks and forward starting interest rate swaps utilized to hedge the interest rate risk prior to debt issuance.

The YUM Senior Unsecured Notes represent senior, unsecured obligations and rank equally in right of payment with all of our existing and future unsecured unsubordinated indebtedness. Our YUM Senior Unsecured Notes contain covenants and events of default that are customary for debt securities of this type, including cross-default provisions whereby the acceleration of the maturity of any of our indebtedness in a principal amount in excess of $50 million ($100 million or more in the case of the YUM Senior Unsecured Notes issued in 2019 and subsequent years) will constitute a default under the YUM Senior Unsecured Notes unless such indebtedness is discharged, or the acceleration of the maturity of that indebtedness is annulled, within 30 days after notice .

The annual maturities of all Short-term borrowings and Long-term debt as of December 31, 2024, excluding finance lease obligations of $ 67 million and debt issuance costs and discounts of $ 71 million are as follows:

Year ended:	
2025	$ 21
2026	965
2027	1,668
2028	2,019
2029	1,377
Thereafter	5,287
Total	$ 11,337

Interest expense on Short-term borrowings, Long-term debt and gross interest on cash pooling arrangements was $ 542 million, $ 602 million and $ 558 million in 2024, 2023 and 2022, respectively.

Note 12 – Lease Accounting

Components of Lease Cost

	2024	2023	2022
Operating lease cost	$ 135	$ 130	$ 133
Finance lease cost			
Amortization of right-of-use assets	7	6	7
Interest on lease liabilities	2	2	3
Total finance lease cost	$ 9	$ 8	$ 10
Sublease income	$ (48)	$ (51)	$ (55)

Supplemental Cash Flow Information

	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	$ 137	$ 127	$ 137
Operating cash flows from finance leases	2	2	3
Financing cash flows from finance leases	8	7	5
Right-of-use assets obtained in exchange for lease obligations [(a)]			
Operating leases	247	127	93
Finance leases	26	6	10
Operating lease liabilities transferred through refranchising	(8)	(14)	(14)
Finance lease and other debt obligations transferred through refranchising	(1)	(5)	—

(a) The year ended December 31, 2024, includes $ 124 million and $ 22 million of operating and finance lease right-of-use assets, respectively, acquired as part of the U.K. and Ireland restaurant acquisition (see Note 3).

Supplemental Balance Sheet Information

	2024	2023	Consolidated Balance Sheet
Assets			
Operating lease right-of-use assets	$ 881	$ 764	Other assets
Finance lease right-of-use assets	49	29	Property, plant and equipment, net
Total right-of-use assets[(a)]	$ 930	$ 793	
Liabilities			
Current			
Operating	$ 91	$ 79	Accounts payable and other current liabilities
Finance	8	8	Short-term borrowings
Non-current			
Operating	862	757	Other liabilities and deferred credits
Finance	59	42	Long-term debt
Total lease liabilities[(a)]	$ 1,020	$ 886	
Weighted-average Remaining Lease Term (in years)			
Operating leases	10.9	10.6	
Finance leases	14.8	11.4	
Weighted-average Discount Rate			
Operating leases	5.3 %	5.3 %	
Finance leases	5.5 %	5.7 %	

(a) U.S. operating lease right-of-use assets and liabilities totaled $ 549 million and $ 615 million, respectively, as of December 31, 2024, and $ 541 million and $ 605 million, respectively, as of December 31, 2023. These amounts primarily related to Taco Bell U.S. and Habit Burger & Grill including leases related to Company-operated restaurants, leases related to franchise-operated restaurants we sublease and the Taco Bell and Habit Burger & Grill restaurant support center.

Maturity of Lease Payments and Receivables

Future minimum lease payments, including rental payments for lease renewal options we are reasonably certain to exercise, and amounts to be received as lessor or sublessor as of December 31, 2024, were as follows:

	Commitments		Lease Receivables	
	Finance	Operating	Direct Financing	Operating
2025	$ 11	$ 137	$ 3	$ 70
2026	9	142	3	60
2027	8	134	2	60
2028	7	123	2	53
2029	6	110	2	49
Thereafter	50	618	14	340
Total lease payments/receipts	91	1,264	26	$ 632
Less imputed interest/unearned income	(24)	(311)	(9)	
Total lease liabilities/receivables	$ 67	$ 953	$ 17	

As of December 31, 2024, we have executed real estate leases that have not yet commenced with estimated future nominal lease payments of approximately $ 90 million, which are not included in the tables above. These leases are expected to commence in 2025 and 2026 with lease terms of up to 20 years.

Note 13 - Derivative Instruments

We use derivative instruments to manage certain of our market risks related to fluctuations in interest rates, deferred compensation liabilities and foreign currency exchange rates. Our use of foreign currency contracts to manage foreign currency exchange rates associated with certain foreign currency denominated intercompany receivables and payables is currently not significant.

Interest Rate Swaps

We have entered into interest rate swaps with the objective of reducing our exposure to interest rate risk for a portion of our variable-rate debt interest payments. On May 14, 2018, we entered into forward-starting interest rate swaps to fix the interest rate on $ 1.5 billion of borrowings, primarily under our Term Loan B Facility from July 2021 through March 2025. These interest rate swaps result in a fixed rate of 4.87 % on the swapped portion of the Term Loan B Facility. These interest rate swaps are designated cash flow hedges as the changes in the future cash flows of the swaps are expected to offset changes in expected future interest payments on the related variable-rate debt. There were no other interest rate swaps outstanding as of December 31, 2024.

Gains or losses on the interest rate swaps are reported as a component of AOCI and reclassified into Interest expense, net in our Consolidated Statements of Income in the same period or periods during which the related hedged interest payments affect earnings. Through December 31, 2024, the swaps were highly effective cash flow hedges.

Gains and losses on these interest rate swaps recognized in OCI and reclassified from AOCI into Net Income were as follows:

	Gains/(Losses) Recognized in OCI			(Gains)/Losses Reclassified from AOCI into Net Income		
	2024	2023	2022	2024	2023	2022
Interest rate swaps	$ 12	$ 14	$ 115	$ (32)	$ (30)	$ 21
Income tax benefit/(expense)	(3)	(4)	(30)	8	8	(4)

As of December 31, 2024, the estimated net gain included in AOCI related to our interest rate swaps that will be reclassified into earnings in the next 12 months is $ 5 million, based on current SOFR interest rates.

Total Return Swaps

We have entered into total return swap derivative contracts, with the objective of reducing our exposure to market-driven changes in certain of the liabilities associated with compensation deferrals into our EID plan. While these total return swaps represent economic hedges, we have not designated them as hedges for accounting purposes. As a result, the changes in the fair value of these derivatives are recognized immediately in earnings within General and administrative expenses in our Consolidated Statements of Income largely offsetting the changes in the associated EID liabilities. The fair value associated with the total return swaps as of both December 31, 2024 and 2023, was not significant.

As a result of the use of derivative instruments, the Company is exposed to risk that the counterparties will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we only enter into contracts with major financial institutions carefully selected based upon their credit ratings and other factors, and continually assess the creditworthiness of counterparties. At December 31, 2024, all of the counterparties to our derivative instruments had investment grade ratings according to the three major ratings agencies. To date, all counterparties have performed in accordance with their contractual obligations.

See Note 14 for the fair value of our derivative assets and liabilities.

Note 14 – Fair Value Disclosures

As of December 31, 2024, the carrying values of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, short-term borrowings, accounts payable and borrowings under our Revolving Facility approximated their fair

values because of the short-term nature of these instruments. The fair value of notes receivable net of allowances and lease guarantees less subsequent amortization approximates their carrying value. The following table presents the carrying value and estimated fair value of the Company's debt obligations:

	2024		2023	
	Carrying Value	Fair Value (Level 2)	Carrying Value	Fair Value (Level 2)
Securitization Notes[a]	$ 3,743	$ 3,561	$ 3,743	$ 3,391
Subsidiary Senior Unsecured Notes[b]	750	739	750	742
Term Loan A Facility[b]	500	496	717	716
Term Loan B Facility[b]	1,444	1,451	1,459	1,466
YUM Senior Unsecured Notes[b]	4,550	4,368	4,550	4,439

(a) We estimated the fair value of the Securitization Notes using market quotes and calculations. The markets in which the Securitization Notes trade are not considered active markets.

(b) We estimated the fair value of the YUM and Subsidiary Senior Unsecured Notes, Term Loan A Facility, and Term Loan B Facility using market quotes and calculations based on market rates.

Recurring Fair Value Measurements

The Company has interest rate swaps and investments, all of which are required to be measured at fair value on a recurring basis (see Note 13 for discussion regarding derivative instruments). The following table presents fair values for those assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the measurements fall.

			Fair Value	
	Consolidated Balance Sheet	Level	2024	2023
Assets				
Investments	Other assets	1	$ 1	$ 125
Investments	Other assets	3	7	7
Interest Rate Swaps	Prepaid expenses and other current assets	2	5	24
Interest Rate Swaps	Other assets	2	—	2

The fair value of the Company's interest rate swaps were determined based on the present value of expected future cash flows considering the risks involved, including nonperformance risk, and using discount rates appropriate for the duration based on observable inputs.

Investments as of December 31, 2023, primarily included our approximate 5 % minority interest in Devyani, a publicly-traded entity, with a fair value of $ 124 million.

Non-Recurring Fair Value Measurements

During the years ended December 31, 2024, 2023 and 2022, we recognized non-recurring fair value measurements of $ 13 million, $ 11 million and $ 9 million, respectively, related to restaurant-level impairment. Restaurant-level impairment charges are recorded in Other (income) expense and resulted primarily from our impairment evaluation of long-lived assets of individual restaurants that were being operated at the time of impairment and had not been offered for refranchising. The fair value measurements used in these impairment evaluations were based on discounted cash flow estimates using unobservable inputs (Level 3). These amounts exclude fair value measurements made for assets that were subsequently disposed of prior to those respective year end dates. The remaining net book value of restaurant assets measured at fair value during the years ended December 31, 2024 and 2023 as of the end of both years, was $ 21 million.

Note 15 – Pension, Retiree Medical and Retiree Savings Plans

U.S. Pension Plans

We sponsor qualified and supplemental (non-qualified) noncontributory defined benefit plans covering certain full-time salaried and hourly U.S. employees. The qualified plan meets the requirements of certain sections of the Internal Revenue Code and provides benefits to a broad group of employees with restrictions on discriminating in favor of highly compensated employees with regard to coverage, benefits and contributions. The supplemental plans provide additional benefits to certain employees. We fund our supplemental plans as benefits are paid.

The most significant of our U.S. plans is the YUM Retirement Plan (the "Plan"), which is a qualified plan. Our funding policy with respect to the Plan is to contribute amounts necessary to satisfy minimum pension funding requirements, including requirements of the Pension Protection Act of 2006, plus additional amounts from time-to-time as are determined to be necessary to improve the Plan's funded status. We do not expect to make any significant contributions to the Plan in 2025. Our two significant U.S. plans, including the Plan and a supplemental plan, were previously amended such that any salaried employee hired or rehired by YUM after September 30, 2001, is not eligible to participate in those plans. Additionally, these two significant U.S. plans are currently closed to new hourly participants.

We do not anticipate any plan assets being returned to the Company during 2025 for any U.S. plans.

Obligation and Funded Status at Measurement Date:

The following charts summarize the balance sheet impact, as well as benefit obligations, assets, and funded status associated with our two significant U.S. pension plans. The actuarial valuations for all plans reflect measurement dates coinciding with our fiscal year end.

	2024	2023
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 778	$ 755
Service cost	4	5
Interest cost	42	41
Benefits paid	(45)	(34)
Actuarial (gain) loss	(3)	11
Benefit obligation at end of year	$ 776	$ 778

A significant component of the overall decrease in the Company's benefit obligation for the year ended December 31, 2024, was due to benefits paid during the year partially offset by interest cost on the benefit obligation.

A significant component of the overall increase in the Company's benefit obligation for the year ended December 31, 2023, was due to interest cost on the benefit obligation partially offset by benefits paid during the year.

	2024	2023
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 680	$ 664
Actual return on plan assets	6	46
Employer contributions	3	4
Benefits paid	(45)	(34)
Fair value of plan assets at end of year	$ 644	$ 680
Funded status at end of year	$ (132)	$ (98)

Amounts recognized in the Consolidated Balance Sheet:

	2024	2023
Accrued benefit asset - non-current	$ —	$ —
Accrued benefit liability - current	(11)	(8)
Accrued benefit liability - non-current	(121)	(90)
	$ (132)	$ (98)

The accumulated benefit obligation was $ 764 million and $ 763 million at December 31, 2024 and 2023, respectively.

The table below provides information for those pension plan(s) with an accumulated benefit obligation in excess of plan assets. The pension plan(s) included also have a projected benefit obligation in excess of plan assets.

	2024	2023
Projected benefit obligation	$ 776	$ 778
Accumulated benefit obligation	764	763
Fair value of plan assets	644	680

Components of net periodic benefit cost:

	2024	2023	2022
Service cost	$ 4	$ 5	$ 7
Interest cost	42	41	31
Amortization of prior service cost [(a)]	1	1	6
Expected return on plan assets	(51)	(50)	(46)
Amortization of net loss (gain)	1	(1)	11
Net periodic benefit cost (income)	$ (3)	$ (4)	$ 9

Additional (gain) loss recognized due to:

Settlement charges [(b)]	$ —	$ —	$ 6

(a) Prior service costs are amortized on a straight-line basis over the average remaining service period of employees expected to receive benefits.

(b) Settlement losses result when benefit payments exceed the sum of the service cost and interest cost within a plan during the year. These losses were recorded in Other pension (income) expense .

Pension gains (losses) in AOCI:

	2024	2023
Beginning of year	$ (87)	$ (74)
Net actuarial (loss) gain	(42)	(13)
Amortization of net loss (gain)	1	(1)
Amortization of prior service cost	1	1
End of year	$ (127)	$ (87)

Accumulated pre-tax losses recognized within AOCI:

	2024	2023
Actuarial net loss	$ (125)	$ (84)
Prior service cost	(2)	(3)
	$ (127)	$ (87)

Weighted-average assumptions used to determine benefit obligations at the measurement dates:

	2024	2023
Discount rate	5.80 %	5.60 %
Rate of compensation increase	3.00 %	3.00 %

Weighted-average assumptions used to determine the net periodic benefit cost for fiscal years:

	2024	2023	2022
Discount rate	5.60 %	5.60 %	3.00 %
Long-term rate of return on plan assets	6.35 %	6.25 %	5.40 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %

Our estimated long-term rate of return on plan assets represents the weighted-average of expected future returns on the asset categories included in our target investment allocation based primarily on the historical returns for each asset category and future growth expectations.

Plan Assets

The fair values of our pension plan assets at December 31, 2024 and 2023 by asset category and level within the fair value hierarchy are as follows:

	2024	2023
Level 1:		
Cash	$ 2	$ —
Cash Equivalents[(a)]	30	61
Fixed Income Securities - U.S. Corporate [(b)]	16	7
Level 2:		
Equity Securities[(b)]	212	213
Fixed Income Securities - U.S. Corporate [(c)]	21	25
Fixed Income Securities - U.S. Government and Government Agencies [(d)]	113	124
Fixed Income Securities - Other [(d)]	15	11
Total assets in the fair value hierarchy	409	441
Investments measured at net asset value [(e)]		
Fixed Income	146	132
Real Assets	141	149
Total fair value of plan assets [(f)]	$ 696	$ 722

(a) Short-term investments in money market funds.

(b) Securities held in common or collective trusts.

(c) Investments held directly by the Plan.

(d) Includes securities held in common or collective trusts and investments held directly by the Plan.

(e) Includes securities that have been measured at fair value using the net asset value per unit practical expedient due to the absence of readily available market prices. Accordingly, these securities have not been classified in the fair value hierarchy.

(f) 2024 and 2023 exclude net unsettled trade payables of $ 52 million and $ 42 million, respectively.

Our primary objectives regarding the investment strategy for the Plan's assets are to reduce interest rate and market risk and to provide adequate liquidity to meet immediate and future payment requirements. To achieve these objectives, we are using a combination of active and passive investment strategies. As of December 31, 2024, the Plan's assets consist of the weighted-average target allocation summarized as follows:

Asset Category	Target Allocation
Fixed income	49 %
Equity securities	32 %
Real assets	19 %

Actual allocations to each asset class may vary from target allocations due to periodic investment strategy changes, market value fluctuations, the length of time it takes to fully implement investment allocation positions and the timing of benefit payments and contributions.

Fixed income securities at December 31, 2024, primarily consist of a diversified portfolio of long duration instruments that are intended to mitigate interest rate risk or reduce the interest rate duration mismatch between the assets and liabilities of the Plan. A smaller allocation (constituting 40 % of the fixed income target allocation) is to diversified credit investments in a range of public and credit securities, including below investment grade rated bonds and loans, securitized credit and emerging market debt.

Equity securities at December 31, 2024, consist primarily of investments in publicly traded common stocks and other equity-type securities issued by companies throughout the world, including convertible securities, preferred stock, rights and warrants.

Real assets represent investments in real estate and infrastructure. These may take the form of debt or equity securities in public or private funds.

A mutual fund held as an investment by the Plan includes shares of Common Stock valued at $ 0.1 million at both December 31, 2024 and 2023, (less than 1 % of total plan assets in each instance).

Benefit Payments

The benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are set forth below:

Year ended:		
2025	$	59
2026		63
2027		59
2028		63
2029		58
2030 - 2034		284

Expected benefit payments are estimated based on the same assumptions used to measure our benefit obligation on the measurement date and include benefits attributable to estimated future employee service.

International Pension Plans

We also sponsor various defined benefit plans covering certain of our non-U.S. employees, the most significant of which are in the U.K. Both of our U.K. plans have previously been frozen such that they are closed to new participants and existing participants can no longer earn future service credits.

At the end of 2024 and 2023, the projected benefit obligations of these U.K. plans totaled $ 170 million and $ 190 million, respectively, and plan assets totaled $ 197 million and $ 226 million, respectively. These plans were both in a net overfunded position at the end of 2024 and 2023. Total actuarial pre-tax losses related to the U.K. plans of $ 72 million and $ 63 million

were recognized in AOCI at the end of 2024 and 2023, respectively. The total net periodic cost or benefit recorded was less than $ 1 million of benefit in 2024, $ 2 million of cost in 2023 and $ 2 million of benefit in 2022.

The benefits expected to be paid associated with our U.K. plans in each of the next five years are approximately $ 4 million and in aggregate for the five years thereafter are $ 22 million.

The funding rules for our pension plans outside of the U.S. vary from country to country and depend on many factors including discount rates, performance of plan assets, local laws and regulations. We do not plan to make significant contributions to either of our U.K. plans in 2025.

Retiree Medical Benefits

Our post-retirement plan provides health care benefits, principally to U.S. salaried retirees and their dependents, and includes retiree cost-sharing provisions and a cap on our liability. This plan was previously amended such that any salaried employee hired or rehired by YUM after September 30, 2001, is not eligible to participate in this plan. Employees hired prior to September 30, 2001, are eligible for benefits if they meet age and service requirements and qualify for retirement benefits. We fund our post-retirement plan as benefits are paid.

At the end of 2024 and 2023, the accumulated post-retirement benefit obligation was $ 25 million and $ 27 million, respectively. Actuarial pre-tax gains of $ 13 million and $ 15 million were recognized in AOCI at the end of 2024 and 2023, respectively. The net periodic benefit cost or benefit recorded was less than $ 1 million of benefit in both 2024 and 2023 and $ 1 million of cost in 2022. The weighted-average assumptions used to determine benefit obligations and net periodic benefit cost for the post-retirement medical plan are identical to those as shown for the U.S. pension plans.

The benefits expected to be paid in each of the next five years are approximately $ 3 million and in aggregate for the five years thereafter are $ 11 million.

U.S. Retiree Savings Plan

We sponsor a contributory plan to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code (the “401(k) Plan”) for eligible U.S. salaried and hourly employees. Participants are able to elect to contribute up to 7 5 % of eligible compensation on a pre-tax basis. Participants may allocate their contributions to one or any combination of multiple investment options or a self-managed account within the 401(k) Plan. We match 100 % of the participant’s contribution to the 401(k) Plan up to 6 % of eligible compensation. We recognized as compensation expense our total matching contribution of $ 24 million in 2024, $ 15 million in 2023 and $ 13 million in 2022.

Note 16 – Share-based and Deferred Compensation Plans

Overview

At year end 2024, we had one stock award plan in effect: the Yum! Brands, Inc. Long-Term Incentive Plan (the “LTIP”). Potential awards to employees and non-employee directors under the LTIP include stock options, incentive stock options, SARs, restricted stock, RSUs, performance restricted stock units, PSUs and performance units. We have issued only stock options, SARs, RSUs and PSUs under the LTIP. Under the LTIP, the exercise price of stock options and SARs granted must be equal to or greater than the average market price or the ending market price of the Company’s stock on the date of grant. While awards under the LTIP can have varying vesting provisions and exercise periods, outstanding awards under the LTIP vest in periods ranging from immediate to five years. Stock options and SARs generally expire ten years after grant. At year end 2024, approximately 24 million shares were available for future share-based compensation grants under the LTIP.

Our EID Plan allows participants to defer receipt of a portion of their annual salary and all or a portion of their incentive compensation. As defined by the EID Plan, we credit the amounts deferred with earnings based on the investment options selected by the participants. These investment options are limited to cash, phantom shares of our Common Stock, phantom shares of a Stock Index Fund and phantom shares of a Bond Index Fund. Investments in cash and phantom shares of both index funds will be distributed in cash at a date as elected by the employee and therefore are classified as a liability on our Consolidated Balance Sheets. We recognize compensation expense for the appreciation or the depreciation, if any, of investments in cash and both of the index funds. Deferrals into the phantom shares of our Common Stock will be distributed in shares of our Common Stock, under the LTIP, at a date as elected by the employee and therefore are classified in Common Stock on our Consolidated Balance Sheets. We do not recognize compensation expense for the appreciation or the depreciation, if any, of investments in phantom shares of our Common Stock. Our EID plan also allows certain participants to

defer incentive compensation to purchase phantom shares of our Common Stock and receive a 33 % Company match on the amount deferred. Deferrals receiving a match are similar to an RSU award in that participants will generally forfeit both the match and incentive compensation amounts deferred if they voluntarily separate from employment during a vesting period that is two years from the date of deferral. We expense the intrinsic value of the match and the incentive compensation amount over the requisite service period which includes the vesting period.

Historically, the Company has repurchased shares on the open market in excess of the amount necessary to satisfy award exercises and expects to continue to do so in 2025.

In connection with the 2016 spin-off of our China business into an independent, publicly-traded company under the name of Yum China Holdings, Inc. ("Yum China"), under the provisions of our LTIP, employee stock options, SARs, RSUs and PSUs outstanding at that time were adjusted to maintain the pre-spin intrinsic value of the awards. Depending on the tax laws of the country of employment, awards were modified using either the shareholder method or the employer method. Share-based compensation as recorded in Net Income was based on the amortization of the fair value for both YUM and Yum China awards held by YUM employees. The fair value of Yum China awards held by YUM employees became fully amortized to expense in the year ended December 31, 2020. Share issuances for Yum China awards held by YUM employees will be satisfied by Yum China. Share issuances for YUM awards held by Yum China employees are being satisfied by YUM.

Award Valuation

We estimated the fair value of each stock option and SAR award as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2024	2023	2022
Risk-free interest rate	4.0 %	3.6 %	1.7 %
Expected term	5.9 years	5.9 years	6.6 years
Expected volatility	20.6 %	22.0 %	25.0 %
Expected dividend yield	2.1 %	1.8 %	1.9 %

Grants made to executives typically have a graded vesting schedule of 25 % per year over four years and expire ten years after grant. We use a single weighted-average term for our awards that have a graded vesting schedule. Based on analysis of our historical exercise and post-vesting termination behavior, we have determined that our executives exercised the awards on average after 5.9 years.

When determining expected volatility, we consider both historical volatility of our stock as well as implied volatility associated with our publicly-traded options. The expected dividend yield is based on the annual dividend yield at the time of grant.

The fair values of PSU awards without market-based conditions and RSU awards are based on the closing price of our Common Stock on the date of grant. The fair values of PSU awards with market-based conditions have been valued based on the outcome of a Monte Carlo simulation.

Award Activity

Stock Options and SARs

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at the beginning of the year	10,104	$ 92.58		
Granted	988	130.33		
Exercised	(2,975)	82.61		
Forfeited or expired	(387)	127.09		
Outstanding at the end of the year	7,730 [(a)]	99.53	6.26	$ 268
Exercisable at the end of the year	5,689	$ 89.78	5.23	$ 252

(a) Outstanding awards include 235 options and 7,495 SARs with weighted average exercise prices of $ 112.29 and $ 99.13 , respectively. Outstanding awards represent YUM awards held by employees of both YUM and Yum China.

The weighted-average grant-date fair value of stock options and SARs granted during 2024, 2023 and 2022 was $ 28.35 , $ 29.93 and $ 26.65 , respectively. The total intrinsic value of stock options and SARs exercised during the years ended December 31, 2024, 2023 and 2022, was $ 158 million, $ 114 million and $ 105 million, respectively.

As of December 31, 2024, $ 29 million of unrecognized compensation cost related to unvested stock options and SARs, which will be reduced by any forfeitures that occur, is expected to be recognized over a remaining weighted-average period of approximately 1.6 years. The total fair value at grant date of stock options and SARs held by YUM employees that vested during 2024, 2023 and 2022 was $ 28 million, $ 31 million and $ 31 million, respectively.

RSUs and PSUs

As of December 31, 2024, there was $ 60 million of unrecognized compensation cost related to 1.1 million unvested RSUs and PSUs. The total fair value at grant date of awards that vested during 2024, 2023 and 2022 was $ 54 million, $ 84 million and $ 20 million, respectively.

Impact on Net Income

The components of share-based compensation expense and the related income tax benefits are shown in the following table:

	2024	2023	2022
Options and SARs	$ 23	$ 27	$ 26
Restricted Stock Units	36	35	27
Performance Share Units	10	33	29
Total Share-based Compensation Expense	$ 69	$ 95	$ 82
Deferred Tax Benefit recognized	$ 20	$ 12	$ 16

Cash received from stock option exercises for 2024, 2023 and 2022 was $ 9 million, $ 8 million and $ 3 million, respectively. Tax benefits realized on our tax returns from tax deductions associated with share-based compensation for 2024, 2023 and 2022 totaled $ 55 million, $ 31 million and $ 38 million, respectively.

Note 17 – Shareholders' Deficit

Under the authority of our Board of Directors, we repurchased shares of our Common Stock during 2024, 2023 and 2022. All amounts exclude applicable transaction fees and excise taxes on share repurchases.

Authorization Date	Shares Repurchased (thousands)			Dollar Value of Shares Repurchased		
	2024	2023	2022	2024	2023	2022
May 2024	2,916	—	—	$ 391	$ —	$ —
September 2022	366	387	1,967	50	50	250
May 2021	—	—	8,116	—	—	950
Total	3,282	387	10,083	$ 441	$ 50	$ 1,200

In May 2024, our Board of Directors authorized share repurchases of up to $ 2 billion (excluding applicable transaction fees and excise taxes) of our outstanding Common Stock through December 31, 2026. The new authorization took effect on July 1, 2024 upon the expiration of a prior authorization approved in September 2022. As of December 31, 2024, we have remaining capacity to repurchase up to $ 1.6 billion of Common Stock under the May 2024 authorization.

Changes in AOCI are presented below.

	Translation Adjustments and Gains (Losses) From Intra-Entity Transactions of a Long-Term Nature	Pension and Post-Retirement Benefits[a]	Derivative Instruments[b]	Total
Balance at December 31, 2022, net of tax	$ (290)	$ (94)	$ 15	$ (369)
OCI, net of tax				
Gains (losses) arising during the year classified into AOCI, net of tax	18	(11)	10	17
(Gains) losses reclassified from AOCI, net of tax	71	1	(22)	50
	89	(10)	(12)	67
Balance at December 31, 2023, net of tax	$ (201)	$ (104)	$ 3	$ (302)
OCI, net of tax				
Gains (losses) arising during the year classified into AOCI, net of tax	(37)	(42)	10	(69)
(Gains) losses reclassified from AOCI, net of tax	—	3	(24)	(21)
	(37)	(39)	(14)	(90)
Balance at December 31, 2024, net of tax	$ (238)	$ (143)	$ (11)	$ (392)

(a) Amounts reclassified from AOCI for pension and post-retirement benefit plans losses during 2024 include amortization of net losses of $ 2 million and amortization of prior service cost of $ 1 million. Amounts reclassified from AOCI for pension and post-retirement benefit plans losses during 2023 include amortization of prior service cost of $ 1 million. See Note 15.

(b) See Note 13 for details on amounts reclassified from AOCI. Amounts include previously cash settled treasury locks relating to our Senior Unsecured Notes due in 2037 which are being reclassified into earnings through 2037 to interest expense.

Note 18 – Income Taxes

U.S. and foreign income before taxes are set forth below:

	2024	2023	2022
U.S.	$ 1,131	$ 1,246	$ 1,124
Foreign	769	572	538
	$ 1,900	$ 1,818	$ 1,662

The details of our income tax provision (benefit) are set forth below:

		2024	2023	2022
Current:	Federal	$ 170	$ 221	$ 139
	Foreign	226	222	200
	State	48	68	53
		$ 444	$ 511	$ 392
Deferred:	Federal	$ (40)	$ (121)	$ (31)
	Foreign	15	(153)	(10)
	State	(5)	(16)	(14)
		$ (30)	$ (290)	$ (55)
		$ 414	$ 221	$ 337

The reconciliation of income taxes calculated at the U.S. federal statutory rate to our effective tax rate is set forth below:

	2024	2023	2022
U.S. federal statutory rate	21.0 %	21.0 %	21.0 %
State income tax, net of federal tax	1.8	2.3	1.9
Statutory rate differential attributable to foreign operations	1.3	(1.7)	(2.0)
Adjustments to reserves and prior years	0.5	1.3	1.6
Excess tax benefits from stock-based awards	(1.6)	(1.1)	(1.4)
Change in valuation allowances	0.3	—	(0.5)
Impact of Russia Exit	—	(0.5)	4.3
Intercompany restructuring and Valuations of Intellectual Property	(1.5)	(9.1)	(4.9)
Other, net	—	(0.1)	0.3
Effective income tax rate	21.8 %	12.1 %	20.3 %

Statutory rate differential attributable to foreign operations. This item includes local country taxes, withholding taxes, and shareholder-level taxes, net of U.S. foreign tax credits. The unfavorability in 2024 as compared to prior years was largely driven by shifts in income to higher-rate jurisdictions and increased rates in certain, existing foreign jurisdictions.

Adjustments to reserves and prior years. This item includes: (1) changes in tax reserves, including interest thereon, established for potential exposure we may incur if a taxing authority takes a position on a matter contrary to our position; and (2) the effects of reconciling income tax amounts recorded in our Consolidated Statements of Income to amounts reflected on our tax returns, including any adjustments to the Consolidated Balance Sheets. In 2023, this item was unfavorably impacted by $ 41 million of

newly established reserves associated with a correction in the timing of capital loss utilization related to historical refranchising gains to tax years with a lower statutory tax rate.

Impact of Russia Exit. Our decision to exit the Russia market resulted in a $ 7 million tax benefit recorded in 2023 to account for the global tax ramification of current and future payments required to be made to the Russia IP rights holder in Switzerland. In 2022, this item was unfavorably impacted by $ 72 million of tax expense primarily associated with a reduction in the tax basis of KFC IP rights held in Switzerland due to the expected loss of the Russia royalty income associated with such rights going forward. As a result, we remeasured and reassessed the need for a valuation allowance on the associated deferred tax assets. In addition, we reassessed certain deferred tax liabilities associated with the Russia business given the expectation that the basis difference would reverse by way of sale.

Intercompany Restructuring and Valuations of Intellectual Property. In 2021, we concentrated management responsibility for European (excluding the U.K.) KFC franchise development, support operations and management oversight in Switzerland (the "KFC Europe Reorganization"). Concurrent with this change in management responsibility, we completed intra-entity transfers of certain KFC IP rights from subsidiaries in the U.K. and the U.S. to subsidiaries in Switzerland. With the transfers of these rights, we received a step-up in amortizable tax basis of those IP rights to current fair value under applicable Swiss tax law. In the year ended December 31, 2022, we performed an annual valuation under Swiss laws of these Swiss IP rights, incorporating current assumptions around the expected future cash flows attributable to the IP. This valuation supported an increase to tax basis of Swiss IP rights associated with parts of our business that will continue to use these IP rights due to expected royalty growth assumptions in those parts of the business that largely offset the loss of Russia royalty income described above. Based on the valuation as well as future forecasting of taxable income, we remeasured and reassessed the need for a valuation allowance on the deferred tax assets in Switzerland. As a result, we recorded a net tax benefit of $ 75 million in 2022.

Consistent with the objectives of the IP restructuring transactions discussed above, in December 2023, we completed intra-entity transfers of certain Asia region IP rights to Singapore. In addition, certain remaining Asia region IP rights were transferred to the U.S. As a result of these transfers, we recorded a net tax benefit of $ 30 million comprised of $ 14 million of current tax expense and a one-time deferred tax benefit of $ 44 million primarily associated with establishing deferred tax assets on amortizable tax basis in the U.S.

Also in 2023, we agreed to receive a tax credit in exchange for an increase in our prospective statutory tax rate in Switzerland. Based on the agreement, we were granted a $ 38 million tax credit expiring in 2031 and our statutory tax rate was increased to approximately 15 % from the previous rate of approximately 10 %. As a result of the tax rate increase, we were also required to remeasure our deferred tax assets associated with previously transferred IP rights in Switzerland, which resulted in a one-time deferred tax benefit of $ 99 million. We also recorded a $ 29 million deferred tax benefit associated with tax credit which represents the portion of the $ 38 million tax credit that we anticipate utilizing against income tax before expiration.

In December 2024, to facilitate business needs and centralize digital and technology assets in the U.S., we filed tax elections which resulted in the deemed liquidation of certain foreign subsidiaries in Australia and Israel. In addition, we completed the intra-entity transfer of software from these subsidiaries to subsidiaries in the U.S. As a result of these transactions, we recorded a net tax benefit of $ 28 million comprised of $ 15 million of current tax benefit associated with U.S. federal and state tax deductions, and a one-time net deferred tax benefit of $ 13 million primarily associated with establishing deferred tax assets on amortizable tax basis in the U.S.

Companies subject to the Global Intangible Low-Taxed Income provision ("GILTI") have the option to account for the GILTI tax as a period cost if and when incurred, or to recognize deferred taxes for outside basis temporary differences expected to reverse as GILTI. The Company has elected to account for GILTI as a period cost.

The details of 2024 and 2023 deferred tax assets (liabilities) are set forth below:

	2024	2023
Operating losses and interest deduction carryforwards	$ 213	$ 230
Capital losses	70	71
Tax credit carryforwards	200	188
Employee benefits	83	75
Share-based compensation	44	58
Lease-related liabilities	267	242
Accrued liabilities and other	66	59
Intangible assets	575	610
Property, plant and equipment	25	30
Deferred income	105	103
Capitalized Research & Development Costs	120	92
Gross deferred tax assets	1,768	1,758
Deferred tax asset valuation allowances	(369)	(386)
Net deferred tax assets	$ 1,399	$ 1,372
Property, plant and equipment	$ (47)	$ (51)
Operating lease right-of-use assets	(235)	(210)
Employee benefits	(6)	(8)
Derivative Instruments	(5)	(17)
Other	(36)	(42)
Gross deferred tax liabilities	$ (329)	$ (328)
Net deferred tax assets (liabilities)	$ 1,070	$ 1,044

The details of the 2024 and 2023 valuation allowance activity are set forth below:

	2024	2023
Beginning of Year	$ (386)	$ (458)
Increases	(5)	(19)
Decreases	16	91
Other Adjustments	6	—
End of Year	$ (369)	$ (386)

Reported in Consolidated Balance Sheets as:

	2024	2023
Deferred income taxes	$ 1,071	$ 1,045
Other liabilities and deferred credits	(1)	(1)
	$ 1,070	$ 1,044

As of December 31, 2024, we had approximately $ 5 billion of unremitted foreign retained earnings. The Tax Act imposed U.S. federal tax on all post-1986 foreign Earnings and Profits accumulated through December 31, 2017. Repatriation of earnings generated after December 31, 2017, will generally be eligible for the 100 % dividends received deduction or considered a distribution of previously taxed income and, therefore, exempt from U.S. federal tax. Undistributed foreign earnings may still be subject to certain state and foreign income and withholding taxes upon repatriation. Subject to limited exceptions, we do not intend to indefinitely reinvest our unremitted earnings outside the U.S. Thus, we have provided taxes, including any U.S. federal and state income, foreign income, or foreign withholding taxes on the majority of our unremitted earnings. In jurisdictions where we do intend to indefinitely reinvest our unremitted earnings, we would be required to accrue and pay applicable income taxes (if any) and foreign withholding taxes if the funds were repatriated in taxable transactions. We believe any such taxes would be immaterial.

Details of tax loss, credit carryforwards, and expiration dates along with valuation allowances as of December 31, 2024, are as follows:

	Gross Amount	Deferred Tax Asset	Valuation Allowance	Expiration
Federal net operating losses - Indefinite	$ 51	$ 11	$ —	None
Foreign net operating losses	296	45	(17)	2025-2044
Foreign net operating losses - Indefinite	333	76	(11)	None
State net operating losses	1,176	49	(35)	2025-2044
Foreign capital loss carryforward - Indefinite	281	70	(70)	None
Foreign tax credits (US Tax Return)	164	164	(117)	2025-2034
Foreign country tax credits	36	36	(13)	2031
State interest deduction carryforward - Indefinite	758	32	(30)	None
	$ 3,095	$ 483	$ (293)	

We recognize the benefit of positions taken or expected to be taken in tax returns in the Consolidated Financial Statements when it is more likely than not that the position would be sustained upon examination by tax authorities. A recognized tax position is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement.

At December 31, 2024, the Company had $ 126 million of gross unrecognized tax benefits, $ 81 million of which would impact the effective income tax rate if recognized. A reconciliation of the beginning and ending unrecognized tax benefits follows:

	2024	2023
Beginning of Year	$ 151	$ 128
Additions on tax positions - current year	6	9
Additions for tax positions - prior years	1	42
Reductions for tax positions - prior years	(10)	(28)
Reductions for settlements	(22)	—
End of Year	$ 126	$ 151

During 2024, 2023, and 2022 the Company recognized $ 3 million, $ 20 million, and less than $ 1 million of net expense, respectively, for interest and penalties in our Consolidated Statements of Income as components of its Income tax provision.

The Company has recorded $ 20 million and $ 16 million of net tax payables, as of December 31, 2024 and 2023, respectively, associated with interest and penalties.

The Company’s income tax returns are subject to examination in the U.S. federal jurisdiction and numerous U.S. state and foreign jurisdictions.

The Company has settled audits with the IRS through fiscal year 2012 and is currently under IRS examination for 2013-2019. Our operations in certain foreign jurisdictions are currently under audit and remain subject to examination for tax years as far back as 1999. See Note 20 for discussion of an Internal Revenue Service Proposed Adjustment.

Note 19 – Reportable Operating Segments

See Note 1 for a description of our operating segments.

The Company's operating segments maintain separate financial information, and the CODM, the Company's Chief Executive Officer, evaluates the operating segments' operating results on a regular basis in deciding how to allocate resources among the segments and in assessing segment performance. The CODM evaluates the performance of the Company's segments based on Divisional Operating Profit and is involved in determining and reviewing forecasted Divisional Operating Profit as part of the annual plan process. Throughout the year, the CODM considers forecast to actual results and variances on a monthly and quarterly basis to allocate resources for the segments' operations. The CODM also considers this information in determining how to prioritize capital allocation, including investments in restaurant development, technology and human capital, maintaining a strong and flexible balance sheet, offering a competitive dividend and returning excess cash to shareholders. The significant expense categories and amounts presented in the tables below align with the segment-level information that is regularly provided to the CODM.

	2024				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
Company Sales[a]	$ 801	$ 1,155	$ 8	$ 588	$ 2,552
Franchise and property revenues[a]	1,685	997	622	9	3,313
Franchise contributions for advertising and other services[a]	613	708	378	3	1,702
	3,099	2,860	1,008	600	7,567
Less:					
Company restaurant expenses	703	872	8	529	2,112
General and administrative expenses	363	199	219	54	835
Franchise and property expenses	63	33	34	4	134
Franchise advertising and other services expense	610	708	390	3	1,711
Other (income) expense	(3)	(1)	(16)	10	(10)
Division Operating Profit	$ 1,363	$ 1,049	$ 373	$ —	$ 2,785
Unallocated amounts:[b]					
Corporate and unallocated G&A expenses[c][d]					$ (346)
Unallocated Company restaurant expenses[e]					(8)
Unallocated Franchise and property revenues[c]					(18)
Unallocated Refranchising gain (loss)					34
Unallocated Other income (expense)[c]					(44)
Consolidated Operating Profit					2,403
Investment income (expense), net					(21)
Other pension income (expense)					7
Interest expense, net					(489)
Income before income taxes					$ 1,900

Other Segment Disclosures

	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Total
Depreciation and Amortization[f]	$ 37	$ 76	$ 24	$ 31	$ 7	$ 175
Capital Spending	73	98	15	39	32	257
Identifiable Assets[g]	2,611	1,626	732	613	1,145	6,727
Long-Lived Assets[h]	1,269	991	365	548	164	3,337

	2023				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
Company Sales[a]	$ 484	$ 1,069	$ 14	$ 575	$ 2,142
Franchise and property revenues[a]	1,698	918	622	9	3,247
Franchise contributions for advertising and other services[a]	648	654	383	2	1,687
	2,830	2,641	1,019	586	7,076
Less:					
Company restaurant expenses	417	817	14	526	1,774
General and administrative expenses	383	204	221	59	867
Franchise and property expenses	72	32	15	3	122
Franchise advertising and other services expense	648	644	389	2	1,683
Other (income) expense	6	—	(11)	10	5
Division Operating Profit (Loss)	$ 1,304	$ 944	$ 391	$ (14)	$ 2,625
Unallocated amounts:[b]					
Corporate and unallocated G&A expenses[d][i]					$ (326)
Unallocated Franchise and property expenses[i]					(1)
Unallocated Refranchising gain (loss)					29
Unallocated Other income (expense)[i]					(9)
Consolidated Operating Profit					2,318
Investment income (expense), net					7
Other pension income (expense)					6
Interest expense, net					(513)
Income before income taxes					$ 1,818

Other Segment Disclosures

	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Total
Depreciation and Amortization[f]	$ 22	$ 61	$ 20	$ 30	$ 20	$ 153
Capital Spending	73	101	12	64	35	285
Identifiable Assets[g]	2,281	1,544	814	630	962	6,231
Long-Lived Assets[h]	891	975	378	580	156	2,980

	2022				
	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Total
Company Sales[a]	$ 491	$ 1,002	$ 21	$ 558	$ 2,072
Franchise and property revenues[a]	1,645	837	607	7	3,096
Franchise contributions for advertising and other services[a]	698	598	376	2	1,674
	2,834	2,437	1,004	567	6,842
Less:					
Company restaurant expenses	426	766	21	532	1,745
General and administrative expenses	390	191	211	51	843
Franchise and property expenses	69	33	13	2	117
Franchise advertising and other services expense	684	599	382	2	1,667
Other (income) expense	67	(2)	(10)	4	59
Division Operating Profit (Loss)	$ 1,198	$ 850	$ 387	$ (24)	$ 2,411
Unallocated amounts:[b]					
Corporate and unallocated G&A expenses[d][i]					$ (297)
Unallocated Franchise and property expenses[i]					(6)
Unallocated Refranchising gain (loss)					27
Unallocated Other income (expense)[i]					52
Consolidated Operating Profit					2,187
Investment income (expense), net					11
Other pension income (expense)					(9)
Interest expense, net					(527)
Income before income taxes					$ 1,662

Other Segment Disclosures

	KFC Division	Taco Bell Division	Pizza Hut Division	Habit Burger & Grill Division	Corporate and Unallocated	Total
Depreciation and Amortization[f]	$ 23	$ 48	$ 19	$ 29	$ 27	$ 146
Capital Spending	71	101	22	56	29	279

(a) U.S. revenues included in the combined KFC, Taco Bell, Pizza Hut and Habit Burger & Grill Divisions totaled $ 4.3 billion in 2024, $ 4.1 billion in 2023 and $ 3.9 billion in 2022.

(b) Amounts have not been allocated to any segment for performance reporting purposes.

(c) As a result of our acquisition of the master franchise rights in Germany for KFC and Pizza Hut and the termination of our franchise agreements with the owner and operator of KFC and Pizza Hut restaurants in Turkey (see Note 5), we recorded charges of $ 37 million to Unallocated Other income (expense), $ 18 million to Unallocated Franchise and property revenues and $ 6 million to Corporate and unallocated G&A expenses consisting primarily of transaction costs associated with the German acquisition and termination-related costs associated with the Turkey business in the year ended December 31, 2024 (see Note 5).

(d) Corporate and unallocated G&A expenses include charges of $ 78 million, $ 21 million and $ 11 million in the years ended December 31, 2024, 2023 and 2022, respectively, related to our resource optimization program (see Note 5).

(e) Unallocated Company restaurant expenses include amortization of reacquired franchise rights.

(f) The amounts of depreciation and amortization disclosed by reportable segment are primarily included within the segment expense captions of Company restaurant expenses and G&A expenses.

(g) U.S. identifiable assets included in the combined Corporate and unallocated and KFC, Taco Bell, Pizza Hut, and Habit Burger & Grill Divisions totaled $ 2.9 billion at 2024 and $ 2.8 billion at 2023. Corporate and unallocated identifiable assets primarily include cash and deferred tax assets.

(h) Includes PP&E, net, goodwill, intangible assets, net and Operating lease-right-of-use assets.

(i) Our operating results presented herein reflect revenues from and expenses to support the Russian operations for KFC and Pizza Hut prior to the dates of sale or transfer (see Note 3), within their historical financial statement line items and operating segments. However, given our decision to exit Russia and our pledge to direct any future net profits attributable to Russia subsequent to the date of invasion to humanitarian efforts, we reclassed such net profits and losses subsequent to that date from the Division segment results in which they were earned to Unallocated Other income (expense). As a result, we reclassed net operating losses of $ 1 million from KFC Division Other income (expense) to Unallocated Other income (expense) during the year ended December 31, 2023 and net Operating Profit of $ 44 million from Divisional Other income (expense) to Unallocated Other income (expense) during the year ended December 31, 2022, respectively. Additionally, we recorded a charge of $ 3 million to Unallocated Other income (expense) during the year ended December 31, 2023 from the sale of our KFC Russia business.

Also included in Unallocated Other income (expense) were $ 1 million in foreign exchange losses and $ 13 million in foreign exchange gains attributable to fluctuations in the value of the Russian Ruble during the years ended December 31, 2023 and 2022, respectively. Additionally, we recorded charges of $ 5 million to Corporate and unallocated G&A expenses and $ 1 million to Unallocated Franchise and property expenses during the year ended December 31, 2023, for certain expenses related to the disposition of the businesses and other costs related to our exit from Russia. We recorded similar charges of $ 7 million to Corporate and Unallocated G&A expenses and $ 6 million to Unallocated Franchise and property expenses during the year ended December 31, 2022.

Note 20 – Contingencies

Internal Revenue Service Proposed Adjustment

As a result of an audit by the Internal Revenue Service (“IRS”) for fiscal years 2013 through 2015, in August 2022, we received a Revenue Agent’s Report (“RAR”) from the IRS asserting an underpayment of tax of $2.1 billion plus $418 million in penalties for the 2014 fiscal year. Additionally, interest on the underpayment is estimated to be approximately $1.4 billion through December 31, 2024. The proposed underpayment relates primarily to a series of reorganizations we undertook during that year in connection with the business realignment of our corporate and management reporting structure along brand lines. The IRS asserts that these transactions resulted in taxable distributions of approximately $6.0 billion.

We disagree with the IRS’s position as asserted in the RAR and intend to contest that position vigorously. In September 2022, we filed a Protest with the IRS Examination Division disputing on multiple grounds the proposed underpayment of tax and penalties. We have received the IRS Examination Division’s Rebuttal to our Protest and the matter is proceeding with the IRS Office of Appeals.

The Company does not expect resolution of this matter within twelve months and cannot predict with certainty the timing of such resolution. The Company believes that it is more likely than not the Company’s tax position will be sustained; therefore, no reserve is recorded with respect to this matter.

An unfavorable resolution of this matter could have a material, adverse impact on our Consolidated Financial Statements in future periods.

Lease Guarantees

As a result of having assigned our interest in obligations under real estate leases as a condition to the refranchising of certain Company-owned restaurants, and guaranteeing certain other leases, we are frequently secondarily liable on lease agreements. These leases have varying terms, the latest of which expires in 2065 . As of December 31, 2024, the potential amount of undiscounted payments we could be required to make in the event of non-payment by the primary lessee was approximately

$ 350 million. The present value of these potential payments discounted at our pre-tax cost of debt at December 31, 2024, was approximately $ 300 million. Our franchisees are the primary lessees under the vast majority of these leases. We generally have cross-default provisions with these franchisees that would put them in default of their franchise agreement in the event of non-payment under the lease. We believe these cross-default provisions significantly reduce the risk that we will be required to make payments under these leases, although such risk may not be reduced in the context of a bankruptcy or other similar restructuring of a large franchisee or group of franchisees. Accordingly, the liability recorded for our expected exposure under such leases at both December 31, 2024 and 2023 was not material.

Insurance Programs

We are self-insured for a substantial portion of our current and prior years' coverage including property and casualty losses. To mitigate the cost of our exposures for certain property and casualty losses, we self-insure the risks of loss up to defined maximum per occurrence retentions on a line-by-line basis. The Company then purchases insurance coverage, up to a certain limit, for losses that exceed the self-insurance per occurrence retention. The insurers' maximum aggregate loss limits are significantly above our actuarially determined probable losses; therefore, we believe the likelihood of losses exceeding the insurers' maximum aggregate loss limits is remote.

The following table summarizes the 2024 and 2023 activity related to our net self-insured property and casualty reserves as of December 31, 2024.

	Beginning Balance	Expense	Payments	Ending Balance
2024 Activity	$ 48	36	(32)	$ 52
2023 Activity	$ 50	35	(37)	$ 48

Due to the inherent volatility of actuarially determined property and casualty loss estimates, it is reasonably possible that we could experience changes in estimated losses which could be material. We believe that we have recorded reserves for property and casualty losses at a level which has substantially mitigated the potential negative impact of adverse developments and/or volatility.

In the U.S. and in certain other countries, we are also self-insured for healthcare claims and long-term disability for eligible participating employees subject to certain deductibles and limitations. We have accounted for our retained liabilities for property and casualty losses, healthcare and long-term disability claims, including reported and incurred but not reported claims, based on information provided by independent actuaries.

Legal Proceedings

We are subject to various claims and contingencies related to lawsuits, real estate, environmental and other matters arising in the normal course of business. An accrual is recorded with respect to claims or contingencies for which a loss is determined to be probable and reasonably estimable.

India Regulatory Matter

Yum! Restaurants India Private Limited ("YRIPL"), a YUM subsidiary that operates KFC and Pizza Hut restaurants in India, is the subject of a regulatory enforcement action in India (the "Action"). The Action alleges, among other things, that KFC International Holdings, Inc. and Pizza Hut International failed to satisfy certain conditions imposed by the Secretariat for Industrial Approval in 1993 and 1994 when those companies were granted permission for foreign investment and operation in India. The conditions at issue include an alleged minimum investment commitment and store build requirements as well as limitations on the remittance of fees outside of India.

The Action originated with a complaint and show cause notice filed in 2009 against YRIPL by the Deputy Director of the Directorate of Enforcement ("DOE") of the Indian Ministry of Finance following an income tax audit for the years 2002 and 2003. The matter was argued at various hearings in 2015, but no order was issued. Following a change in the incumbent official holding the position of Special Director of DOE (the "Special Director"), the matter resumed in 2018 and several additional hearings were conducted.

On January 29, 2020, the Special Director issued an order imposing a penalty on YRIPL and certain former directors of approximately Indian Rupee 11 billion, or approximately $130 million. Of this amount, $125 million relates to the alleged failure to invest a total of $80 million in India within an initial seven-year period. We have been advised by external counsel that the order is flawed and have filed a writ petition with the Delhi High Court, which granted an interim stay of the penalty order on March 5, 2020. In November 2022, YRIPL was notified that an administrative tribunal bench had been constituted to hear an appeal by DOE of certain findings of the January 2020 order, including claims that certain charges had been wrongly dropped and that an insufficient amount of penalty had been imposed. A hearing with the administrative tribunal that had been scheduled for January 21, 2025 has been rescheduled to March 18, 2025. A hearing scheduled for February 4, 2025, before the Delhi High Court has been continued to April 29, 2025, and the stay order remains in effect. We deny liability and intend to continue vigorously defending this matter. We do not consider the risk of any significant loss arising from this order to be probable.

Other Matters

We are currently engaged in various other legal proceedings and have certain unresolved claims pending, the ultimate liability for which, if any, cannot be determined at this time. However, based upon consultation with legal counsel, we are of the opinion that such proceedings and claims are not expected to have a material adverse effect, individually or in the aggregate, on our Consolidated Financial Statements.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure .

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based on the evaluation, performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO"), the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control – Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

We have excluded from the scope of management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024, the operations and related assets of two franchisee entities that owned 216 KFC restaurants in the U.K. and Ireland, which we acquired on April 29, 2024. The total assets and revenues excluded represented approximately 6% and 4% of the Company's respective consolidated total assets and total revenues as of and for the year ended December 31, 2024.

KPMG LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and the effectiveness of our internal control over financial reporting and has issued their report, included herein.

Changes in Internal Control

There were no changes with respect to the Company's internal control over financial reporting or in other factors that materially affected, or are reasonably likely to materially affect, internal control over financial reporting during the quarter ended December 31, 2024.

Item 9B. Other Information.

Securities Trading Plans

During the three months ended December 31, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K, except as follows:

Name/Title	Type of Plan	Adoption Date	End Date	Aggregate Number of Securities to be Sold	Plan Description
David Gibbs / Chief Executive Officer	Rule 10b5-1 trading plan	December 4, 2024	April 30, 2026	109,716[(1)]	Exercise of Stock Appreciation Rights and Sale of Resulting Shares
Tracy Skeans/Chief Operating Officer and Chief People & Culture Officer	Rule 10b5-1 trading plan	December 3, 2024	December 31, 2025	32,964[(2)]	Sale of Shares/Sale of Resulting Shares from PSU Vesting
Erika Burkhardt/Chief Legal Officer and Corporate Secretary	Rule 10b5-1 trading plan	December 3, 2024	September 30, 2025	1,800[(3)]	Sale of Resulting Shares from RSU Vesting/Exercise of Stock Appreciation Rights and Sale of Resulting shares

(1) Represents the number of shares of common stock underlying the stock appreciation rights awards specified in the plan. The actual number of shares of common stock to be received and sold following the exercise of the awards will depend upon the appreciation in the value of the awards and the number of shares withheld for any taxes.

(2) Represents 10,434 outstanding shares of common stock and the number shares of common stock to be received upon vesting of the performance share unit awards specified in the plan (assuming maximum performance). The actual number of shares of common stock to be received and sold following the vesting of the performance share unit awards will depend upon the Company's performance, dividend equivalent accruals and the number of shares withheld for any taxes.

(3) Represents the number of shares of common stock underlying the restricted stock unit awards and stock appreciation rights awards specified in the plan. The actual number of shares of common stock to be received and sold following the exercise of the stock appreciation rights awards will depend upon the appreciation in the value of the stock appreciation rights awards and the number of shares withheld for any taxes. The actual number of shares of common stock to be received and sold following the vesting of the restricted stock unit awards will depend upon dividend equivalent accruals and the number of shares withheld for any taxes.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information regarding Section 16(a) compliance, the Audit Committee and the Audit Committee financial expert, the Company's code of ethics and background of the directors appearing under the captions "Stock Ownership Information," "Governance of the Company," "Executive Compensation" and "Item 1: Election of Directors" is incorporated by reference from the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2024.

Information regarding executive officers of the Company is included in Part I.

Item 11. Executive Compensation.

Information regarding executive and director compensation and the Management Planning and Development Committee appearing under the captions "Governance of the Company" and "Executive Compensation" is incorporated by reference from the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information regarding equity compensation plans and security ownership of certain beneficial owners and management appearing under the captions "Executive Compensation" and "Stock Ownership Information" is incorporated by reference from the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2024.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information regarding certain relationships and related transactions and information regarding director independence appearing under the caption "Governance of the Company" is incorporated by reference from the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2024.

Item 14. Principal Accountant Fees and Services.

Our independent registered public accounting firm is KPMG, LLP , Louisville, Kentucky , Auditor Firm ID: 185 .

Information regarding principal accountant fees and services and audit committee pre-approval policies and procedures appearing under the caption "Item 2: Ratification of Independent Auditors" is incorporated by reference from the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements: Consolidated Financial Statements filed as part of this report are listed under Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules: No schedules are required because either the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements thereto filed as a part of this Form 10-K.

(3) Exhibits: The exhibits listed in the accompanying Exhibit Index are filed as part of this Form 10-K. The Index to Exhibits specifically identifies each management contract or compensatory plan required to be filed as an exhibit to this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-K annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 19, 2025

YUM! BRANDS, INC.

By: /s/ David Gibbs

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed on February 19, 2025, by the following persons on behalf of the registrant and in the capacities indicated.

Signature	**Title**
/s/ David Gibbs	Chief Executive Officer
David Gibbs	(principal executive officer)
/s/ Chris Turner	Chief Financial Officer
Chris Turner	(principal financial officer)
/s/ David Russell	Senior Vice President, Finance and Corporate Controller
David Russell	(principal accounting officer)
/s/ Paget Alves	Director
Paget Alves	
/s/ Keith Barr	Director
Keith Barr	
/s/ Brett Biggs	Director
Brett Biggs	
/s/ Christopher Connor	Director
Christopher Connor	
/s/ Brian Cornell	Director
Brian Cornell	
/s/ Tanya Domier	Director
Tanya Domier	
/s/ Susan Doniz	Director
Susan Doniz	
/s/ Mirian Graddick-Weir	Director
Mirian Graddick-Weir	
/s/ Thomas Nelson	Director
Thomas Nelson	
/s/ Justin Skala	Director
Justin Skala	
/s/ Annie Young-Scrivner	Director
Annie Young-Scrivner	

Yum! Brands, Inc.
Exhibit Index
(Item 15)

Exhibit Number	Description of Exhibits
2.1	Separation and Distribution Agreement, dated as of October 31, 2016, by and among YUM, Yum Restaurants Consulting (Shanghai) Company Limited and Yum China Holdings, Inc., which is incorporated herein by reference from Exhibit 2.1 to YUM's Report on Form 8-K filed on November 3, 2016.
3.1	Restated Articles of Incorporation of YUM, effective May 26, 2011, which is incorporated herein by reference from Exhibit 3.1 to YUM's Report on Form 8-K filed on May 31, 2011.
3.2	Amended and restated Bylaws of YUM, effective November 12, 2021, which are incorporated herein by reference from Exhibit 3.2 to YUM's Report on Form 8-K filed on November 17, 2021.
4.1	Indenture, dated as of May 1, 1998, between YUM and The Bank of New York Mellon Trust Company, N.A., successor in interest to The First National Bank of Chicago, which is incorporated herein by reference from Exhibit 4.1 to YUM's Report on Form 8-K filed on May 13, 1998.
	(i) 6.875% Senior Notes due November 15, 2037, issued under the forgoing May 1, 1998, indenture, which notes are incorporated by reference from Exhibit 4.3 (included in Exhibit 4.1) to YUM's Report on Form 8-K filed on October 22, 2007.
	(ii) 5.350% Senior Notes due November 1, 2043, issued under the forgoing May 1, 1998, indenture, which notes are incorporated by reference from Exhibit 4.3 (included in Exhibit 4.1) to YUM's Report on Form 8-K filed October 31, 2013.
4.2	Indenture, dated as of September 25, 2020 by and between YUM and U.S. Bank National Association, as Trustee, which is incorporated herein by reference from Exhibit 4.1 to YUM's Report on Form 8-K filed on September 25, 2020.
4.2.1	First Supplemental Indenture, dated as of September 25, 2020 by and between YUM and U.S. Bank National Association, as Trustee, relating to the 3.625% Notes due 2031, which is incorporated herein by reference from Exhibit 4.2 to YUM's Report on Form 8-K filed on September 25, 2020.
4.2.2	Second Supplemental Indenture, dated as of April 1, 2021, by and between the Company and U.S. Bank National Association, as Trustee, relating to the 4.625% Notes due 2032, which is incorporated herein by reference from Exhibit 4.1. to YUM's Report on Form 8-K filed April 1, 2021.
4.2.3	Third Supplemental Indenture, dated as of April 1, 2022, by and between the Company and U.S. Bank Trust Company, National Association, as Trustee, relating to the 5.375% Notes due 2032, which is incorporated herein by reference from Exhibit 4.1. to YUM's Report on Form 8-K filed April 1, 2022.
4.3	Description of Securities registered under Section 12 of the Securities Exchange Act of 1934 (Common Stock), which is incorporated herein by reference from Exhibit 4.2 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.
10.1	Credit Agreement, dated as of June 16, 2016, by and among Pizza Hut Holdings, LLC, KFC Holding Co., and Taco Bell of America, LLC, as the borrowers, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA, Wells Fargo Securities, LLC, Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley Senior Funding, Inc., Fifth Third Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Joint Lead Arrangers and Joint Bookrunners, Barclays Bank PLC, The Bank of Nova Scotia, Cooperatieve Rabobank U.A., New York Branch, and Industrial and Commercial Bank of China Limited, New York Branch, as Co-Documentation Agents and Co-Managers, which is incorporated herein by reference from Exhibit 4.1 to YUM's Quarterly Report on Form 10-Q for the quarter ended June 11, 2016.

Exhibit Number	Description of Exhibits
10.1.1	Refinancing Amendment No. 7, dated as of April 26, 2024, to Credit Agreement dated as of June 16, 2016, among Pizza Hut Holdings, LLC, KFC Holding Co. and Taco Bell of America, LLC, as borrowers, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Collateral Agent, Swing Line Lender, an L/C Issuer and Administrative Agent for the Lenders, which is incorporated herein by reference from Exhibit 10.1 to YUM's Report on Form 8-K filed on April 26, 2024 (including as Annex I thereto a conformed copy of the Credit Agreement reflecting all Amendments through Amendment No. 7).
10.2†	YUM Director Deferred Compensation Plan, as effective October 7, 1997, which is incorporated herein by reference from Exhibit 10.7 to YUM's Annual Report on Form 10-K for the fiscal year ended December 27, 1997.
10.2.1†	YUM Director Deferred Compensation Plan, Plan Document for the 409A Program, as effective January 1, 2023, which is incorporated herein by reference from Exhibit 10.2.1 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
10.3†	YUM Executive Incentive Compensation Plan, as effective May 20, 2004, and as Amended through the Second Amendment, as effective May 21, 2009, which is incorporated herein by reference from Exhibit A of YUM's Definitive Proxy Statement on Form DEF 14A for the Annual Meeting of Shareholders held on May 21, 2009.
10.4†	YUM Executive Income Deferral Program, as effective October 7, 1997, and as amended through May 16, 2002, which is incorporated herein by reference from Exhibit 10.10 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.
10.4.1†	YUM! Brands Executive Income Deferral Program, Plan Document for the 409A Program, as effective January 1, 2005, and as Amended and Restated as of January 1, 2024, as attached herein.
10.5†	YUM! Brands Pension Equalization Plan, Plan Document for the Pre-409A Program, as effective January 1, 2005, and as Amended through December 31, 2010, which is incorporated by reference from Exhibit 10.7 to YUM's Quarterly Report on Form 10-Q for the quarter ended March 19, 2011.
10.5.1†	The Yum! Brands, Inc. Pension Equalization Plan, Restated Plan Document for the 409A Program effective January 1, 2005, and as Amended and Restated as of January 1, 2023, which is incorporated herein by reference from Exhibit 10.5.1 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
10.6†	Form of Directors' Indemnification Agreement, which is incorporated herein by reference from Exhibit 10.17 to YUM's Annual Report on Form 10-K for the fiscal year ended December 27, 1997.
10.7†	Form of Yum! Brands, Inc. Change in Control Severance Agreement, which is incorporated herein by reference from Exhibit 10.1 to YUM's Report on Form 8-K filed on March 21, 2013.
10.8†	YUM! Long Term Incentive Plan, as Amended and Restated effective as of May 20, 2016, as incorporated by reference from Form DEF 14A filed on April 8, 2016.
10.9†	YUM SharePower Plan, as effective October 7, 1997, and as amended through June 23, 2003, which is incorporated herein by reference from Exhibit 10.23 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.
10.10†	Form of YUM Director Stock Option Award Agreement, which is incorporated herein by reference from Exhibit 10.25 to YUM's Quarterly Report on Form 10-Q for the quarter ended September 4, 2004.

Exhibit Number	Description of Exhibits
10.11.1†	Form of YUM 1999 Long Term Incentive Plan Award Agreement (2015) (Stock Options), which is incorporated herein by reference from Exhibit 10.15.2 to YUM's Annual Report on Form 10-K for the fiscal year ended December 27, 2014.
10.11.2†	Form of YUM Long Term Incentive Plan Global YUM! Non-Qualified Stock Option Agreement (2019), which is incorporated herein by reference from Exhibit 10.11.3 to YUM's Quarterly Report on Form 10-Q filed on May 8, 2019.
10.12†	Yum! Brands, Inc. International Retirement Plan, as in effect January 1, 2005, which is incorporated herein by reference from Exhibit 10.27 to YUM's Annual Report on Form 10-K for the fiscal year ended December 25, 2004.
10.13.1†	Form of YUM 1999 Long Term Incentive Plan Award Agreement (2015) (Stock Appreciation Rights), which is incorporated herein by reference from Exhibit 10.18.2 to YUM's Annual Report on Form 10-K for the fiscal year ended December 27, 2014.
10.13.2†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global YUM! Stock Appreciation Rights Agreement (2019), which is incorporated herein by reference from Exhibit 10.13.3 to YUM's Quarterly Report on Form 10-Q filed on May 8, 2019.
10.13.3†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global YUM! Stock Appreciation Rights Agreement (2024), which is incorporated herein by reference from Exhibit 10.3 to YUM's Quarterly Report on Form 10-Q filed on May 7, 2024.
10.13.4†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global Restricted Stock Unit Agreement (2019), which is incorporated herein by reference from Exhibit 10.20 to YUM's Quarterly Report on Form 10-Q filed on May 8, 2019.
10.13.5†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global Restricted Stock Unit Agreement (2022), as effective February 11, 2022, which is incorporated herein by reference from Exhibit 10.13.5 to YUM's Quarterly Report on Form 10-Q filed on May 10, 2022.
10.13.6†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global Restricted Stock Unit Agreement (2023), as effective February 10, 2023, which is incorporated herein by reference from Exhibit 10.13.5 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.
10.13.7†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global Restricted Stock Unit Agreement (2024), as effective February 9, 2024, which is incorporated herein by reference from Exhibit 10.2 to YUM's Quarterly Report on Form 10-Q filed on May 7, 2024.
10.13.8†	Yum! Brands, Inc. Long Term Incentive Plan Form of Global Performance Share Unit Agreement (2021), which is incorporated herein by reference from Exhibit 10.20 to YUM's Quarterly Report on Form 10-Q filed on May 5, 2021.
10.13.9†	Yum! Brands Inc. Long Term Incentive Plan Form of Global Performance Share Unit Agreement (2023), which is incorporated herein by reference from Exhibit 10.26 to YUM's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
10.13.10†	Yum! Brands Inc. Long Term Incentive Plan Form of Global Performance Share Unit Agreement (2024), which is incorporated herein by reference from Exhibit 10.4 to YUM's Quarterly Report on Form 10-Q filed on May 7, 2024.
10.14†	YUM! Brands Leadership Retirement Plan, as in effect January 1, 2005, which is incorporated herein by reference from Exhibit 10.32 to YUM's Quarterly Report on Form 10-Q for the quarter ended March 24, 2007.
10.14.1†	YUM! Brands Leadership Retirement Plan, Plan Document for the 409A Program, as effective January 1, 2005, and as Amended and Restated as of January 1, 2021, which is incorporated herein by reference from Exhibit 10.14.1 to YUM's Annual Report on Form 10-K filed on February 23, 2022.

Exhibit Number	Description of Exhibits
10.15†	YUM! Performance Share Plan, as amended and restated January 1, 2013, which is incorporated by reference from Exhibit 10.1 to YUM's Quarterly Report on Form 10-Q for the quarter ended June 13, 2015.
10.16†	YUM! Brands Third Country National Retirement Plan, as effective January 1, 2009, which is incorporated by reference from Exhibit 10.25 to YUM's Annual Report on Form 10-K for the fiscal year ended December 26, 2009.
10.16.1†	YUM! Brands Third Country National Retirement Plan Amendment, as effective January 1, 2021, which is incorporated herein by reference from Exhibit 10.16.1 to YUM's Annual Report on Form 10-K filed on February 23, 2022.
10.17†	2010 YUM! Brands Supplemental Long Term Disability Coverage Summary, as effective January 1, 2010, which is incorporated by reference from Exhibit 10.26 to YUM's Annual Report on Form 10-K for the fiscal year ended December 26, 2009.
10.18	Indenture, dated as of June 15, 2017, by and among KFC Holding Co., Pizza Hut Holdings, LLC and Taco Bell of America, LLC, as issuers, the Guarantors named therein and The Bank of New York Mellon Trust Company , N.A., as trustee, which is incorporated herein by reference from Exhibit 4.1 to YUM's Report on Form 8-K filed on June 16, 2017.
10.19	Base Indenture, dated as of May 11, 2016, between Taco Bell Funding, LLC, as issuer and Citibank, N.A., as trustee and securities intermediary, which is incorporated herein by reference from Exhibit 4.1 to YUM's Report on Form 8-K filed on May 16, 2016.
10.19.1	Series 2016-1 Supplement to Base Indenture dated as of May 11, 2016, by and between Taco Bell Funding, LLC, as issuer and Citibank,N.A. as Trustee and Series 2016-1 securities intermediary , which is incorporated herein by reference from Exhibit 4.2 to YUM's Report on Form 8-K filed on May 16, 2016.
10.19.2	Series 2018-1 Supplement to Base Indenture, dated as of November 28, 2018, by and between the Issuer and Citibank, N.A. as Trustee and Series 2018-1 securities intermediary, which is incorporated herein by reference from Exhibit 10.1 to YUM's Report on Form 8-K filed on December 3, 2018.
10.19.3	Series 2021-1 Supplement to Amended and Restated Base Indenture, dated as of August 19, 2021, by and between Taco Bell Funding, LLC, as issuer, and Citibank, N.A. as trustee and Series 2021-1 securities intermediary, which is incorporated herein by reference from Exhibit 10.2 to YUM's Report on Form 8-K filed on August 25, 2021.
10.19.4	Amendment No. 1 to Base Indenture, dated as of August 23, 2016, by and between the Issuer and Citibank, N.A. as Trustee and Series 2016-1 securities intermediary, which is incorporated herein by reference from Exhibit 10.22.3 to YUM's Annual Report on Form 10-K for fiscal year ended December 31, 2018.
10.19.5	Amendment No. 2 to Base Indenture, dated as of November 28, 2018, by and between the Issuer and Citibank, N.A. as Trustee and the Series 2018-1 securities intermediary, which is incorporated herein by reference from Exhibit 10.2 to YUM's Report on Form 8-K filed on December 3, 2018.
10.19.6	Amended and Restated Base Indenture, dated as of August 19, 2021, by and between Taco Bell Funding, LLC, as issuer, and Citibank, N.A. as trustee and the Series 2021-1 securities intermediary, which is incorporated herein by reference from Exhibit 10.1 to YUM's Report on Form 8-K filed on August 25, 2021.
10.20	Guarantee and Collateral Agreement, dated as of May 11, 2016, by Taco Bell Franchise Holder 1, LLC, Taco Bell Franchisor, LLC, Taco Bell IP Holder, LLC and Taco Bell Franchisor Holdings, LLC in favor of Citibank, N.A., which is incorporated herein by reference from Exhibit 10.2 to YUM's Report on Form 8-K filed on May 16, 2016.

Exhibit Number	Description of Exhibits
10.21	Amended and Restated Management Agreement, dated as of August 19, 2021, by and between Taco Bell Funding, LLC, as issuer, Taco Bell Franchise Holder 1, LLC, Taco Bell Franchisor, LLC, Taco Bell IP Holder, LLC, Taco Bell Franchisor Holdings, LLC and Taco Bell Corp., as manager, and Citibank, N.A. as trustee, which is incorporated herein by reference from Exhibit 10.3 to YUM's Report on Form 8-K filed on August 25, 2021.
10.22	Indenture, dated as of September 11, 2019, by and between Yum and The Bank of New York Mellon Trust Company, N.A., as trustee, which is incorporated herein by reference from Exhibit 4.1 to YUM's Report on Form 8-K filed on September 16, 2019.
10.23	Master License Agreement, dated as of October 31, 2016, by and between Yum! Restaurants Asia Pte. Ltd. and Yum Restaurants Consulting (Shanghai) Company Limited, which is incorporated herein by reference from Exhibit 10.1 to YUM's Report on Form 8-K filed on November 3, 2016.
10.23.1	Confirmatory License Agreement, dated as of January 1, 2020, by and between YRI China Franchising, LLC and Yum Restaurants Consulting (Shanghai) Company Limited, which is incorporated herein by reference from Exhibit 10.26.1 to YUM's Annual Report on Form 10-K for the fiscal y ear ended December 31, 2020.
10.23.2	Amendment No. 1 to Master License Agreement, dated as of April 15, 2022, by and between Yum! Restaurants Asia Pte. Ltd. And Yum Restaurants Consulting (Shanghai) Company Limited, which is incorporated herein by reference from Exhibit 10.26.1 to YUM's Quarterly Report on Form 10-Q filed on May 10, 2022.
10.23.3	Tax Matters Agreement, dated as of October 31, 2016, by and among YUM, Yum China Holdings, Inc. and Yum Restaurants Consulting (Shanghai) Company Limited, which is incorporated herein by reference from Exhibit 10.2 to YUM's Report on Form 8-K filed on November 3, 2016.
10.24†	Resignation and Transition Services Agreement, dated as of January 10, 2025, by and between Kentucky Fried Chicken Canada Company, YUM! Brands, Inc. and Sabir Sami, as attached herein.
19.1	YUM! Brands, Inc. Policy Regarding Transactions in YUM! Securities By Covered Employees and Disclosure of Material Nonpublic Information, as attached herein.
19.2	YUM! Brands, Inc. Policy Regarding Transactions in YUM! Securities By Executive Officers, as attached herein.
19.3	YUM! Brands, Inc. Policy Regarding Transactions in YUM! Securities By Directors, as attached herein.
19.4	Insider Trading Provisions from YUM! Brands, Inc. Global Code of Conduct, as attached herein.
21.1	Active Subsidiaries of YUM.
23.1	Consent of KPMG LLP.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1†	Yum! Brands Inc. Compensation Recovery Policy, Amended and Restated November 16, 2023, which is incorporated by reference from Exhibit 97.1 to YUM's Annual Report on Form-10K for the fiscal year ended 31 December, 2023.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

Exhibit Number	Description of Exhibits
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Indicates a management contract or compensatory plan.

YUM! BRANDS

EXECUTIVE INCOME

DEFERRAL PROGRAM

Plan Document for the 409A Program
Restated as of January 1, 2024

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ARTICLE I – INTRODUCTION

YUM! Brands, Inc. (the "Company") established the YUM! Brands Executive Income Deferral Program (the "Plan") in 1997 to permit Eligible Executives to defer compensation and other awards made under its executive compensation programs. Deferrals under the Plan that were earned and vested on or before December 31, 2004 are governed by a separate set of documents that set forth the pre-Section 409A terms of the Plan (the "Pre-409A Program"). The terms of the Plan that are applicable to deferrals that are subject to Section 409A, *i.e.*, generally, deferred amounts that are earned or vested after December 31, 2004 (the "409A Program") are governed by this document. This document sets forth the 409A Program and was initially effective as of January 1, 2005 (the "Effective Date"). Subsequently, the document for the 409A Program was restated effective January 1, 2009. Except as otherwise provided herein, this document reflects the provisions in effect from and after January 1, 2009, and the rights and benefits of individuals who are Participants in the Plan from and after that date (and of those claiming through or on behalf of such individuals) shall be governed by the provisions of this document in the case of actions and events occurring on or after the Effective Date with respect to deferrals that are subject to the 409A Program. For purposes of the preceding sentence, the term "actions and events" shall include all distribution trigger events and dates. The rights and benefits with respect to persons who only participated in the Plan prior to January 1, 2005 shall be governed by the applicable provisions of the Pre-409A Program documents that were in effect at such time, and shall not be governed by the 409A Program documents.

This document for the 409A Program has been periodically amended after the Effective Date. The current document, restated effective January 1, 2024, includes all amendments adopted through 2024. Where applicable, this document contains specific effective dates for these and certain other amendments that are effective after January 1, 2009.

Together, the documents for the 409A Program and the documents for the Pre-409A Program describe the terms of a single plan. However, amounts subject to the terms of the 409A Program and amounts subject to the terms of the Pre-409A Program shall be tracked separately at all times. The preservation of the terms of the Pre-409A Program, without material modification, and the separation between the 409A Program amounts and the Pre-409A Program amounts are intended to permit the Pre-409A Program to remain exempt from Section 409A, and the administration of the Plan shall be consistent with this intent.

For federal income tax purposes, the Plan is intended to be a nonqualified deferred compensation plan that is unfunded and unsecured. For purposes of ERISA, the Plan is intended to be a plan described in Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA (*i.e.*, an ERISA "top-hat" plan) providing benefits on an unfunded basis to a select group of management or highly compensated employees.

ARTICLE II – DEFINITIONS

When used in this Plan, the following underlined terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.01 Account:

The account maintained for a Participant on the books of his or her Employer to determine, from time to time, the Participant's interest under this Plan. The balance in such Account shall be determined by the Recordkeeper pursuant to any guidelines established by the Plan Administrator. Each Participant's Account shall consist of at least one Deferral Subaccount for each separate deferral under Section 4.01. In accordance with Section 5.05, some or all of a separate deferral may be held in a Risk of Forfeiture Subaccount. The Recordkeeper may also establish such additional Deferral Subaccounts as it deems necessary for the proper administration of the Plan. Except as provided in Section 5.05, the Recordkeeper may also combine Deferral Subaccounts to the extent it deems separate accounts are not needed for sound recordkeeping. Where appropriate, a reference to a Participant's Account shall include a reference to each applicable Deferral Subaccount that has been established thereunder.

2.02 Act:

The Securities Exchange Act of 1934, as amended from time to time.

2.03 Base Compensation:

An Eligible Executive's adjusted base salary, to the extent payable in U.S. dollars from an Employer's U.S. payroll (as modified by the provisions of Section 3.01(a)). For any applicable payroll period, an Eligible Executive's adjusted base salary shall be determined after reductions for applicable tax withholdings, tax levies, garnishments, other legally required deductions, and Executive authorized deductions that are made under any Code Section 125 or other pre-tax welfare benefit plans sponsored by the Executive's Employer or the Company.

2.04 Beneficiary:

The person or persons (including a trust or trusts) properly designated by a Participant, as determined by the Recordkeeper (or the Plan Administrator, as applicable), to receive the amounts in one or more of the Participant's Deferral Subaccounts in the event of the Participant's death in accordance with Section 4.02(d).

2.05 Bonus Compensation:

An Eligible Executive's adjusted annual incentive award under his or her Employer's annual incentive plan and/or an Executive incentive compensation plan (including the YUM! Brands Leaders Bonus Program), to the extent payable in U.S. dollars from an Employer's U.S. payroll (as modified by the provisions of Section 3.01(a)). An Eligible Executive's annual incentive awards shall be adjusted to reduce them for applicable tax withholdings, tax levies, garnishments, other legally required deductions, and Executive authorized deductions that are

made under any Code Section 125 or other pre-tax welfare benefit plans sponsored by the Executive's Employer or the Company.

2.06 Code:

The Internal Revenue Code of 1986, as amended from time to time.

2.07 Company:

YUM! Brands, Inc., a corporation organized and existing under the laws of the State of North Carolina, or its successor or successors.

2.08 Deferral Subaccount:

A subaccount of a Participant's Account maintained to reflect his or her interest in the Plan attributable to each deferral (or separately tracked portion of a deferral) of Base Compensation, Bonus Compensation and Signing Bonus, and earnings or losses credited to such subaccount in accordance with Section 5.01(b).

2.09 Disability:

Subject to the last sentence of this Section 2.09, a Participant shall be considered to suffer from a Disability, if, in the judgment of the Plan Administrator (based on the provisions of Section 409A and any guidelines established by the Plan Administrator for this purpose), the Participant –

(a) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or

(b) By reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, is receiving income replacement benefits for a period of not less than 3 months under an accident and health plan of the Company (including the YUM! Brands Short-Term Disability Plan and the YUM! Brands Long-Term Disability Plan).

Solely for those Participants who are otherwise eligible for Social Security, a Participant who is determined to be totally disabled by the Social Security Administration will be deemed to satisfy the requirements of subsection (a), and a Participant who has not been determined to be totally disabled by the Social Security Administration will be deemed to not meet the requirements of subsection (a).

2.10 Distribution Valuation Date:

Each date as specified by the Plan Administrator from time to time as of which Participant Accounts are valued for purposes of a distribution from a Participant's Account. The current Distribution Valuation Dates are March 31, June 30, September 30 and December 31 (on

and after January 1, 2025, the Distribution Valuation Dates will be March 31, and September 30). Any current Distribution Valuation Date may be changed by the Plan Administrator, provided that such change does not result in a change in when deferrals are paid out that is impermissible under Section 409A. Values are determined as of the close of a Distribution Valuation Date or, if such date is not a business day, as of the close of the preceding business day.

2.11 Election Form:

The form prescribed by the Plan Administrator on which a Participant specifies the amount of his or her Base Compensation, Bonus Compensation or Signing Bonus to be deferred and the timing and form of his or her deferral payout, pursuant to the provisions of Article IV. An Election Form need not exist in a paper format, and it is expressly authorized that the Plan Administrator may make available for use such technologies, including voice response systems, Internet-based forms and any other electronic forms for use as an Election Form, as it deems appropriate from time to time.

2.12 Eligible Executive:

The term, Eligible Executive, shall have the meaning given to it in Section 3.01(a)(1).

2.13 Employer:

The Company and each division, subsidiary or affiliate of the Company (if any) that is currently designated as an Employer for purposes of this Plan by the Plan Administrator. An entity shall be an Employer hereunder only for the period that it is (i) so designated by the Plan Administrator, and (ii) a member of the YUM! Brands Organization.

2.14 ERISA:

Public Law 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.15 Executive:

Any person classified (as determined by the Plan Administrator in its sole discretion) in the employment records of an Employer as an Executive who (i) is receiving remuneration for personal services rendered in the employment of the Employer, and (ii) is paid in U.S. dollars from the Employer's U.S. payroll. Notwithstanding the foregoing sentence, any person meeting the requirements of the foregoing sentence who is working outside the U.S. shall not be included as an Executive hereunder, if applicable local law of the country in which the person is working (*e.g.*, local law relating to the payment of compensation) does not permit the person to defer the receipt of compensation that is eligible for deferral hereunder. An individual shall not be treated as being in an Executive classification of an Employer, as of a particular time, unless the individual is formally assigned to an executive classification by the Employer as of such time. Such assignment can only be given to an individual in the unrestricted discretion of the Employer, and the purported nature of the individual's role with the Employer is irrelevant in

determining classification as an Executive under the Plan. An individual who is classified by an Employer as an independent contractor or in another non-employee position shall not be treated as an Executive. Any ambiguity or conflict in the employment records that relate to classification as an Executive shall be resolved to deny classification as an Executive. The Plan Administrator shall determine whether an individual may be classified as an Executive in its sole discretion.

2.16 Fair Market Value:

For purposes of converting a Participant's deferrals to phantom YUM! Brands Common Stock as of any date, the Fair Market Value of such stock is the closing price on such date (or if such date is not a trading date, the first date immediately following such date that is a trading date) for YUM! Brands Common Stock as reported on the composite tape for securities listed on the New York Stock Exchange, Inc., rounded to two decimal places. For purposes of determining the cash value of a Plan distribution, the Fair Market Value of phantom YUM! Brands Common Stock is determined as the closing price on the applicable Distribution Valuation Date for YUM! Brands Common Stock as reported on the composite tape for securities listed on the New York Stock Exchange, Inc., rounded to two decimal places.

2.17 409A Program:

The program described in this document. The term "409A Program" is used to identify the portion of the Plan that is subject to Section 409A.

2.18 Grant Date:

In the case of Bonus Compensation, the date in a year that a Participant's Bonus Compensation, which is earned for services in the prior year, is granted to the Participant; in the case of a Signing Bonus, the date in a year that a newly hired Participant's Signing Bonus is granted to the Participant (as each such date is determined in the discretion of the Company).

2.19 Key Employee:

The individuals identified in accordance with the principles set forth below.

(a) General. Any Participant who at any time during the applicable year is:

(1) An officer of any member of the YUM! Brands Organization having annual compensation greater than $130,000 (as adjusted for the applicable year under Code Section 416(i)(1));

(2) A 5-percent owner of any member of the YUM! Brands Organization ; or

(3) A 1-percent owner of any member of the YUM! Brands Organization having annual compensation of more than $150,000.

For purposes of (1) above, no more than 50 employees identified in the order of their annual compensation shall be treated as officers. For purposes of this Section, annual compensation means compensation as defined in Treas. Reg. § 1.415(c)-2(a), without regard to Treas. Reg. §§ 1.415(c)-2(d), 1.415(c)-2(e), and 1.415(c)-2(g); provided, however, that effective as of the Key Employee identification date that occurs on December 31, 2009, annual compensation shall not include compensation excludible from an employee's gross income on account of the location of the services or the identity of the employer that is not effectively connected with the conduct of a trade or business in the United States, in accordance with Treas. Reg. § 1.415(c)-2(g)(5)(ii). The Plan Administrator shall determine who is a Key Employee in accordance with Code Section 416(i) and the applicable regulations and other guidance of general applicability issued thereunder or in connection therewith (provided, that Code Section 416(i)(5) shall not apply in making such determination), and provided further that the applicable year shall be determined in accordance with Section 409A and that any modification of the foregoing definition that applies under Section 409A shall be taken into account.

(b) Operating Rule. The provisions of this definition shall be interpreted and applied in all respects to comply with Code Section 409A.

2.20 Matching Stock Fund:

A phantom investment fund that permits an Eligible Executive to defer Bonus Compensation and a Signing Bonus for phantom investment solely in YUM! Brands Common Stock that is matched in accordance with Section 5.02(b).

2.21 NAV:

The net asset value of a phantom unit in one of the phantom funds offered for investment under the Plan, determined as of any date in the same manner as applies on that date under the actual fund that is the basis of the phantom fund offered by the Plan.

2.22 Participant:

Any Executive who is qualified to participate in this Plan in accordance with Section 3.01 and who has an Account. An active Participant is one who is currently deferring under Section 4.01.

2.23 Performance Period:

The 12-month period (which shall generally correspond to the calendar year) for which Bonus Compensation is calculated and determined. A Performance Period shall be deemed to relate to the Plan Year in which the Performance Period ends.

2.24 Plan:

The YUM! Brands Executive Income Deferral Program, the plan set forth herein and in the Pre-409A Program documents, as it may be amended and restated from time to time (subject to the limitations on amendment that are applicable hereunder and under the Pre-409A Program).

2.25 Plan Administrator:

The Compensation Committee of the Board of Directors of the Company (Compensation Committee) or its delegate or delegates, which shall have the authority to administer the Plan as provided in Article VII. As of the Effective Date, the Company's Chief People Officer is delegated the responsibility for the operational administration of the Plan. In turn, the Chief People Officer has the authority to re-delegate operational responsibilities to other persons or parties. As of the Effective Date, the Chief People Officer has re-delegated certain operational responsibilities to the Recordkeeper and to the Company's Executive Compensation Department. However, references in this document to the Plan Administrator shall be understood as referring to the Compensation Committee, the Chief People Officer, the Company's Executive Compensation Department and any other parties delegated by the Chief People Officer other than the Recordkeeper. All delegations made under the authority granted by this Section are subject to Section 7.06.

2.26 Plan Year:

The 12-consecutive month period beginning on January 1 and ending on December 31.

2.27 Post-2023 Initial Deferrals:

Initial deferrals of Base Compensation that would otherwise be paid in 2024 or a later year and initial deferrals of Bonus Compensation that is earned for the 2024 Performance Period or a later Performance Period.

2.28 Pre-409A Program:

The portion of the Plan that governs deferrals that are not subject to Section 409A. The terms of the "Pre-409A Program" are set forth in a separate set of documents.

2.29 Pre-2024 Initial Deferrals:

Initial deferrals of Base Compensation that would otherwise be paid in 2023 or an earlier year and initial deferrals of Bonus Compensation that is earned for the 2023 Performance Period or an earlier Performance Period.

2.30 Recordkeeper:

For any designated period of time, the party that is delegated the responsibility, pursuant to the authority granted in the definition of Plan Administrator, to maintain the records of Participant Accounts, process Participant transactions and perform other duties in accordance with any procedures and rules established by the Plan Administrator.

2.31 Retirement:

A Participant's Separation from Service after attaining (whichever of the following occurs earlier): (a) at least age 55 with 10 or more years of service, or (b) at least age 65 with 5

or more years of service. A Participant's "years of service" shall be the Participant's "years of service" earned under the YUM! Brands Retirement Plan. If a Participant is not participating in the YUM! Brands Retirement Plan, "years of service" shall be determined based on the rules applicable to the YUM! Brands Retirement Plan, as if the Participant were participating in such plan.

2.32 Second Look Election:

The term, Second Look Election, shall have the meaning given to it in Section 4.05. A Second Look Election is also sometimes referred to as a "Relook Election".

2.33 Section 409A:

Section 409A of the Code and the applicable regulations and other guidance of general applicability that are issued thereunder.

2.34 Separation from Service:

A Participant's separation from service as defined in Section 409A, including (i) the rule that a Participant who is Disabled incurs a Separation from Service 29 months after the Participant is no longer actively rendering services to his/her Employer or the Company, and (ii) the default fifty percent (50%) test described in Treas. Reg. §1.409A-1(h)(3) to identify entities that are considered controlled affiliates of the Company. In the event a Participant also provides services other than as an Executive for the Company and its affiliates, as determined under the prior sentence, such other services shall not be taken into account in determining when a Separation from Service occurs to the extent permitted under Treas. Reg. § 1.409A-1(h)(5). The term may also be used as a verb (*i.e.*, "Separates from Service") with no change in meaning.

2.35 Signing Bonus:

Cash compensation that is paid to an Eligible Executive upon acceptance of an offer of employment with his/her Employer, to the extent payable in U.S. dollars from an Employer's U.S. payroll (as modified by applicable provisions of Section 3.01(a)). An Eligible Executive's Signing Bonus shall be determined after reductions for applicable tax withholdings, tax levies, garnishments, other legally required deductions, and Executive authorized deductions that are made under any Code Section 125 or other pre-tax welfare benefit plans sponsored by the Executive's Employer or the Company.

2.36 Specific Payment Date:

A specific date selected by an Eligible Executive that triggers a lump sum payment of a deferral or the start of installment payments for a deferral, as provided in Section 4.03 (and as applicable throughout the Plan with respect to distributions based on the attainment of age 80). The Specific Payment Dates that are available to be selected by Eligible Executives shall be determined by the Plan Administrator, and the currently available Specific Payment Dates shall be reflected on the Election Forms that are made available from time to time by the Plan

Administrator. The Plan's Specific Payment Dates from and after the Effective Date are as follows.

(a) Effective with respect to Post-2023 Initial Deferrals and Second Look Elections that are made on or after January 1, 2024, the Specific Payment Date for a Plan Year shall be April 1.

(b) The Specific Payment Dates for elections that precede those to which subsection (a) applies shall be:

(1) Prior to January 1, 2025, January 1, April 1, July 1, or October 1.

(2) Effective January 1, 2025, April 1 or October 1. Accordingly, a deferral that prior to 2025 would have been paid on January 1 of a Plan Year, in accordance with paragraph (1), shall be paid on April 1 of the Plan Year, and a deferral that prior to 2025 would have been paid on July 1 of a Plan Year, in accordance with paragraph (1), shall be paid on October 1 of the Plan Year.

2.37 Unforeseeable Emergency:

A severe financial hardship to the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary or the Participant's dependent (as defined in Code Section 152(a), without regard to Code Sections 152(b)(1), 152(b)(2) and 152(d)(1)(B)); (b) loss of the Participant's property due to casualty; or (c) any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The Recordkeeper shall determine the occurrence of an Unforeseeable Emergency in accordance with Treas. Reg. §1.409A-3(i)(3) and any guidelines established by the Plan Administrator.

2.38 U.S.:

The United States, comprised of its 50 states, the District of Columbia, and its possessions (other than Puerto Rico).

2.39 Valuation Date:

Each business day, as determined by the Recordkeeper, as of which Participant Accounts are valued in accordance with Plan procedures that are currently in effect. In accordance with procedures that may be adopted by the Plan Administrator, any current Valuation Date may be changed.

2.40 YUM! Brands Organization:

The controlled group of organizations of which the Company is a part, as defined by Code section 414(b) and (c) and the regulations issued thereunder. An entity shall be considered a member of the YUM! Brands Organization only during the period it is one of the group of organizations described in the preceding sentence.

ARTICLE III – ELIGIBILITY AND PARTICIPATION

3.01 Eligibility to Participate:

(a) In General.

(1) Subject to Paragraph (2) below and the election timing rules of Article IV, an Executive shall be eligible to defer compensation under the Plan upon (i) being hired by an Employer as an Executive classified as Level 12 or above (and while he or she remains so classified) or (ii) being promoted by an Employer from being classified as below Level 12 to being classified as in a Level 12 or above Executive position. However, an Eligible Executive who makes an irrevocable election to participate for a Plan Year shall remain an Eligible Executive for the remainder of the Plan Year (i) regardless of whether such Executive is subsequently classified in a salary band below Level 12 or (ii) regardless of whether such Executive subsequently is paid in non-U.S. dollars or is paid from a non-U.S. payroll; provided that the occurrence of such events shall cut off any election that has been made that has not yet required to become irrevocable in order to be timely in accordance with Section 409A.

(2) Notwithstanding Paragraph (1) above and subject to Section 7.06, from time to time the Plan Administrator may modify, limit or expand the class of Executives eligible to defer hereunder, pursuant to criteria for eligibility that need not be uniform among all or any group of Executives; provided that the Plan Administrator may remove an Executive from eligibility to participate effective only as of the end of a Plan Year when the Executive has made a deferral election for such Plan Year that has become irrevocable.

(b) During the period an individual satisfies all of the eligibility requirements of this Section, he or she shall be referred to as an Eligible Executive.

(c) Each Eligible Executive becomes an active Participant on the date an amount is first withheld from his or her compensation pursuant to an Election Form submitted by the Executive to the Recordkeeper (or, if authorized, the Plan Administrator) under Section 4.01.

(d) Acquisitions and Divestitures. A written agreement between an Employer and a party that is not part of the YUM! Brands Organization regarding the purchase or sale of a business unit, division, or subsidiary (“Business”) may provide for the termination or commencement of the participation of certain Business employees in this Plan. Absent a clear and specific provision in such agreement to the contrary:

(1) Each employee of a Business that is sold will cease being eligible for this Plan upon such sale; and

(2) No employee of a Business that is acquired will be eligible for this Plan except as the Plan Administrator may specify.

Unless otherwise specifically provided in the agreement, for purposes of Article IX, approval and execution of a binding written agreement of acquisition or divestiture by one or more Employers is approval by the Company of a qualifying designation of Plan eligibility (or ineligibility) contained in such agreement, as well as authorization from the Company to the Plan Administrator to carry out the provisions and intent of such agreement with respect to such qualifying designation.

3.02 Termination of Eligibility to Defer:

(a) General. An individual's eligibility to participate actively by making deferrals (or a deferral election) under Article IV shall cease upon the "Election Termination Date" (as defined below) occurring after the earliest of:

(1) Subject to Section 4.01(b), the date he or she Separates from Service; or

(2) The date that the Executive ceases to be eligible under criteria described in Section 3.01(a).

An individual's "Election Termination Date" shall be a date as soon as administratively practicable following the date in subsection (a) or (b) (or such other date as may be determined in accordance with rules of the Plan Administrator); provided that an Election Termination Date shall not affect any election already made that otherwise has become irrevocable in accordance with the rules of this Plan. However, the occurrence of an Election Termination Date shall terminate any election that has been made that is not yet required to become irrevocable in order to be timely in accordance with Section 409A.

(b) Special Rules for an Applicable Severance Program. Notwithstanding the provisions in subsection (a) above, an individual's eligibility to participate actively in this Plan by making deferrals (or a deferral election) under Article IV shall terminate to the extent provided in a severance program or severance arrangement of a Participant's Employer or the Company, or an Employer's employment or termination agreement with a Participant providing for severance pay and/or a general release of claims against the Employer (an "Approved Severance Program"). However, an Eligible Executive who makes an irrevocable election to participate for a Plan Year shall remain an Eligible Executive for the remainder of the Plan Year to the extent that he or she is receiving or will receive Base Compensation and Bonus Compensation under the Approved Severance Program; provided that the participation by a Participant in an Approved Severance Program (to the extent included in writing in the Approved Severance Program) shall cut off any election that has been made that is not yet required to be irrevocable in order to be timely in accordance with Section 409A.

3.03 Termination of Participation:

An individual, who has been an active Participant under the Plan, ceases to be a Participant on the date his or her Account is fully paid out; provided, however, even if a Participant's Account is fully paid out, participation shall continue under the Plan if there is an

expectation that the Participant shall be entitled to future benefits under the Plan or that a deferral will be credited to the Participant's Account in the future (*e.g.,* a deferral of Bonus Compensation that will be credited in a future year).

3.04 Express Waivers:

An individual is ineligible to participate if the individual is classified by the Employer as an Executive and has signed a written agreement with the Employer pursuant to which the individual either: (i) waives eligibility under this Plan, or (ii) agrees not to participate in the Plan. Subject to any applicable provisions in the Code or ERISA, written agreements may be entered into either before or after the executive becomes eligible for or begins participation in the Plan, and such written agreements may take any form that is deemed effective by the Company. This Section 3.04 shall apply effective with respect to agreements that are entered into on or after September 1, 2004. An agreement that is otherwise described in this Section 3.04 shall not bar an Executive's participation for the period before the earliest date such agreement may apply without violating the restrictions on elections under Section 409A. The Plan Administrator shall determine eligibility pursuant to this Section 3.04 in its sole discretion.

ARTICLE IV – DEFERRAL OF COMPENSATION

4.01 Deferral Election:

(a) Deferrals of Base Compensation.

(1) General. Subject to the provisions of subsection (a)(2) below, each Eligible Executive may make an election to defer Base Compensation under the Plan in any whole percentage up to 85% of his or her Base Compensation in the manner described in Section 4.02. Effective as of January 1, 2023, the Plan Administrator may apply a different maximum than 85% for a Plan Year by communicating (electronically or in writing) such different maximum to Eligible Executives during the election period or periods that apply to such Plan Year. A newly Eligible Executive may only defer the portion of his or her eligible Base Compensation that is earned for services performed after the date of his or her election; provided that any Eligible Executive that becomes a new Eligible Executive after November 22nd (or if such day is not a business day, the first business day that occurs immediately prior to such day) of a Plan Year shall not be eligible to defer Base Compensation earned for services performed in the remainder of such Plan Year. Subject to the foregoing sentence, any Base Compensation deferred by an Eligible Executive for a Plan Year shall be deducted each pay period during the Plan Year for which he or she has Base Compensation and is an Eligible Executive. Base Compensation paid after the end of a Plan Year for services performed during the final payroll period of the preceding Plan Year shall be treated as Base Compensation for services in the subsequent Plan Year.

(2) Special Rule for Significant Deferrals Prior to 2023. Notwithstanding subsection (a)(1) above, effective for Base Compensation that is paid from and after January 1, 2008 and before January 1, 2023, an Eligible Executive who is classified as below Level 14 may not elect to defer 50% or more of his or her Base Compensation for a Plan Year, unless such Eligible Executive also (i) elects to defer 100% of his or her Bonus Compensation for the same Plan Year or (ii) confirms in a separate writing (that is in addition to the Election Form) that he or she has elected to defer 50% or more of his or her Base Compensation for such Plan Year. The separate writing discussed in clause (ii) above must be submitted within the time frame required under Section 4.02(a)(1) and shall satisfy any other requirements as the Plan Administrator shall require for this purpose. If an applicable Eligible Executive does not satisfy either clause (i) or (ii) above, then any election by the Eligible Executive to defer 50% or more of Base Compensation for a Plan Year shall be treated as void and shall not become effective under Section 409A.

(b) Deferrals of Bonus Compensation.

(1) General Rules. Each Eligible Executive may make an election to defer under the Plan any whole percentage (up to 100%) of his or her Bonus Compensation in the manner described in Section 4.02. The percentage of Bonus Compensation deferred by an Eligible Executive for a Plan Year will be deducted from

his or her payment under the applicable compensation program at the time it would otherwise be paid, provided he or she satisfies all conditions for payment that would apply in the absence of a deferral. In addition, for the Plan Year in which the Participant incurs a Separation from Service, and effective only for Plan Years before January 1, 2021, the Participant shall be eligible to defer Bonus Compensation paid for the Performance Period that relates to the Plan Year in which the Participant incurred the Separation from Service, if the Participant makes a valid and irrevocable deferral election prior to his or her Separation from Service.

(2) Pre-2021 Special Rules for Promoted Eligible Executives. Effective only for Plan Years before January 1, 2021, an Eligible Executive that becomes an Eligible Executive during a Plan Year as a result of a promotion from a position classified below Level 12 into a position that is classified as Level 12 or above shall only be eligible to defer Bonus Compensation earned for the Performance Period relating to the Plan Year in which he or she is promoted, if the Eligible Executive (i) is a bonus-eligible Executive for all of such Plan Year and (ii) is promoted by June 20th (or if such day is not a business day, the first business day that occurs immediately prior to such day) of the Plan Year in which the promotion occurs. If a promoted Eligible Executive does not satisfy the requirements of the previous sentence, he or she shall not be eligible to defer Bonus Compensation earned for the Performance Period relating to the Plan Year in which he or she is promoted.

(3) Pre-2021 Special Rules for Newly Hired Eligible Executives. Effective only for Plan Years before January 1, 2021, an Eligible Executive that becomes an Eligible Executive during a Plan Year as a result of becoming first employed by the YUM! Brands Organization shall only be eligible to defer Bonus Compensation earned for the Performance Period relating to the Plan Year in which he or she is newly hired, if the Eligible Executive is a bonus-eligible Executive for such Plan Year. In such event, the rules for the time and manner for completing the initial deferral election in Section 4.02(b) shall apply, which are structured so that the proration rules of Treas. Reg. 1.401A-2(a)(7) are inapplicable. Thus, if a valid Election Form is received prior to the date on which the Eligible Executive becomes an Executive and the Election Form is effective under Section 4.02(b) as of the date on which the Eligible Executive becomes an Executive, then the Executive shall be deemed to receive all of his or her Bonus Compensation for the Plan Year in which he or she becomes an Eligible Executive after the date of the election.

(4) Pre-2021 Requirement Regarding Performance Criteria. Notwithstanding Subsections (b)(1), (b)(2) and (b)(3) above, but effective only for Plan Years before January 1, 2021, an Eligible Executive shall not be eligible to defer Bonus Compensation for a Plan Year unless (i) the Bonus Compensation is contingent on the satisfaction of organizational or individual performance criteria for the Performance Period that relates to the Plan Year, (ii) such criteria have been established in writing by not later than 90 days after the beginning of the applicable Performance Period, and (iii) the Bonus Compensation otherwise satisfies the requirements for performance-based compensation under Section 409A.

(c) Election Form Rules. To be effective in deferring Base Compensation or Bonus Compensation, an Eligible Executive's Election Form must set forth the percentage of Base Compensation or Bonus Compensation (whichever applies) to be deferred, the deferral period under Section 4.03, the form of payment under Section 4.04, and any other information that may be required by the Plan Administrator from time to time. In addition, the Election Form must meet the requirements of Section 4.02. It is contemplated that an Eligible Executive will specify the investment choice under Section 5.02 (in multiples of 1%) for the Eligible Executive's deferral.

4.02 Time and Manner of Deferral Election:

(a) Deferrals of Base Compensation.

(1) General. An Eligible Executive must make a deferral election for a Plan Year with respect to Base Compensation no later than December 31 of the year prior to the Plan Year in which the Base Compensation would otherwise be paid (the "12/31 Deadline"). Notwithstanding the prior sentence, the Plan Administrator may adopt policies and procedures that encourage or require earlier submission of Election Forms, but in which case any requirement for the earlier submission of an Election Form may be waived (but not beyond the 12/31 Deadline) by the Plan Administrator to prevent undue hardship for one or more Eligible Executives. In addition, the Plan Administrator may extend the election period (but not beyond the 12/31 Deadline) and cancel, not later than the 12/31 Deadline, an election made during the original election period where such cancelation is deemed appropriate by the Plan Administrator based on a change in the electing person's status with the Company. If December 31 is not a business day, the deadline shall be the preceding day that is a business day.

(2) New Eligible Executives. Subject to the November 22nd deadline in Section 4.01(a)(1) above, an individual who newly becomes an Eligible Executive will have 30 days from the date the individual becomes an Eligible Executive to make a deferral election with respect to Base Compensation that is earned for services performed after the election is received (the "30-Day Election Period"). Notwithstanding the prior sentence, the Plan Administrator may adopt policies and procedures that encourage or require earlier submission of Election Forms in this situation, but in which case any requirement for the earlier submission of an Election Form may be waived (but not beyond the last day of the 30-Day Election Period) by the Plan Administrator to prevent undue hardship for one or more Eligible Executives. The 30-Day Election Period may be used to make an election for Base Compensation that otherwise would be paid in the Plan Year in which the individual becomes an Eligible Executive. In addition, the 30-Day Election Period may be used to make an election for Base Compensation that would otherwise be paid in the next Plan Year (*i.e.*, the Plan Year following when the individual becomes an Eligible Executive), if the individual becomes an Eligible Executive not later than December 31 of a Plan Year. Thus, if a Base Compensation deferral election for a Plan Year is made in reliance on the 30-day rule, then the Plan Administrator shall apply the restriction that the election may only apply to Base Compensation earned for services performed after the date the election is received.

(b) Deferrals of Bonus Compensation.

(1) Continuing and Newly Promoted Executives. An Eligible Executive must make a deferral election with respect to his or her Bonus Compensation (i) for Plan Years beginning on and after January 1, 2021, by the deadline applicable under subsection (a)(1) above, and (ii) for prior Plan Years, at least six months prior to the end of the Performance Period for which the applicable Bonus Compensation is paid, and this election will be the Eligible Executive's bonus deferral election for the Plan Year to which the Performance Period relates. The deadline stated in the prior sentence applies to both continuing Eligible Executives and individuals who newly become Eligible Executives due to a promotion. Accordingly, in the case of Plan Years before January 1, 2021, if an individual becomes an Eligible Executive during a Plan Year as a result of a promotion and is eligible to defer Bonus Compensation under Section 4.01(b)(2) for such Plan Year, such Eligible Executive must make a deferral election for Bonus Compensation that is earned for the Performance Period that relates to the Plan Year in which he or she is promoted at least six months prior to the end of the applicable Performance Period. Notwithstanding the first sentence of this paragraph, the Plan Administrator may adopt policies and procedures that encourage or require earlier submission of Election Forms for Bonus Compensation, but in which case any requirement for the earlier submission of an Election Form may be waived (but not beyond the date specified by the first sentence of this paragraph) by the Plan Administrator to prevent undue hardship for one or more Eligible Executives. In addition, the Plan Administrator may extend the election period (but not beyond the date specified by the first sentence of this paragraph) and cancel, not later than such deadline, an election made during the original election period where such cancelation is deemed appropriate by the Plan Administrator based on a change in the electing person's status with the Company.

(2) Pre-2021 Rules for Newly Hired Eligible Executives. Effective only for Plan Years before January 1, 2021, an Eligible Executive that becomes an Eligible Executive during a Plan Year as a result of becoming first employed by the YUM! Brands Organization and is eligible to make a deferral of Bonus Compensation under Section 4.01(b) for such Plan Year must make such election as follows –

(A) If such Eligible Executive is newly hired by June 20th (or if such day is not a business day, the immediately preceding business day), such Eligible Executive must make a deferral election for Bonus Compensation that is earned for the Performance Period that relates to the Plan Year in which he or she is newly hired at least six months prior to the end of the applicable Performance Period; and

(B) If such Eligible Executive is hired after June 20th (or if such day is not a business day, the immediately preceding business day), such Eligible Executive must submit a deferral election prior to his or her hire date or otherwise prior to rendering services as an Executive, and such Election Form will be

effective immediately upon the individual's hire date or otherwise upon commencement of his or her services as an Executive.

Notwithstanding subparagraph (A) above, the Plan Administrator may adopt policies and procedures that encourage or require earlier submission of Election Forms for Bonus Compensation, but in which case any requirement for the earlier submission of an Election Form may be waived (but not beyond the date specified by the first sentence of this paragraph) by the Plan Administrator to prevent undue hardship for one or more Eligible Executives. Effective January 1, 2021, a newly hired Eligible Executive (or an executive who newly becomes an Eligible Executive) may not make an election to defer Bonus Compensation that is earned for the Performance Period that relates to the Plan Year in which he or she is newly hired (or newly becomes an Eligible Executive).

(c) General Provisions. A separate deferral election under (a) or (b) above must be made by an Eligible Executive for each category of a Plan Year's compensation that is eligible for deferral. If a properly completed and executed Election Form is not actually received by the Recordkeeper (or, if authorized, the Plan Administrator) by the prescribed time in (a) and (b) above, the Eligible Executive will be deemed to have elected not to defer any Base Compensation or Bonus Compensation, as the case may be, for the applicable Plan Year. An election is generally irrevocable by the Eligible Executive once received and determined by the Plan Administrator to be properly completed (and a final determination of absolute irrevocability shall be applied by the Plan Administrator not later than the last date under Section 409A for making the election in question). Increases or decreases in the amount or percentage a Participant elects to defer shall not be permitted during a Plan Year.

(d) Beneficiaries. To the extent not inconsistent with applicable local law (as determined by the Plan Administrator), a Participant may designate on the Election Form (or in some other manner authorized by the Plan Administrator) one or more Beneficiaries to receive payment, in the event of his or her death, of the amounts credited to his or her Account; provided that, to be effective, any Beneficiary designation must be in writing, signed by the Participant, and must meet such other standards (including any requirement for spousal consent) as the Plan Administrator or Recordkeeper shall require from time to time. The Beneficiary designation must also be filed with the Recordkeeper (or the Plan Administrator, if applicable) prior to the Participant's death. An incomplete Beneficiary designation, as determined by the Recordkeeper or Plan Administrator, shall be void and of no effect. In determining whether a Beneficiary designation that relates to the Plan is in effect, unrevoked designations that were received under the Pre-409A Program or prior to the Effective Date shall be considered. A Beneficiary designation of an individual by name remains in effect regardless of any change in the designated individual's relationship to the Participant. A Beneficiary designation solely by relationship (for example, a designation of "spouse," that does not give the name of the spouse) shall designate whoever is the person in that relationship to the Participant at his or her death. If more than one Beneficiary is specified and the Participant fails to indicate the respective percentage applicable to two or more Beneficiaries, then each Beneficiary for whom a percentage is not designated will be entitled to an equal share of the portion of the Account (if any) for which percentages have not been designated. At any time, a Participant may change a Beneficiary designation for his or her Account in a writing that is signed by the Participant and filed with the Recordkeeper (or

Plan Administrator, if applicable) prior to the Participant's death, and that meets such other standards as the Plan Administrator shall require from time to time. An individual who is otherwise a Beneficiary with respect to a Participant's Account ceases to be a Beneficiary when all payments have been made from the Account; provided, however, even if the Account has been fully paid out, status as a Beneficiary shall continue under the Plan if there is an expectation that the Beneficiary shall be entitled to future benefits under the Plan or that a deferral will be credited to the Account in the future (*e.g.,* a deferral of Bonus Compensation that will be credited in a future year).

4.03 Period of Deferral:

An Eligible Executive making a deferral election shall specify a deferral period on his or her Election Form as follows: (i) in the case of Post-2023 Initial Deferrals, by designating either a Specific Payment Date, and/or a deferral period based on his or her Retirement (with each subject to earlier payment as a lump sum in connection with a Separation from Service that is not a Retirement), and (ii) in the case of earlier initial deferrals, by designating either a Specific Payment Date, and/or a deferral period based on his or her Separation from Service. Any such deferral election must also be consistent with any additional administrative requirements that the Plan Administrator applies to initial elections. In the case of an election based on Retirement or Separation from Service, the deferral period shall extend (in accordance with Section 6.03(e)) to the payment date that is at least six months after he or she incurs a Retirement/Separation from Service. In the event that no deferral period is selected, the default shall be Separation from Service (and this too shall be subject to delayed payment in accordance with Section 6.03(e)). Except as necessary to conform to Section 6.03(e) (which will apply when Separation from Service occurs shortly before an Eligible Executive's 80th birthday and triggers a distribution right), in no event shall an Eligible Executive's deferral period end later than the applicable payment date that occurs on or immediately after his or her 80th birthday, regardless of whether the Participant chose a single lump sum or installments as the form of payment. Accordingly, an initial election may not specify a Specific Payment Date that is after the Eligible Executive's 80th birthday. In addition, for the avoidance of doubt, an Eligible Executive's designation of the date he or she incurs a Separation from Service as the end of the deferral period shall also be subject to earlier payment based on the Eligible Executive's 80th birthday, if the 80th birthday occurs on or before his or her Separation from Service date. When payment is made based on the Eligible Executive's 80th birthday, the Eligible Executive's payment will be made in a lump sum as of the Specific Payment Date that occurs on or just after this 80th birthday (based on the particular date of payment that applies to the deferral in question in accordance with the definition of "Specific Payment Date"). Notwithstanding an Eligible Executive's actual election of a Specific Payment Date, Retirement and/or Separation from Service, an Eligible Executive shall be deemed to have elected a period of deferral of not less than:

(a) For Base Compensation, at least two (2) years after the end of the Plan Year during which the Base Compensation would have been paid absent the deferral; and

(b) For Bonus Compensation or a Signing Bonus, at least two (2) years after the Grant Date of the Bonus Compensation or the Signing Bonus, as applicable.

This is the minimum deferral period under the Plan. In the case of a deferral to a Specific Payment Date, if an Eligible Executive's Election Form either fails to specify a period of deferral or specifies a period less than the applicable minimum, the Eligible Executive shall be deemed to have selected the Specific Payment Date that occurs on or immediately following the end of the minimum period of deferral as provided in subsections (a) and (b) above. In the case of a deferral to Separation from Service, if an Eligible Executive's Election Form specifies Separation from Service (including by specifying Retirement or pursuant to a default provision in the Election Form or Plan) and the Eligible Executive Separates from Service prior to the end of the minimum period of deferral as provided in subsections (a) and (b) above, the applicable Deferral Subaccount(s) shall be distributed after the end of the applicable minimum deferral period (subject to the provisions of Section 6.03(e) that require delayed payment when payment is triggered by a Separation from Service and the provisions of Section 6.03(e) that indicate the dates on which payment will occur when payment is triggered by a Separation from Service). Notwithstanding the two preceding sentences, if a deferral election for a period equal to the minimum period of deferral would extend beyond when the Eligible Executive will attain age 80, the Eligible Executive shall not be permitted to make the deferral election (and any such deferral election submitted by an Eligible Executive shall be void). The restriction in the prior sentence applies to both an election of a Specific Payment Date or an election for payment based on Separation from Service.

4.04 Form of Deferral Payout:

An Eligible Executive making a deferral election shall specify a form of payment on his or her Election Form by designating either a lump sum payment or installment payments. Any election of installment payments shall be subject to the installment period limits and the frequency and time of payment limits described below and, subject to these limits, the election shall specify (i) the fixed number of years over which installments shall be paid, and (ii) the frequency and time for payment of the installments.

(a) Effective with respect to Post-2023 Initial Deferrals and Second Look Elections that are made on or after January 1, 2024, the following limits apply.

(1) The maximum installment period limit shall be 10 years (the durational limit) or the period until the Executive's 80th birthday (the age limit) if earlier, and the installment periods available that are shorter than the durational limit are solely 2 and 5 years.

(2) The frequency limit shall be annual, and the time of payment date of the annual installment shall be April 1.

(b) The limits for elections that are not subject to subsection (a) above shall be as follows:

(1) The maximum installment period limit shall be 20 years (the durational limit) or the period until the Executive's 80th birthday (the age limit) if earlier,

and shorter installment periods were available in accordance with the terms of the applicable Election Form.

(2) The frequency limit shall be annual, semi-annual or quarterly, and the available time of payment dates of the installments shall be January 1, April 1, July 1 and October 1. Notwithstanding the preceding sentence, effective as January 1, 2025 in accordance with Section 2.36(b)(2), the frequency limit is semi-annual, and the available time of payment dates of the installments shall be April 1 and October 1.

If an Eligible Executive elects installments for a period extending beyond the durational limit applicable above, such election shall be treated as void. If an Eligible Executive elects installments for a period extending beyond the age limit applicable above, the amount to be distributed in connection with each installment payment shall be initially determined in accordance with Section 6.06 and the Eligible Executive's election by assuming that the installments shall continue for the full number of installments that are elected (to the extent not greater than the durational limit), and then the entire remaining amount of the relevant Deferral Subaccount shall be distributed on the installment payment date that occurs on or immediately after the Eligible Executive's 80th birthday. In the event that no form of payment election is made, the default shall be a lump sum payment.

4.05 Second Look Election:

(a) In General. Subject to Subsection (b) below, a Participant who has made a valid initial deferral in accordance with the foregoing provisions of this Article (or an initial deferral was made pursuant to Section 4.06) may subsequently make one or more additional elections regarding the time and/or form of payment of his or her deferral to the extent permitted by the Plan Administrator at the applicable time. However, a Participant is only permitted to make one Second Look Election on or after January 1, 2024 with respect to each of the Participant's separate deferrals under the Plan (regardless of whether there has been a previous Second Look Election, or the number of previous Second Look Elections, with respect to the Participant's separate deferral). This opportunity to modify the Participant's initial election is referred to in this Plan as a "Second Look Election" (and is also referred to administratively as a "Relook Election").

(b) Requirements for Second Look Elections. A Second Look Election is subject to all of the conditions of subsection (a) above and must comply with all of the following requirements, which shall be applied by taking into account any default payment related to Separation from Service that applies under the terms of Article VI:

(1) If a Participant's initial election for a deferral (or the latest valid Second Look Election) specified payment based on a Specific Payment Date, the Participant may only change the payment terms for such deferral through a current Second Look Election if the election is made at least 12 months before the Participant's original (or if applicable, last subsequently elected) Specific Payment Date. In addition, in this case the Participant's Second Look Election must provide for a new Specific Payment Date that is at least 5 years after the original (or if applicable, last subsequently

elected) Specific Payment Date. The Specific Payment Date applicable pursuant to a Second Look Election may not be after the Participant's 80th birthday, and if this would be necessary to comply with 5-year rule stated above, then a Second Look Election may not be made. A Second Look Election to change a Specific Payment Date election with respect to Post-2023 Initial Deferrals remains subject to payment based on Separation from Service before Retirement if the Participant is not yet eligible for Retirement at the time the Second Look Election is being made.

(2) Subject to the special rules in subsection (c), if a Participant's initial election specified payment based on the Participant's Separation from Service (including by specifying Retirement), the following shall apply. In the case of Post-2023 Initial Deferrals, no Second Look Election may be made with respect to an election specifying payment based solely on Retirement/Separation from Service. In the case of earlier initial deferrals, the Participant may only make a Second Look Election if the election is made at least 12 months before the Participant's Separation from Service. In addition, in this case the Participant's Second Look Election must delay the payment of the Participant's deferral to a new Specific Payment Date that (i) is not after the Participant's 80th birthday and (ii) turns out to be at least 5 years after the payment date attributable to the Participant's Separation from Service (determined taking into account the payment delay applicable under Section 6.03(e)). If the Specific Payment Date selected in a Second Look Election turns out to be less than 5 years after the payment date attributable to the Participant's Separation from Service, the Second Look Election is void and payment shall be made based on the Participant's Separation from Service.

(3) Subject to the special rules in subsection (c), if a Participant's initial election specified payment based on the earlier of a Specific Payment Date or the Participant's Separation from Service (including by specifying the earlier of a Specific Payment Date or the Participant's Retirement or pursuant to a Plan default distribution requirement), the following shall apply. No Second Look Election may be made or shall apply with respect to the portion of the initial election that specifies payment based on Retirement/Separation from Service. Further, the Participant may only make a Second Look Election with respect to the portion of the election that specifies a Specific Payment Date if the election complies with the advance election and payment delay requirements of paragraph (1) above. Once effective, a Second Look Election under this paragraph (3) will provide for payment based on the new Specific Payment Date; however, payment will occur earlier in the following cases: (i) in the case of Post-2023 Initial Deferrals, if the Participant's initial election provided for payment on an earlier Retirement and the Participant has an earlier Retirement; (ii) in the case of Post-2023 Initial Deferrals, if the Participant's initial election was subject to default payment for an earlier Separation from Service that is not a Retirement (and the Participant has such an earlier Separation from Service that is not a Retirement); and (iii) in the case of earlier initial deferrals, if the Participant's initial election provided for payment based on an earlier Separation from Service (and the Participant has such an earlier Separation from Service). If the resulting time of payment is based on the Participant's Retirement/Separation from Service, the

specific time of payment shall be determined taking into account the payment delay applicable under Section 6.03(e).

(4) Prior to January 1, 2024, a Participant may make an unlimited number of Second Look Elections for each individual deferral, however, each Second Look Election must comply with all of the relevant requirements of this Section. On and after January 1, 2024, subsection (a) above limits the number of Second Look Elections.

(5) A Participant who uses a Second Look Election to change the form of the Participant's payment from a lump sum to installments shall be subject to the provisions of Section 4.04 regarding installment payment elections, and such installment payments must begin no earlier than 5 years after when the lump sum payment would have been paid based upon the Participant's initial election (or, if applicable, based on any subsequent valid Second Look Election that may be replaced in accordance with subsection (a) above). However, a Participant may not make a Second Look Election if the election would provide for installment payments to begin after the Participant's 80th birthday.

(6) If a Participant's initial election (or any subsequent valid Second Look Election that may be replaced in accordance with subsection (a) above) specified payment in the form of installments and the Participant wants to elect installment payments over a greater or lesser number of years or wants to elect a different frequency of installment payments (*e.g.,* a change from semi-annual installments to annual installments), the election will be subject to the provisions of the Plan regarding installment payment elections in Section 4.04, and the first payment date of the new installment payment schedule must be no earlier than five years after the first payment date that applied under the Participant's initial (or, if applicable, subsequent) installment election. However, a Participant may not make such a Second Look Election if the election would provide for installment payments to begin after the Participant's 80th birthday.

(7) If a Participant's initial election (or subsequent valid Second Look Election that may be replaced in accordance with subsection (a) above) specified payment in the form of installments and the Participant wants to elect instead payment in a lump sum, the earliest payment date of the lump sum must be no earlier than 5 years after the first payment date that applied under the Participant's initial (or, if applicable, subsequent) installment election.

(8) For purposes of this Section and Code Section 409A, all of a Participant's installment payments related to a specific deferral election shall be treated as a single payment.

A Second Look Election will be void and payment will be made based on the Participant's original election under Sections 4.03 and 4.04 if all of the provisions of the foregoing paragraphs of this subsection are not satisfied in full. However, if a Participant's Second Look Election becomes effective in accordance with the provisions of this subsection and

subsection (a), the Participant's original (or, if applicable, subsequent) election shall be superseded (including any Specific Payment Date specified therein), and this original (or, if applicable, subsequent) election shall not be taken into account with respect to the deferral that is subject to the effective Second Look Election.

(c) Special Rule for Certain Second Look Elections. Notwithstanding the provisions in subsections (b)(2) and (b)(3), if the initial deferral election of a Participant who becomes Disabled specified payment based on the Participant's Separation from Service or the earlier of the Participant's Separation from Service or a Specific Payment Date, then the Participant shall not be eligible to make a Second Look Election on or after the date the Participant is determined to be Disabled. For the avoidance of doubt, the preceding sentence shall apply with respect to (i) a Post-2023 Initial Deferral election that includes an election for payment based on Retirement, or (ii) a Post-2023 Initial Deferral election for payment on a Specific Payment Date that remains subject to payment based upon Separation from Service because the Participant is not yet eligible for Retirement at the time of the attempted Second Look Election.

(d) Plan Administrator's Role. Each Participant has the sole responsibility to elect a Second Look Election by contacting the Recordkeeper (or, if authorized, the Plan Administrator) and to comply with the requirements of this Section. The Plan Administrator or the Recordkeeper may provide a notice of a Second Look Election opportunity to some or all Participants, but the Recordkeeper and Plan Administrator is under no obligation to provide such notice (or to provide it to all Participants, in the event a notice is provided only to some Participants). The Recordkeeper and the Plan Administrator have no discretion to waive or otherwise modify any requirement for a Second Look Election set forth in this Section or in Section 409A.

4.06 Signing Bonus Deferrals.

(a) General. As provided in this Section, an Eligible Executive's Employer or the Company may provide for the mandatory deferral under the Plan of a Signing Bonus.

(b) Deferrals. To the extent provided in an Eligible Executive's offer of employment letter (the "Offer Letter"), all or a portion of an Eligible Executive's Signing Bonus may be automatically deferred under this Plan without any requirement or right on behalf of the Eligible Executive to make a deferral election. Such deferral shall occur immediately prior to the time the Eligible Executive first has a legally binding right to the Signing Bonus or otherwise prior to the first date his or her employment is effective and he or she begins to render services (whichever is earlier). The deferred portion of the Signing Bonus (if any) shall be credited to a separate Deferral Subaccount for the applicable Plan Year.

(c) Time and Form of Payment. The Signing Bonus shall be deferred until the Specific Payment Date and/or the Participant's Separation from Service/Retirement, but with payment delayed in accordance with Section 6.03(e), as enumerated in the Offer Letter, and the Eligible Executive shall not be permitted to make an initial election for the time and form of payment of the Signing Bonus. If the Offer Letter does not specify a time of payment, the

default shall be Separation from Service/Retirement (but with payment delayed in accordance with Section 6.03(e)). All deferrals of Signing Bonuses shall be payable in a lump sum payment at the time specified in the foregoing sentences. However, subject to the next sentence if an Eligible Executive validly makes a Second Look Election and changes the time of payment pursuant to such Second Look Election, he/she may also change the form of payment pursuant to such Second Look Election. In the case of an Offer Letter that is dated after December 31, 2023, (i) any specification for payment as of a Specific Payment Date shall be subject to payment based on Separation from Service if the Eligible Executive has a Separation from Service that is not a Retirement before the Specific Payment Date; (ii) any specification for payment based on Retirement shall be subject to payment based on Separation from Service if the Eligible Executive has a Separation from Service that is not a Retirement; and (iii) any Second Look Election may only modify the Specific Payment Date that has been specified in the Offer Letter, and no change may be made with respect to the terms of the Offer Letter that specify payment based upon Separation from Service/Retirement. If the applicable time of payment following a Second Look Election is based on the Participant's Retirement/Separation from Service, the specific time of payment shall be determined taking into account the payment delay applicable under Section 6.03(e).

(d) Phantom Investments. The Signing Bonus deferrals shall be invested in the investment options enumerated in the Offer Letter, and if no such specification is included in the Offer Letter, the deferral shall be invested in the YUM! Brands Common Stock Fund.

ARTICLE V – INTERESTS OF PARTICIPANTS

5.01 Accounting for Participants' Interests:

(a) Deferral Subaccounts. Each Participant shall have at least one separate Deferral Subaccount for each separate deferral of Base Compensation, Bonus Compensation or Signing Bonus made by the Participant under this Plan. A Participant's deferral shall be credited as of the date of the deferral to his or her Account as soon as administratively practicable following the date the compensation would be paid in the absence of a deferral. A Participant's Account is a bookkeeping device to track the value of the Participant's deferrals (and his or her Employer's liability therefor). No assets shall be reserved or segregated in connection with any Account, and no Account shall be insured or otherwise secured.

(b) Account Earnings or Losses. As of each Valuation Date, a Participant's Account shall be credited with earnings and gains (and shall be debited for expenses and losses) determined as if the amounts credited to his or her Account had actually been invested as directed by the Participant in accordance with this Article. The Plan provides only for "phantom investments," and therefore such earnings, gains, expenses and losses are hypothetical and not actual. However, they shall be applied to measure the value of a Participant's Account and the amount of his or her Employer's liability to make deferred payments to or on behalf of the Participant.

5.02 Investment Options:

(a) General. Each of a Participant's Deferral Subaccounts shall be invested on a phantom basis in any combination of phantom investment options specified by the Participant (or following the Participant's death, by his or her Beneficiary) from those offered by the Plan Administrator for this purpose from time to time. The Plan Administrator may discontinue any phantom investment option with respect to some or all Accounts, and it may provide rules for transferring a Participant's phantom investment from the discontinued option to a specified replacement option (unless the Participant selects another replacement option in accordance with such requirements as the Plan Administrator may apply).

(b) Phantom Investment Options. The basic phantom investment options offered under the Plan are as follows:

(1) Phantom YUM! Brands Common Stock Fund. Participant Accounts invested in this phantom option are adjusted to reflect an investment in YUM! Brands Common Stock. An amount deferred into this option is converted to phantom shares of YUM! Brands Common Stock of equivalent value by dividing such amount by the Fair Market Value of a share of YUM! Brands Common Stock on the Valuation Date as of which the amount is treated as invested in this option by the Plan Administrator. Only whole shares are determined. Any partial share (and all amounts that would be received by the fund as dividends, if dividends were paid on phantom shares of YUM! Brands Common Stock as they are on actual shares) are credited to a dividend subaccount that is invested on a phantom basis as described below. The Plan Administrator shall

adopt a fair valuation methodology for valuing a phantom investment in this option, such that the value shall reasonably approximate the complete value of an investment in YUM! Brands Common Stock in accordance with the following subparagraphs below.

(A) A Participant's interest in the phantom YUM! Brands Common Stock Fund is valued as of a Valuation Date by multiplying the number of phantom shares credited to his or her Account on such date by the Fair Market Value of a share of YUM! Brands Common Stock on such date.

(B) If shares of YUM! Brands Common Stock change by reason of any stock split, stock dividend, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or any other corporate change treated as subject to this provision by the Plan Administrator, such equitable adjustment shall be made in the number and kind of phantom shares credited to an Account or Deferral Subaccount as the Plan Administrator may determine to be necessary or appropriate.

(C) In no event will shares of YUM! Brands Common Stock actually be purchased or held under this Plan, and no Participant shall have any rights as a shareholder of YUM! Brands Common Stock on account of an interest in this phantom option.

(D) All amounts that would be received by the Fund as dividends, if dividends were paid on phantom shares of YUM! Brands Common Stock as they are on actual shares, are credited to a dividend subaccount that is invested on a phantom basis (the "Dividend Subaccount"). Amounts credited to a Participant's Dividend Subaccount shall accrue a return based upon the rate of return as in effect from time to time under the phantom Stable Value Fund option (as determined by the Recordkeeper). An amount is credited with the applicable rate of return beginning with the date as of which the amount is treated as invested in this option by the Plan Administrator.

(E) All amounts initially deferred or transferred into the phantom YUM! Brands Common Stock Fund must remain invested in the phantom YUM! Brands Common Stock Fund and may not be transferred into another phantom investment option.

(2) Phantom YUM! Brands Matching Stock Fund. A Participant may elect to defer the Participant's Bonus Compensation for each Plan Year and the Employer or the Company may require the deferral of a Participant's Signing Bonus (if applicable) to the YUM! Brands Matching Stock Fund (the "Matching Stock Fund"). The Matching Stock Fund shall operate under the same rules as the YUM! Brands Common Stock Fund in subsection (b)(1) above; subject to the following special rules –

(A) An amount deferred into this option is converted to phantom shares of YUM! Brands Common Stock as described in paragraph

(1)(A) above, and then such phantom shares of YUM! Brands Common Stock are matched by additional phantom shares equal to $33^{1/3}$% of the phantom shares initially determined as described in paragraph (1)(A) above. Whole and fractional shares are determined. All amounts that would be received by the Matching Stock Fund as dividends, if dividends were paid on phantom shares of YUM! Brands Common Stock as they are on actual shares are credited to a dividend subaccount that is invested on a phantom basis as described in subsection (b)(1) above.

(B) All amounts credited to the Matching Stock Fund shall be subject to the risk of forfeiture rules in Section 5.05.

(C) All amounts initially deferred into the Matching Stock Fund must remain invested in the Matching Stock Fund and may not be transferred into another phantom investment option. In addition, no amounts under this Plan may be transferred into the Matching Stock Fund, meaning that only initial deferrals of Bonus Compensation and a Signing Bonus may be invested on a phantom basis in the Matching Stock Fund.

(D) Effective June 1, 2014, to facilitate recordkeeping with respect to Participants' interests in the Matching Stock Fund, (i) the portion of a Participant's interest in the fund that is derived from his Participant deferral contributions (including phantom earnings on the phantom YUM! Brands common stock that is so derived and phantom dividends that are so derived) shall be identified as being held in the Phantom YUM! Brands EE Matching Stock Fund, and (ii) the portion of a Participant's interest in the fund that is derived from the Company-provided match on his Participant deferral contributions (including phantom earnings on the phantom YUM! Brands common stock that is so derived and phantom dividends that are so derived) shall be identified as being held in the Phantom YUM! Brands ER Matching Stock Fund.

(3) Other Phantom Funds. From time to time, the Plan Administrator shall designate which (if any) other investment options shall be available as phantom investment options under this Plan. These phantom investment options shall be described in materials provided to Participants from time to time. Any of these phantom investment options shall be administered under procedures implemented from time to time by the Plan Administrator. Unless otherwise specified in these materials or procedures, in the case of any such phantom investment option that is based on a unitized fund, an amount deferred or transferred into such option is converted to phantom units in the applicable fund of equivalent value by dividing such amount by the NAV of a unit in such fund on the Valuation Date as of which the amount is treated as invested in this option by the Plan Administrator. Thereafter, a Participant's interest in each such phantom option is valued as of a Valuation Date (or a Distribution Valuation Date) by multiplying the number of phantom units credited to his or her Account on such date by the NAV of a unit in such fund on such date. As of September 30, 2008 and continuing through the January 1, 2023 effective date of this restatement, the following phantom investment funds shall be

available under the Plan – the Stable Value Fund, the Bond Market Index Fund and the Large Company Index Fund. All such phantom investment funds shall operate under rules similar to those that apply to these funds under the YUM! Brands 401(k) Plan.

5.03 Method of Allocation:

(a) Deferral Elections. With respect to any deferral election by a Participant, the Participant shall use his or her Election Form to allocate the deferral in one percent increments among the phantom investment options then offered by the Plan Administrator. The Plan Administrator shall not accept an Election Form's allocation among phantom investment options that does not total exactly 100%.

(b) Fund Transfers. A Participant may reallocate previously deferred amounts in a Deferral Subaccount by properly completing and submitting a fund transfer form provided by the Plan Administrator or Recordkeeper and specifying, in one percent increments, the reallocation of his or her Deferral Subaccount among the phantom investment options then offered by the Plan Administrator for this purpose. (The rules relating to non-paper formats for Election Forms shall also apply to the fund transfer form.) If a fund transfer form provides for investing less than or more than 100% of the Participant's Deferral Subaccount, it will be void and disregarded. Any transfer form that is not void under the preceding sentence shall be effective as of the Valuation Date next occurring after its receipt by the Recordkeeper, but the Plan Administrator or Recordkeeper may also specify a minimum number of days in advance of which such transfer form must be received in order for the form to become effective as of such next Valuation Date. If more than one fund transfer form is received on a timely basis, the form that the Plan Administrator or Recordkeeper determines to be the most recent shall be followed. Transfers shall be subject to the transfer restrictions noted in Sections 5.02(b)(1) and (b)(2).

(c) Phantom YUM! Brands Common Stock Fund and Matching Stock Fund Restrictions Notwithstanding the provisions of Section 5.02 or this Section 5.03, the Plan Administrator may at any time alter the effective date of any investment or allocation involving the phantom YUM! Brands Common Stock Fund or the phantom Matching Stock Fund pursuant to Section 7.03(j) (relating to safeguards against insider trading). The Plan Administrator may also, to the extent necessary to ensure compliance with Rule 16b-3(f) of the Act, arrange for tracking of any such transaction defined in Rule 16b-3(b)(1) of the Act and bar any such transaction to the extent it would not be exempt under Rule 16b-3(f). The Company may also impose blackout periods pursuant to the requirements of the Sarbanes-Oxley Act of 2002 whenever the Company determines that circumstances warrant. Further, the Company may impose quarterly blackout periods on insider trading in the phantom YUM! Brands Common Stock Fund and phantom Matching Stock Fund as needed (as determined by the Company), timed to coincide with the release of the Company's quarterly earnings reports. The commencement and termination of these blackout periods in each quarter, the parties to which they apply and the activities they restrict shall be as set forth in the official insider trading policy promulgated by the Company from time to time. These provisions shall apply notwithstanding any provision of the Plan to the contrary except Section 7.07 (relating to compliance with Section 409A).

5.04 Vesting of a Participant's Account:

Subject to Section 5.05 (which imposes a risk of forfeiture on amounts deferred into the phantom Matching Stock Fund), a Participant's contractual interest in the value of his or her Account shall at all times be 100 percent vested, which means that it will not forfeit as a result of his or her Separation from Service. Notwithstanding the prior sentence, the deferral of compensation pursuant to this Plan shall not in any way exempt the compensation from the full application of the Company's clawback and other forfeiture and recovery policies ("Clawback Policies"). Accordingly, a Participant's Account shall be subject to forfeiture (and if paid out, to recovery) to the extent determined to be appropriate by the Plan Administrator to give effect to these Clawback Policies.

5.05 Risk of Forfeiture:

(a) General. Amounts deferred into the phantom Matching Stock Fund pursuant to Section 5.02(b)(2) above shall be subject to the provisions of this Section 5.05.

(b) Risk of Forfeiture Rules. A Participant shall forfeit the entire amount credited to a Deferral Subaccount that is invested in the phantom Matching Stock Fund option (as adjusted for changes in value pursuant to Section 5.01(b) and including the value of the Dividend Subaccount in the Matching Stock Fund), if the Participant has a termination of employment prior to the second anniversary of the Grant Date of the compensation credited to a Deferral Subaccount invested in the Matching Stock Fund (the "Second Anniversary"), except that effective June 1, 2014, if the Participant is eligible for Retirement at the time the deferral is made (or at the time of the Participant's first termination of employment that precedes the Second Anniversary and follows the date as of which the Participant's deferral was credited to the Participant's Deferral Subaccount), the following amounts shall not be subject to forfeiture: (i) the deferral itself, and (ii) any earnings thereon as of such termination of employment, including any amounts credited to the Dividend Subaccount with respect to the deferral (but forfeiture shall still apply in this case to the related $33^{1/3}$% matching contribution and the earnings on the matching contribution, including any amounts credited to the Dividend Subaccount with respect to the matching contribution) (this is referred to below as the "Retirement rule"). Notwithstanding the prior sentence, if the Participant's termination of employment was prior to the Second Anniversary, but the Plan Administrator determines that the termination was on account of any of the following events, then no forfeiture shall occur (except as provided in paragraph (1) below).

(1) An involuntary termination without cause that is not covered by the special rule in paragraph (3) below (nor the Retirement rule above) and that occurs before January 1, 2024, in which case the amount in the Deferral Subaccount(s) shall be recalculated to equal the original amount of the Participant's deferral to the Deferral Subaccount(s) (*i.e.*, the "total value of the match", as defined below, shall be eliminated). In the case of deferrals that began as Pre-2024 Initial Deferrals, this original amount of the Participant's deferral to the Matching Stock Fund Deferral Subaccount(s) shall be distributed to the Participant in accordance with the special rule in Section 6.09(c) (but this special distribution rule does not apply to any portion of a Participant's Plan interest

other than this original amount of the Participant's deferral to the Matching Stock Fund Deferral Subaccount(s)).

(2) Disability or death.

(3) Either (i) an involuntary termination without cause that occurs prior to January 1, 2024 and pursuant to a restructuring designated by the Company as a "Reduction in Force" or a similar structured event authorized by the Company, or (ii) effective August 1, 2016, a qualifying termination prior to January 1, 2024 as part of a voluntary window program authorized by the Company. To the extent that a Participant who is ineligible for the Retirement rule has an involuntary termination without cause, prior to the Second Anniversary, that is covered by this paragraph (3), the Participant's Deferral Subaccounts that (i) are invested in the Matching Stock Fund, (ii) began as Pre-2024 Initial Deferrals, and (iii) have not reached the Second Anniversary at the time of such involuntary termination, shall be distributed in accordance with the special rule in Section 6.09(c) (but this special distribution rule does not apply to any other interests that the Participant's has under the Plan).

(4) A change in control of the Company.

(5) A termination solely as a result of a Company-approved transfer to a franchisee of the Company that is effective prior to January 1, 2025, provided that Company expressly provides in a properly authorized written approval of the transfer that any otherwise applicable forfeiture under this Subsection will be waived.

(6) Effective January 1, 2024, an involuntary termination without cause that occurs on or after January 1, 2024. The special distribution rule in Section 6.09(c) shall apply to the extent (i) a Participant who is ineligible for the Retirement rule has Deferral Subaccounts invested in the Matching Stock Fund that began as Pre-2024 Initial Deferrals, and (ii) the Participant incurs an involuntary termination without cause on or after January 1, 2024 and before the Second Anniversary (but this special distribution rule does not apply to any other interests that the Participant's has under the Plan).

For purposes of this subsection, the "total value of the match" shall mean the value of the 33⅓ % matching contribution of YUM! Brands Common Stock under Section 5.02(b)(2), plus the net appreciation (or minus the net depreciation) in the Fair Market Value of YUM! Brands Common Stock since the deferral, and plus the amount credited to the Dividend Subaccount with respect to the deferral. In addition, for purposes of this subsection, a "qualifying termination as part of a voluntary window program" shall refer to a Participant's voluntary termination of employment from the YUM! Brands Organization that (A) is in connection with a written, Company-authorized program that provides special incentives for voluntarily terminating employment during a specified period, and (B) under which the Participant has qualified in all respects for the maximum level of benefits that were available to the Participant for voluntarily terminating, under the terms of the written termination incentive program.

Except to the extent that interests in particular Deferral Subaccounts are subject to the special distribution rule in Section 6.09(c) as provided above, any and all distributions of the Deferral Subaccounts invested in the Matching Stock Fund shall be made pursuant to the regular rules of Article VI.

ARTICLE VI – DISTRIBUTIONS

6.01 General:

A Participant's Deferral Subaccount(s) that are governed by the terms of this 409A Program shall be distributed as provided in this Article, subject in all cases to Section 7.03(j) (relating to safeguards against insider trading) and Section 7.06 (relating to compliance with Section 16 of the Act). All Deferral Subaccount balances (other than those hypothetically invested in the phantom YUM! Brands Common Stock Fund or the Matching Stock Fund) shall be distributed in cash. Any amount hypothetically invested in the phantom YUM! Brands Common Stock Fund or the Matching Stock Fund shall be distributed in whole shares of YUM! Brands Common Stock (but cash distributions shall apply to any partial share, the Dividend Subaccount, and distributions under Section 6.09(c) that are specified for distribution in cash). In no event shall any portion of a Participant's Account be distributed earlier or later than is allowed under Section 409A.

The following general rules shall apply for purposes of interpreting the provisions of this Article VI.

(a) Section 6.02 (Distributions Based on a Specific Payment Date) applies when a Participant has elected to defer until a Specific Payment Date and the Specific Payment Date is reached before the Participant's death (and effective for Post-2023 Initial Deferrals, only when the Specific Payment Date is reached on or before a Separation from Service that is not a Retirement). If such a Participant dies on or prior to the Specific Payment Date, Section 6.04 shall apply to the extent it would result in an earlier distribution of all or part of a Participant's Account. In the case of Post-2023 Initial Deferrals, if prior to the Specific Payment Date such a Participant has a Separation from Service that is not a Retirement, Section 6.02 shall not apply and Section 6.03 shall apply instead to determine the time and form of payment.

(b) Section 6.03 (Distributions on Account of a Separation from Service) applies when a Participant has elected to defer (i) until a Separation from Service (or his or her Retirement) and then the Participant Separates from Service (other than as a result of death), or (ii) until a Specific Payment Date with respect to a Post-2023 initial deferral, if the Participant then has a Separation from Service that is not a Retirement before the Specific Payment Date.

(c) Section 6.04 (Distributions on Account of Death) applies when the Participant dies. If a Participant is entitled to receive or is receiving a distribution under Section 6.02 or 6.03 at the time of his or her death, Section 6.04 shall take precedence over those sections to the extent Section 6.04 would result in an earlier distribution of all or part of a Participant's Account.

(d) Section 6.05 (Distributions on Account of Unforeseeable Emergency) applies when the Participant incurs an Unforeseeable Emergency prior to when a Participant's Account is distributed under Sections 6.02 through 6.04. In this case, the provisions of Section 6.05 shall take precedence over Sections 6.02 through 6.04 to the extent Section 6.05 would result in an earlier distribution of all or part of the Participant's Account.

6.02 Distributions Based on a Specific Payment Date:

This Section shall apply to distributions that are to be made upon the occurrence of a Specific Payment Date. In the event a Participant's Specific Payment Date for a Deferral Subaccount is reached (i) before the Participant's death, and (ii) on or before a Separation from Service that is described in subsection (d) below), such Deferral Subaccount shall be distributed based on the occurrence of such Specific Payment Date in accordance with the following terms and conditions:

(a) If a Participant's Deferral Subaccount is to be paid in the form of a lump sum pursuant to Sections 4.04, 4.05 or 4.06, whichever is applicable, the Deferral Subaccount shall be valued as of the last Distribution Valuation Date that immediately precedes the Specific Payment Date, and the resulting amount shall be paid in a single lump sum on the Specific Payment Date.

(b) If a Participant's Deferral Subaccount is to be paid in the form of installments pursuant to Section 4.04 or 4.05, whichever is applicable, the Deferral Subaccount shall be valued as of the last Distribution Valuation Date that immediately precedes the Specific Payment Date and the first installment payment shall be paid on the Specific Payment Date. Thereafter, installment payments shall continue in accordance with the schedule elected by the Participant on the Election Form or the Second Look Election (whichever is applicable, and subject in each case to the provisions of this Plan that constrain such elections), except as provided in Sections 6.04 and 6.05 (relating to distributions on account of death and Unforeseeable Emergency). The amount of each installment shall be determined under Section 6.06. Notwithstanding the preceding provisions of this Subsection, if before the date the last installment distribution is processed for payment the Participant would be entitled to a distribution in accordance with Section 6.04 (relating to a distribution on account of death), the remaining balance of the Participant's Deferral Subaccounts that would otherwise be distributed based on such Specific Payment Date shall instead be distributed in accordance with Section 6.04 (relating to distributions on account of death), but only to the extent it would result in an earlier distribution of the Participant's Subaccounts in the case of Section 6.04. Payment under this subsection (b) shall also be subject to the age 80 limitations and minimum deferral period set forth in Article IV.

(c) If the Participant selected both Separation from Service and a Specific Payment Date for a Deferral Subaccount, then the provisions of Section 6.03(c) shall apply.

(d) Effective for Post-2023 Initial Deferrals, if a Participant has a Separation from Service that does not constitute a Retirement prior to the Specific Payment Date that was elected for the deferral, the deferral will be paid based on the Separation from Service in accordance with Section 6.03 (including the payment delay provisions of Section 6.03(e)).

6.03 Distributions on Account of a Separation from Service:

This Section shall apply to distributions that are to be made upon Separation from Service. When used in this Section, the phrase "Separation from Service" includes a Separation

from Service that is a Retirement but shall only refer to a Separation from Service that is not for death. In all cases, the time of payment rules in this Section shall be subject to the last sentence of Section 4.03 regarding the minimum deferral period and subsection (e) below relating to the required delay in payment that applies when payment is based on Separation from Service.

(a) If the Participant's Deferral Subaccount is to be distributed based on the Participant's Separation from Service (including in connection with Section 6.02(d)), the Participant's Deferral Subaccount shall be distributed as provided in subsections (b) through (f) below.

(b) If the Participant has selected payment of his or her deferral on account of Separation from Service only, the Participant's Deferral Subaccount shall be distributed as of the first day of a calendar quarter following the Participant's Separation from Service as applies under subsection (e) below, with such distribution to be made as provided in subsection (d) below.

(c) If the Participant selected both Separation from Service and a Specific Payment Date for a Deferral Subaccount, then the distribution of the related Deferral Subaccount shall commence as follows:

(1) If the Specific Payment Date occurs on or prior to the Separation from Service, then the Deferral Subaccount shall be valued and distributed based on the Specific Payment Date pursuant to the provisions of Sections 6.02(a) and (b); and

(2) If the Separation from Service occurs prior to the Specific Payment Date, the Deferral Subaccount shall be valued and distributed based on the Separation from Service pursuant to the provisions of Section 6.03(d) and (e).

(d) The distribution provided in subsections (a), (b) or (c)(2) shall be made in either a single lump sum payment or in installment payments depending upon the Participant's deferral election under Sections 4.04 or 4.05. Notwithstanding the prior sentence, in the case of a Post-2023 Initial Deferral that is payable upon a Separation from Service that is not a Retirement in accordance with Section 6.02(d), the form of payment shall be a lump sum in all cases except as provided in Section 6.03(f) below. If the Deferral Subaccount is to be paid in the form of a lump sum, the Deferral Subaccount shall be distributed on the first day of the calendar quarter following the Separation from Service that applies under subsection (e) below. If a Participant's Deferral Subaccount is to be paid in the form of installments, the first installment payment shall be paid on the first day of the calendar quarter following the Separation from Service that applies under subsection (e) below. Thereafter, installment payments shall continue in accordance with the schedule elected by the Participant on his/her Election Form or Second Look Election (and subject in each case to the provisions of this Plan that constrain such elections), except as provided in Sections 6.04 and 6.05 (relating to distributions on account of death and Unforeseeable Emergency). The amount of each installment shall be determined under Section 6.06. Notwithstanding the preceding provisions of this Subsection, if before the date the last installment distribution is processed for payment the Participant would be entitled to a distribution in accordance with Section 6.04 (relating to a distribution on account of death), the

remaining balance of the Participant's Deferral Subaccounts that would otherwise be distributed based on such Separation from Service shall instead be distributed in accordance with Section 6.04 (relating to a distribution on account of death), but only to the extent it would result in an earlier distribution of the Participant's Subaccounts in the case of Section 6.04. Unless otherwise provided in this Section, a distribution shall be valued as of the Distribution Valuation Date that immediately precedes the date the payment is to be made. Payment under this subsection (d) shall also be subject to the age 80 limitations set forth in Article IV.

(e) Notwithstanding the foregoing provisions of this Section 6.03, until such time as it is amended to provide otherwise, the Plan's limitations on permitted payment elections provide and shall continue to provide that a Participant may not elect to receive payment as a result of Separation from Service earlier than the date that is at least six months after the Participant's Separation from Service, and payments under this Section 6.03 shall be made accordingly.

(1) In the case of Post-2023 Initial Deferrals, unless a later Distribution Valuation Date applies under the applicable administrative rules of the Plan, any payment under this subsection (e) shall be valued as of the Distribution Valuation Date that immediately precedes the first day of an applicable calendar quarter (as defined below) that is on or after the later of (i) the date that is six months after the date of the Participant's Separation from Service, or (ii) the date that immediately follows the end of the minimum deferral period applicable under Section 4.03. For purposes of this paragraph, an applicable calendar quarter is a calendar quarter that begins on April 1 (meaning that the Distribution Valuation Date shall be March 31). The resulting amount shall be distributed on such later date (in the case of a lump sum payment) or commencing on such later date (in the case of installment payments) that is as soon as administratively practicable after April 1.

(2) In the case of initial deferrals that are not covered by paragraph (1) above, and subject to the next sentence, unless a later Distribution Valuation Date applies under the terms of the Participant's election (and the applicable administrative rules of the Plan), any payment under this subsection (e) shall be valued as of the first Distribution Valuation Date that is on or after the later of (i) the date that is six months after the date of the Participant's Separation from Service, or (ii) the last day of the minimum deferral period applicable under Section 4.03. The resulting amount shall be distributed on the first day of the first calendar quarter that is after such later date (in the case of a lump sum payment) or commencing on the first day of the first calendar quarter that is after such later date (in the case of installment payments). Notwithstanding the preceding sentence, effective January 1, 2025, if the distribution or commencement date that would apply under the preceding sentence is January 1 of a Plan Year, the distribution or commencement date will be April 1 of the Plan Year (and the Distribution Valuation Date shall be March 31 of the Plan Year), and if the distribution or commencement date that would apply under the preceding sentence is July 1 of a Plan Year, the distribution or commencement date will be October 1 of the Plan Year (and the Distribution Valuation Date shall be September 30 of the Plan Year).

(f) If the Participant is determined by the Plan Administrator to have already commenced receiving installment payments for one or more Deferral Subaccounts in accordance with Section 6.02 at the time of his or her Separation from Service, such installment payments shall continue to be paid based upon the Participant's applicable deferral election regardless of whether the Separation from Service constituted a Retirement (but subject to acceleration under Sections 6.04 and 6.05, relating to distributions on account of death and Unforeseeable Emergency, and under the age 80 limitations in Article IV).

6.04 Distributions on Account of Death:

(a) Upon a Participant's death, the Participant's Account under the Plan shall be distributed in a single lump sum payment during a payment period that begins on the Participant's date of death and ends on the later of (i) 90 days following the date of death, and (ii) the end of the Plan Year containing the date of death; provided that the payment period shall nevertheless end not later than March 15 of the Plan Year following the date of death. (Effective prior to January 1, 2022, the single lump sum payment was paid on the first day of the first calendar quarter that immediately followed the Participant's date of death.) Such payment shall be valued as of the Distribution Valuation Date that the Plan Administrator determines most recently precedes the date payment is to be made. If the Participant is receiving installment payments at the time of the Participant's death, such installment payments shall continue in accordance with the terms of the Participant's deferral election that governs such payments until the time that the lump sum payment is paid under the first two sentences of this Subsection. In this case, immediately prior to the time that such lump sum payment is to be paid all installment payments shall cease and the remaining balance of the Participant's Account shall be distributed at such scheduled payment time in a single lump sum. Amounts paid following a Participant's death, whether a lump sum or continued installments, shall be paid to the Participant's Beneficiary. If some but not all of the persons designated as Beneficiaries by a Participant to receive his or her Account at death predecease the Participant, the Participant's surviving Beneficiaries shall be entitled to the portion of the Participant's Account intended for such pre-deceased persons in proportion to the surviving Beneficiaries' respective shares.

(b) Effective from and after January 1, 2009, if no designation is in effect at the time of a Participant's death (as determined by the Plan Administrator) or if all persons designated as Beneficiaries have predeceased the Participant, then the payments to be made pursuant to this Section shall be distributed as follows:

(1) If the Participant is married at the time of his/her death, all payments made pursuant to this Section shall be paid to the Participant's spouse; and

(2) If the Participant is not married at the time of his/her death, all payments made pursuant to this Section shall be paid to the Participant's estate.

The Plan Administrator shall determine whether a Participant is "married" and shall determine a Participant's "spouse" based on the state or local law where the Participant has his/her primary residence at the time of death. The Plan Administrator is authorized to make any

applicable inquires and to request any documents, certificates or other information that it deems necessary or appropriate in order to make the above determinations.

(c) Prior to the time the value of the Participant's Account is distributed under this Section, the Participant's Beneficiary may apply for a distribution under Section 6.05 (relating to a distribution on account of an Unforeseeable Emergency).

(d) Any claim to be paid any amounts standing to the credit of a Participant in connection with the Participant's death must be received by the Plan Administrator or the Plan Administrator at least 14 days before any such amount is paid out by the Plan Administrator. Any claim received thereafter is untimely, and it shall be unenforceable against the Plan, the Company, the Plan Administrator, or any other party acting for one or more of them.

6.05 Distributions on Account of Unforeseeable Emergency:

Prior to the time that an amount would become distributable under Sections 6.02 through 6.04, a Participant or Beneficiary may file a written request with the Recordkeeper for accelerated payment of all or a portion of the amount credited to the Participant's Account based upon an Unforeseeable Emergency. After an individual has filed a written request pursuant to this Section, along with all supporting material that may be required by the Recordkeeper from time to time, the Recordkeeper shall determine within 60 days (or such other number of days that is necessary if special circumstances warrant additional time) whether the individual meets the criteria for an Unforeseeable Emergency. If the Recordkeeper determines that an Unforeseeable Emergency has occurred, the Participant or Beneficiary shall receive a distribution from his or her Account as of the day the Recordkeeper finalizes the determination. However, such distribution shall not exceed the dollar amount necessary to satisfy the Unforeseeable Emergency (plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution) after taking into account the extent to which the Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

6.06 Valuation:

In determining the amount of any individual distribution pursuant to this Article, the Participant's Deferral Subaccount shall continue to be credited with earnings and gains (and debited for expenses and losses) as specified in Article V until the Distribution Valuation Date that is used in determining the amount of the distribution under this Article. If a particular Section in this Article does not specify a Distribution Valuation Date to be used in calculating the distribution, the Participant's Deferral Subaccount shall continue to be credited with earnings and gains (and debited for expenses and losses) as specified in Article V until the Distribution Valuation Date that the Plan Administrator determines most recently precedes the date payment is to be made. In determining the value of a Participant's remaining Deferral Subaccount following an installment distribution from the Deferral Subaccount (or a partial distribution under Section 6.05 relating to a distribution on account of an Unforeseeable Emergency), such distribution shall reduce the value of the Participant's Deferral Subaccount as of the close of the

Distribution Valuation Date preceding the payment date for such installment (or partial distribution). The amount to be distributed in connection with any installment payment shall be determined by dividing the value of a Participant's Deferral Subaccount as of such preceding Distribution Valuation Date (determined as appropriate before reduction of the Deferral Subaccount as of such Distribution Valuation Date in accordance with the preceding sentence) by the remaining number of installments to be paid with respect to the Deferral Subaccount. In the case of an installment election that is applicable under either a Pre-2024 Initial Deferral Election or a Second Look Election (which is made before January 1, 2024), any applicable election of quarterly installments shall shift, effective January 1, 2025, to being paid as semi-annual installments that are made on April 1 and October 1. Accordingly, any amount that would have been paid as of January 1 (based on the value as of the Distribution Valuation Date immediately preceding January 1) shall be paid as of April 1 (based on the value as of the Distribution Valuation Date immediately preceding April 1), and any amount that would have been paid as of July 1 (based on the value as of the Distribution Valuation Date immediately preceding July 1) shall be paid as of October 1 (based on the value as of the Distribution Valuation Date immediately preceding October 1). As a result, the value of two quarterly installments shall generally be paid on each April 1 and October 1 during the applicable installment period, but never when it would result in (i) an acceleration of when the value of a quarterly installment would have been paid, or (ii) the payment of the value of more quarterly installments within a particular Plan Year than would have been paid in that Plan Year if quarterly installments had continued.

6.07 Section 162(m) Compliance:

(a) Effective January 1, 2018, the Plan Administrator shall have the maximum discretion to delay payments (as well as to not delay or not further delay payments) that is permissible under both Regulation § 1.409A-2(b)(7)(i) (relating to payments that are expected to be subject to Code Section 162(m)) and under all other Internal Revenue Service guidance concerning the interrelationship of Code Sections 162(m) and 409A (hereafter, the "Section 162(m) Rule") while still having (i) the delay be exempt from Section 409A's rules for subsequent deferral elections, and (ii) the payment without delay (or with a truncated delay) not violate Section 409A's rules prohibiting accelerated payments. If any payment is delayed or accelerated pursuant to the discretion granted by the prior sentence, it shall be paid in the Plan Administrator's discretion taking into account the Section 162(m) Rule and in a manner that is consistent with clauses (i) and (ii) of the preceding sentence.

(b) Effective prior to January 1, 2018, if a Participant has elected to defer income, which would qualify as performance-based compensation under Code Section 162(m), then such Deferral Subaccount may not be paid out at any time while the Participant is a covered employee under Code Section 162(m)(3), to the extent it would result in compensation being paid to the Participant in such year that would not be deductible under Code Section 162(m). The payout of any such amount shall be deferred until a year when its payout will not result in the payment of non-performance-based compensation that exceeds the $1 million cap in Code Section 162(m)(1) (and then only such portion that will not exceed such cap shall be paid out in the year). However, the total amount (i) which stands to the credit of the Participant in the Plan, and (ii) which would be currently or previously distributed from the Plan but for this Section,

shall be paid out in the first calendar year when the Participant is no longer a Code Section 162(m) covered employee. This Section shall apply notwithstanding the fact that a Participant would otherwise be entitled to an earlier distribution under the foregoing provisions of this Article, except that a Participant may receive an earlier distribution with respect to deferrals subject to this Section to the extent the Participant qualifies for such an earlier distribution under Section 6.05.

6.08 Impact of Section 16 of the Act on Distributions:

The provisions of Sections 5.03(c) and 7.06 shall apply in determining whether a Participant's distribution shall be delayed beyond the date applicable under the preceding provisions of this Article VI.

6.09 Involuntary Cashout:

Subject to subsection (b) below, the Plan Administrator shall have the maximum discretion that is permitted under Regulation § 1.409A-3(j)(4)(v) (relating to limited cashouts) to require a mandatory lump sum payment of all of a Participant's Account under the Plan (together with any other deferred compensation benefits that are required to be aggregated with the Account under Section 409A), but only if the total payment would not exceed the applicable dollar limitation (as defined in the next sentence). For this purpose, the "applicable dollar limitation" is the limitation in effect under Code Section 402(g)(1)(B) for the Plan Year.

(a) The foregoing provisions of this Section 6.09 shall be applied separately to the portion of the Plan that is described in Regulation § 1.409A-1(c)(2)(i)(A) (relating to elective deferral account balance plans) and Regulation § 1.409A-1(c)(2)(i)(B) (relating to non-elective deferral account balance plans). Accordingly, a Participant who has a Matching Stock Fund interest, which includes both elective and non-elective deferrals, may receive two separate cashouts, each of which is individually not more than the applicable dollar limitation above.

(b) If the Participant is entitled to a distribution as a result of a Separation from Service, this Section 6.09 may not be used to make a payment to the Participant prior to when would apply under Section 6.03(e) (relating to delaying distribution after Separation from Service) unless at such time the Participant will also be receiving a mandatory cashout under the YUM! Brands Leadership Retirement Plan (which will be aggregated with the Participant's non-elective deferrals under this Plan), and the Participant is not a Key Employee.

(c) The original amount of a Participant's deferral to a Matching Stock Fund Deferral Subaccount, which is subject to the special rule in Section 5.05(b)(1), shall be paid in cash in a single lump sum as of the first Specified Payment Date occurring on or after the end of the minimum deferral period specified in Section 4.03(b) (but not before the time that would apply under Section 6.03(e) (relating to delaying distribution after Separation from Service). The value of a Matching Stock Fund Deferral Subaccount, which Section 5.05(b)(3) or (6) makes subject to this Section 6.09(c)'s special distribution rule, shall be paid in a lump sum in whole shares of YUM! Brands Common Stock (subject to the payment in cash of certain amounts, such as the Dividend Subaccount, as provided in Section 6.01) as of the first Specified Payment Date

occurring on or after the end of the minimum deferral period specified in Section 4.03(b) (but not before the time that would apply under Section 6.03(e), relating to delaying distribution after Separation from Service). The distribution of the Participant's other vested amounts, which are not subject to this Section 6.09(c)'s special distribution rule, shall not be affected by the application of this subsection to amounts that are subject to the special distribution rule.

6.10 Actual Payment Date:

An amount payable on a date specified in this Article VI shall be paid no later than the later of (a) the end of the calendar year in which the specified date occurs, or (b) the 15th day of the third calendar month following such specified date. In addition, the Participant (or Beneficiary) is not permitted to designate the taxable year of the payment.

ARTICLE VII – PLAN ADMINISTRATION

7.01 Plan Administrator:

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator has the authority to name one or more delegates to carry out certain responsibilities hereunder, as specified in the definition of Plan Administrator. Any such delegation shall state the scope of responsibilities being delegated and is subject to Section 7.06 below.

7.02 Action:

Action by the Plan Administrator may be taken in accordance with procedures that the Plan Administrator adopts from time to time or that the Company's Legal Department determines are legally permissible.

7.03 Powers of the Plan Administrator:

The Plan Administrator shall administer and manage the Plan and shall have (and shall be permitted to delegate) all powers necessary to accomplish that purpose, including the following:

(a) To exercise its discretionary authority to construe, interpret, and administer this Plan;

(b) To exercise its discretionary authority to make all decisions regarding eligibility, participation and deferrals, to make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;

(c) To compute and certify to the Employers the amount and kinds of payments to Participants or their Beneficiaries, and to determine the time and manner in which such payments are to be paid;

(d) To authorize all disbursements by the Employer pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records for administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(h) To establish or to change the phantom investment options or arrangements under Article V;

(i) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan; and

(j) Notwithstanding any other provision of this Plan except Section 7.07 (relating to compliance with Section 409A), the Plan Administrator or the Recordkeeper may take any action the Plan Administrator deems is necessary to assure compliance with any policy of the Company respecting insider trading as may be in effect from time to time. Such actions may include altering the effective date of intra-fund transfers or the distribution date of Deferral Subaccounts. Any such actions shall alter the normal operation of the Plan to the minimum extent necessary.

The Plan Administrator, or a party designated by the Plan Administrator, shall have the exclusive discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits. As a result, benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the Participant (or other applicant) is entitled to them. Any decisions or determinations hereunder shall be made in the absolute and unrestricted discretion of the Plan Administrator, even if (i) such discretion is not expressly granted by the Plan provisions in question, or (ii) a decision or determination is not expressly called for by the Plan provisions in question, and even though other Plan provisions expressly grant discretion or expressly call for a decision or determination. All decisions and determinations made by the Plan Administrator will be final, conclusive, and binding on all parties. The Plan Administrator may consider the intent of the Company with respect to a Plan provision in making any determination with respect to the provision, notwithstanding the provisions set forth in any document that arguably do not contemplate considering such intent. The Plan Administrator's discretion is absolute, and in any case where the breadth of the Plan Administrator's discretion is at issue, it is expressly intended that the Plan Administrator (or its delegate) be accorded the maximum possible discretion. Any exercise by the Plan Administrator of its discretionary authority shall be reviewed by a court under the arbitrary and capricious standard (*i.e.*, abuse of discretion).

7.04 Compensation, Indemnity and Liability:

The Plan Administrator will serve without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator will be paid by the Employers. To the extent deemed appropriate by the Plan Administrator, any such expense may be charged against specific Participant Accounts, thereby reducing the obligation of the Employers. No member of the Committee (which serves as the Plan Administrator), and no individual acting as the delegate of the Committee, shall be liable for any act or omission of any other member or individual, nor for any act or omission on his or her own part, excepting his or her own willful misconduct. The Employers (other than the Company) will indemnify and hold harmless each member of the Committee and any employee of the Company (or a Company affiliate, if recognized as an affiliate for this purpose by the Plan Administrator) acting as the delegate of the Committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising in connection with this Plan out of his or her membership on the Committee (or his or her serving as the delegate of the Committee), excepting only expenses and liabilities arising out of his or her own willful misconduct or bad faith.

7.05 Withholding:

The Employer shall withhold from amounts due under this Plan, any amount necessary to enable the Employer to remit to the appropriate government entity or entities on behalf of the Participant as may be required by the federal income tax provisions of the Code, by an applicable state's income tax provisions, and by an applicable city, county or municipality's earnings or income tax provisions. Further, the Employer shall withhold from the payroll of, or collect from, a Participant the amount necessary to remit on behalf of the Participant any Social Security or Medicare taxes which may be required with respect to amounts deferred or accrued by a Participant hereunder, as determined by the Employer. In addition, to the extent required by Section 409A, amounts deferred under this Plan shall be reported on each Participant's Form W-2 for the applicable tax year, and any amounts that become taxable hereunder shall be reported as taxable wages on the Participant's Form W-2 for the applicable tax year. All such reporting shall be performed based on the rules and procedures of Section 409A.

7.06 Section 16 Compliance:

(a) In General. This Plan is intended to be a formula plan for purposes of Section 16 of the Act. Accordingly, in the case of a deferral or other action under the Plan that constitutes a transaction that could be covered by Rule 16b-3(d) or (e), if it were approved by the Company's Board or Compensation Committee ("Board Approval"), it is intended that the Plan shall be administered by delegates of the Compensation Committee, in the case of a Participant who is subject to Section 16 of the Act, in a manner that will permit the Board Approval of the Plan to avoid any additional Board Approval of specific transactions to the maximum possible extent.

(b) Approval of Distributions: This Subsection shall govern the distribution of a deferral that (i) is wholly or partly invested in the phantom YUM! Brands Common Stock Fund or the Matching Stock Fund at the time the deferral would be valued to determine the amount of cash to be distributed to a Participant, (ii) either was the subject of a Second Look Election or was not covered by an agreement, made at the time of the Participant's original deferral election, that any investments in the phantom YUM! Brands Common Stock Fund or Matching Stock Fund would, once made, remain in that fund until distribution of the deferral, (iii) is made to a Participant who is subject to Section 16 of the Act at the time the interest in the phantom YUM! Brands Common Stock Fund or Matching Stock Fund would be liquidated in connection with the distribution, and (iv) if paid at the time the distribution would be made without regard to this subsection, could result in a violation of Section 16 of the Act because there is an opposite way transaction that would be matched with the liquidation of the Participant's interest in the YUM! Brands Common Stock Fund or Matching Stock Fund (either as a "discretionary transaction," within the meaning of Rule 16b-3(b)(1), or as a regular transaction, as applicable) (a "Covered Distribution"). In the case of a Covered Distribution, if the liquidation of the Participant's interest in the phantom YUM! Brands Common Stock Fund or Matching Stock Fund in connection with the distribution has not received Board Approval by the time the distribution would be made if it were not a Covered Distribution, or if it is a discretionary transaction, then the actual distribution to the Participant shall be delayed only until the earlier of:

(1) In the case of a transaction that is not a discretionary transaction, Board Approval of the liquidation of the Participant's interest in the phantom YUM! Brands Common Stock Fund or Matching Stock Fund in connection with the distribution, and

(2) The date the distribution would no longer violate Section 16 of the Act,*e.g.*, when the Participant is no longer subject to Section 16 of the Act, when the Deferral Subaccount related to the distribution is no longer invested in the phantom YUM! Brands Common Stock Fund or Matching Stock Fund or when the time between the liquidation and an opposite way transaction is sufficient.

7.07 Conformance with Section 409A:

At all times during each Plan Year, this Plan shall be operated (i) in accordance with the requirements of Section 409A, and (ii) to preserve the status of deferrals under the Pre-409A Program as being exempt from Section 409A, *i.e.*, to preserve the grandfathered status of the Pre-409A Program. In all cases, the provisions of this Section shall apply notwithstanding any contrary provision of the Plan that is not contained in this Section.

As stated in Section 6.03(e), the Plan does not allow Participants to elect payment upon Separation from Service before a payment date that is at least six months after the date of the Participant's Separation from Service. One effect of this provision is that it ensures, while it remains in effect, that payment will never be made upon Separation from Service to a Participant who is a Key Employee earlier than permitted by Code Section 409A(a)(2)(B)(i) and Treas. Reg. § 1.409A-3(i)(2). However, while the Section 6.03(e) provisions for payment upon Separation from Service may be amended (to the extent permitted by Code Section 409A), this Plan shall always require (to the extent necessary to comply with Section 409A) a delay in payment to Key Employees upon Separation from Service as necessary to satisfy Code Section 409A(a)(2)(B)(i) and Treas. Reg. § 1.409A-3(i)(2).

7.08 Section 457A.

To avoid the application of Code Section 457A ("Section 457A") to benefits under the Plan, the following shall apply to a Participant who transfers to a work location outside of the United States to provide services to a member of the Yum! Organization that is neither a United States corporation nor a pass-through entity that is wholly owned by a United States corporation ("Covered Transfer"):

(a) The Participant shall automatically vest in the portion of his or her Account that is invested in the Matching Stock Fund as of the last business day before the Covered Transfer; and

(b) The Participant shall have no legal right to defer Base Compensation or Bonus Compensation (and the Participant shall not make such deferrals) for the Plan Year to the extent the allocation would constitute compensation that is includable in income under Section 457A.

Notwithstanding the foregoing, subsection (a) and (b) above shall not apply to a Participant who has a Covered Transfer if, prior to the Covered Transfer, the Company provides a written communication (either to the Participant individually, to a group of similar Participants, to Participants generally, or in any other way that causes the communication to apply to the Participant – *i.e.*, an "applicable communication") that this subsection does not apply to the Covered Transfer in question. In addition, subsections (a) and (b) shall not apply to a Participant who has a Covered Transfer if the Company determines that deferrals of Base Compensation or Bonus Compensation by such Participant should not constitute compensation that is includable in income under Section 457A. Subsection (b) above and the preceding sentence shall at all times be subject to the timing requirements for deferral elections and the limitations on changes in deferral elections under Section 409A (and shall be otherwise limited to the extent necessary to comply with Section 409A).

ARTICLE VIII – CLAIMS PROCEDURE

8.01 Claims for Benefits:

The Plan Administrator has the discretionary right to modify the claims process described in this Section in any manner so long as the claims review process, as modified, includes the basic steps described in this Section and Section 8.02. If a Claimant (as defined below in Section 8.04) does not receive timely payment of any benefits which he or she believes are due and payable under the Plan, or if a Claimant believes some other right derived from or related to the Plan has been withheld or abridged, he or she may make a Claim (as defined below in Section 8.04) for benefits to the Plan Administrator. The Claim must be in writing (or in such other form acceptable to the Plan Administrator) and addressed to the Plan Administrator. If the Claim is denied, the Plan Administrator will notify the Claimant within 90 days after the Plan Administrator initially received the Claim. However, if special circumstances require an extension of time for processing the Claim, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period (indicating the special circumstances that require the extension), and such extension may not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits shall advise the Claimant of the basis for the denial, pertinent Plan provisions on which the denial is based, any additional material or information necessary for the Claimant to perfect his or her Claim, and the steps which the Claimant must take to appeal his or her Claim.

8.02 Appeals of Denied Claims:

Each Claimant whose Claim has been denied may file a written appeal for a review of his or her Claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he or she received the notice denying his or her Claim. Upon review, the Plan Administrator shall provide the claimant a full and fair review of the claim, including the opportunity to submit to the Plan Administrator comments, document, records and other information relevant to the claim, and the Plan Administrator's review shall take into account such comments, documents, records and information regardless of whether it was submitted or considered at the initial determination. The decision of the Plan Administrator will be communicated to the Claimant within 60 days after receipt of a request for appeal. The notice shall set forth the basis for the Plan Administrator's decision. However, if special circumstances require an extension of time for processing the appeal, the Plan Administrator will furnish notice of the extension to the Claimant prior to the termination of the initial 60-day period (indicating the special circumstances that require the extension), and such extension may not exceed one additional, consecutive 60-day period. In no event shall the Plan Administrator's decision be rendered later than 120 days after receipt of a request for appeal.

Effective March 1, 2020 and continuing at least through November 1, 2022, the Department of Labor, the Department of the Treasury, and the Internal Revenue Service (IRS) (collectively the "Agencies") extended certain deadlines applicable to the Plan in light of the COVID-19 outbreak, pursuant to the authority granted in ERISA section 518 and Code section 7508A(b) and as set forth in Disaster Relief Notices 2020-01 and 2021-01 issued by the Employee Benefits Security Administration ("EBSA"), and the Notice of Extension of Certain

Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID–19 Outbreak issued by the Agencies. The Plan will comply with these extensions as required by applicable law and Agency guidance. Specifically, the Agencies provided that a period of up to one year may be disregarded in the case of an employee benefit plan, sponsor, administrator, participant, beneficiary, or other person with respect to the employee benefit plan in determining the date by which any action is required or permitted to be completed as a result of the Covid-19 outbreak. This relief ends on the earlier of (a) 1 year from the date a person was first eligible for the relief, or (b) 60 days after the announced end of the National Emergency (the end of the Outbreak Period), which is still on-going as of November 1, 2022. In no case will a disregarded period exceed 1 year. This relief includes but is not limited to notices and disclosures required by the Plan, and the deadlines under the ERISA claims procedure.

Any claim under the Plan that is reviewed by a court, arbitrator or any other tribunal shall be reviewed solely on the basis of the record before the Plan Administrator at the time it made its determination. In addition, any such review shall be conditioned on the Claimant's having fully exhausted all rights under this section as is more fully explained in Section 8.04. Any notice or other notification that is required to be sent to a claimant under this section may be sent pursuant to any method approved under Department of Labor Regulation Section 2520.104b-1 or other applicable guidance.

8.03 Special Claims Procedures for Disability Determinations:

Notwithstanding Sections 8.01 and 8.02, if the Claim or appeal of the Claimant relates to Disability benefits, such Claim or appeal shall be processed pursuant to the applicable provisions of Department of Labor Regulation Section 2560.503-1 relating to Disability benefits, including Sections 2560.503-1(d), 2560.503-1(f)(3), 2560.503-1(h)(4) and 2560.503-1(i)(3).

8.04 Exhaustion of Claims Procedures.

(a) Before filing any Claim (including a suit or other action) in court or in another tribunal, a Claimant must first fully exhaust all of the Claimant's actual or potential rights under the claims procedures of Sections 8.01, 8.02 and 8.03.

(b) Upon review by any court or other tribunal, the exhaustion requirement of this Section is intended to be interpreted to require exhaustion in as many circumstances as possible (and any steps necessary to clarify or effect this intent may be taken). For example, exhaustion may not be excused (i) for failure to respond to a Claim unless the purported Claimant took steps that were sufficient to make it reasonably clear to the Plan Administrator that the purported Claimant was submitting a Claim with respect to the Plan, or (ii) for failure to fulfill a request for documents unless (A) the Claimant is lawfully entitled to receive a copy of the requested document from the Plan Administrator at the time and in the form requested, (B) the Claimant requests such documents in a writing that is addressed to and actually received by the Plan Administrator, (C) the Plan Administrator fails to provide the requested documents within 6 months after the date the request is received, or within such longer period as may be reasonable under the facts and circumstances, (D) the Claimant took steps that were sufficient to make it reasonably clear to the Plan Administrator that the Claimant was actually entitled to

receive the requested documents at the time and in the form requested (*i.e.*, generally the Claimant must provide sufficient information to place the Plan Administrator on notice of a colorable Claim for benefits), and (E) the documents requested and not provided are material to the determination of one or more colorable Claims of which the Claimant has informed the Plan Administrator.

(c) In any action or consideration of a Claim in court or in another tribunal following exhaustion of the Plan's claims procedure as described in this Section, the subsequent action or consideration shall be limited, to the maximum extent permissible, to the record that was before Plan Administrator in the claims procedure process.

(d) The exhaustion requirement of this Section shall apply: (i) regardless of whether other Disputes (as defined below in subsection (f)) that are not Claims (including those that a court might consider at the same time) are of greater significance or relevance, (ii) to any rights the Plan Administrator may choose to provide in connection with novel Disputes or in particular situations, (iii) regardless of whether the rights are actual or potential and (iv) even if the Plan Administrator has not previously defined or established specific claims procedures that directly apply to the submission and consideration of such Claim (in which case the Plan Administrator upon notice of the Claim shall either promptly establish such claims procedures or shall apply or act by analogy to the claims procedures of Sections 8.01, 8.02 and 8.03 that apply to Claims).

(e) The Plan Administrator may make special arrangements to consider a Claim on a class basis or to address unusual conflicts concerns, and such minimum arrangements in these respects shall be made as are necessary to maximize the extent to which exhaustion is required.

(f) For purposes of this Article VIII, the following definitions apply –

(1) A "Dispute" is any claim, dispute, issue, assertion, allegation, action or other matter.

(2) A "Claim" is any Dispute that implicates in whole or in part any one or more of the following –

(i) The interpretation of the Plan;

(ii) The interpretation of any term or condition of the Plan;

(iii) The interpretation of the Plan (or any of its terms or conditions) in light of applicable law;

(iv) Whether the Plan or any term or condition under the Plan has been validly adopted or put into effect;

(v) The administration of the Plan,

(vi) Whether the Plan, in whole or in part, has violated any terms, conditions or requirements of ERISA or other applicable law or regulation, regardless of whether such terms, conditions or requirements are, in whole or in part, incorporated into the terms, conditions or requirements of the Plan,

(vii) A request for Plan benefits or an attempt to recover Plan benefits;

(viii) An assertion that any entity or individual has breached any fiduciary duty;

(ix) An assertion that any individual or entity is a Participant, former Participant, Plan beneficiary, former Plan beneficiary or assignee of any of the foregoing; or

(x) Any Dispute or Claim that: (i) is deemed similar to any of the foregoing by the Plan Administrator, or (ii) relates to the Plan in any way.

It is the Plan Administrator's intent to interpret and operate the Plan in good faith and at all times consistently with ERISA. Therefore, as a condition for any right or recovery related to the Plan, the Plan imposes a contractual obligation for complete exhaustion under this Section with respect to any Claim (as defined above) in order to allow for the efficient and uniform resolution of such Claims and to protect the Plan from potentially substantial and unnecessary litigation expenses that exhaustion could obviate

(3) A "Claimant" is any actual or putative employee, former employee, Executive, former Executive, Participant, former Participant, Plan beneficiary, former Plan beneficiary (or the spouse, former spouse, estate, heir or representative of any of the foregoing individuals), or any other individual, person, entity, estate, heir, or representative with an actual or purported interest that is related to the Plan, as well as any group of one or more of the foregoing, who has a Claim. A "Claimant" also includes any individual or entity who is alleging the individual or entity has the status of a Participant, former Participant, Plan beneficiary, former Plan beneficiary, or any other individual or entity asserting a Claim.

8.05 Limitations on Actions.

Any Claim filed under this Article VIII and any action filed in state or federal court by or on behalf of a Claimant for the alleged wrongful denial of Plan benefits or for the alleged interference with or violation of ERISA-protected rights must be brought within two years of the date the Claimant's cause of action first accrues and in the venue specified in this Section.

(a) For purposes of this subsection, a cause of action with respect to a Claimant's benefits under the Plan shall be deemed to accrue not later than the earliest of (i) when the Claimant has received the calculation of the benefits that are the subject of the Claim or legal action, (ii) the date identified to the Claimant by the Plan Administrator on which payments shall commence, (iii) when the Claimant has actual or constructive knowledge of the acts or

failures to act (or the other facts) that are the basis of his Claim, or (iv) the date when the benefit was first paid, provided, or denied.

(b) For purposes of this subsection, a cause of action with respect to the alleged interference with ERISA-protected rights shall be deemed to accrue when the Claimant has actual or constructive knowledge of the acts or failures to act (or the other facts) that are alleged to constitute interference with ERISA-protected rights.

(c) For purposes of this subsection, a cause of action with respect to any other Claim, action or suit not covered by subsection (a) or (b) above must be brought within two years of the date when the Claimant has actual or constructive knowledge of the acts or failures to act (or the other facts) that are alleged to give rise to the Claim, action or suit.

Failure to bring any such Claim or cause of action within this two-year time frame shall preclude a Claimant, or any representative of the Claimant, from filing the Claim or cause of action. The mandatory claim and appeal process described in Section 8.02 and any other correspondence or other communications pursuant to or following such mandatory appeals process shall not have any effect on this two-year time frame. In addition to having to meet this two-year timeframe, any Claim or action brought or filed in court or any other tribunal in connection with the Plan by or on behalf of a Claimant shall only be brought and filed in the United States District Court for the Western District of Kentucky.

ARTICLE IX – AMENDMENT AND TERMINATION

9.01 Amendment of Plan:

The Compensation Committee of the Board of Directors of the Company has the right in its sole discretion to amend this Plan in whole or in part at any time and in any manner, including the manner of making deferral elections, the terms on which distributions are made, and the form and timing of distributions. However, except for mere clarifying amendments necessary to avoid an inappropriate windfall, no Plan amendment shall reduce the amount credited to the Account of any Participant as of the date such amendment is adopted. Any amendment shall be in writing and adopted by the Company. All Participants and Beneficiaries shall be bound by such amendment. Any amendments made to the Plan shall be subject to any restrictions on amendment that are applicable to ensure continued compliance under Section 409A. The Company's rights under this Section 9.01 shall be as broad as permissible under applicable law.

9.02 Termination of Plan:

(a) The Company expects to continue this Plan, but does not obligate itself to do so. The Company, acting by the Compensation Committee of the Board of Directors, or through its entire Board of Directors, reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State). Termination of the Plan will be binding on all Participants (and a partial termination shall be binding upon all affected Participants) and their Beneficiaries, but in no event may such termination reduce the amounts credited at that time to any Participant's Account. If this Plan is terminated (in whole or in part), the termination resolution shall provide for how amounts theretofore credited to affected Participants' Accounts will be distributed.

(b) This Section is subject to the same restrictions related to compliance with Section 409A that apply to Section 9.01. In accordance with these restrictions, the Company intends to have the maximum discretionary authority to terminate the Plan and make distributions in connection with a Change in Control (as defined in Section 409A), and the maximum flexibility with respect to how and to what extent to carry this out following a Change in Control (as defined in Section 409A) as is permissible under Section 409A. The previous sentence contains the exclusive terms under which a distribution may be made in connection with any change in control with respect to deferrals made under this 409A Program.

The Company's rights under this Section 9.02 shall be as broad as permissible under applicable law.

ARTICLE X – MISCELLANEOUS

10.01 Limitation on Participant's Rights:

(a) In General: Participation in this Plan does not give any Participant any right or interest in this Plan or any assets of the Employer or the Company other than the unfunded and unsecured right to receive a Plan distribution determined and paid exactly in accordance with the Plan's terms as interpreted in the discretion of the Plan Administrator.

(b) No Employment Right: Participation in this Plan does not give any Participant the right to be retained in the Employer's or Company's employ. Accordingly, the Employer and Company reserve the right to terminate the employment of any Participant without any liability for any Claim (as defined above in Section 8.04) against the Employer or Company under this Plan, except for a Claim for the timely payment of any unpaid Plan distribution to the extent permitted by subsection (a) above.

(c) Recovery of Excess Payments: For the avoidance of doubt, it is noted that this Plan provides that payments to, for or in connection with a Participant that are made (as of a point in time and to any person or entity) may not exceed the exact amount of payments, if any, that are due as of the time and to the person, determined based on the terms of the Plan that specify the amounts that are payable, the time as of which they are payable, and the person to whom they are payable. Accordingly, any excess payment or any other kind of overpayment, premature payment or misdirected payment (each one or more than one of which are hereafter referred to as an "Excess Payment") may not be retained by the party receiving it, but must be restored promptly to the Plan (and with appropriate interest to extent deemed by the Plan Administrator to be necessary for a valid correction under Code section 409A or to be appropriate under all of the circumstances). In addition, it is clarified that, in exchange for Participant or Beneficiary status hereunder (or for having any other direct or indirect right or claim of right from the Plan, or solely as a result of having received an Excess Payment), any party receiving an Excess Payment automatically grants to the Plan the following nonexclusive rights –

(1) A constructive trust and first priority equitable lien on any payment that is received directly or indirectly from the Plan and that is, in whole or part, an Excess Payment (such trust and lien shall be equal to the amount of the Excess Payment increased by appropriate interest) or upon the proceeds or substitutes for such payment, and any transfer shall be subject to such constructive trust and equitable lien (including one or more transfers to one or more persons, trusts or entities).

(2) The right to offset (as necessary to recover the Excess Payment with appropriate interest) other payments that are properly payable by the Plan to the recipient of the Excess Payment; however, reliance on this right is in the discretion of the Plan Administrator, with due consideration to any limitations on offset that the Plan Administrator determines would apply under Code section 409A, and therefore the existence of an opportunity to apply this right of offset shall not diminish the Plan's rights under paragraph (1) above or (3) below.

(3) The right to bring any equitable or legal action or proceeding with respect to the enforcement of any rights in this Section in any court of competent jurisdiction as the Plan Administrator may elect, and following receipt of an Excess Payment the Participant or other person or entity hereby submits to such jurisdiction, waiving any and all rights that may correspond to such party's present or future residence or location.

Any party receiving an Excess Payment shall promptly take all actions requested by the Plan Administrator that are in furtherance of the Plan's recovery of the Excess Payment with appropriate interest. In all cases, this subsection shall maximize the rights of the Plan to recover improper payments and shall not restrict the rights of the Plan in any way, including with respect to any improper payment that is not addressed above. In addition, equitable or legal principles that might impair the Plan's right of recovery of an Excess Payment with appropriate interest shall not apply (including the common fund doctrine and any requirement that funds not be commingled or dissipated in order to be recovered). For purposes of this subsection and the recovery of Excess Payments, "appropriate interest" shall mean a rate of interest (and a period for compounding) that is determined by the Plan Administrator, in its sole discretion, to be – (i) reasonable at the time, and (ii) sufficient to accomplish a valid correction under Code section 409A or to avoid enrichment of the recipient at the expense of the Plan (or both).

10.02 Unfunded Obligation of Individual Employer:

The benefits provided by this Plan are unfunded. All amounts payable under this Plan to Participants are paid from the general assets of the Participant's individual Employer. Nothing contained in this Plan requires an Employer to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. Neither a Participant, Beneficiary, nor any other person shall have any property interest, legal or equitable, in any specific Employer asset. This Plan creates only a contractual obligation on the part of a Participant's individual Employer, and the Participant has the status of a general unsecured creditor of this Employer with respect to amounts of compensation deferred hereunder. Such a Participant shall not have any preference or priority over, the rights of any other unsecured general creditor of the Employer. No other Employer guarantees or shares such obligation, and no other Employer shall have any liability to the Participant or his or her Beneficiary. In the event, a Participant transfers from the employment of one Employer to another, the former Employer shall transfer the liability for deferrals made while the Participant was employed by that Employer to the new Employer (and the books of both Employers shall be adjusted appropriately).

10.03 Other Plans:

This Plan shall not affect the right of any Eligible Executive or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by any Employer, unless the terms of such other employee benefit plan or plans specifically provide otherwise or it would cause such other plan to violate a requirement for tax favored treatment.

10.04 Receipt or Release:

Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Recordkeeper, the Company, and all Employers, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

10.05 Governing Law:

This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law as would be applied in cases that arise in the United States District Court for the Western District of Kentucky and, to the extent not preempted by federal law, in accordance with the laws of the Commonwealth of Kentucky. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.06 Adoption of Plan by Related Employers:

The Plan Administrator may select as an Employer (other than the Company, which is automatically an Employer hereunder) any division of the Company, as well as any subsidiary or affiliate related to the Company by ownership (and that is a member of the YUM! Brands Organization), and permit or cause such division, subsidiary or affiliate to adopt the Plan. The selection by the Plan Administrator shall govern the effective date of the adoption of the Plan by such related Employer. The requirements for Plan adoption are entirely within the discretion of the Plan Administrator and, in any case where the status of an entity as an Employer is at issue, the determination of the Plan Administrator shall be absolutely conclusive.

10.07 Gender, Tense and Examples:

Unless the context clearly indicates to the contrary, (i) a reference to one or more genders shall include a reference to all the other genders, and (ii) the singular may include the plural, and the plural may include the singular. Whenever an example is provided or the text uses the term “including” followed by a specific item or items, or there is a passage having a similar effect, such passage of the Plan shall be construed as if the phrase “without limitation” followed such example or term (or otherwise applied to such passage in a manner that avoids limitation on its breadth of application).

10.08 Successors and Assigns; Nonalienation of Benefits:

This Plan inures to the benefit of and is binding upon the parties hereto and their successors, heirs and assigns; provided, however, that the amounts credited to the Account of a Participant are not (except as provided in Sections 5.05 and 7.05) subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, without limitation, any assignment or alienation in

connection with a separation, divorce, child support or similar arrangement, will be null and void and not binding on the Plan or the Company or any Employer. Notwithstanding the foregoing, the Plan Administrator reserves the right to make payments in accordance with a divorce decree, judgment or other court order as and when cash payments are made in accordance with the terms of this Plan from the Deferral Subaccount of a Participant. Any such payment shall be charged against and reduce the Participant's Account.

10.09 Facility of Payment:

Whenever, in the Plan Administrator's opinion, a Participant or Beneficiary entitled to receive any payment hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Plan Administrator may direct the Employer to make payments to such person or to the legal representative of such person for his or her benefit, or to apply the payment for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment to the Participant or Beneficiary under the Plan.

10.10 Electronic Signatures.

The words "signed," "signature," and words of like import in or related to this Plan or any other document or record to be signed in connection with or related to this Plan by the Company, Plan Administrator, Executive or other individual shall be deemed to include electronic signatures and the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the fullest extent permissible under applicable law.

ARTICLE XI – SIGNATURE/AUTHENTICATION

The 409A Program was first adopted and approved by the Company's Board of Directors at its duly authorized meeting held in November of 2008, to be effective as of January 1, 2005, except as provided herein. Pursuant to a delegation of authority to the Company's Chief People Officer, this 409A Program document is now hereby amended and restated effective as of January 1, 2024 (except as otherwise provided herein).

YUM! BRANDS, INC.

By: /s/Tracy Skeans
Tracy Skeans,
Chief Operating Officer and Chief People Officer

Date: 12/18/2024

APPENDIX

The following Appendix articles modify particular terms of the Plan. Except as specifically modified in the Appendix, the foregoing main provisions of the Plan shall fully apply in determining the rights and benefits of Eligible Executives, Participants and Beneficiaries (and of any other individual claiming a benefit through or under the foregoing). In the event of a conflict between the Appendix and the foregoing main provisions of the Plan, the Appendix shall govern.

APPENDIX ARTICLE A – RDC TRANSFERS

In the case of an individual who satisfies the eligibility requirements to become a Participant and who previously participated in the YUM! Brands Restaurant Deferred Compensation Plan ("RDC Plan"), then his or her undistributed RDC Plan balance (if any) shall generally be transferred to this Plan on the January 1st following the date on which the individual first satisfies the eligibility requirements to become a Participant. However, in the case of an individual who has an account under the RDC Plan as of immediately before the RDC Plan's "Termination Time" (as that term is defined in Section 7.2(b) of the RDC Plan) and who was promoted to Level 12 or above not later than immediately before such Termination Time, such individual's undistributed RDC Plan balance shall be transferred to this Plan as of immediately before such Termination Time. Thereafter, the individual's transferred balance shall be maintained under this Plan. Because the RDC Plan was frozen prior to January 1, 2005 and all amounts were earned and vested as of December 31, 2004, any balance transferred from the RDC Plan shall be transferred to and maintained under the Pre-409 Program of this Plan, and accordingly shall not be subject to Section 409A. All elections made by a Participant under the RDC Plan with respect to the Participant's transferred balance shall be preserved and shall apply under the Pre-409A Program to the fullest extent practicable, and to the extent the RDC Plan elections cannot be preserved the terms and conditions of the Pre-409A Program shall apply; however, notwithstanding the foregoing provisions of this sentence, the administration of elections shall in all cases avoid triggering a "material modification" within the meaning Treasury Regulation § 1.409A-6(a)(4).

APPENDIX ARTICLE B – CERTAIN TRANSITION RULES

This Appendix Article B sets forth certain provisions that apply in connection with the Plan's transition to compliance with Section 409A. Unless otherwise provided below, the provisions in this Appendix Article B were originally adopted on December 23, 2005.

B.1 Q&A-20(a) Cancellation:

This provision shall apply effective December 1, 2005 and solely in the case of Carl Geoff Spear (the "Executive"). During the period beginning December 1, 2005 and ending December 31, 2005, the Executive may elect to cancel the deferral of his 2005 bonus pursuant to the authority of Q&A-20(a) of Notice 2005-1. To be valid, any such election must be in writing, must be signed by the Executive and must be received by the Company's Compensation Department no later than December 31, 2005. If the Executive makes an election under this Section B.1, the Executive's 2005 bonus, if any, will be paid to the Executive in a single payment at the time in 2006 when it is considered "earned and vested" within the meaning of Notice 2005-1, *i.e.*, at the time that other 2005 bonuses are generally paid to employees who did not elect to defer their 2005 bonus. This election does not apply to any other deferrals standing to the credit of the Executive under the Plan.

B.2 Conformance with Section 409A:

At all times from and after January 1, 2005, this Plan shall be operated (i) in accordance with the requirements of Section 409A, and (ii) to preserve the status of deferrals that were earned and vested before January 1, 2005 as being exempt from Section 409A, *i.e.*, to preserve the grandfathered status of such pre-409A deferrals. Any action that may be taken (and, to the extent possible, any action actually taken) by the Company, the Plan Administrator or both shall not be taken (or shall be void and without effect), if such action violates the requirements of Section 409A or if such action would adversely affect the grandfather of the pre-409A deferrals. If the failure to take an action under the Plan would violate Section 409A, then to the extent it is possible thereby to avoid a violation of Section 409A, the rights and effects under the Plan shall be altered to avoid such violation. A corresponding rule shall apply with respect to a failure to take an action that would adversely affect the grandfather of the pre-409A deferrals. Any provision in this Plan document that is determined to violate the requirements of Section 409A or to adversely affect the grandfather of the pre-409A deferrals shall be void and without effect. In addition, any provision that is required to appear in this Plan document to satisfy the requirements of Section 409A, but that is not expressly set forth, shall be deemed to be set forth herein, and the Plan shall be administered in all respects as if such provision were expressly set forth. A corresponding rule shall apply with respect to a provision that is required to preserve the grandfather of the pre-409A deferrals. In all cases, the provisions of this Section B.2 shall apply notwithstanding any contrary provision of the Plan that is not contained in this Section. Notwithstanding the foregoing, this Section B.2 shall not apply after December 31, 2008.

B.3 Dane Hudson – 19(c):

Pursuant to an election made on November 30, 2005 under Q&A-19(c) of IRS Notice 2005-1, the Company permitted Dane Hudson to irrevocably elect to revise the time of his lump sum payment of his 2001 Bonus Compensation to a time that was on or after December 2006. Such election to revise the time of payment must be filed with the Plan Administrator pursuant to the procedures and timing requirements established by the Plan Administrator for this purpose (such procedures and timing requirements to be consistent with the requirements of Q&A-19(c)).

APPENDIX ARTICLE C – SPINOFF OF THE COMPANY'S CHINA BUSINESS

C.1 Scope.

In connection with the Company's spinoff of its China business, this Article C supplements the basic document for the 409A Program. This Article is effective as of October 1, 2016, except as otherwise indicated.

C.2 Definitions.

This Section provides definitions for the following underlined words or phrases. Where they appear in this Article C with initial capitals, they shall have the meaning set forth below. Except as otherwise provided in this Article, all other defined terms shall have the meaning given to them by Article II.

(a) Distribution Date. The "Distribution Date", as that term is defined in the Separation and Distribution Agreement between the Company and Yum China.

(b) Distribution Ratio. The number of shares of Yum China common stock that are distributed with respect to each share of YUM! Brands Common Stock in connection with the spinoff of Yum China by the Company.

(c) Initial Transferred Participant. A Participant who transfers from the Company, or another member of the YUM! Brands Organization, to the Yum China Organization on the Distribution Date in connection with the Company's spinoff of Yum China.

(d) Post-Spin. As of the point in time that is immediately after the Distribution Date.

(e) Pre-Spin. As of the point in time that is immediately before the Distribution Date.

(f) Specified Participant. David C. Novak.

(g) Subsequent Transferred Participant. A Participant who transfers from the Company, or another member of the YUM! Brands Organization, to the Yum China Organization during the Transition Period in connection with the Company's spinoff of Yum China.

(h) Transition Period. A limited period after the Distribution Date for transferring employees between the Company and the Yum China Organization by mutual agreement, as applicable under the terms of the Employee Matters Agreement between the Company and Yum China, as amended.

(i) Yum China. Yum China Holdings, Inc.

(j) Yum China Organization. The controlled group of organizations of which the Yum China is a part, as defined by Code section 414(b) and (c) and the regulations issued thereunder. An entity shall be considered a member of the Yum China Organization only during the period it is one of the group of organizations described in the preceding sentence. The Yum China Organization shall be deemed to first exist as of the Distribution Date.

C.3 Blackout Period.

In connection with the Company's spinoff of Yum China, there shall be a Blackout Period under the Plan during which normal administration of the Plan (including the availability of investment redirection) shall be suspended, except to the extent specified by the Plan Administrator. The Blackout Period shall begin and end on dates specified by the Plan Administrator. In the event a payroll date falls within the Blackout Period, special rules specified by the Plan Administrator may apply in valuing YUM! Brands Common Stock to convert Participant deferrals for the pay period into Phantom Share Equivalents. Accordingly, in determining a Participant's Phantom Share Equivalents for this pay period, a Participant's deferral amount shall be divided by the value of YUM! Brands Common Stock as determined by the Plan Administrator in accordance with these special rules.

C.4. Yum China Stock Funds.

Effective as of the Distribution Date, the Plan Administrator shall establish the following temporary investment options under the Plan: (i) the Yum China Stock Fund, (ii) the Yum China Matching Stock Fund, (iii) Yum China EE Matching Stock Fund, and (iv) Yum China ER Matching Stock Fund (each a "China Stock Fund" and collectively the "China Stock Funds"). Each Participant who has a Pre-Spin interest in the Phantom YUM! Brands Common Stock Fund, Phantom YUM! Brands Matching Stock Fund, Phantom YUM! Brands EE Matching Stock Fund or Phantom YUM! Brands ER Matching Stock Fund (each a "YUM! Brands Stock Fund") shall be credited Post-Spin with a number of phantom shares of Yum China common stock, in the corresponding China Stock Fund, that is equal to the Pre-Spin number of phantom shares of YUM! Common Stock credited to the Participant in each YUM! Brands Stock Fund multiplied by the Distribution Ratio. Thereafter, the procedures for reflecting interests in the China Stock Funds shall be comparable to those used with respect the YUM! Brands Common Stock Fund, including maintenance of a Dividend Subaccount for each China Stock Fund. No deferrals of Base or Bonus Compensation may be directed for investment into the China Stock Funds.

(a) Investment Reallocations. A Participant with an interest in the China Stock Funds may reallocate such interest to any investment options under the Plan that are available for this purpose at the time. Any such reallocation out of the China Stock Funds shall follow procedures for timing and operation that are comparable to those for reallocation out of the YUM! Brands Common Stock Fund. Notwithstanding the foregoing provisions of this subsection (a), the Specified Participant may not reallocate out of the China Stock Funds. In addition, no Participant may reallocate amounts into any of the Yum China Stock Fund.

(b) Vesting. A Participant's interest in the China Stock Funds shall be fully vested at all times.

(c) Distributions. If a Participant becomes entitled to a distribution at a time when the Participant has an interest in the China Stock Funds, the Participant's interest in the China Stock Funds shall be distributed in-kind. A distribution in-kind shall provide a whole share of Yum China common stock for each whole phantom share of Yum China common stock with which the Participant is credited at the time (and with cash for the value of any partial phantom share of Yum China common stock with which he is credited at the time).

(d) Termination of the China Stock Funds. Effective as of the end of the day on October 31, 2018 (the "Specified Time"), the China Stock Funds shall cease to be available under the Plan.

(1) Any amount still standing to the credit of a Participant in the Post-409A Program's Yum China Matching Stock Fund, Yum China EE Matching Stock Fund or Yum China ER Matching Stock Fund as of the Specified Time shall automatically be reallocated to the YUM! Brands Common Stock Fund (or another phantom investment fund selected by the Plan Administrator and communicated to affected Participants not later than six months in advance of the Specified Time).

(2) Any amount still standing to the credit of a Participant in the Yum China Stock Fund as of the Specified Time shall automatically be reallocated to a new phantom investment fund that is selected by the Plan Administrator and communicated to the affected Participants not later than six months in advance of the Specified Time.

Notwithstanding paragraphs (1) and (2) above, the automatic reallocation specified therein shall not apply if the Participant has submitted a different reallocation that is intended to apply upon termination of the China Stock Funds in accordance with the rules for investment reallocation then applicable under the Plan. Further, any amounts that are automatically reallocated as provided in paragraphs (1) and (2) above remain subject thereafter to investment reallocation by the Participant, as permitted under Plan at the time.

C.5 Treatment of Transferring Participants.

(a) Maintenance of Accounts. The Account of each Initial Transferred Participant and Subsequent Transferred Participant under this Post-409A Program shall continue to be held upon the Participant's transfer from the YUM! Brands Organization to the Yum China Organization. Thereafter, and until the Initial Transferred Participant's or Subsequent Transferred Participant's Account is distributed, the Participant shall continue to have the right (i) to redirect the investment of his Account, subject to any limitations on redirection that apply under this Post-409A Program, and (ii) to make Second Look Elections, subject to the requirements of Section 4.05.

(b) Separation from Service and Distributions. Except as provided in paragraphs (1) and (2) below, the distribution provisions under this 409A Program (including the

right to an accelerated distribution for certain unforeseeable emergencies under Section 6.05) shall apply in the usual manner to Initial Transferred Participants and Subsequent Transferred Participants.

(1) Initial Transferred Participants. An Initial Transferred Participant shall not have a Separation from Service in connection with the Participant's transfer from the Company to the Yum China Organization on the Distribution Date. Instead, the Initial Transferred Participant shall Separate from Service for purposes of this Plan when the Participant separates from service (determined applying principles of Section 409A) with the Yum China Organization. Therefore, to the extent the Initial Transferred Participant is to receive an amount deferred under this 409A Program upon Separation from Service, the time and manner of the distribution shall be determined taking into account such separation from service as if it were a Separation from Service from the YUM! Brands Organization. Notwithstanding the preceding provisions of this paragraph (1), whether an Initial Transferred Participant (who Post-Spin transfers directly back to the YUM! Brands Organization from the Yum China Organization) has a Section 409A separation from service in connection with such transfer back shall be determined under all of the facts and circumstances at the time.

(2) Subsequent Transferred Participants. A Subsequent Transferred Participant shall have a Separation from Service as a result of the Participant's transfer from the Company to the Yum China Organization on the date of the Participant's post-Distribution Date transfer. Therefore, to the extent the Initial Transferred Participant is to receive an amount deferred under this 409A Program upon Separation from Service, the time and manner of the distribution shall be determined taking into account such Separation from Service.

C.6 Valuation of Company Stock.

To the extent that the value of Company stock is relevant under the Plan (including in connection with the Phantom YUM! Brands Common Stock Fund, the Phantom YUM! Brands Matching Stock Fund, the Phantom YUM! Brands EE Matching Stock Fund and the Phantom YUM! Brands ER Matching Stock Fund), the value of such stock shall always be determined in a manner that fully reflects any rights that a Participant or Beneficiary (or anyone claiming in respect of a Participant or Beneficiary) has to phantom Yum China stock (or cash or other rights based on phantom Yum China stock), including through an interest in any China Stock Fund (a "China Stock Right"). In particular, it is intended that there never be any duplication of value when valuing Company Stock in connection with a Participant's having any China Stock Right. Accordingly, as the Plan Administrator deems it appropriate to accomplishing this purpose, the Plan Administrator may value Company stock using special valuation principles for any purpose under the Plan. It is intended that any such special valuation principles shall apply in a similar manner in connection with similar circumstances. This Section C.6 shall apply notwithstanding any other provision of the Plan.

APPENDIX ARTICLE D – ACQUISITION OF THE HABIT RESTAURANTS, LLC

D.1 Scope.

This Article D supplements the main portion of the Plan document in connection with the Company's acquisition of The Habit Restaurants, LLC ("Habit"). It is effective as of the closing date of the acquisition of Habit by the YUM! Brands Organization (the "Closing").

D.02 Status of Habit as an Adopting Employer.

For the period starting on the Closing and through December 31, 2021, Habit was not accorded the status of an adopting Employer under the Plan by the Company. Effective as of January 1, 2022, Habit was designated by the Company as an adopting Employer under the Plan.

D.03 Status of Habit Executives as Eligible Executives

No individual providing services to Habit as an executive could become an Eligible Executive under the Plan during the period starting on the Closing and ending December 31, 2021. An individual providing services to Habit as an executive as of January 1, 2022, who satisfies the requirements to be an Executive on such date, and who satisfies all of the requirements in Section 3.01 to be an Eligible Executive on such date, shall become an Eligible Executive under the Plan as of such date. Following January 1, 2022, individuals providing services to Habit as Executive shall begin participation under the Plan in accordance with the terms governing participation in the main portion of the Plan document.

D.04 Years of Service.

In determining a Participant's years of service, years of service with Habit prior to January 1, 2022, shall be considered.

APPENDIX ARTICLE E – GLOBAL RULES FOR IDENTIFYING SPECIFIED EMPLOYEES UNDER COMPANY 409A PLANS EFFECTIVE MARCH 26, 2019

For purposes of all existing and future employment agreements, severance agreements, change-in-control agreements and other agreements, arrangements or plans entered into or sponsored by Yum! Brands, Inc. or any member of Yum! Brands Organization (the "Company") and that constitute deferred compensation plans within the meaning of Section 409A(d) of the Internal Revenue Code of 1986 (the "Code") and Treas. Reg. § 1.409A-1(a), an individual shall be considered a "specified employee" under Code Section 409A if he or she is determined to be a "key employee" of the Company. For this purpose, effective March 26, 2019, and subject to the last paragraph of these Global Rules, a key employee is any individual who is:

(a) An officer of any member of the Yum! Brands Organization having annual compensation greater than $130,000 (as adjusted for the applicable year under Code Section 416(i)(1));

(b) A five-percent (5%) owner of any member of the Yum! Brands Organization; or

(c) A one-percent (1%) owner of any member of the Yum! Brands Organization having annual compensation of more than $150,000.

For purposes of (1) above, no more than 50 employees identified in the order of their annual compensation shall be treated as officers.

For purposes of (1) and (3) above, "annual compensation" means compensation as defined in Treas. Reg. §1.415(c)-2(a), without regard to Treas. Reg. §§1.415(c)-2(d), 1.415(c)-2(e), and 1.415(c)-2(g); provided, however, that effective as of the "key employee identification date" that occurs on December 31, 2009, annual compensation shall not include compensation excludible from an employee's gross income on account of the location of the services or the identity of the employer that is not effectively connected with the conduct of a trade or business in the United States, in accordance with Treas. Reg. § 1.415(c)-2(g)(5)(ii).

For purposes of these Global Rules, "Yum! Brands Organization" means the controlled group of organizations of which the Company is a part, as defined by Section 414 of the Code and the regulations thereunder. An entity shall be considered a member of the Yum! Brands Organization only during the period it is one of the group of organizations described in the preceding sentence.

Whether an individual is a key employee shall be determined in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder or in connection therewith; provided, that Section 416(i)(5) of the Code shall not apply in making such determination, and provided further that the applicable year shall be determined in accordance with Section 409A of the Code and that any modification of the foregoing Code Section 416(i) definition that applies under Section 409A of the Code shall be

taken into account. The provisions of this definition shall be interpreted and applied in all respects to comply with Code Section 409A.

Notwithstanding the foregoing provisions of these Global Rules, the Company's specified employees for the period from March 26, 2020 to March 31, 2020 shall be determined by combining the list of key employees determined as of December 31, 2018 for members of the Yum! Brands Organization as of such date (which list shall be determined in accordance with the foregoing provisions of these Global Rules) with the list of specified employees as of such date for Habit Restaurants, LLC (determined in accordance with the Section 2.25 of the Habit Restaurants Deferred Compensation Plan). Similarly, the Company's specified employees for the period from April 1, 2020 to March 31, 2021 shall be determined by combining the list of key employees determined as of December 31, 2019 for members of the Yum! Brands Organization as of such date with the list of specified employees as of such date for Habit Restaurants, LLC. Each such combined list reflects an alternative method for identifying specified employees in accordance with Treas. Reg. § 1.409A-1(i)(5). Accordingly, it is expressly permissible for there to be more than 50 included on each such combined list based on their status as officers (only the underlying lists are limited to no more than 50 who are included based on their status as officers).

APPENDIX ARTICLE I – INTERNATIONAL

ADDITIONAL TERMS AND CONDITIONS RELATING TO

YUM! BRANDS, INC. EXECUTIVE INCOME DEFERRAL PROGRAM

This Appendix includes additional terms and conditions that govern (i) interests in the YUM! Brands, Inc. Executive Income Deferral Program (the "EID Program") and (ii) shares of YUM! Brands, Inc. Stock ("Shares") that may be issued upon distribution from the EID Program in the case of employees of YUM! Brands, Inc. (YUM!") or its divisions, subsidiaries or affiliates (collectively, the "Company") residing outside of the United States. This Appendix may also provide additional provisions with regard to how Shares may be distributed. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the EID Program plan document or the EID Program prospectus (the "Prospectus"). In those cases where this Appendix references the text of a prospectus that is specific to those employed in a particular country (a "referenced prospectus"), the EID Program shall be interpreted and applied as if the text of such referenced prospectus were fully set forth in this Appendix.

General Provisions

Eligibility

Unless specifically noted in this Appendix, eligibility provisions provided in the Prospectus apply. International participants are eligible to participate in the EID Program provided they are residents of any of the following countries located outside of the United States (the "Eligible Countries"):

- Australia
- Canada
- India
- Italy
- Netherlands
- South Africa
- Thailand
- United Arab Emirates (including Dubai)
- United Kingdom

The Participant understands that if he/she is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing, transfers employment and/or residence after the making an EID Program deferral election, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant, and the Plan Administrator shall, in its sole discretion, determine to what extent the terms and conditions contained herein shall apply. Eligibility in one location does not guarantee eligibility in a different location.

Deferral Elections

As a Participant in an Eligible Country, you may defer all or a portion of your bonus only into the YUM! Matching Stock Fund (unless other investment options specifically are available for a particular country). During the deferral period, you may elect to make **one** subsequent Payment Election (unless specifically noted otherwise below) to alter your form of distribution or to extend your deferral period. Base salary

deferrals and other investment choices are not available (unless specifically noted otherwise below). Consult specific country details provided in this Appendix.

As noted, you may make one subsequent "Payment Election" to select between a lump sum payment and installment payments, and even extend your deferral period (only in Eligible Countries that allow for such an election – see country-specific sections that follow). This is called a "relook." If you elect to extend your deferral period, the subsequent Payment Election must be made at least 12 months prior to the scheduled payment date and must extend the scheduled payment date by at least 5 years. Any subsequent Payment Election is subject to the following:

- You must make the election at least 12 months prior to the scheduled payout date.
- The new payment date must be at least five years after the scheduled payout date.
- You may not elect separation of employment when you make a Payment Election that extends the deferral period.
- You may receive payment in a lump sum or in installments.
- Effective January 1, 2024, annual installments over a period of 2, 5 or 10 years are available (prior to January 1, 2024, quarterly, semi-annual or annual installments may be elected for up to 20 years).
- If you originally elected installment payments, you may later elect a lump sum payout; however, the lump sum may be paid no earlier than five years after the first payment date you originally elected to receive your first installment.
- Likewise, if you originally elected a lump sum payment, you may later elect installment payments; however the first installment may be paid no earlier than five years after the date you originally elected as the date to receive your lump sum payment.
- Regardless of your election, payments cannot be made after age 80.

Dividends

Any dividends accrued under the EID Program shall be treated according to the details provided in the Prospectus unless specifically noted otherwise in the country specific details provided in this Appendix.

Timing of Deferral Payout

The timing of deferrals is provided in the Prospectus unless specifically noted in the country details provided below.

Taxation

For investments in the YUM! Matching Stock Fund or YUM! Stock Fund (if eligible), applicable U.S. and non-U.S. federal, state, and local taxes ***will not*** be withheld from the EID Program distribution. You may be contacted to make arrangements for withholding. Certain taxation provisions noted in the Prospectus do not apply to participants in Eligible Countries. It is advised that Participants consult their

tax professionals prior to making deferral elections. Yum makes no representations or warranty with respect to the tax impact of your deferrals.

Beneficiary Elections

Beneficiary elections will be honored to the extent legally permissible, valid and enforceable in your country.

Participation and Holdings are Not Part of Employment Relationship

Deferrals into the EID Program, and any Shares acquired pursuant to distributions from the EID Program, are not part of your employment relationship with your employer and are completely separate from your salary or any other remuneration or benefits provided to you by your employer. This means that any benefit you realize, or may have realized, from participation in the EID Program is not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, payments during a notice period or in lieu of notice, superannuation, provident fund, pension, retirement or similar contributions, or welfare benefits or similar mandatory payments.

Nature of Offer to Participate in the EID Program

Further, in choosing to participate in the EID Program, you acknowledge, understand and agree that:

- the EID Program is established voluntarily by YUM!, it is discretionary in nature and it may be modified, amended, suspended or terminated by YUM! at any time, to the extent permitted by the plan document;
- the offer of participation in the EID Program is exceptional, discretionary, voluntary and occasional and does not create any contractual or other right to receive future offers, or benefits in lieu of such offers, even if participation has been offered in the past;
- all decisions with respect to EID Program, including future offers of participation, if any, will be at the sole discretion of YUM!;
- you are voluntarily participating in the EID Program;
- the offer of participation in the EID Program, and the Shares issued or cash paid pursuant to the EID Program, and the income from and value of same, are not intended to replace any pension rights or compensation;
- unless otherwise agreed with YUM! in writing, the EID Program and any Shares issued or cash paid pursuant to the EID Program, and the income from and value of same, are not offered as consideration for, or in connection with, any service you may provide as a director of any YUM! subsidiary or affiliate;
- the future value of Shares that may be issued under the EID Program is unknown, indeterminable and cannot be predicted with certainty; and
- the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the deferred amount or of any amounts due to you pursuant to the EID Program or the subsequent sale of any Shares acquired pursuant to the EID Program.

Imposition of Other Requirements

YUM! reserves the right to impose other requirements on your participation in the EID Program and on any Shares issued pursuant to the EID Program, to the extent YUM! determines it is necessary or

advisable for legal or administrative reasons, and to require you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

Language

You acknowledge that you are proficient in the English language or have consulted with an advisor who is sufficiently proficient in English, as to allow you to understand the terms of the EID Program, including this Appendix and any other documents related to the EID Program. If you have received any documentation related to the EID Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

No Advice Regarding the EID Program

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the EID Program, or your acquisition or sale of any Shares acquired under the EID Program. You should consult with your own personal tax, legal and financial advisors regarding your participation in the EID Program before taking any action related to the EID Program.

Insider Trading / Market Abuse Laws

You may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the United States and, if different, your country, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares or rights linked to the value of Shares under the EID Program during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable YUM! insider trading policy. The Company will not be responsible for such restrictions or liable for the failure on your part to know and abide by such restrictions. You should consult with a personal legal adviser to ensure compliance with local laws.

Foreign Asset/Account Reporting Requirements and Exchange Controls

Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Shares issued pursuant to a distribution from the EID Program or cash received from participating in the EID Program (including from any dividends paid on or sales proceeds arising from the sale of Shares acquired pursuant to a distribution from the EID Program) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the EID Program to your country through a designated bank or broker within a certain time after receipt. You are responsible for complying with such regulations, and should consult a personal legal advisor for any details.

Application of U.S. Laws

Certain U.S. laws referenced in the Prospectus will not apply to employees residing outside of the United States. Should employees be transferred to the United States, these laws may apply. If the Participant is

uncertain if a particular U.S. law applies, he/she should seek appropriate legal advice as to how the relevant laws in the U.S. may apply.

Application of Local Laws (Outside of the U.S.)

This Appendix includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the EID Program. The information is based on the securities, exchange control and other laws in effect in the respective countries as of **April 2018**. Such laws are often complex and change frequently. As a result, YUM! strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the EID Program because the information may be out of date at the time that the Participant makes an election to defer into the EID Program or upon the distribution of Shares resulting from participation in the EID Program.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

AUSTRALIA

Participants residing in Australia should consult the Australian specific Prospectus.

CANADA

Distributions

All distributions from the EID Program must be settled in newly issued Shares. Any fractional Share amount existing at the time of distribution shall be forfeited. In the case of a distribution, in lieu of withholding distributable Shares for any applicable tax withholding, the Participant may elect to provide a check to cover the applicable withholding tax.

Dividends

Dividends accrued under the EID Program shall remain in a dividend subaccount until briefly prior to any distribution of accrued dividends, and may be credited with earnings prior to the distribution. Such earnings are determined by the Plan Administrator, and they are currently based on the earnings that would apply based on the return under the EID Program's Stable Value Fund Account. At that time, the value of your accrued dividends in the dividend subaccount will be automatically reinvested in the phantom YUM! Brands Matching Stock Fund (the "Option"). As provided above, the Participant's interest in the Option will be settled in newly issued Shares. Any fractional Share amount existing at the time of distribution shall be forfeited.

Hardship Requests

No hardship distribution may occur prior to the end of the two year risk of forfeiture period.

Data Privacy

The following provision will apply if the Participant is a resident of Quebec:

The Participant hereby authorizes YUM! and YUM!'s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the EID Program. The Participant further authorizes YUM! and any subsidiary or affiliate and the EID Program plan administrator to disclose and discuss the EID Program with his/her advisors. The Participant further authorizes his or her employer to record such information and to keep such information in the Participant's employee file.

French Language Provision

The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be provided in English.

Les parties reconnaissent avoir exigé que tous les documents, avis et procédures judiciaries, éxecutés, donnés ou intentés en vertu de, ou lié directement ou indirectement à le Programme EID, soient rédigés en langue anglaise.

Securities Law Information

The Participants is permitted to sell Shares acquired as a result of a distribution from the EID Program provided the sale of Shares takes place outside of Canada.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in Canada and is advised to consult with his or her personal legal and/or financial advisors to ensure such compliance.

Foreign Asset/Account Reporting Information

Canadian residents are required to report any foreign specified property (including cash held outside of Canada and Shares issued under the EID Program) on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C$100,000 at any time during the year. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if the Participant owns other Shares, this ACB may have to be averaged with the ACB of the other Shares. The Form T1135 must be filed with the Participant's annual tax return by April 30 of the following year for every year during which his or her foreign specified property exceeds C$100,000. The Participant should consult with his or her personal tax advisor to determine the specific reporting requirements.

INDIA

Deferral Elections

You must elect to defer one (1) year in advance of the performance period, before a determination of the bonus payment amount is made. Any deferral election that is not made 1 year in advance shall not be honored.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in India and is advised to consult with his or her personal legal or financial advisors to ensure such compliance. In particular, the Participant should consult his or her personal advisor before selling Shares or remitting any sale proceeds to India, as exchange control requirements are subject to frequent change.

When the employees sell stock obtained under the Plans, they must repatriate the proceeds to India within 90 days of receipt. Employees should obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate (the "FIRC") from the bank where they deposit the foreign currency. Employees should provide copies of the FIRCs to the Indian subsidiary upon request.

Taxation

For investments in the YUM! Matching Stock Fund, applicable taxes will be withheld from the EID Program distribution. You may be contacted to make arrangements for withholding. It is advised that Participants consult their tax professionals prior to making deferral elections. Yum makes no representations or warranty with respect to the tax impact of your deferrals.

ITALY

Fair Market Value

In Italy, for tax purposes, the fair market value of the Shares is the average closing price of the Shares in the month preceding the relevant taxable event.

Data Privacy

Pursuant to Section 13 of the Legislative Decree no. 196/2003, the Participant understands that the Company, including the Participant's employer and YUM! may hold certain personal information about him or her, including, but not limited to, the Participant's name, home address, email address and telephone number, date of birth, social insurance number (to the extent permitted under Italian law), passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of participation in the EID Program or other entitlements to Shares or equivalent benefits granted, awarded, canceled, exercised, vested, unvested, distributed, settled or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, managing and administering the EID Program and in compliance with applicable laws

The Participant also understands that providing YUM! with Data is necessary for the performance of the EID Program and that his or her refusal to provide such Data would make it impossible for YUM! to

perform its contractual obligations and may affect the Participant's ability to participate in the EID Program. The controller of personal data processing is YUM! with registered offices at 1441 Gardiner Lane, Louisville, Kentucky 40213, United States, and the Participant's employer, which is also YUM!'s representative in Italy for privacy purposes pursuant to Legislative Decree no. 192/2003.

The Participant understands that Data will not be publicized or used for direct marketing purposes. The Participant further understand that the Participant's employer and YUM! and any YUM! subsidiary will transfer Data among themselves as necessary for the purposes of implementing, administering and managing the Participant's participation in the EID Program, and that the employer and YUM! and any subsidiary may each further transfer Data to VOYA and Merrill Lynch. Data also may be transferred to certain other third parties assisting YUM! with the implementation, administration and management of the EID Program, including any transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any shares acquired under the Plan subject to the terms of the EID Program. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing the Participant's participation in the EID Program. The Participant understands that these recipients may be located inside or outside of the European Economic Area, such as in the United States or elsewhere. Should YUM! exercise its discretion in suspending all necessary legal obligations connected with the administration and management of the EID Program, it will delete Data as soon as it has completed all of the necessary legal obligations connected with such administration and management of the EID Program. In any event, Data will be stored only for the time needed to fulfil the purposes described above.

The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The use, processing and transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto, as such use, processing and transfer is necessary to performance of contractual obligations related to implementation, administration, and management of the EID Program, as discussed above. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Participant has the right, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the use, processing and transfer of Data. The Participant also has the right to data portability and to lodge a complaint with the Italian supervisory authority.

For more information on the collection, use, processing and transfer set forth in this document, the Participant may contact the human resources representative designated by his or her employer and/or YUM!.

Foreign Asset/Account Reporting Information

If the Participant holds investments abroad or foreign financial assets (*e.g.*, shares acquired upon distribution of EID Program deferral or cash from EID distribution or sale that may generate income taxable in Italy, the Participant is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value.

Foreign Asset Tax Information

The value of the financial assets (*e.g*., Shares acquired upon distribution from the EID Program or cash from EID distribution or the sale of such Shares, etc.) held outside of Italy by Italian residents is subject to a foreign asset tax levied at an annual rate of 0.2%. The taxable amount will be the fair market value of the financial assets assessed at the end of the calendar year.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in Italy and is advised to consult with his or her personal legal or financial advisors to ensure such compliance.

NETHERLANDS

Deferral Period

Deferral period must be for only two years. Once a risk of forfeiture no longer exists, the entire deferral amount will be distributed immediately. No subsequent payment election is permitted.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in the Netherlands and is advised to consult with his or her personal legal or financial advisors to ensure such compliance.

SOUTH AFRICA

Securities Law Information

Neither the offer to participate in the EID Program nor the Shares that may be acquired upon distribution from the EID Program shall be publicly offered or listed on any stock exchange, as applicable, in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act 71 of 2008 (the “Companies Act”) and is not subject to the supervision of any South African governmental authority.

Pursuant to Section 96 of Companies Act, the offer must be finalized within six months following the date the offer is communicated to the Participant. If the Participant has neither accepted nor declined the offer within six months following the date the offer is communicated to the Participant, the Participant will be deemed to have declined the offer.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in South Africa and is advised to consult with his or her personal legal or financial advisors to ensure such compliance.

THAILAND

YUM! Matching Stock Fund

Effective January 1, 2024, if a participant voluntarily terminates or is involuntarily terminated with cause within 2 years of the deferral, only the value of the matching contribution, as well as any phantom appreciation and stock dividends on the matching contribution are forfeited.

Taxation

Taxation on the initial deferral will occur at time of bonus payment, immediately prior to deferral. Additional taxation on the match and gains, is the responsibility of the participant and is advised to consult with his or her personal tax professional prior to making deferral elections.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in Thailand and is advised to consult with his or her personal legal or financial advisors to ensure such compliance.

UNITED ARAB EMIRATES

Eligible Pay

Only Bonus compensation paid in UAE dirham may be deferred into the EID Program. Bonus compensation may be deferred following applicable reductions for certain benefits such as welfare deductions.

Investment Offerings

Participants residing in the UAE are eligible to defer into any of the following basic investment opportunities:

- Stable Value Fund Account
- Bond Market Index Fund
- Large Company Index Fund
- YUM! Stock Fund
- YUM! Matching Stock Fund

Taxation

You are not expected to be subject to income tax in the UAE on either the amount you defer at the time of deferral or on your EID Program distribution. Should you reside outside the UAE at the time of your EID Program distribution, you may be subject to income tax in that country.

Securities Law Notification.

The offer to participate in the EID Program is made only to individuals who satisfy the EID Program definition of “Eligible Employee” and constitutes an “exempt personal offer” of equity incentives to employees in the United Arab Emirates. The EID Program and any other documents related to the EID

Program are intended for distribution only to Eligible Employees and must not be delivered to, or relied on, by any other person.

Any securities (*i.e.*, Shares) acquired under the EID Program may be subject to restrictions on their resale. Prospective acquirers of the Shares offered should conduct their own due diligence with respect to the Shares. If the Participant does not understand the contents of this statement, the EID Program prospectus or the EID Program document, he or she should consult an authorized financial advisor.

The Ministry of Economy, Dubai Department of Economic Development, Emirates Securities and Commodities Authority and Central Bank do not have any responsibility for reviewing or verifying any documents in connection with this statement, the EID Program prospectus or the EID Program document, nor have they reviewed, verified or approved this statement, the EID program prospectus or the EID Program document or any of the information set forth therein.

Exchange Control Information

The Participant is solely responsible for complying with applicable exchange control rules in the United Arab Emirates and is advised to consult with his or her personal legal or financial advisors to ensure such compliance.

UNITED KINGDOM

Participants residing in the United Kingdom should consult the UK specific Prospectus.

Execution Copy

January 10, 2025

Sabir Sami
Chief Executive Officer KFC Division

Re: Resignation and Transition Services

Dear Sabir:

As we have discussed, the purpose of this Letter Agreement (this "Letter Agreement") is to set out our mutual agreement regarding the terms and conditions of your resignation from YUM! Brands, Inc. and Kentucky Fried Chicken Canada Company (collectively, and together with their subsidiaries and related entities, the "Company"). Please review this Letter Agreement carefully and, if you are in agreement with its terms, please sign and return it to me.

1. Resignation and Transition Services.

(a) In anticipation of your scheduled resignation, you will resign from all offices of the Company (including, but not limited to, your current position as Chief Executive Officer of KFC Division) and your employment with the Company will cease as of the close of business on March 1, 2025 (the "Resignation Date"). Between the date of this Letter Agreement and the Resignation Date, you will continue in your current role and also assist in the transition of your roles and responsibilities to your successor.

(c) From March 2, 2025 through March 1, 2026 (the "Transition Services Period"), you will provide such transition services as may be reasonably requested by the Company from time to time in the role of special advisor (the "Transition Services"). During the Transition Services Period, you will be providing the Transition Services as an independent contractor and not as an employee of the Company and your provision of such Transition Services will not be construed to create any association, partnership, joint venture, employment or agency relationship between you and the Company for any purpose. The Transition Services will be subject to the terms and conditions of the Consulting Agreement attached hereto as Exhibit C (the "Consulting Agreement").

(d) Notwithstanding any other provision of this Letter Agreement, you will experience a "separation from service" from the Company within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") as of your Resignation Date. In no event will the Transition Services you are to provide after your Resignation Date be more than 20 percent of the average level of bona fide services you performed over the immediately preceding 36-month period.

2. Retirement Vesting, Compensation and Transition Services Fee.

(a) Schedule 1 attached hereto correctly sets out all of your rights and interests, including the vested amounts, in the stock options, restricted stock units and performance share unit awards granted to you under the Company's incentive plans that remain unvested as of March 1, 2025. Such awards will be administered in accordance with their respective plan and award documents and consistent with the termination of your employment by "Retirement" under the applicable award agreements. Accordingly, you will be entitled to the additional vesting of your outstanding stock options, restricted stock units, and performance share unit awards, as further described on Schedule 1 attached hereto.

(b) You will receive your vested benefits under the YUM! Brands Third Country National Retirement Plan (the "TCN") in a single lump sum payment as provided under Section 5.03(a)(3)(ii) of the TCN. Your vested TCN benefit will be determined as of the Resignation Date.

(c) Your participation in the Company's annual and long-term incentive plans, retirement, health and welfare and other employee benefit plans will continue through the Resignation Date in accordance with the terms of such plans, consistent with similarly-situated executives of the Company. Your active participation in the Company's annual and long-term incentive plans and retirement, health and welfare and other employee benefit plans will terminate on the Resignation Date in accordance with the terms of such plans. For the avoidance of doubt, you will receive no additional vesting or other benefits under the Company's annual and long-term incentive plans, retirement, health and welfare and other employee benefit plans after the Resignation Date, except with respect to vesting consistent with the retirement vesting provisions contained in your long-term incentive plan awards.

(d) During the Transition Services Period and subject to your compliance with the terms of this Letter Agreement and the Consulting Agreement, you will be paid a fee for the Transition Services at the rate of $70,834.00 per month (the "Transition Services Fee"), which will be payable on the last day of each month during the Transition Services Period. You will not be eligible for a monthly Transition Services Fee for March 2026 and your final monthly Transition Services fee will be paid subject to your timely execution and non-revocation of the Second Reaffirmation attached hereto as Exhibit D (the "Second Reaffirmation").

3. Representations and Warranties.

(a) You represent and warrant that: (i) you have carefully read, and fully understand, all of the terms contained in this Letter Agreement; (ii) you have been advised

by the Company to consult with an attorney prior to executing this Letter Agreement; (iii) the waiver of your rights and release of your claims as set out in the Separation, Waiver and Release Agreement attached hereto as Exhibit A (the "Release Agreement"), the Reaffirmation attached hereto as Exhibit B (the "Reaffirmation") and the Second Affirmation is knowing and voluntary; and (iv) you are not relying on any representations, promises or agreements of any kind made to you in connection with your decision to accept the terms of this Letter Agreement, other than those set out in this Letter Agreement.

(b) You represent and warrant that you have been paid all compensation, wages and employment-related entitlements in any and all jurisdictions earned and payable to you by the Company prior to the date of this Letter Agreement. For the avoidance of doubt, such compensation and wages include wages, holiday pay, bonuses, allowances, accrued but unpaid sick/vacation pay, notice, severance, and any other amounts to which you are statutorily or otherwise entitled to be paid prior to the date of this Letter Agreement. You further acknowledge and agree that you will not receive any further compensation, long-term or short-term incentives or benefits other than what is specifically set out in Section 2.

(c) You affirm that: (i) no one has interfered with your ability to report possible violations of any law, regulation, or order imposed by any government agency, or any policies applicable to the Company and (ii) it is the Company's policy to encourage such reporting.

(d) You represent and warrant that the payments and benefits described in Section 2 constitute good, valuable and sufficient consideration for the waiver of your rights and release of your claims as set out in the Release Agreement, the Reaffirmation and the Second Reaffirmation.

4. General Release. Notwithstanding anything contained in this Letter Agreement to the contrary, the Company's obligations hereunder, including in Section 2 of the Letter Agreement, are subject to the satisfaction of the following conditions: (a) you execute and deliver to the Company, no later than twenty-one calendar days after you receive this Letter Agreement and the Release Agreement; (b) you do not revoke the Release Agreement within seven calendar days after its execution; (c) you sign and do not revoke the Reaffirmation within seven calendar days after its execution; and (d) you sign and do not revoke the Second Reaffirmation within seven calendar days after its execution.

5. Return of Property. No later than March 1, 2025, you agree to return to the Company all equipment and property belonging to the Company, including but not limited

to, all reports, memoranda, records, computerized information, memory devices, phones, keys, employee ID, manuals, desktops, laptops, monitors, printers and related equipment, your Company phone and the associated phone number and other property which you prepared and/or received in connection with your employment by the Company and which are currently in your possession, care, custody, or control. You agree not to retain any copies, duplicates, or portions of such Company documents or information.

7. Governing Law. This Letter Agreement will be construed in accordance with the laws of the State of Kentucky without regard to choice or conflict of law principles. The language of all parts of this Letter Agreement will be construed as a whole, according to its fair meaning, and not strictly for or against either party.

8. Dispute Resolution; No Right to Offset; No Mitigation To the fullest extent permitted by law, any disputes, claims or controversies arising under, out of, or in connection with this Letter Agreement or your employment with the Company (including, without limitation, whether any such disputes, claims or controversies have been brought in bad faith) will be settled exclusively by arbitration in Louisville, Kentucky in accordance with the employment arbitration rules of the American Arbitration Association then in effect; *provided*, *however*, that the Company may invoke the American Arbitration Association's Optional Rules for Emergency Measures of Protection. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Any arbitral award shall be final and binding on you and the Company and may be entered as a judgment in a court of competent jurisdiction. All claims or disputes must be submitted to arbitration on an individual basis and not as a representative, class and/or collective action proceeding on behalf of other individuals. Both you and the Company are bound by this agreement to arbitrate, but it does not include disputes, controversies or differences which may not by law be arbitrated, including but not limited to any statutory claims or rights you may have pursuant to any local employment standards legislation. This arbitration agreement does not cover any action seeking only emergency, temporary or preliminary injunctive relief (including a temporary restraining order) in a court of competent jurisdiction in accordance with applicable law to protect a party's confidential or trade secret information. This arbitration agreement shall be governed by and construed and interpreted in accordance with the Federal Arbitration Act. By signing this Letter Agreement, you acknowledge you have read this paragraph and agree with the arbitration provision. You and the Company each acknowledge and understand that by agreeing to this arbitration procedure, you and the Company waive the right to resolve any such dispute, claim or demand through a trial by jury or judge in court or by administrative proceeding.

9. No Reliance. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set out in this Letter Agreement.

10. Assignment. Your rights and benefits under this Letter Agreement are personal to you and therefore (a) no such right or benefit will be subject to voluntary or involuntary alienation, assignment or transfer; and (b) you may not delegate your duties or obligations hereunder. This Letter Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns.

11. Severability. The invalidity or unenforceability of any provision of this Letter Agreement will not affect the validity or enforceability of any other provision of this Letter Agreement.

12. No Liability. Nothing contained in this Letter Agreement, and no action by either party in contemplation of or pursuant to this Letter Agreement, will be construed as an admission of liability or wrongdoing by either party.

13. Notices. Except as set out in the Release Agreement, all notices and other communications to be given to any party hereunder will be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, or three (3) days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when given by e-mail transmission, and will be addressed to you at your last known address on the books of the Company or, in the case of the Company, at the Company's principal place of business, Attention: Chief Human Resources Officer, or to such other address as either party may specify by notice to the other actually received.

14. Amendment; Waiver. This Letter Agreement may not be amended except by mutual written agreement of you and an officer of the Company expressly authorized to enter into such amendment by the Board of Directors of the Company. No waiver by any party to this Letter Agreement at any time of any breach by the other party of, or compliance with, any condition or provision of this Letter Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. To be effective, any waiver must be in writing and signed by the party against whom it is being enforced.

15. Headings. All sections, captions or titles in this Letter Agreement are inserted for convenience of reference only and will not affect or be utilized in construing or interpreting this Letter Agreement.

16. Construction. You and the Company agree that the parties have participated jointly in the negotiation and drafting of this Letter Agreement. In the event an ambiguity or question of intent or interpretation arises, this Letter Agreement will be construed as if drafted jointly by you and the Company, and no presumption or burden of proof will arise favoring or disfavoring either of them by virtue of the authorship of any of the provisions of this Letter Agreement.

17. Entire Agreement. This Letter Agreement, together with the Release Agreement, the Reaffirmation, the Consulting Agreement, the Second Reaffirmation and Schedule 1 attached hereto, sets out the entire agreement between you and the Company pertaining to the subject matter hereof. This Letter Agreement supersedes all prior obligations and commitments to provide severance, notice, separation pay, change-in-control pay or enhanced retirement-based vesting between you and the Company.

18. Counterparts. This Letter Agreement may be executed electronically and, in several counterparts, including by fax or PDF, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

[Signature Page Follows]

Sincerely,

YUM! BRANDS, INC.
/s/David Gibbs

KENTUCKY FRIED CHICKEN CANADA COMPANY
/s/Carly Cohen

AGREED TO:

/s/Sabir Sami
Sabir Sami

Date: 1/10/2025

SCHEDULE 1

Summary of Equity Awards*

Award Type	Grant Date	Units Granted	Vested as of March 1, 2025	Unvested as of March 1, 2025	Continued Vesting** or Prorated Vesting*** on Retirement
Non-Qualified Stock Option	02/09/2024	22,070	5,517	16,553	16,553
Non-Qualified Stock Option	02/10/2023	18,794	9,397	9,397	9,397
Non-Qualified Stock Option	02/11/2022	16,423	12,317	4,106	4,106
Restricted Stock Units****	02/09/2024	4,798	1,199	3,599	3,599
Restricted Stock Units****	02/10/2023	4,284	2,142	2,142	2,142
Restricted Stock Units****	02/11/2022	3,585	2,688	897	897
CEO - Restricted Stock Units****	11/12/2021	7,983	0	7,983	6,819
Performance Share Units	03/20/2024	9,246.88	0	9,246.88	3,853
Performance Share Units	02/10/2023	8,860.31	0	8,860.31	6,646

*All grants remain subject to the terms of the YUM! Brands, Inc. Long Term Incentive Plan and applicable award agreements.

**Non-Qualified Stock Options and Restricted Stock Units will continue to vest pursuant to the original vesting schedule set out in the applicable award agreements.

***Performance Share Units will vest on a prorated monthly basis for the portion of the performance period ending on the Resignation Date. The Performance Share Units are provided at “target” but the actual Performance Share Units will be determined based on the Company’s actual performance during each applicable performance period. CEO Restricted Stock Units will vest on a prorated basis for the period beginning on the grant date and ending on the Resignation Date.

****Restricted Stock Units and CEO Restricted Stock Units will retain any applicable dividend equivalent rights on Units that vest under this Agreement and the applicable award agreements.

EXHIBIT A

SEPARATION, WAIVER AND RELEASE AGREEMENT

This Separation, Waiver and Release Agreement (this "Agreement") by and between YUM! Brands, Inc. and Kentucky Fried Chicken Canada Company (collectively the "Company") and Sabir Sami ("You" or "Your" and, collectively with the Company, the "Parties") is entered into and effective as of January 10, 2025 (the "Effective Date"). The Company executes this Agreement for itself and on behalf of its subsidiaries, affiliates, and all related companies, as well as each of their respective current and former officers, directors, shareholders, noteholders, lenders, members, managers, employees, agents, other representatives and any employee benefits plans and any fiduciary of those plans (the "Company Group") and for purposes of Sections 3, 4, 5, 6, 7 and 8 of this Agreement, "Company" will mean the Company and the Company Group.

1. Resignation Date and Transition. The Parties agree that Your employment with the Company will terminate, effective as of March 1, 2025 on account of your resignation (the "Resignation Date"). As of the Resignation Date, You may no longer act as an agent on behalf of the Company, You are relieved of all further duties and responsibilities as of an officer of the Company, and You are no longer authorized to transact business or incur any obligations or liabilities on behalf of the Company.

2. Compliance Terms. Your compliance with the terms of this Agreement and that certain Letter Agreement with the Company, dated as of January 10, 2025 (the "Letter Agreement"), the Reaffirmation attached hereto as Exhibit B (the "Reaffirmation") and the Second Reaffirmation attached hereto as Exhibit D (the "Second Reaffirmation"), which are fully incorporated herein by this reference, is a condition precedent to Your rights to the compensation and benefits set out in the Letter Agreement.

3. Release. In exchange for the consideration set out in this Agreement and the Letter Agreement, except as otherwise set out below, You release, waive and discharge the Company from any and all claims or liability, whether known or unknown, arising out of any event, act, or omission occurring on or before the day You sign this Agreement, including, but not limited to, claims arising out of Your employment or the termination of Your employment, claims arising out of any separation or severance pay, notice or benefits agreement with the Company, claims arising out of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §§ 1001-1461, claims arising under the Age Discrimination in Employment Act (ADEA), Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Civil Rights Act of 1866, the Americans with Disabilities Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information

Nondiscrimination Act, the Kentucky Civil Rights Act, the Kentucky Equal Pay Act, the Kentucky Equal Opportunities Act, the Kentucky Wages and Hours Act, the anti-retaliation provisions under the Kentucky Workers' Compensation Law, the Kentucky Occupational Safety and Health Act, all including any amendments and their respective implementing regulations, claims for breach of contract, tort, negligent hiring, negligent retention, negligent supervision, negligent training, employment discrimination, retaliation, or harassment, as well as any other statutory or common law claims, at law or in equity, recognized under any federal, state, or local law. Without limiting the generality of the foregoing, You hereby release the Company of and from all actions, causes of actions, proceedings, claims, demands or complaints that You had, now have or may hereafter have against the Company based upon, arising out of or in any way related to Your employment with the Company or the termination of that employment, whether pursuant to statute, contract, common law, tort or otherwise, including but not limited to any claim for damages for wrongful dismissal or pay in lieu of reasonable notice, or pursuant to the *Employment Standards Act, 2000* (Ontario), *Occupational Health and Safety Act* (Ontario), or *Human Rights Code* (Ontario); including but not limited to any claims or complaints with respect to workplace discrimination, harassment, sexual harassment and violence. You confirm that You have knowledge of Your rights under the *Human Rights Code*, and that You have no complaint of any kind arising under the *Human Rights Code* against the Company as of or prior to the date of the execution of this Agreement.

(e) You acknowledge and agree that You will execute any additional documentation or instruments, including but not limited to the Reaffirmation attached hereto as Exhibit B, as may be reasonably requested by the Company to confirm or effectuate this Agreement.

4. Representations and Warranties. You represent and warrant that You are not entitled to any additional payment or benefits, including, but not limited to, any equity interests, from the Company, except as set out in this Agreement and the Letter Agreement. You further agree that You have suffered no harassment, retaliation, employment discrimination, or work-related injury or illness and that You do not believe that this Agreement is a subterfuge to avoid disclosure of sexual harassment or gender discrimination or to waive such claims. You acknowledge and represent that You: (i) have been fully paid (including, but not limited to, any wages, overtime, bonuses, or commissions, or any other compensation or benefits, to which You are entitled, if any) through the date you sign this Agreement.

Notwithstanding the foregoing, the release of claims set out above does not waive (A) Your rights under this Agreement or the Letter Agreement, (B) Your rights with respect

to workers compensation or unemployment benefits, or (C) claims that cannot be waived or released by private agreement. You acknowledge and agree that You are otherwise waiving all rights to sue or obtain equitable, remedial or punitive relief from the Company of any kind whatsoever concerning any claims subject to this release of claims, including, without limitation, reinstatement, notice, back pay, front pay, attorneys' fees and any form of injunctive relief. You expressly waive all rights afforded by any statute which limits the effect of a release with respect to unknown claims. You understand the significance of Your release of unknown claims and Your waiver of statutory protection against a release of unknown claims. Notwithstanding the foregoing, You further acknowledge that You are not waiving and are not being required to waive any right that cannot be waived by law, including the right to file a charge or participate in an administrative investigation or proceeding of the Equal Employment Opportunity Commission or any other government agency prohibiting waiver of such right; *provided*, *however*, that You hereby disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation (with the exception of any right to receive a whistleblower award for information provided to a government agency, including the Securities Exchange Commission). Furthermore, nothing in this Agreement will interfere with or impede Your right and ability to volunteer information to any federal, state or local government agency or governmental entity in connection with the lawful exercise of such agency's or entity's authority, or to discuss or disclose to anyone the details of any acts that constitute sexual assault, sexual harassment, or sex discrimination. Furthermore, nothing in this Agreement will (x) prohibit You from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934, as amended, or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or (y) require notification or prior approval by anyone of any such report.

You further acknowledge and agree that, as of the day You sign this Agreement, You have not filed any claims against the Company. You are not aware of any conduct or action by the Company which would be in violation of any federal, state, or local law.

5. No Admission of Liability. This Agreement is not an admission of liability by You or the Company. You and the Company are entering into this Agreement to reach a mutual agreement concerning Your transition and separation from the Company.

6. Non-Disparagement. Subject to Section 8 of this Agreement, You agree that You have not (including during the time period while this Agreement was under consideration) and will not say, write, communicate, or publish in any manner or make statements to customers and suppliers of the Company, other members of the public,

or any person or entity that are in any way disparaging, derogatory or negative towards the Company, the Company's products or services, or the Company's representatives or employees or that in any way adversely affects or otherwise maligns the business or reputation of the Company, the Company's products or services, or the Company's representatives or employees regardless of the truth or falsity of the information. You further understand that the covenant of non-disparagement contained in this Section 6 is a material inducement for the Company to enter into this Agreement and the Letter Agreement and that a breach of this Section 6 will be considered a material breach of this Agreement and the Letter Agreement. The Company agrees to instruct its current Chief Executive Officer, Chief Operating Officer & Chief People Officer, Chief Financial & Franchising Officer and Chief Legal Officer & Corporate Secretary (determined as of the Effective Date) to not say, write, communicate, or publish in any manner or make statements to customers and suppliers of the Company, other members of the public, or any person or entity that are in any way disparaging, derogatory or negative towards You.

7. Confidentiality. Subject to Section 8 of this Agreement, You acknowledge and agree to the following terms in this Section 7. Neither You nor anyone acting on Your behalf has made or will make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog," or "chat room," business entity, or association, except: (i) Your spouse; (ii) Your attorneys, accountants, or financial advisors; or (iii) any court or government agency pursuant to an official request by such government agency, court order, or legally enforceable subpoena.. If You disclose the existence or terms of this Agreement pursuant to sub-clauses (i) or (ii) of this paragraph, You will inform such person or entity (a) of this confidentiality provision, and (b) maintain the same level of confidentiality required by this provision. Any breach of this provision by such person or entity will be considered a breach by You.

8. Permitted Disclosures. Nothing contained in this Agreement limits Your ability to file a charge or complaint with the EEOC, the Securities and Exchange Commission, or any other federal, state, or local governmental or law enforcement agency or commission *provided*, *however*, that You hereby disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation (with the exception of any right to receive a whistleblower award for information provided to a government agency, including the Securities Exchange Commission). Additionally, nothing in this Agreement prevents You from providing truthful testimony in response to a lawfully issued subpoena or court order. Further, this Agreement does not limit Your ability to communicate with Your attorney or law enforcement or any government agency or otherwise participate in any investigation

or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the Company.

9. Cooperation. Except as otherwise required by law, You acknowledge and agree that You will use reasonable efforts to cooperate with the Company in any pending or future matters, including without limitation any litigation, investigation, or other dispute, in which You, by virtue of Your employment with the Company, has relevant knowledge or information. The Company will pay or reimburse you for any expenses you incur in connection with that cooperation, with any reimbursement being made no later than 30 days after You incur the relevant expenses. The Company will endeavor to schedule that cooperation with reasonable advance notice and so as to cause minimal disruption in Your work and personal life.

10. Governing Law/Consent to Jurisdiction and Venue. The laws of the State of Kentucky will govern this Agreement. If Kentucky's conflict of law rules would apply another country's or state's or other jurisdiction's laws, the Parties agree that Kentucky law will still govern, but will not limit any statutory right You may have pursuant to the laws of that other jurisdiction. The Parties consent to the personal jurisdiction of the courts in Kentucky and, save for any claim that cannot be waived by statute, hereby waive (a) any objection to jurisdiction or venue, or (b) any defense claiming lack of jurisdiction or venue, in any action brought in such courts.

11. Counterparts. The Parties acknowledge and agree that this Agreement may be executed electronically and, in several counterparts, including by fax or PDF, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

12. Successors; Third Party Beneficiaries. This Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns. Each member of the Company Group is an express third-party beneficiary of this Agreement and may enforce the terms hereof as if such person were a party to this Agreement.

13. ADEA Release; Revocation Period. You acknowledge that You have entered into this Agreement freely and without coercion, that You have been advised by the Company to consult with counsel of Your choice, that You have had adequate opportunity to so consult, and that You have been given all time periods required by law to consider this Agreement, including, but not limited to, the 21-day period required by the ADEA (the "Consideration Period"). You understand that You may execute this Agreement fewer than 21 days from its receipt from the Company but agree that such execution will represent Your knowing waiver of such Consideration Period. You further acknowledge that within the 7-day period following Your execution

of this Agreement (the "Revocation Period"), You will have the right to revoke this Agreement, and that the Company's obligations hereunder will become effective only upon the expiration of the Revocation Period without Your revocation hereof. In order to be effective, notice of Your revocation of this Agreement must be received by the Company in writing on or before the last day of the Revocation Period. Such revocation must be sent in writing to the Company by the following methods: (a) personal delivery; or (b) email transmission to Tracy.Skeans@yum.com. This Agreement shall not become effective until the revocation period has expired.

14. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

If the terms set out in this Agreement are acceptable, please initial each page, sign below, and return the signed original to the Company. If the Company does not receive a signed original on or before the 22nd day after You receive this Agreement, then this offer is automatically revoked and You will not be entitled to the consideration set out in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

YUM! BRANDS, INC.

/s/David Gibbs

SABIR SAMI

/s/Sabir Sami

KENTUCKY FRIED CHICKEN CANADA

/s/Carly Cohen

EXHIBIT B

REAFFIRMATION

This Reaffirmation (this "Reaffirmation") supplements the attached Separation, Waiver and Release Agreement, dated January 10, 2025 (the "Release Agreement") previously entered into between Sabir Sami (for yourself, your family, beneficiaries and anyone acting for you) ("You"), and YUM Brands, Inc. and Kentucky Fried Chicken Canada Company (collectively the "Company").

The Parties hereby reaffirm the validity and terms of the Release Agreement, which is incorporated by reference into this Reaffirmation and capitalized terms not otherwise defined herein will have the meaning ascribed to them in the Release Agreement. The Parties reaffirm that each has complied with all the terms of the Release Agreement and that each will continue to do so. Each Party also reaffirms its agreement to all the terms of the Release Agreement.

In consideration of the promises and covenants made in the Release Agreement, You hereby unconditionally and irrevocably release, waive, discharge, and give up, to the fullest extent permitted by law, any and all released claims as set forth in the Release Agreement, that You may have against the Company (as defined in Section 3 of the Release Agreement), arising on or prior to the date of Your execution and delivery of this Reaffirmation to the Company. This paragraph releases all released claims, including those of which You are not aware, to the fullest extent permitted by law. You specifically release any and all claims arising out of Your employment with the Company which have arisen on or before the date of Your execution and delivery of this Reaffirmation to the Company.

You agree that You have been advised of and acknowledge the following: (i) You have carefully read and fully understand all provisions of this Reaffirmation; (ii) You are receiving valid consideration for this Reaffirmation that is in addition to anything of value to which You are already entitled; (iii) this Reaffirmation does not waive rights or claims that may arise after it is executed; (iv) by signing this Reaffirmation, You are waiving rights under the ADEA as amended by the OWBPA; (v) You have been advised and given the opportunity to consult with an attorney of Your choice before signing this Reaffirmation; (vii) You were provided twenty-one (21) days to consider this Reaffirmation before signing it; and (viii) You may revoke this Reaffirmation at any time up to seven (7) days after signing this Reaffirmation. The Reaffirmation will not become effective until the revocation period has expired.

Such revocation must be sent in writing to the Company by the following methods: (a) personal delivery or (b) email transmission to Tracy.Skeans@yum.com.

This Reaffirmation may not be signed prior to the Resignation Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Reaffirmation as of March 1, 2025.

YUM! BRANDS, INC.

SABIR SAMI

KENTUCKY FRIED CHICKEN CANADA

EXHIBIT C

CONSULTING AGREEMENT

This Consulting Agreement (the "Consulting Agreement") by and between YUM! Brands, Inc. and Kentucky Fried Chicken Canada Company (together, the "Company") and Sabir Sami ("You" or "Your" and, collectively with the Company, the "Parties") is entered into and effective as of March 2, 2025 (the "Consulting Effective Date").

WHEREAS, You previously resigned from all offices of the Company (including, but not limited to, your position as Chief Executive Officer of KFC Division) effective as of the close of business on March 1, 2025 (the "Resignation Date") and You entered into the Separation, Waiver and Release Agreement (the " Release Agreement") and Reaffirmation (the "Reaffirmation"); and

WHEREAS, the Company desires to engage You for transition services to the Company, and You agree to provide such transition services in accordance with the terms and conditions of this Consulting Agreement.

NOW THEREFORE, for and in consideration for the mutual covenants and promises contained in the Consulting Agreement, the engagement of You and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Transition Services. The Company hereby engages Consultant, and Consultant accepts the engagement as an independent contractor, and agrees Consultant will perform such transition services on an as needed basis as directed by the Company's Chief Executive Officer (the "Transition Services"). Transition Services must be performed exclusively in the United States.

2. Consulting Consideration. The Company shall pay the Consultant a monthly consulting fee equal to $70,834.00, which shall be paid in on the last day of each month for which the Consultant is providing Transition Services, until the earlier of the Expiration Date or termination of this Consulting Agreement (the "Transition Services Fee"). Under no circumstances will Consultant be eligible for a monthly Transition Services Fee for March 2026 and the final monthly Transition Services fee will be paid only following Consultant's timely execution and non-revocation of the Second Reaffirmation.

3. Relationship of Parties.

   a. Consultant shall perform under this Consulting Agreement as an independent contractor and not as an employee of the Company. This

Consulting Agreement will not be construed to create any association, partnership, joint venture, employment or agency relationship between Consultant and the Company or the Company for any purpose. As an independent contractor, Consultant's fees are limited to those set forth in Section 2 and Consultant shall not participate in any benefit or other plans that the Company maintains for its employees and receive any vesting credit or other benefits under the Company's annual or long-term incentive programs.

b. Consultant shall have no authority to assume or create any obligation or liability on the Company. Consultant will not be covered by the Company's workers' compensation policy and agrees that the Company will have no responsibility to the Consultant in the event the Consultant experiences any injury or illness in connection with the performance of the Transition Services.

c. The Company shall not withhold any taxes in connection with the compensation paid to Consultant and Consultant shall be solely responsible for the payment of taxes on Consultant's compensation earned under this Consulting Agreement.

d. Unless otherwise approved by the Company in writing, Consultant is prohibited from entering into a contract with or otherwise utilizing (on behalf of the Company and/or Executive) any agents, contractors, or other third-parties in order to fulfill the Transition Services.

4. Term of Consulting Agreement. This Consulting Agreement shall commence on the Consulting Effective Date and end on March 1, 2026 (the "Expiration Date") unless terminated earlier pursuant to Section 5 below.

5. Termination.

a. Either Party may terminate this Agreement immediately upon written notice to the other for any material breach of a provision of this Agreement (a "Material Breach"). Termination shall be effective immediately and automatically upon such notice. In addition, the Company may terminate this Agreement immediately upon written notice to the Consultant for any breach of a provision of the Release Agreement or Reaffirmation. For the avoidance of doubt, if Consultant does not enter into the Release Agreement or Reaffirmation, Consultant will not receive any of the pay or benefits set forth in this Consulting Agreement, and this Consulting Agreement will be null and void and of no further force and effect.

Consultant shall not be deemed to have breached this Agreement or the Release Agreement or Reaffirmation unless the Company has provided Consultant with written notice detailing such breach and provided Consultant with a reasonable opportunity to cure such breach (if curable).

b. The Consulting Agreement will terminate immediately upon the death or disability of the Consultant. For purposes of this Consulting Agreement, "Disability" shall mean disability or incapacitation of Consultant for a period of one month or longer that renders Consultant unable to perform Consultant's duties under the Consulting Agreement.

c. Consultant may terminate this Consulting Agreement for any reason by providing the Company with 15 days written notice at any point after June 1, 2025.

d. Upon notice of termination, Consultant shall inform the Company of the extent to which performance has been completed and shall immediately take steps to wind down any work in progress.

e. If the Company terminates this Consulting Agreement pursuant to the terms hereof, any and all obligations it may otherwise have under this Consulting Agreement shall cease immediately except that the Company agrees to pay Consultant the accrued but unpaid fees.

f. Any provisions of this Consulting Agreement which by their terms impose continuing obligations on the parties, including but not limited to Sections 3, 6, 7, and 9 shall survive the expiration or termination of this Consulting Agreement.

6. Miscellaneous.

a. *No Waiver*. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of such right or remedy with respect to such occurrence or event in the future. No waiver of any obligations under this Consulting Agreement shall be effective unless in writing and signed by the Company and Consultant.

b. *Governing Law*. The laws of the State of Kentucky shall govern all matters arising out of this Consulting Agreement. The state or federal courts

located Kentucky are the exclusive and agreed-upon forum for the resolution of all disputes arising from this Consulting Agreement.

c. *Reformation and Severability*. If any provision of this Consulting Agreement shall be held to be invalid or unenforceable, such decision shall not affect or invalidate the remainder of this Consulting Agreement. If the invalid or unenforceable provision cannot be reformed, the other provisions of this Consulting Agreement shall be given full effect and the invalid or unenforceable provisions shall be deemed deleted.

d. *Assignment*. Consultant may not assign, transfer or delegate this Consulting Agreement or any of its rights, interests or obligations hereunder, to any person, firm, or other entity without the Company's prior written consent. Any attempt to assign this Consulting Agreement without such consent shall be void. This Consulting Agreement shall inure to the benefit and the burden of, and shall be binding upon, the parties' respective successors and permitted assigns.

e. *Entire Agreement*. This Consulting Agreement embodies the entire agreement between the Company and Consultant relating to the subject matter hereof, provided however that this Consulting Agreement is intended to supplement, and not supersede, any signed written agreements entered into by Consultant during Consultant's previous employment with the Company regarding the protection of trade secrets and confidential information. No changes, modifications or amendments shall be valid unless agreed upon by the parties in writing.

f. *Counterparts*. The parties may execute this Consulting Agreement in multiple counterparts, each of which is deemed an original, and all of which, collectively, constitute only one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Consulting Agreement as of March 1, 2025.

YUM! BRANDS, INC.

SABIR SAMI

KENTUCKY FRIED CHICKEN CANADA

EXHIBIT D

SECOND REAFFIRMATION

This Second Reaffirmation (this "Second Reaffirmation") supplements the attached Separation, Waiver and Release Agreement, dated January 10, 2025 (the "Release Agreement") and the Reaffirmation, dated March 1, 2025 (the "Reaffirmation") previously entered into between Sabir Sami (for yourself, your family, beneficiaries and anyone acting for you) ("You"), and YUM Brands, Inc. and Kentucky Fried Chicken Canada Company (collectively the "Company").

The Parties hereby reaffirm the validity and terms of the Release Agreement and Reaffirmation, which are incorporated by reference into this Second Reaffirmation and capitalized terms not otherwise defined herein will have the meaning ascribed to them in the Release Agreement. The Parties reaffirm that each has complied with all the terms of the Release Agreement and Reaffirmation and that each will continue to do so. Each Party also reaffirms its agreement to all the terms of the Release Agreement and Reaffirmation.

In consideration of the promises and covenants made in the Release Agreement and Reaffirmation, You hereby unconditionally and irrevocably release, waive, discharge, and give up, to the fullest extent permitted by law, any and all released claims as set forth in the Release Agreement, that You may have against the Company (as defined in Section 3 of the Release Agreement), arising on or prior to the date of Your execution and delivery of this Second Reaffirmation to the Company. This paragraph releases all released claims, including those of which You are not aware, to the fullest extent permitted by law. You specifically release any and all claims arising out of Your employment with the Company which have arisen on or before the date of Your execution and delivery of this Second Reaffirmation to the Company.

You agree that You have been advised of and acknowledge the following: (i) You have carefully read and fully understand all provisions of this Second Reaffirmation; (ii) You are receiving valid consideration for this Second Reaffirmation that is in addition to anything of value to which You are already entitled; (iii) this Second Reaffirmation does not waive rights or claims that may arise after it is executed; (iv) by signing this Second Reaffirmation, You are waiving rights under the ADEA as amended by the OWBPA; (v) You have been advised and given the opportunity to consult with an attorney of Your choice before signing this Second Reaffirmation; (vii) You were provided twenty-one (21) days to consider this Second Reaffirmation before signing it; and (viii) You may revoke this Second Reaffirmation at any time up to seven (7) days after signing this Second Reaffirmation. The Second Reaffirmation will not become effective until the revocation period has expired.

Such revocation must be sent in writing to the Company by the following methods: (a) personal delivery or (b) email transmission to Tracy.Skeans@yum.com.

This Second Reaffirmation may not be signed prior to the Expiration Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Second Reaffirmation as of March 1, 2026.

YUM! BRANDS, INC.

SABIR SAMI

KENTUCKY FRIED CHICKEN CANADA

YUM! Brands, Inc. Policy
Regarding Transactions in YUM! Securities
By Covered Employees and Disclosure of Material Nonpublic Information

The following corporate policy applies to transactions in YUM! Brands, Inc. ("YUM!") securities by Covered Employees.

Covered Employees. "Covered Employees" are those employees designated by Yum! as covered by this policy, including:

1. "**Pre-Clearance Covered Employees**" (defined below); and
2. "**Non-Preclearance Covered Employees"** (defined below).

If you have received this policy from the Legal Department, you are a Covered Employee. This policy also applies to transactions by or for the benefit of a Covered Employee's spouse or other person/entities whose interest in Yum! securities are or could be attributable to such Covered Employee.

Covered Transactions. Any transaction involving YUM! securities is covered by this policy, including:

1. Open market purchases and sales;

2. Stock plan transactions including stock option or stock appreciation right exercises, and elections to deliver YUM! stock to pay the option exercise price and/or satisfy the related tax withholding obligations;

3. Intra-plan transfers, cash distributions and/or plan loans that (a) affect your participation in the YUM! Common Stock investment alternative of your 401(k) account under the YUM! Brands 401(k) Plan, and (b) are not in connection with your retirement or other termination of employment (changes to your payroll deduction contribution election to increase or decrease your investment in YUM! stock under the 401(k) plan may be made without pre-clearance, provided you act in good faith and while you are not in possession of material non-public information);

4. Transfers of or relating to your YUM! accounts under the Executive Income Deferral Program, which are not in connection with your retirement or other termination of employment;

5. A gift of YUM! stock;

6. A contribution or transfer of YUM! stock to a trust, even if the trust is indirectly owned by you;

7. Transactions relating to YUM! shares held in managed brokerage accounts.

Pledging stock of YUM! as collateral for a loan is prohibited by this policy. This may require moving YUM! Stock out of margin accounts.

Window Periods. While YUM! does not specifically limit all transactions to window periods, **you are strongly encouraged to limit your activity to a window period**. Please note that any **sale** or **purchase** of YUM! Stock by a Covered Employee is limited to window periods. A window period typically begins on the next business day following YUM! quarterly earnings releases and continues for approximately 10 to 20 business days. *Window periods are subject to early closure at any time*.

Material Nonpublic Information. No transaction in YUM! securities may be undertaken, even in a Window Period, if you possess material nonpublic information concerning YUM!. Material information is information that would affect the decision of a reasonable investor to buy, hold or sell YUM! securities or would affect the market value of YUM! securities.

Rule 10b5-1 Plans. You may, but are not required to, use a Rule 10b5-1 plan in connection with any transactions in YUM! securities. You must submit any proposed Rule 10b5-1 plan at least three business days in advance of you entering into the plan so that the YUM! Legal Department can evaluate whether the proposed plan complies with Rule 10b5-1. You may only adopt a Rule 10b5-1 plan when you are not in possession of material non-public information regarding YUM!. To discuss this method, please contact Larry Derenge (502-874-8719) or Gayle Hobson (502-874-2638). The SEC imposed strict conditions to the use of Rule 10b5-1 plans. Among those are:

1. Thirty days must lapse before the first transaction may occur under the plan (the “cooling-off period”). The YUM! Legal Department will confirm that the transactions contemplated by the plan meet the required cooling-off period.

2. With limited exceptions, you may only have one Rule 10b5-1 plan outstanding and executing trades at any time. You may, however, enter into a follow-on plan before the current one expires as long as the required cooling-off period is satisfied.

3. If your proposed plan is designed to effect the open market purchase or sale of all the YUM! securities covered by the plan in a single transaction, you may not enter into another single trade, Rule 10b5-1 plan, until 12 months have passed. To avoid being subject to this 12-month waiting period, you should consider entering into a plan covering more than one transaction as multi-trade plans are not subject to this waiting period.

4. The plan must contain certifications that you are not aware of material non-public information regarding YUM! and that you are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions against insider trading.

Implementation, Modification, and Termination of 10b5-1 Plans. Any implementation of a new plan and modification or termination of an existing plan requires YUM! Legal Department approval. Once your plan has been implemented, it can only be modified once during the life of the plan. Any modification to the plan must be made during an open stock trading window and a new 30 cooling-off period applies. Termination

of a 10b5-1 plan is discouraged. After careful review, if it is determined that termination of the plan is warranted, it may be terminated during an open stock trading window, but you may not enter into a new plan until the later of 90 days and the next open stock trading window.

Speculative Trading. As always, speculative trading in YUM! stock, including trading in puts, calls, derivatives or other hedging or monetization transactions, is prohibited.

YUM! Legal Department Pre-Clearance. Covered Employees who have been designated **"Pre-Clearance Covered Employees**" by the YUM! Legal Department ***must receive pre-clearance approval from the YUM! Legal Department*** prior to initiating any Covered Transaction or executing a Rule 10b5-1 plan. Employees who are Level 14 or above are automatically deemed to be Pre-Clearance Covered Employees.

Pre-Clearance Covered Employees may seek pre-clearance approval by contacting Larry Derenge (502-874-8719), Gayle Hobson (502-874-2638) or Brittany Bodkin (502-874-1037) of the YUM! Legal Department. If you receive pre-clearance, you should carry out your transaction (or execute the Rule 10b5-1 Plan, if applicable) within three business days thereafter, *provided* that you are not in possession of material non-public information concerning YUM!.

Covered Employees who have been designated '**Non-preclearance Covered Employees**" by the YUM! Legal Department ***are not required to obtain pre-clearance approval*** from the YUM! Legal Department. **However**, they must still only conduct transactions in YUM! securities at times when they are not in possession of material, nonpublic information and any sale or purchase of YUM! stock by them may only be made during a window period.

It is important to understand that this policy is designed to help you comply with federal laws and regulations. Under these laws and regulations, a person who trades while in possession of material nonpublic information is subject to civil and criminal penalties.

Policy on Disclosure of Material Nonpublic Information. ***It is important to also remember that you may not discuss (or otherwise disclose) material nonpublic information with anyone except on a need-to-know basis.*** This is to protect anyone not subject to the policy who comes into possession of material nonpublic information. In such case, a "tippee" (i.e., person not subject to the policy who receives material nonpublic information) who trades while in possession of such information could become subject to the civil and criminal penalties. In addition, a "tipper" may also be subject to civil and criminal penalties for inappropriately passing information to people who may use it for their benefit.

YUM! Brands, Inc. Policy
Regarding Transactions in YUM! Securities
by Executive Officers

The following corporate policy applies to transactions in YUM! Brands, Inc. ("YUM!") securities by Executive Officers[*]:

Covered Transactions. Any transaction involving YUM! securities is covered by this policy. **You must obtain pre-clearance approval from the YUM! Legal Department for any transaction involving YUM! securities.** A list of typical transactions requiring pre-clearance can be found at the end of this document.

Window Periods. While YUM! does not specifically limit all transactions to window periods, **you are strongly encouraged to limit your activity to a window period**. Please note that any **sale** or **purchase** of YUM! stock is limited to window periods. A window period typically begins on the second business day following YUM! quarterly earnings releases and continues for approximately 10 to 20 business days. Window periods are subject to early closure at any time.

Material Nonpublic Information. No transaction in YUM! securities may be undertaken, even in a Window Period, if you possess material nonpublic information concerning YUM!. Material information is information that would affect the decision of a reasonable investor to buy, hold or sell YUM! securities or would affect the market value of YUM! securities.

Section 16 Insider. Section 16 of the Securities Exchange Act of 1934 applies to all directors of YUM!. Section 16 also applies to YUM!'s CEO, CFO, and certain officers as designated by the Board of Directors. Annually, the Board designates persons it believes to be "Insiders" covered by Section 16 by virtue of such person's role and responsibilities. All of these individuals are "Insiders" of YUM!.

Insiders must report their beneficial ownership in YUM! stock on Form 3 within ten calendar days of becoming Insiders, Section 16 also requires a Section 16 insider to report most changes in beneficial ownership of YUM! stock, including, but not limited to, SAR/RSU grants and exercises, executive income deferral program(s) deferrals and distributions, purchases and sales of stock, and stock gifts. Reporting occurs on Form 4 by the second business day following the transaction. Finally, Section 16 requires an Insider who did not report on Form 4 any change in beneficial ownership during a fiscal year, either because it was eligible for deferral or because of an oversight, to report that transaction on Form 5 within 45 days after the close of the Company's fiscal year.

[*] This policy also applies to transactions by or for the benefit of an Executive Officer's spouse or other person/entities whose interest in YUM! securities are or could be attributable to such Executive Officer. "Executive Officers" are those employees designated by YUM! as Executive Officers covered by this policy.

The law provides that the reporting responsibility rests with the individual Section 16 Insider. However, YUM! Legal will assist you in reporting these transactions. Prior to engaging in any transactions in YUM! stock, you should contact the YUM! Legal Department to clear your trade and provide broker contact information so the trade details can be obtained timely.

Rule 144 Affiliate. Generally, an affiliate includes all YUM! Insiders (YUM!'s Board of Directors and all Section 16 officers, as determined by YUM!), collectively "Rule 144 Affiliates."

Rule 144 Affiliates must file a Notice of Proposed Sale of Securities on Form 144 concurrently with placing any order for the sale of YUM! stock if the amount of the stock to be sold over a three-month period, exceeds 5,000 shares or has a sale price in excess of $50,000. Form 144 must be filed electronically with the SEC. Typically, your broker will make this filing on your behalf, but may request that you sign authorizations prior to any sale. The law provides that the responsibility to file the Notice rests with the individual Rule 144 Affiliate.

Rule 10b5-1 Plans. You may but are not required to use a Rule 10b5-1 plan in connection with any transactions in YUM! securities. You must submit any proposed Rule 10b5-1 plan at least three business days in advance of you entering into the plan so that the YUM! Legal Department can evaluate whether the proposed plan complies with Rule 10b5-1. You may only adopt a Rule 10b5-1 plan when you are not in possession of material non-public information regarding YUM! and during an open stock trading window. To discuss this method, please contact Larry Derenge (502-874-8719) or Gayle Hobson (502-874-2638). The SEC imposed strict conditions regarding use of Rule 10b5-1 plans. Among those are:

1. At least 90 (and in some cases up to 120) days must elapse before the first transactions may occur under the plan (the "cooling-off period"). Because the minimum number of days depends on when YUM! files its next Form 10-Q or Form 10-K, the YUM! Legal Department will confirm that the transactions contemplated by the plan meet the required cooling off period.
2. With limited exceptions, you may only have one Rule 10b5-1 plan outstanding and executing trades at any time. You may, however, enter into a follow-on plan before the current one expires as long as the required cooling off period is satisfied.
3. If your proposed plan is designed to effect the open market purchase or sale of all the YUM! securities covered by the plan in a single transaction, you may not enter into another single trade, Rule 10b5-1 plan until 12 months have passed. To avoid being subject to this 12-month waiting period, you should consider entering into a plan covering more than one transaction as multi-trade plans are not subject to this waiting period.
4. The plan must contain certifications that you are not aware of material non-public information regarding YUM! and that you are adopting the plan in good

faith and not as part of a plan or scheme to evade the prohibitions against insider trading.

5. If you enter into (or terminate) any plan to trade in YUM! securities (whether or not the plan complies with Rule 10b5-1), YUM! is required to disclose that fact in its next Form 10-Q or Form 10-K and to describe the duration of the plan and the amount of securities to be sold under the plan.

Implementation, Modification, and Termination of 10b5-1 Plans. Any implementation of a new plan and modification or termination of an existing plan requires YUM! Legal Department approval.

Once your plan has been implemented, it can only be modified once during the life of the plan. Any modification to the plan must be made during an open stock trading window and a new 90 – 120 day cooling-off period applies.

Termination of a 10b5-1 plan is discouraged. After careful review, if it is determined that termination of the plan is warranted, it may be terminated during an open stock trading window, but you may not enter into a new plan until the later of 90 days and the next open stock trading window.

Speculative Trading. As always, speculative trading in YUM! stock, including trading in puts, calls, derivatives or other hedging or monetization transactions, is prohibited.

YUM! Direct Stock Plan. Participation in the YUM! Direct Stock Plan is prohibited.

YUM! Dividend Reinvestment. As you know, YUM! pays a dividend on its common stock. Reinvestment of dividends to purchase additional shares of YUM! stock is reportable to the SEC within 2 business days. Automatic dividend reinvestment arrangements available through brokers or YUM!'s transfer agent do not allow for timely filing with the SEC and can result in SEC violations. To assist you in complying with federal reporting requirements, such automatic dividend reinvestment arrangements are not permitted.

Short Swing Profit Considerations. No purchase of YUM! stock may be made within 6 months of a sale of YUM! stock. In addition, no sale of YUM! stock may be made within 6 months of a purchase of YUM! Stock. Securities and Exchange Commission (SEC) regulation requires company directors and executive officers to return any profits made from the purchase and sale of YUM! stock, if the purchase and sale, or sale and purchase, transactions occur within a six-month period. This activity is called a "short-swing" transaction. You will be required to surrender to YUM! all profits if such a "matching" transaction occurs.

YUM! Legal Department Pre-Clearance/SEC Reporting. Prior to initiating any transaction in YUM! securities (including executing a Rule 10b5-1 plan), you are required to contact Larry Derenge (502-874-8719) or Gayle Hobson (502-874-2638) of

the YUM! Legal Department. Requests for pre-clearance **should include details of the proposed transaction, including the transaction type (equity award exercise, sale or purchase of stock, gift, etc.) and the proposed number of shares**. **Your request should be submitted at least three business days in advance of the proposed transaction** so that the YUM! Legal Department may assist you in complying with SEC reporting requirements. Pre-clearance will typically be granted for a three-day period.

It is important to understand that this policy is designed to help you comply with federal laws and regulations. Under these laws and regulations, a person who trades while in possession of material nonpublic information is subject to extensive fines and criminal penalties up to and including imprisonment.

As you know, the SEC has imposed stringent filing requirements which require two-day reporting of most acquisitions or dispositions of stock. To meet this two-day requirement, the YUM! Legal Department will need to work with your broker to ensure it receives simultaneous information regarding your transaction. Failure to timely report transactions to the SEC will result in a proxy statement disclosure.

Sanctions. Any late or delinquent Form 4 filings are required to be reported in our proxy statement in a separately captioned section, naming names. The SEC has been granted broad authority to seek "any equitable relief that may be appropriate or necessary for the benefit of investors" for violations of any provisions of the securities laws. In addition, the Act provides that penalties up to and including fines and prison time may be imposed. Our compliance procedures listed above, are designed to help avoid any late filings.

Policy on Disclosure of Material Nonpublic Information. ***It is important to also remember that you may not discuss (or otherwise disclose) material nonpublic information with anyone except on a need-to-know basis.*** This is to protect anyone not subject to the policy who comes into possession of material nonpublic information. In such case, a “tippee” (i.e., person not subject to the policy who receives material nonpublic information) who trades while in possession of such information could become subject to the civil and criminal penalties described above. In addition, a “tipper” may also be subject to civil and criminal penalties for inappropriately passing information to people who may use it for their benefit.

Sample List of Transactions Covered by Policy. A transaction in YUM! securities may be executed only after it is pre-cleared by the YUM! Legal Department and provided that you are not in possession of material nonpublic information concerning YUM!. The following is a sample list of transactions covered by this policy:

1. Open market purchases and sales.

2. Stock plan transactions including stock option or stock appreciation right exercises, and elections to deliver YUM! stock to pay the option exercise price and/or satisfy the related tax withholding obligations.

3. Intra-plan transfers, cash distributions and/or plan loans that (a) affect your participation in the YUM! Common Stock investment alternative of your 401(k) account under the YUM! Brands 401(k) Plan, and (b) are not in connection with your retirement or other termination of employment.

4. Transfers of or relating to your YUM! accounts under the Executive Income Deferral Program, which are not in connection with your retirement or other termination of employment.

5. A gift of YUM! stock.

6. A contribution or transfer of YUM! stock to a trust, even if the trust is indirectly owned by you.

7. Transfers of YUM! stock from direct to indirect or from indirect to direct ownership.

8. Transactions relating to YUM! shares held in managed brokerage accounts.

The policy prohibits pledging stock of YUM! stock as collateral for a loan. This may require moving YUM! stock out of margin accounts.

YUM! Brands, Inc.
Policy Regarding Transactions in YUM! Securities
by Directors

The following corporate policy applies to transactions in YUM! Brands, Inc. ("YUM!") securities by members of the Board of Directors of YUM! ("Directors")[1]:

Covered Transactions. Any transaction involving YUM! securities is covered by this policy. You must obtain pre-clearance approval from the YUM! Legal Department for any transaction involving YUM! securities. A list of typical transactions requiring pre-clearance can be found at the end of this document.

Window Periods. While YUM! does not specifically limit all transactions to window periods, **you are strongly encouraged to limit your activity to a window period**. Please note that any **sale** or **purchase** of YUM! stock is limited to window periods. A window period typically begins on the business day following YUM! quarterly earnings releases and continues for approximately 10 to 20 business days. Window periods are subject to early closure at any time.

Material Nonpublic Information. No transaction in YUM! securities may be undertaken, even in a Window Period, if you possess material nonpublic information concerning YUM!. Material information is information that would affect the decision of a reasonable investor to buy, hold or sell YUM! securities or would affect the market value of YUM! securities.

Section 16 Insider. Section 16 of the Securities Exchange Act of 1934 applies to all directors of YUM!. Section 16 also applies to YUM!'s CEO, CFO, and certain officers as designated by the Board of Directors. Annually, the Board designates persons it believes to be "Insiders" covered by Section 16 by virtue of such person's role and responsibilities. All of these individuals are "Insiders" of YUM!.

Insiders must report their beneficial ownership in YUM! stock on Form 3 within ten calendar days after becoming Insiders. Section 16 also requires a Section 16 insider to report most changes in beneficial ownership of YUM! stock, including, but not limited to, SAR/RSU grants and exercises, director deferred compensation plan(s) deferrals and distributions, purchases and sales of stock, and stock gifts. Reporting occurs on Form 4 by the second business day following the transaction. Finally, Section 16 requires an Insider who did not report on Form 4 any change in beneficial ownership during a fiscal year, either because it was eligible for deferral or because of

[*] This policy also applies to transactions by or for the benefit of a Director's spouse or other persons/entities whose interests in YUM! securities are or could be attributable to such Director under Section 16 of the Securities Exchange Act of 1934.

an oversight, to report that transaction on Form 5 within 45 days after the close of the Company's fiscal year.

YUM! Legal will assist you in reporting these transactions. However, the law provides that the reporting responsibility rests with the individual Section 16 insider. Prior to engaging in any transactions in YUM! stock, you should contact the YUM! Legal Department to clear your trade and provide broker contact information so that the trade details can be obtained timely.

Rule 144 Affiliate. Generally, an affiliate includes all YUM! Insiders (YUM!'s Board of Directors and all Section 16 officers, as determined by YUM!), collectively "Rule 144 Affiliates."

Rule 144 Affiliates must file a Notice of Proposed Sale of Securities on Form 144 concurrently with placing any order for the sale of YUM! stock if the amount of the stock to be sold over a three-month period, exceeds 5,000 shares or has a sales price in excess of $50,000. Form 144 must be filed electronically with the SEC. Typically, your broker will make this filing on your behalf, but may request that you sign authorizations prior to any sale. The law provides that the responsibility to file the Notice rests with the individual Rule 144 Affiliate.

Rule 10b5-1 Plans. You may but are not required to use a Rule 10b5-1 plan in connection with any transactions in YUM! securities. You must submit any proposed Rule 10b5-1 plan at least three business days in advance of you entering into the plan so that the YUM! Legal Department can evaluate whether the proposed plan complies with Rule 10b5-1. You may only adopt a Rule 10b5-1 plan when you are not in possession of material non-public information regarding YUM! and during an open stock trading window. To discuss this method, please contact Larry Derenge (502-874-8719) or Gayle Hobson (502-874-2638). The SEC imposed strict conditions regarding use of Rule 10b5-1 plans. Among those are:

1. At least 90 (and in some cases up to 120) days must elapse before the first transactions may occur under the plan (the "cooling-off period"). Because the minimum number of days depends on when YUM! files its next Form 10-Q or Form 10-K, the YUM! Legal Department will confirm that the transactions contemplated by the plan meet the required cooling-off period.
2. With limited exceptions, you may only have one Rule 10b5-1 plan outstanding and executing trade at any time. You may, however, enter into a follow-on plan before the current one expires as long as the required cooling-off period is satisfied.
3. If your proposed plan is designed to effect the open market purchase or sale of all the YUM! securities covered by the plan in a single transaction, you may not enter into another single trade, Rule 10b5-1 plan, until 12 months have passed. To avoid being subject to this 12-month waiting period, you should consider entering into a plan covering more than one transaction as multi-trade plans are not subject to this waiting period.

4. The plan must contain certifications that you are not aware of material non-public information regarding YUM! and that you are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions against insider trading.
5. If you enter into (or terminate) any plan to trade in YUM! securities (whether or not the plan complies with Rule 10b5-1), YUM! is required to disclose that fact in its next Form 10-Q or Form 10-K and to describe the duration of the plan and the amount of securities to be sold under the plan.

Implementation, Modification, and Termination of 10b5-1 Plans. Any implementation of a new plan and modification or termination of an existing plan requires YUM! Legal Department approval.

Once your plan has been implemented, it can only be modified once during the life of the plan. Any modification to the plan must be made during an open stock trading window and a new 90 – 120 day cooling-off period applies.

Termination of a 10b5-1 plan is discouraged. After careful review, if it is determined that termination of the plan is warranted, it may be terminated during an open stock trading window, but you may not enter into a new plan until the later of 90 days and the next open stock trading window.

Speculative Trading. As always, speculative trading in YUM! stock, including trading in puts, calls, derivatives or other hedging or monetization transactions, is prohibited.

YUM! Direct Stock Plan. Participation in the YUM! Direct Stock Plan is prohibited.

YUM! Dividend Reinvestment. As you know, YUM! pays a dividend on its common stock. Reinvestment of dividends to purchase additional shares of YUM! stock is reportable to the SEC within 2 business days. Automatic dividend reinvestment arrangements available through brokers or YUM!'s transfer agent do not allow for timely filing with the SEC and can result in SEC violations. To assist you in complying with federal reporting requirements, such automatic dividend reinvestment arrangements are not permitted.

Short Swing Profit Considerations. No purchase of YUM! stock may be made within 6 months of a sale of YUM! stock. In addition, no sale of YUM! stock may be made within 6 months of a purchase of YUM! Stock. The Securities and Exchange Commission (SEC) regulation requires company directors and executive officers to return any profits made from the purchase and sale of YUM! stock, if the purchase and sale or sale and purchase, transactions occur within a six-month period. This activity is called a "short-swing" transaction. You will be required to surrender to YUM! all profits if such a "matching" transaction occurs.

YUM! Legal Department Pre-Clearance/SEC Reporting. Prior to initiating any transaction in YUM! securities (including executing a Rule 10b5-1 plan), you are required to contact Erika Burkhardt (972-338-7212), Carson Stewart (502-874-6469) or Larry Derenge (502-874-8719) of the YUM! Legal Department. Requests for pre-clearance **should include details of the proposed transaction, including the transaction type (equity award exercise, sale or purchase of stock, gift, etc.) and the proposed number of shares**. **Your request should be submitted at least three business days in advance of the proposed transaction** so that the YUM! Legal Department may assist you in complying with SEC reporting requirements. Pre-clearance will typically be granted for a three-day period.

It is important to understand that this policy is designed to help you comply with federal laws and regulations. Under these laws and regulations, a person who trades while in possession of material nonpublic information is subject to extensive fines and criminal penalties up to and including imprisonment.

As you know, the SEC has imposed stringent filing requirements which require two-day reporting of most acquisitions or dispositions of stock. To meet this two-day requirement, the YUM! Legal Department will need to work with your broker to ensure it receives simultaneous information regarding your transaction. Failure to timely report transactions to the SEC will result in a proxy statement disclosure.

Your Broker. We recommend that you give a copy of this policy to your broker.

Sanctions. Any late or delinquent Form 4 filings are required to be reported in our proxy statement in a separately captioned section, naming names. The SEC has been granted broad authority to seek "any equitable relief that may be appropriate or necessary for the benefit of investors" for violations of any provisions of the securities laws. In addition, the Act provides that penalties up to and including fines and prison time may be imposed. Our compliance procedures listed above, are designed to help avoid any late filings.

Policy on Disclosure of Material Nonpublic Information. ***It is important to also remember that you may not discuss (or otherwise disclose) material nonpublic information with anyone, except on a need-to-know basis.*** This is to protect anyone not subject to the policy who comes into possession of material nonpublic information. In such case, a “tippee” (i.e., person not subject to the policy who receives material nonpublic information) who trades while in possession of such information could become subject to the civil and criminal penalties described above. In addition, a “tipper” may also be subject to civil and criminal penalties for inappropriately passing information to people who may use it for their benefit.

Sample List of Transactions Covered by Policy. A transaction in YUM! securities may be executed only after it is pre-cleared by the YUM! Legal Department and provided that you are not in possession of material nonpublic information concerning YUM!. The following is a sample list of transactions covered by this policy:

1. Open market purchases and sales.

2. Stock plan transactions including stock appreciation right exercises, and elections to deliver YUM! stock to pay the exercise price and/or satisfy the related tax withholding obligations.

3. Deferrals, transfers or distributions of or relating to your YUM! accounts under the Director Income Deferral Program, which are not in connection with your retirement or other departure from the Board.

4. A gift of YUM! stock.

5. A contribution or transfer of YUM! stock to a trust, even if the trust is indirectly owned by you.

6. Transfers of YUM! stock from direct to indirect or from indirect to direct ownership.

7. Transactions relating to YUM! shares held in managed brokerage accounts.

The policy prohibits pledging YUM! stock as collateral for a loan. This may require moving YUM! stock out of margin accounts.

Stock Ownership Guidelines: The Board has adopted, as part of its governance principles, the following policy with respect to the ownership and sale of YUM! stock:

> The Board expects that each outside Director will (i) own Company common shares with a value of at least five times the annual Board retainer: (ii) accumulate those shares during the first five years of the Director's service on the Board; and (iii) hold these shares at least until the Director departs the Board. Each Director may sell enough shares to pay taxes in connection with the receipt of their retainer or stock appreciation rights exercise and the ownership guidelines will be adjusted to reflect the sale to pay taxes.

Insider Trading

Yum! respects the rights and legal protections of the investing public. Beyond the obligation to keep investors properly informed about Yum!'s business, it is also important to avoid selective disclosure that can create an imbalance in information among investors. In addition, employees and directors are prohibited from buying or selling securities (stocks, bonds, etc.) of Yum! if they have knowledge of "material non-public information" about Yum!. Similarly, employees and directors may not buy or sell securities of another company
when they have material non-public information about that company as a result of work for or with Yum!. These other companies may include current or potential suppliers or other vendors and the non-public information you learn
may be material even if it is not material to Yum!.

"Material non-public information" means information that
> is not available to the public, and
> a reasonable investor would likely consider important in deciding whether to purchase or sell a security.

Many of our employees may have material non-public information simply by virtue of their positions. Material non-public information might include, for example:

> introduction of an innovative restaurant design.
> significant new contracts.
> changes in dividends.
> key personnel changes or departures.
> mergers, acquisitions, joint ventures, and divestitures.
> major developments in litigation.
> unreleased earnings statements and forecasts.
> expected governmental actions relating to Yum! or its industry.
> licensing agreements.
> marketing plans.
> franchisee relationship changes.
> significant cyber security breaches.

If you have knowledge of any of these - and the information is non-public - you may be in possession of material non-public information, and you must not buy or sell securities with that knowledge. If you are in doubt and do not know if the information is material and non-public, you should reach out to the Yum! Law Department and ask for clarification and obtain pre-clearance prior to trading, if applicable.

The rule also applies to people outside of Yum! who obtain the information from one of our employees (for example, an employee's spouse, friend or

broker; or lawyers, accountants, or other advisors). This means you must never give someone outside Yum! a "tip" regarding material inside information; this includes discussions on Internet "chat rooms" or social media. Only disclose material inside information about Yum! or other companies where and when necessary to carry out Yum!'s legitimate business and where you are confident the information will be properly handled upon disclosure because of a confidentiality agreement, professional obligations or other protections.

Yum! employees and directors should approach trading in Yum! shares as a long-term investment strategy. You may not engage in trading options, short selling, buying or selling of derivative securities, or other speculative positions relative to Yum! securities. Such transactions may create an appearance of improper trading on inside information or a lack of confidence in the Company.

Yum! Expectations:

> Protect material inside information and use and disclose it only as necessary to perform your job.
> "Insiders" (employees who in the ordinary course of the performance of their duties have access to material non-public information regarding the Company) should only trade in Yum! securities:
  - In accordance with the Company's "Insider" or "Restricted Person" Trading Procedures.
  - During applicable "trading windows."
  - If the trade has been pre-approved by the Yum! Law Department (if required by Company policy).
> Consult with the Yum! Law Department any time you plan to make a trade in Yum! securities and are unsure if you have access to material non-public information.

Speak up if You See a Colleague:

> Trading in securities of Yum! while in the possession of material nonpublic information about the Company.
> Disclosing material non-public information about the Company to others who may trade on the basis of that information.
> Making trading options, short sales, purchases or sales of derivative securities, or purchases on margin of Yum! securities.

Question:
I am participating in a pilot rollout of a new software system that our Company is considering purchasing from a small tech company with a limited amount
of publicly traded shares. I have heard the trial is going well and we almost certainly are going to buy this company's system. I expect other restaurant companies will follow our lead because of the efficiency this software brings. My sister-in-law invests in tech stocks and knows a lot about them. Can I tell her about this and let her decide whether she thinks this company is a good investment?

Answer:
Absolutely not. The information you have about Yum!'s plans to use this company's product could be material non-public information as it relates to the tech company. If you convey it to your sister-in-law, you would be violating your obligation not to divulge confidential proprietary information. Further, if you or your sister-in-law use the information to invest, you may also be violating securities laws.

	Exhibit 21.1
SUBSIDIARIES OF YUM! BRANDS, INC.	
AS OF DECEMBER 31, 2024	
Name of Subsidiary	State or Country of Incorporation
A.C.N. 003 190 163 Pty Limited	Australia
A.C.N. 003 190 172 Pty Limited	Australia
A.C.N. 003 273 854 Pty Limited	Australia
A.C.N. 054 055 917 Pty Ltd	Australia
A.C.N. 054 121 416 Pty Limited	Australia
A.C.N. 085 239 961 Pty Ltd	Australia
A.C.N. 085 239 998 Pty Ltd	Australia
A.C.N. 108 123 502 Pty Ltd	Australia
ABR Insurance Company	Vermont
Ashton Fried Chicken Pty. Limited	Australia
Clokken Ireland Limited	Ireland
Clokken Limited	England and Wales
Cyprus Caramel Restaurants Limited	Cyprus
Dragontail Systems Canada, Inc.	British Columbia
Dragontail Systems Ltd.	Israel
Dragontail Systems Pty Limited f/k/a Dragontail Systems Limited	Australia
Dragontail Systems USA, Inc.	Delaware
Egg Shell Holdings LLC	Delaware
Finger Lickin' Chicken Limited	England and Wales
Finger Lickin Good Franchising LLC	Delaware
Gardiner Lane Capital, LLC	Delaware
GCTB, LLC	Virginia
Gloucester Properties Pty. Ltd.	Australia
Gotham Newco 4 Limited	England and Wales
Habit Employment, L.P.	Delaware
HBG Franchise, LLC	Delaware
Heart Brands UK Limited	England and Wales
Heart Brands Pty Ltd.	Australia
Heartstyles (Pty) Ltd.	South Africa
Hut Occasions LLC	South Korea
IPDEV Co., LLC	Delaware
Kentucky Fried Chicken (Germany) Restaurant Holding GmbH	Germany
Kentucky Fried Chicken (Great Britain) Limited	England and Wales
Kentucky Fried Chicken Canada Company	Nova Scotia
Kentucky Fried Chicken International Holdings LLC	Delaware
Kentucky Fried Chicken Limited	England and Wales
Kentucky Fried Chicken Pty. Ltd.	Australia
KFC (Pty) Ltd	South Africa
KFC Advertising, Limited	England and Wales

KFC Asia Data & Analytics Pte. Ltd	Singapore
KFC Asia Franchise Pte. Ltd. f/k/a Taco Bell Restaurants China-India Pte. Ltd.	Singapore
KFC Asia Holdings LLC f/k/a KFC Asia S.à r.l. f/k/a TB Asia Holdings S.à r.l.	Delaware
KFC Australia IP Holdings, LLC	Delaware
KFC Canada, LLC	Delaware
KFC Corporation	Delaware
KFC Europe Holdings S.à. r.l.	Switzerland
KFC Europe S.à. r.l.	Switzerland
KFC Europe S.à. r.l.	Luxembourg
KFC France SAS	France
KFC Gift Card Holdings LLC	Kentucky
KFC Greece LLC	Greece
KFC Holding Co.	Delaware
KFC Holding SAS	France
KFC Holdings B.V.	Netherlands
KFC India Marketing Private Limited	India
KFC International Holdings II LLC f/k/a KFC International Holdings II S.à. r.l.	Delaware
KFC MENAPAK LLC	Delaware
KFC MENAPAK S.à. r.l.	Luxembourg
KFC MENAPAKT FZ-LLC	Dubai
KFC MENAPAKT Holdings, LLC	Delaware
KFC North America LLC f/k/a KFC North America S.à. r.l.	Delaware
KFC Pacific Holdings Ltd	Malta
KFC Restaurants Spain S.L.	Spain
KFC South Africa Holdings B.V.	Netherlands
KFC THC V Ltd	Malta
KFC US, LLC	Delaware
KFC US RE Holdings, LLC	Delaware
Live Mas UK Limited	England and Wales
Multibranding Pty. Ltd.	Australia
National Systems, LLC	Delaware
Newcastle Fried Chicken Pty. Limited	Australia
Northside Fried Chicken Pty Limited	Australia
Novo BL SAS	France
Novo Re IMMO SAS	France
Pacific Bell Franchising LLC	Delaware
Pacificly Pizza Hut LLC	Delaware
PH Canada Company	Nova Scotia

PH Digico LLC	Delaware
PH Digital Ventures UK Limited	England and Wales
PH Europe S.à. r.l.	Luxembourg
PH Mexico LLC f/k/a PH Mexico S.à. r.l.	Delaware
PH North America LLC f/k/a PH North America S.à. r.l.	Delaware
PH South Africa Holdings B.V.	Netherlands
PH Yum! France SAS	France
PH Yum! Germany GmbH f/k/a Blitz D24-602 GmbH	Germany
PHDV Asia Company Limited	Vietnam
Pizza Familia Partnership	Delaware
Pizza Hut (Pty) Ltd	South Africa
Pizza Hut Asia Pacific Franchise Pte. Ltd. f/k/a Pizza Hut Restaurants China-India Pte. Ltd.	Singapore
Pizza Hut Asia Pacific Holdings LLC f/k/a Pizza Hut Pacific Holdings LLC f/k/a PH Asia Holdings S.à. r.l.	Delaware
Pizza Hut Canada, LLC	Delaware
Pizza Hut Connect, LLC	Delaware
Pizza Hut Europe Limited	England and Wales
Pizza Hut Guarantor, LLC	Delaware
Pizza Hut Holdings, LLC	Delaware
Pizza Hut HSR Advertising Limited	England and Wales
Pizza Hut India Marketing Private Limited	India
Pizza Hut International, LLC	Delaware
Pizza Hut MENAPAK Consulting FZE	Dubai
Pizza Hut MENAPAK Holdings, LLC	Delaware
Pizza Hut MENAPAK S.à r.l.	Luxembourg
Pizza Hut MENAPAKT FZ-LLC	Dubai
Pizza Hut of America, LLC	Delaware
Pizza Hut, LLC	Delaware
Pizza Pete Franchising LLC	Delaware
PKM Investments, LLC	Delaware
QuikOrder, LLC	Delaware
Restaurant Concepts LLC	Delaware
Restaurant Holdings Limited	England and Wales
South China Sea Investments LLC	Delaware
Southern Fast Foods Limited	England and Wales
Suffolk Fast Foods Limited	England and Wales
Taco Bell Asia Franchising, LLC f/k/a TB Asia S.à r.l.	Delaware

Taco Bell Canada, LLC	Delaware
Taco Bell Cantina Corp	Delaware
Taco Bell Corp	California
Taco Bell Franchise Holder 1, LLC	Delaware
Taco Bell Franchisor Holdings, LLC	Delaware
Taco Bell Franchisor, LLC	Delaware
Taco Bell Funding, LLC	Delaware
Taco Bell IP Holder, LLC	Delaware
Taco Bell of America, LLC	Delaware
Taco Bell Pacific Investments, LLC	Delaware
Taco Bell Restaurants Asia Pte. Ltd.	Singapore
Taco Bell UK and Europe Limited f/k/a Yum! Restaurants Limited	England and Wales
TB Asia LLC	Delaware
TB Australia Company Pty. Ltd.	Australia
TB Canada Company	Nova Scotia
TB Cantina, LLC	Delaware
TB International Holdings II LLC f/k/a TB International Holdings II S.à. r.l.	Delaware
TB North America LLC f/k/a TB North America S.à. r.l.	Delaware
TBA Services, LLC	Delaware
The Habit Restaurants, Inc.	Delaware
The Habit Restaurants, LLC	Delaware
TicTuk Technologies Ltd.	Israel
Tricon Global Restaurants, Inc.	North Carolina
YA Company One Pty. Ltd.	Australia
YEB Holdings LLC	Delaware
YEB III LLC	Delaware
YRH Holdco Limited	England and Wales
YRI Asia Ventures Ltd.	Malta
YRI China Franchising LLC f/k/a YRI China Franchising S.à. r.l. f/k/a Yum! Finance Holdings V S.à. r.l.	Delaware
YRI Europe S.à. r.l.	Luxembourg
YRI Global Liquidity S.à. r.l.	Luxembourg
YRI Investment Company S.à. r.l.	Luxembourg
YRI Investment Ventures Ltd.	Malta
Yum Colombiatech Systems SAS	Colombia
Yum Connect Australia Pty. Ltd.	Australia
Yum Connect, LLC	Delaware
Yum Cyprus Limited	Cyprus
Yum HS Holdings, LLC	Delaware
Yum India Technology Solutions Private Limited	India
Yum Restaurant Services Group, LLC	Delaware
Yum Treasury Finance Ltd. F/k/a Flogios Holdings Ltd.	Cyprus
Yum! Asia Franchise Pte Ltd	Singapore
Yum! Asia Holdings LLC f/k/a Yum! Asia Holdings S.à. r.l.	Delaware

Yum! Australia Equipment Pty. Ltd.	Australia
Yum! Brands Mexico Holdings II LLC	Delaware
Yum! Capital Investments, LLC	Delaware
Yum! Europe Limited	England and Wales
Yum! Finance Holdings I S.à. r.l.	Luxembourg
Yum! Franchise de Mexico LLC f/k/a Yum! Franchise de Mexico, S.à. r.l.	Delaware
Yum! Holdings II Limited	England and Wales
Yum! III (UK) Limited	England and Wales
Yum! International Finance Company LLC f/k/a Yum! International Finance Company S.à. r.l.	Delaware
Yum! KFC Australia Holdings I LLC	Delaware
Yum! Restaurant Holdings	England and Wales
Yum! Restaurantes do Brasil Ltda.	Brazil
Yum! Restaurants (India) Private Limited	India
Yum! Restaurants (NZ) Ltd.	New Zealand
Yum! Restaurants Asia Pte. Ltd.	Singapore
Yum! Restaurants Australia Pty Limited	Australia
Yum! Restaurants Europe Limited	England and Wales
Yum! Restaurants International (Thailand) Co., Ltd.	Thailand
Yum! Restaurants International Holdings LLC	Delaware
Yum! Restaurants International Limited	England and Wales
Yum! Restaurants International Ltd. & Co. Kommanditgesellschaft	Germany
Yum! Restaurants International Management LLC	Delaware
YUM! Restaurants International MENAPAK Consulting FZE	Dubai
Yum! Restaurants International, Inc.	Delaware
Yum! Restaurants International, S de RL de CV	Mexico
Yum! Restaurants Limited f/k/a Yum! MENAPAKT Limited	England and Wales
Yum! Restaurants Marketing Private Limited	India
Yumsop Pty Limited	Australia

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-36877, 333-32050, 333-36955, 333-36961, 333-36893, 333-32048, 333-109300, 333-64547, 333-32052, 333-109299, 333-170929, and 333-223152) on Form S-8 of our report dated February 19, 2025, with respect to the consolidated financial statements of Yum! Brands, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Louisville, Kentucky
February 19, 2025

Exhibit 31.1

CERTIFICATION

I, David Gibbs, certify that:

1. I have reviewed this report on Form 10-K of YUM! Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant, as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 19, 2025

/s/ David Gibbs

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Chris Turner, certify that:

1. I have reviewed this report on Form 10-K of YUM! Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant, as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2025

/s/ Chris Turner

Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of YUM! Brands, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I, David Gibbs, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ David Gibbs
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to YUM! Brands, Inc. and will be retained by YUM! Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of YUM! Brands, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I, Chris Turner, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Chris Turner
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to YUM! Brands, Inc. and will be retained by YUM! Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.