August 1, 2005

YUM! Brands 401(k) Plan
Safe Harbor Notice

Plan Sponsor/Plan Administrator: YUM! Brands, Inc.
Plan Sponsor Tax Identification Number: 13-3951308
Plan Number: 003

The YUM! Brands 401(k) Plan (the “Plan”) has elected to be treated as a “safe harbor” plan under Section 401(k) of the Internal Revenue Code. Safe harbor plans use a simplified contribution formula and vesting schedule. Employers who adopt safe harbor plans have fewer administrative rules to follow, due to the simple plan design.

In order to be a safe harbor plan, the Internal Revenue Service requires YUM! to give you this notice outlining certain features of the Plan. This notice will provide a convenient summary for you and should be retained along with your copy of the Summary Plan Description for the Plan. If you have any questions about this notice, please contact the Employee Services Center at (888) 372-5313 or the Plan Administrator at the address indicated below.

This “safe harbor” notice relates to the Plan Year beginning October 1, 2005, and the Plan may or may not use the “safe harbor” method in future years. Eligible participants will be notified of how the Plan will be operated in future years.

How much will YUM! contribute to the Plan on my behalf?

If you are eligible to participate in the Plan, you may elect to have a portion of your compensation contributed to the 401(k) Plan each pay period. Your contributions can be made “pre-tax” (before employment taxes are taken out) in an amount from 1% to 25% of your eligible compensation each Plan Year. (However, your contribution is subject to the IRS pre-tax contributions limit, which for the 2006 calendar year is $15,000, and the additional limitations on maximum aggregate annual contributions to retirement plans.)

YUM! will match your pre-tax contributions, dollar for dollar, at the rate of 100% to the extent such contributions do not exceed 3% of your eligible compensation (discussed below) and 50% to the extent that such contributions exceed 3% but do not exceed 5% of your eligible compensation. In other words, YUM! will match 100% up to 3% of eligible pay that you contribute, and 50% of the next 2% of eligible pay that you contribute. Employees hired prior to October 1, 2001 that are eligible to participate in the Executive Income Deferral Plan are not eligible for the matching contributions described in this paragraph.
What definition of compensation is used to determine my matching contribution?

The Plan defines your eligible compensation as your base pay, overtime pay, tips, shift differential, vacation pay, back pay, holiday pay, pay for personal time off, funeral leave pay, jury duty pay, sick leave pay and merit pay, less EID base deferral. It does not include bonuses. Your base pay is the amount used to determine how much is contributed from your paycheck each pay period, which in turn determines the employer matching contribution you will receive.

How and when do I make contributions to the Plan?

If you are a current employee and are enrolled in the Plan, you have elected to have a percentage of your base pay contributed to the Plan each pay period. New employees can enroll once they become eligible to participate. Full-time and part-time employees are eligible when they are 18 years of age, have worked for YUM! for one year and have worked 1,000 hours during a 12-month consecutive period. You can enroll in the Plan by calling the YUM! Savings Center at 888-875-4015, or logging onto the YUM! 401(k) Plan Internet site at http://yum.csplans.com.

You can elect to increase or decrease the percentage of your base pay contributed to the Plan at any time by calling the Plan’s toll-free telephone number (see above) and authorizing a change. Any such changes will be made as soon as administratively practicable.

When can I withdraw my money from the Plan?

The money you contribute to the Plan on a pre-tax basis, and any earnings on that money, can only be distributed to you upon your death, disability, termination of service, or after you reach age 59-1/2. You can also withdraw your contributions in the event of a financial hardship. The same rules apply to any employer matching contributions YUM! makes for you (and earnings), except that these employer contributions may not be withdrawn due to financial hardship. While employed, you may also request a loan from your contributions.

You should contact the YUM! Savings Center at 888-875-4015 if you have a question about plan distributions or would like to make a withdrawal.

Am I vested in my accounts in the Plan?

Yes. Under the safe harbor Plan, you are always 100% vested in all of your accounts under the Plan. This includes your contributions, employer matching contributions, rollover accounts and any earnings on your accounts.

What if I have further questions about the safe harbor Plan?

If you have additional questions about this notice or the Plan, you should consult your Summary Plan Description or contact the Plan Administrator at the following address:

YUM! Brands, Inc.
Attention: YUM! Brands 401(k) Plan Administrator
5100 Commerce Crossing Drive
Louisville, KY 40229
This is a summary of certain provisions of the Plan. It is not the Plan document itself. A summary cannot explain how every Plan provision might apply in your particular situation. If you have any questions about the Plan and how it applies to you, please contact your Human Resources Department or the Employee Services Center.