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 (IRS) 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 Benefits Support Center at (888) 372-5313 or the Plan Administrator at the address indicated below.

This “safe harbor” notice relates to the Plan Year beginning January 1, 2018, 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 Federal income and employment taxes are taken out) in an amount from 1% to 75% of your eligible compensation (discussed below) each Plan Year, subject to the IRS pre-tax contributions limit, which for the 2018 calendar year is $18,500. However, eligible employees who reach age 50 by December 31, 2018 may contribute an additional $6,000 for the 2018 calendar year. (Additional limitations on maximum aggregate annual contributions may also apply to you.)

YUM! will match your pre-tax contributions, dollar for dollar, at the rate of 100% to the extent such contributions do not exceed 6% of your eligible compensation for the applicable pay period. YUM! will also “true-up” your matching contributions each pay period using your total year-to-date matching contributions and eligible compensation. The “true-up” is intended to make certain you receive the full match on an annual basis. However, in no event will your total matching contributions for the year exceed 100% of your total pre-tax contributions for the year, up to 6% of your eligible compensation for the year. Your matching contributions may be “trued-up” due to changes in your eligible compensation or rate of pre-tax contributions during the year.

Employees hired or rehired prior to October 1, 2001, who are eligible to participate in the YUM! Brands Executive Income Deferral Program and who are considered to be “highly compensated” under IRS rules are not eligible for the matching contributions described in this notice. For 2018, you generally will be considered “highly compensated” if your taxable compensation exceeds $120,000 during 2017. Further, in determining the match, IRS rules require that the eligible compensation taken into account in each plan year must be limited to a specific dollar amount. For the plan year January 1, 2018 to December 31, 2018, this limit is $275,000. Therefore, your deferrals from eligible compensation of over $275,000 cannot be matched for the upcoming plan year.
What definition of compensation is used to determine my matching contribution?

For purposes of the Plan, “eligible compensation” generally means 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. However, “eligible compensation” does not include bonuses, annual incentives, amounts or the value of benefits deemed received under any performance share plan, stock option plan or similar plan, any non-cash benefits, short-term disability pay, and severance pay. In addition, any deferrals made to the YUM! Brands Executive Income Deferral (EID) Program are not included in “eligible compensation.”

How and when do I make contributions to the Plan?

If you are an eligible 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 at any time once they become eligible to participate. Full-time and part-time employees are eligible after attaining age 18 and completing 60 days of continuous service as an employee. You can enroll in the Plan by calling the YUM! Savings Center at 888-875-4015, or logging onto the YUM! 401(k) Plan website at http://yum.voya.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 or visiting the website (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. Subject to IRS limits, you can also withdraw your contributions in the event of a severe financial hardship. The same rules apply to any employer matching contributions YUM! makes for you (and earnings thereon), except that these employer contributions may not be withdrawn due to financial hardship. While employed, you may also request a loan from your contributions. Withdrawals are subject to certain restrictions and procedures. Please review the Plan’s Summary Plan Description for further information.

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 rules, 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 the Plan’s Summary Plan Description or contact the Plan Administrator at the following address:

YUM! Brands, Inc.
Attention: YUM! Brands 401(k) Plan Administrator
1441 Gardiner Lane
Louisville, KY 40213

While YUM! Brands currently intends to continue the Plan, YUM! Brands reserves the right to amend, modify or terminate the Plan at any time. This notice is a summary of certain provisions of the Plan. However, this notice is not intended to add to rights or benefits provided under the terms of the official plan documents. Your eligibility and benefits will be determined in accordance with and subject to the official Plan documents. If there is a conflict between the content of this notice and the terms of the Plan documents the Plan documents will control. This notice is not a promise or guarantee of employment or future employment for any duration. If you have any questions about the Plan and how it applies to you, please contact your Human Resources Department or the Benefits Support Center.