

## **Policy Regarding Transactions in YUMC Securities By Covered Employees and Disclosure of Material Nonpublic Information**

The following corporate policy applies to transactions in Yum China Holdings, Inc. (“YUMC”) securities by those employees designated by YUMC as covered by this policy (each, a “Covered Employee”). This policy also applies to transactions in YUMC securities by or for the benefit of a Covered Employee’s spouse or other persons/entities whose interests in YUMC securities are or could be attributable to a Covered Employee under Section 16 of the Securities Exchange Act of 1934 (“Section 16”). “YUMC securities” include common stock, debt securities, options, rights to purchase or sell such securities (including warrants, puts, calls and straddles) and related derivative securities.

**Covered Transactions.** Any transaction involving YUMC securities is covered by this policy. **You must obtain pre-clearance approval from the Legal Department for any transaction involving YUMC securities.** Examples of transactions requiring pre-clearance include:

1. Open market purchases and sales;
2. Stock plan transactions, including stock option or stock appreciation right exercises, and elections to deliver YUMC stock to pay the option exercise price and/or satisfy the related tax withholding obligations; and
3. Intra-plan transfers, cash distributions and/or plan loans that (a) affect your participation in the YUMC Common Stock investment alternative of your 401(k) account under the YUMC 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 YUMC 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).

**Window Periods.** While YUMC does not limit transactions to a window period, **you are strongly encouraged to limit your activity to a window period.** A window period typically begins on the second business day following YUMC’s earnings release for a quarter and continues until the date that is four weeks prior to the end of the next quarter (or three weeks, in the case of the window period ending prior to the second quarter). Window periods are subject to early closure at any time.

**Material Nonpublic Information.** No transaction in YUMC securities may be undertaken, even in a window period, if you possess material nonpublic information concerning YUMC or its subsidiaries. The examples of material information include: internal financial information which departs in any way from what the market would expect; changes in sales, earnings or dividends; an important financing transaction; stock splits or other transactions relating to YUMC stock; mergers, tender offers or acquisitions of other companies, or major purchases or sales of assets; major management changes; sales or purchases by YUMC of its own securities; major

litigation; and major transactions with other companies, such as joint ventures or licensing agreements. The only exception to this prohibition is if the transaction is made pursuant to a 10b5-1 plan (discussed below). Material nonpublic information is positive or negative information that is not generally available to the investing public and would affect the decision of a reasonable investor to buy, hold or sell YUMC securities or would affect the price of YUMC securities.

**10b5-1 Plans.** You may enter into a 10b5-1 plan in which you make advance “irrevocable” directives regarding transactions in YUMC securities over an extended period of time. You must enter into the 10b5-1 plan during a window period and can exercise no discretion over the plan once it is in place. You must obtain from the Legal Department pre-clearance of any 10b5-1 plan relating to YUMC securities, and any 10b5-1 plan should be with a broker that has been authorized by the Legal Department. Since Rule 10b5-1 does not create an exemption for Section 16, the Legal Department must be notified promptly after any transaction executed pursuant to a 10b5-1 plan, and the broker or other person executing the transaction must timely transmit a Form 144 notice. Careful consideration and preparation are necessary to implement a 10b5-1 plan. To utilize a 10b5-1 plan, a minimum of 25,000 options/shares should be covered by the plan. If you have any questions regarding 10b5-1 plans, please contact YUMC’s Chief Legal Officer at (86) 21-2407-7777.

**Margin Accounts and Pledging.** Securities held by a Covered Employee in a margin account or pledged as collateral for a loan may be sold without the Covered Employee’s consent by the broker if the Covered Employee fails to meet a margin call or by the lender in foreclosure if the Covered Employee defaults on the loan. A margin or foreclosure sale that occurs when a Covered Employee is aware of material nonpublic information may, under some circumstances, result in unlawful insider trading. Because of this danger, Covered Employees may not hold YUMC securities in a margin account or pledge YUMC securities as collateral for a loan.

**Speculative Trading.** Speculative trading in YUMC securities, including trading in puts, calls or other hedging or monetization transactions, is prohibited.

**Gifts.** Subject to the terms of such securities, gifts of YUMC securities may be made at any time.

**Legal Department Pre-Clearance.** Prior to initiating any transaction in YUMC securities (including executing a 10b5-1 plan), you are required to contact YUMC’s Chief Legal Officer. Requests for pre-clearance should be submitted at least three business days in advance of the proposed transaction so that the Legal Department may assist you in complying with SEC reporting requirements.

It is important to understand that this policy is designed to help you comply with U.S. 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.

**Confidentiality; Disclosure of Material Nonpublic Information.** Covered Employees must maintain nonpublic information about YUMC in strict confidence, must not communicate such information to any person outside YUMC or other than on a need to know basis inside YUMC and should refer any questions to YUMC's Chief Legal Officer. Covered Employees who disclose material nonpublic information may be subject to civil and criminal penalties for inappropriately passing information to people who may use it for their benefit, and a "tippee" (*i.e.*, a person not subject to the policy who receives material nonpublic information) who trades while in possession of such information may also be subject to the civil and criminal penalties.