

Tax Strategy

Introduction

The UK tax strategy in Yum III (UK) Limited ("the Company") has been agreed and approved by the UK board.

The Company is a UK registered trading company and pays its tax in the UK.

The Company takes its responsibility in relation to all matters involving tax seriously, and ensures that all areas relating to taxation are reviewed across each year.

Approach to Tax Compliance Reporting

Tax compliance and reporting is afforded key status across the Company. Internal and external deadlines and processes are monitored and reviewed to ensure compliance.

Risk Management and Governance Arrangements (UK Taxation)

The Company employs a dedicated UK internal tax team to manage its UK fiscal obligations. A professional external adviser network is also engaged. The Company has a strong relationship with HMRC, and engages in an annual business risk review program, which provides a consistent monitor of risk, governance and status.

The board, senior management team and senior accounting officers are updated across the year in relation to all aspects of taxation and formal reporting deadlines. All external audits are adhered to.

The Company's Attitude towards Tax Planning (UK Taxation)

The Company complies with all UK taxation rules and regulations. The Company utilises reliefs, deductions and allowances in line with UK rules and regulations.

Risk Acceptance (UK Taxation)

The Company monitors risk across the year and takes all necessary steps to ensure compliance with UK regulations. Formal procedures (e.g. advance pricing agreements and other formal agreements) are entered into with HMRC where appropriate.

The Company's normal business and projects are regularly reviewed for compliance with UK rules and regulations.

The Company's Approach towards HMRC

The Company's seeks to maintain a strong relationship with HMRC and engages fully in annual business reviews and other interactions throughout the year.

The Company aims always to engage with HMRC in a constructive, timely and transparent way.