

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): July 13, 2023

Yum China Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37762
(Commission
File Number)

81-2421743
(IRS Employer
Identification No.)

**101 East Park Boulevard, Suite 805
Plano, Texas 75074
United States of America**

**Yum China Building
20 Tian Yao Qiao Road
Shanghai 200030
People's Republic of China**

(Address, including zip code, of principal executive offices)

(469) 980-2898

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$0.01 per share	YUMC	New York Stock Exchange
	9987	The Stock Exchange of Hong Kong Limited

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Director Appointment

On July 14, 2023, the Board of Directors (the “Board”) of Yum China Holdings, Inc. (the “Company”) expanded its size from nine directors to ten directors and appointed Mr. David Hoffmann, chief executive officer of Mammoth Holdings, as a director, effective immediately, to serve for a term expiring at the 2024 annual meeting of stockholders of the Company or until his earlier death, resignation or removal. The Board determined that Mr. Hoffmann is independent of the Company and its management under the New York Stock Exchange listing standards and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board also appointed Mr. Hoffmann as a member of the Audit Committee of the Board.

Mr. Hoffmann will be entitled to an annual retainer equal to \$315,000 for his service as a director, which will be pro-rated from the date of his appointment, payable in Company common stock or, if requested by him, up to one-half in cash. In connection with his appointment, the Company plans to enter into its standard director indemnification agreement with Mr. Hoffmann, the form of which was filed with the Securities and Exchange Commission on November 1, 2016 as an exhibit to the Company’s Current Report on Form 8-K.

There are no arrangements or understandings between Mr. Hoffmann and any other persons pursuant to which Mr. Hoffmann was selected as a director. There are no transactions involving the Company and Mr. Hoffmann that the Company would be required to report pursuant to Item 404(a) of Regulation S-K.

Chief People Officer Transition

On July 13, 2023, Mr. Aiken Yuen notified the Company that he intends to step down as Chief People Officer of the Company, effective August 1, 2023. To ensure a smooth transition of the responsibilities of the Company’s Chief People Officer, the Company and Mr. Yuen entered into a transition agreement dated July 13, 2023 (the “Transition Agreement”).

Pursuant to the Transition Agreement, from August 1, 2023 to December 31, 2024, Mr. Yuen will continue to be employed by the Company as Senior Advisor to Ms. Joey Wat, the Company’s Chief Executive Officer, and provide counsel and advice in relation to human capital management related initiatives, executive talent mentoring, and other projects. Mr. Yuen will be paid a base salary of HK\$ 327,600, for an average of one hundred twenty (120) hours of service, per month in the period of August 1, 2023 to December 31, 2023. During the same period, Mr. Yuen will also be eligible for a target bonus at a rate of 45% of his base salary. Mr. Yuen’s service hours and the corresponding compensation for the period of January 1, 2024 to December 31, 2024 are expected to be further scaled down.

The foregoing summary of the Transition Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Transition Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

The Board has appointed Mr. Jerry Ding as the Company’s Chief People Officer, effective August 1, 2023.

Mr. Ding has served as Head of Corporate Strategy since November 2019 and brand leader of Taco Bell since November 2021. Prior to joining Yum China, Mr. Ding worked at McKinsey & Company for over six years, specializing in developing corporate-level strategies. Mr. Ding holds a Ph.D. in Mechanical Engineering and Materials Science from Yale University and a B.S. in Mechanical Engineering and Automation from Tsinghua University.

Item 7.01. Regulation FD Disclosure.

A copy of the press release announcing Mr. Hoffmann’s appointment to the Board is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished with this report:

Exhibit No.	Exhibit Description
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10.1	Transition Agreement, dated July 13, 2023, by and between Yum China Holdings, Inc. and Aiken Yuen.
99.1	Press Release of Yum China Holdings, Inc. issued on July 17, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

YUM CHINA HOLDINGS, INC.

By: /s/ Joseph Chan

Name: Joseph Chan

Title: Chief Legal Officer

Date: July 17, 2023



July 13, 2023

Aiken Yuen

STRICTLY PRIVATE & CONFIDENTIAL

Dear Aiken,

Transition and Advisor Agreement

We have received your letter dated July 13, 2023 to step down from the role of Chief People Officer of Yum China Holdings, Inc. (the "Company", together with its subsidiaries, the "Company Group"), effective **August 1, 2023**. In recognition of your expertise within the organization and in order to ensure a smooth transition of your duties, we are pleased to offer you the following terms and conditions of your employment with Yum China under this Transition and Advisor Agreement ("**Agreement**"):

1. Agreement Period and Assignment Location

The service period is from **August 1, 2023 to December 31, 2024**. This Agreement may be mutually extended (or amended) if both parties are satisfied or interested in doing so after the above stated period. Your assignment locations will be Shanghai and Hong Kong.

The terms under Sections 2, 3 and 4 stipulated below cover the period of **August 1, 2023 to December 31, 2023** (five months). The service hours and the corresponding compensation for the period of January 1 to December 31, 2024 will further scale-down, as mutually agreed to by the parties.

2. Service Schedule, Role & Responsibilities

Under this Agreement, for the period of **August 1, 2023 to December 31, 2023**, you are expected to provide on average of one hundred and twenty (**120**) hours of service per month. Your expected responsibilities include, but are not limited to, providing counsel and advice to Company Management on Human Capital Management related initiatives, executive talent mentoring, and assigned projects as and when required. For the duration of this Agreement, you will report to the Chief Executive Officer of the Company.

3. Base Salary

You will be paid a base salary of **HK\$ 327,600** per month (approx. equivalent to US\$42,000) for the period of August 1, 2023 to December 31, 2023. You are responsible for your income tax, if any, in China and/or other country in which you hold a passport or reside.

4. YLB (YUMC Leader's Bonus)

Under this Agreement, you are eligible to participate in the YLB program at a target bonus rate of **45%** of base salary for the period of **August 1, 2023 to December 31, 2023**, with the actual bonus to be determined by the Compensation Committee of the Board of Directors (the "Board") of the Company, and any bonus under the YLB program will be payable at the same time bonuses are paid to other YLB participants..

5. Continued Vesting of Unvested LTI grant

Under this Agreement and subject to a minimum of forty (40) work hours per month, your unvested LTI awards (PSUs, SARs and RSUs) previously granted to you will continue to vest in accordance with their terms until the termination of your employment. For the avoidance of doubt, you will not be eligible for further LTI grants under this Agreement.

6. Benefits for Leadership Team (LT) member

Per Company benefit policy applicable to the leadership team, you will continue to be provided with accommodation and transportation allowance or leased car, medical and AD&D insurance, Hong Kong ORSO and leave benefit, dental and medical checkup benefits. You will be responsible for any taxes with respect to these benefits.

Tax equalization benefit previously grandfathered to you covering equity grants awarded to you prior to 2018 and Company's ORSO contributions before 2018 will continue to be valid under this Agreement.

7. Business Travel with Prior Approval

For approved business travel, expenses will be reimbursed in accordance with the Company's business travel policy.

8. Change-In-Control (CIC) Severance Plan and Executive Severance Plan

Pursuant to this Agreement, you will continue to be eligible to participate in the CIC Severance Plan and the Executive Severance Plan.

9. Code of Conduct

As an employee of the Company Group, you are expected to observe the Company's Code of Conduct. You are also expected to obey the laws and regulations and respect the lawful customs of the United States and the People's Republic of China and any other countries /territories which you may visit in connection with the execution of your business duties. Naturally, we would expect that you would not engage in any employment or business activity which conflicts with the business interests of the Company Group.

10. Non-Compete and Non-solicitation

In connection with the previously signed Restrictive Covenants Agreement in February 2020 and this Agreement governing the employment period of **August 1, 2023 to December 31, 2024**, you agree that at any time during this Agreement and for the period of **one (1) year following the termination of this Agreement**, and that at any time during your employment by the Company Group and for the period of one (1) year following the termination of your employment (other than your termination in connection with a Change in Control of the Company, as contemplated in the CIC Severance Plan, which will be governed by the terms of the CIC Severance Plan), you shall not be engaged or interested (whether as principal, agent, consultant or otherwise) in any trade or business in the Mainland and Hong Kong Special Administrative Region of the People's Republic of China that you have been involved or with which you have been concerned as part of your employment with the Company Group and which is similar to, and by virtue of its location, competes with, any trade or business being carried on as of the date of your termination of employment by the Company Group (*i.e.*, the restaurant & delivery industry including, without limitation, Starbucks, luckin coffee (), Costa (), Tim Hortons (), Manner Coffee, Blue Bottles, %Arabica, HEYTEA (), Nayuki () LELECHA () Modern China Tea Shop (), (Mixue Bingcheng), Pacific Coffee () Peet's Coffee (), Saturnbird Coffee (), Oatly (), Seesaw, M Stand, COTTI COFFEE (), McDonald's (/), DRIVE-THRU (), Burger King (), Wendy's (), Carl's Jr. (), Dicos (), Subway (), DO&ME (), Chick-fil-A () WALLACE ! (), Shake Shack (), TASTIEN (), Papa John's (!), la cesar pizzeria (), Pizza Marzano (), Domino's Pizza (), Champion Pizza (), Playking (), Mr. Pizza (), Little Caesars Pizza (), Saizeriya (), ORIGUS (), ZZ PIZZA (), Magritta Pizza (), Mua Pizza (), BigPizza (), Wagas (), Greenery (), 101's PIZZA (101), City1+1 Pizza (), Pizza 4U (), FIZZ (), blue frog (), Pizza Seven (), Chipotle (), Olive Garden (), Popeyes Louisiana Kitchen (), Ajisen Raman (), Zhen Kungfu (), YUNG HO KING (), Haidilao (), Xiabu Xiabu (), COUCOU (), Little Lamb (), By Faigo

(), Dolar Shop (), Happy Lamb (), Meituan (), Eleme () Koubei () SF-Express (), JDL () DADA ()). The list will be periodically reviewed and amended as and when deemed necessary. You will be timely communicated of the changes, and you hereby give your pre-consent to the changes, if any.

You further agree that at any time during your employment by the Company Group and for the period of two (2) year following the termination of your employment with the Company Group, you shall not solicit or endeavor to entice away from the Company Group any other employee or person engaged (whether or not such a person would commit any breach of contract by reason leaving the service of the Company Group), or any customer of the Company Group.

In compliance with the local law and subject to your acceptance of the terms stipulated under this "Non-Compete and Non-Solicitation" section, you will be paid within one month from your termination of your employment, a lump sum equivalent to five (5) times your average monthly salary, as in effect as of the date of this Agreement ("the Payment"); provided, however that you shall not be entitled to the Payment in the event of your (i) termination in connection with a Change in Control of the Company, as contemplated by the CIC Severance Plan or (ii) death. For avoidance of doubt, you shall be eligible only for any amount of the Payment that is in excess of any other post-termination, non-compete compensation you may be entitled to under any of your other agreement with any member of the Company Group. The Payment, if any, after applicable IIT withholding, will be credited to your designated payroll bank account. The Company, where deemed appropriate and at its discretion, reserves the right to void or cease the non-compete provision, in part or in full, by providing you with no less than two-month advance notice.

Should you violate and/or fail to comply with the non-compete or non-solicitation terms in this section, you are required to pay the Company liquidated damages of three (3) times the gross Payment paid to you. If the total damage and/or cost to the Company Group (including but not limited to the loss of business, revenue and profit, and fees incurred in recouping the appropriate compensation from you) is higher than the amount of such liquidated damages, then the Company reserves the right to seek further compensation from you.

Upon the expiration of this Agreement and the termination of your employment, you will be required to enter into an Agreement to affirm the terms of your signed Restrictive Covenants Agreement in February 2020 and Sections 10, 11, 12, 13 of this Agreement and waive all rights and claims you may have for any personal or monetary relief arising from your employment with the Company Group, or the termination of employment with the Company Group.

11. Non- Disparagement

By signing this Agreement, you agree that at all times (notwithstanding the termination of this Agreement or your employment with the Company Group) not to do or say anything which criticizes or disparages the Company Group, its management practices, or products, which disrupts or impairs, or may disrupt or impair, the Company Group's normal ongoing business operations; or which harms, or may harm, the Company Group's reputations with its employees, customers, suppliers, government authorities, or the public.

12. Cooperation in Investigation and Litigation

By signing this Agreement, you agree at all times (notwithstanding the termination of this Agreement or your termination of employment with the Company Group) that in the event that any member of the Company Group becomes involved in investigations, audits or inquiries, tax examinations or legal proceedings, by a judicial, governmental or regulatory authority or the Company is conducting an internal investigation, of any nature, related directly or indirectly to events that occurred during your employment and about which you have or may have personal knowledge, you agree that you will be reasonably available upon reasonable notice from the Company, to answer discovery requests, give depositions

or testify, with respect to matters of which you have or may have knowledge as a result of or in connection with your employment relationship with the Company Group. In performing the obligations under this section, you agree that you will truthfully, forthrightly and completely provide the information reasonably requested. The Company will reimburse you for all reasonable out-of-pocket expenses incurred by you in connection with such cooperation. The parties understand and acknowledge that this provision is not intended to restrict your ability to become employed by another employer or unreasonably interfere with such employment.

13. Non-Disclosure

By signing this Agreement, you agree that at all times (notwithstanding the termination of this Agreement or your employment with the Company Group) not to use for your own advantage, or to disclose to any third party any information concerning the business or affairs of the Company Group, comprising trade secrets and business matters or information which you know or ought reasonably to have known to be confidential. You understand that nothing contained in this Agreement limits your ability to report possible violations of law or regulation to, or file a charge or complaint with, the U.S. Securities and Exchange Commission or any other federal/national, state/provincial or local/municipal governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit your ability to communicate with any Government Agencies 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. Nothing in this Agreement shall limit your ability under applicable United States federal law or the PRC law to (i) disclose in confidence trade secrets to any Government Agency or any of its officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

14. Miscellaneous

Survival. The terms of this Contact shall survive any termination of employment, and unless otherwise directly provided for in a superseding document, shall be deemed to survive any such superseding document with respect to periods prior to the effective date of such superseding document.

Other Agreements. Notwithstanding the foregoing and any other language in this letter, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by you with any member of the Company Group. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

Successors and Assigns. This Agreement shall be enforceable by you and your heirs, executors, administrators and legal representatives, and by the Company Group and its successors and assigns.

Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and you, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

15. Agreement Termination

A two-month notice period is to be provided by either party if this Agreement has to be terminated prior to its expiry. In addition, in the event you accept an employment offer (full time or part time) with another company during the Agreement period, you are required to disclose to the undersigned within three (3) days from your acceptance of such offer.

16. Repatriation

Repatriation will be administered in accordance with the Company's repatriation policy. You and eligible family member will be provided with a budget equivalent to a one-way restricted business class airfare from Shanghai to Hong Kong, and if required a shipment of up to thirty (30) cubic meters via an appointed vendor.

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions shall not be impaired or affected.

Kindly acknowledge your acceptance of the above terms by signing and returning the duplicate of this Agreement to the undersigned.

Yours sincerely,
For and on behalf of the Company

/s/ Joey WAT
Joey Wat
Chief Executive Officer, Yum China

Acknowledged and accepted by:

/s/ Aiken Yuen
Aiken Yuen

Date

Yum China Board Appoints David Hoffmann to the Board of Directors

Shanghai, China (July 17, 2023) -- Yum China Holdings, Inc. (NYSE: YUMC and HKEX: 9987) today announced the appointment of Mr. David Hoffmann to the Board of the Directors, effective immediately. Mr. Hoffmann will serve as a member of the Audit Committee of the Board. Following the appointment, the Board is comprised of 10 directors, nine of whom are independent.

“We are honored to have Dave join our Board of Directors,” said Yum China’s Independent Chairman Dr. Fred Hu. “Dave brings to us unique perspectives through his leadership experience in the global restaurant industry, strong operational expertise, and deep knowledge about doing business in China and Asia Pacific. I am confident he will prove a valuable addition to our Board.”

Joey Wat, CEO of Yum China commented, “Dave’s extensive experience in spearheading operational and business transformations will be invaluable as we continue to execute our RGM (Resilience-Growth-Moat) strategy. I look forward to Dave’s insights and contribution to our Board as together we work to deliver sustainable growth and long-term shareholder value.”

David Hoffmann, age 55, has served as the chairman and chief executive officer of Mammoth Holdings, a Dallas-based conveyor car wash operator since October 2021. Prior to joining Mammoth Holdings, Mr. Hoffmann held a variety of top leadership positions in the global quick service restaurant industry. Mr. Hoffmann served as Director and CEO of Dunkin’ Brands from 2018 to 2020 and as President, Dunkin’ U.S. from 2016 to 2018. Prior to joining Dunkin’ Brands, Mr. Hoffmann served as an executive for McDonald’s Corporation for 20 years in increasing areas of international responsibility, including as President of High Growth Markets, President of Asia Pacific, Middle East & Africa (APMEA), Senior Vice President and Restaurant Support Officer for APMEA, Vice President of Strategy, Insights and Development for APMEA, and Executive Vice President of McDonald’s Japan. Mr. Hoffmann received his master’s degree of business administration (MBA) from the University of Chicago in 1996.

Forward Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be 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,” “project,” “likely,” “will,” “continue,” “should,” “forecast,” “outlook,” “commit” or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or assumptions will be achieved. The forward-looking statements included in this press release are only made as of the date of this press release, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. Numerous factors could cause our actual results or events to differ materially from those expressed or implied by forward-looking statements. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report

on Form 10-K and subsequent Quarterly Reports on Form 10-Q) for additional detail about factors that could affect our financial and other results.

About Yum China Holdings, Inc.

Yum China is the largest restaurant company in China with a mission to make every life taste beautiful. The Company has over 400,000 employees and operates over 13,000 restaurants under six brands across 1,800 cities in China. KFC and Pizza Hut are the leading brands in the quick-service and casual dining restaurant spaces in China, respectively. Taco Bell offers innovative Mexican-inspired food. Yum China has also partnered with Lavazza to develop the Lavazza coffee concept in China. Little Sheep and Huang Ji Huang specialize in Chinese cuisine. Yum China has a world-class, digitalized supply chain which includes an extensive network of logistics centers nationwide and an in-house supply chain management system. Its strong digital capabilities and loyalty program enable the Company to reach customers faster and serve them better. Yum China is a Fortune 500 company with the vision to be the world's most innovative pioneer in the restaurant industry. For more information, please visit <http://ir.yumchina.com>.

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