

McDonald's Corporation Corporate Governance Principles

McDonald's Corporation's Board of Directors is entrusted with, and responsible for, the oversight of the assets and business affairs of McDonald's Corporation in an honest, fair, diligent and ethical manner. This Board has long believed that good corporate governance is critical to fulfilling our obligations to shareholders. We firmly believe that good governance is a journey, not a destination. Therefore, we are committed to reviewing our governance principles at least annually, with a view to continuous improvement. As our governance processes evolve, we will change this document. One thing that we will not change, however, is our commitment to ensuring the integrity of the Company in all of its dealings with stakeholders. Our continued focus on leadership in corporate governance is an integral part of fulfilling our commitment to shareholders.

ROLES AND RESPONSIBILITIES

1. Role of the Board – The Board, which is elected by the shareholders, is the ultimate decision-making body of the Company, except with respect to matters reserved to shareholders. The primary function of the Board is oversight. The Board, in exercising its business judgment, acts as an advisor and counselor to senior management and defines and enforces standards of accountability – all with a view to enabling senior management to execute their responsibilities fully and in the interests of shareholders. The following are the Board's primary responsibilities, some of which may be carried out by one or more Committees of the Board or the independent Directors as appropriate:

- Overseeing the conduct of the Company's business so that it is effectively managed in the long-term interests of shareholders;
- Selecting, evaluating and compensating the Chief Executive Officer (CEO) and planning for CEO succession, as well as monitoring management's succession planning for other key executives;
- Overseeing and reviewing the Company's strategic direction and objectives;
- Overseeing the Company's enterprise-wide risk management framework;
- Monitoring the Company's accounting and financial reporting practices and reviewing the Company's financial and other controls;
- Overseeing the Company's compliance with applicable laws and regulations; and
- Overseeing the processes that are in place to safeguard the Company's assets and manage material risks.

In performing its oversight function, the Board is entitled to rely on the advice, reports and opinions of management, counsel, auditors and outside experts. In that regard, the Board and its Committees shall be entitled, at the expense of the Company, to engage such independent legal,

financial or other advisors as they deem appropriate, without consulting or obtaining the approval of any officer of the Company.

2. Role of the Chairman – The Chairman shall be a member of the Board of Directors and may, or may not, be an officer or employee of the Company. A non-executive Chairman shall not be an officer or employee of the Company. The principal duty of the Company's Chairman is to lead and oversee the Board of Directors. The Chairman should facilitate an open flow of information between management and the Board, and should lead a critical evaluation of Company management, practices and adherence to the Company's strategic plan and objectives. In accordance with the Company's By-Laws, the Chairman shall preside at all meetings of the Board and the shareholders. The Chairman, in consultation with the CEO, shall also establish an agenda for each meeting of the Board.

3. Role of the CEO and Management – The Company's business is conducted by its employees and officers, under the direction of senior management and led by the CEO. In carrying out the Company's business, the CEO and senior management are accountable to the Board and ultimately to shareholders. Management's primary responsibilities include the day-to-day operation of the Company's business, strategic planning, budgeting, financial reporting and risk management; and in fulfilling those responsibilities, management must balance the unique relationships between and among the McDonald's System of employees, franchisees and suppliers.

COMPOSITION OF THE BOARD

4. Size and Structure of the Board – The Board itself determines its size within the range of 11 to 24 members required by the Company's Certificate of Incorporation. The Board believes that, at this time, the desirable number of Directors is between 11 and 15. In the event of a vacancy on the Board, the Directors may either fill the vacancy or decrease the size of the Board, in accordance with the terms of the Company's Certificate of Incorporation. The Board shall periodically review its structure, considering (among other things) the existing composition of the Board, voting results for Directors in recent elections by shareholders, legislative and regulatory developments, trends in governance, the Company's circumstances at the time, how a particular structure could affect the unique relationships between and among the McDonald's System of employees, franchisees and suppliers, and such other factors as the Board may deem relevant.

5. Qualifications and Selection of Director Candidates by the Board of Directors – The Governance Committee is responsible for selecting candidates for Board membership, subject to Board approval, and for extending invitations to join the Board. In selecting candidates, the Board endeavors to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who display the independence of mind and strength of character to effectively represent the best interests of shareholders. Candidates are selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Consistent with its charter, the Governance Committee is responsible for screening candidates, for establishing criteria for nominees (which shall be described in the Company's annual proxy statement and published on the Company's website), and for recommending to the Board a slate of nominees for election to the Board at the Annual Meeting of Shareholders. Candidates are

approved by the full Board. The Board shall consider only those candidates for election or re-election to the Board who submit all information required under the Company's By-Laws and these Principles.

6. Independence of Directors – All Directors except Company employees shall be independent. An independent Director is one who is free of any relationship with the Company or its management that may impair, or appear to impair, the Director's ability to make independent judgments. The Board of Directors determines each Director's independence after reviewing pertinent facts and circumstances in accordance with these Principles and the independence standards established by the Board. If a change in circumstance may affect an independent Director's continuing independence under the Board's independence standards, then that Director is expected to offer to submit his or her resignation to the Chair of the Governance Committee. The Governance Committee shall determine whether to accept or reject such offer.

7. Management Directors – The Company's CEO shall be a member of the Board. The Governance Committee may, from time to time, recommend another member of the Company's senior management for election to the Board; however, the Board believes that at no time shall there be more than two Company employees serving as management Directors of the Board. A management Director is expected to resign from the Board at the time that his or her employment with the Company terminates.

8. Retirement; Term Limits – The Board does not believe that arbitrary term limits for Directors based on age or years of service are appropriate, as they may sometimes force the Company to lose the contribution of Directors who have over time developed increased insight into the Company and its operations. However, a Director's service should not outlast his or her ability to contribute and consequently the Board does not believe that Directors should expect to be renominated continually. Each Director's continued tenure shall be re-considered at the end of his or her term, taking into account the results of the Board's most recent self-evaluation, Director peer evaluations and the results of voting by shareholders in Director elections. It is the Board's intent to maintain a balance of Directors who have longer terms of service and those who have joined more recently.

BOARD LEADERSHIP

9. Selection of CEO and Chairman – The independent Directors shall annually elect the CEO and the Chairman. The independent Directors will exercise their discretion in combining or separating the positions of Chairman and CEO, as they deem appropriate in light of the Company's prevailing circumstances.

10. Presiding Director – The role of the Presiding Director is to preside at all executive sessions of the Board of Directors and to be an avenue for communications with independent Directors. If the Company has a non-executive Chairman, then the Chairman shall be the Presiding Director. If the Chairman is a management Director, then the Chair of the Governance Committee shall be the Presiding Director.

RESPONSIBILITIES AND CONDUCT OF DIRECTORS

11. Responsibilities of Directors – Directors must devote sufficient time and attention, and meet as frequently as necessary, to discharge their responsibilities. In discharging their responsibilities, Directors must exercise their business judgment and act in a manner that they believe in good faith is in the long-term best interests of the Company and its shareholders. Directors are expected to attend the Company’s Annual Meeting of Shareholders, and all or substantially all Board meetings and meetings of the Committees of the Board on which they serve. Directors are also expected to spend whatever additional time as may be necessary for them to discharge their responsibilities appropriately. Directors shall ensure that other existing or future commitments do not materially interfere with their ability to fulfill their responsibilities as Company Directors.

12. Other Board Service by Management Directors – The CEO shall not serve on the boards of more than two for-profit companies, in addition to the McDonald’s Board. Any other management Director shall not serve on the board of more than one for-profit company, in addition to the McDonald’s Board. Each management Director shall obtain the approval of the Board before accepting an invitation to serve on the board of another for-profit company.

13. Other Board Service by Independent Directors – Whether service on the boards of directors of other companies is likely to interfere with the performance of a Director’s duties to the Company depends on the individual and the nature of the Director’s other activities. It is expected that, before accepting another board position, a Director will consider whether that service will compromise his or her ability to perform his or her present responsibilities to the Company. Each independent Director shall provide advance notice to the Chairman and the Chair of the Governance Committee of acceptance of an invitation to serve on the board of any other for-profit company. It is the Board’s position that no Director shall serve on more than three boards of companies whose common stock is listed for trading on a recognized exchange, in addition to his or her service on the McDonald’s Board.

14. Change of Circumstance – If a Director’s principal occupation or business association changes, or if other similarly material changes in a Director’s circumstances occur, the Director is expected to offer to submit his or her resignation to the Chair of the Governance Committee. The Governance Committee shall determine whether to accept or reject such offer.

15. Code of Conduct for Directors – Directors shall adhere to the *Code of Conduct for Directors*.

16. Conflicts of Interest – Directors shall avoid situations that may give rise to an actual or potential conflict of interest or the appearance of a conflict of interest, referred to below as “conflicts”. In accordance with the *Code of Conduct for Directors*, Directors shall promptly inform the Chairman of the Board of all conflicts. In the event a conflict arises with the Chairman of the Board, he or she shall notify the Chair of the Audit Committee. If any conflict arises with respect to a matter before the Board, the Director shall generally be expected to recuse himself or herself from any Board deliberations or decisions related to the matter. If the nature of a conflict is such that it cannot be resolved through recusal or in any other reasonable manner, then the Director is expected to offer to submit his or her resignation to the Chair of the

Governance Committee. The Governance Committee shall determine whether to accept or reject such offer. Related person transactions involving Directors and other matters that may affect their independence shall be reviewed by the Audit Committee and the Board at least annually. Directors shall abide by any conditions imposed to control or eliminate any potential conflict of interest.

17. Director Elections – In accordance with the Company’s By-Laws, if none of the Company’s shareholders provides the Company notice of an intention to nominate one or more candidates to compete with the Board’s nominees in a Director election, or if shareholders have withdrawn all such nominations by the tenth day before the Company mails its notice of meeting to shareholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate only a candidate who agrees to tender, promptly following the annual meeting at which he or she is elected or re-elected as a Director, an irrevocable resignation that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which he or she faces re-election; and (ii) Board acceptance of such resignation. In addition, the Board shall fill a Director vacancy and a new directorship only with a candidate who agrees to tender, promptly following his or her appointment to the Board, the same form of resignation tendered by other Directors in accordance with this provision.

If an incumbent Director fails to receive the required vote for re-election, the Governance Committee shall act on an expedited basis to determine whether or not to accept the Director’s resignation and shall submit such recommendation for prompt consideration by the Board. The Board expects any Director whose resignation is under consideration to abstain from participating in the Board’s deliberation of any Director resignations at that time. The Governance Committee and the Board may consider any factors they deem appropriate and relevant in deciding whether or not to accept a Director’s resignation due to his or her failure to receive the required vote for re-election.

FUNCTIONING OF THE BOARD

18. Board Meetings – The Board of Directors meets at least six times per year. Additional meetings are scheduled as necessary or appropriate in light of prevailing circumstances. The Chairman chairs all meetings of the Board of Directors. The Chairman, in consultation with the CEO, establishes an agenda for each meeting. Agendas are set so as to ensure that the Board will be able to fulfill its oversight responsibilities. Directors may at any time suggest the addition of any matters to a meeting agenda or raise for discussion at any meeting any subject that they wish, whether or not it is on the agenda for the meeting. The Secretary attends all meetings of the Board and records the minutes. The Chief Operating Officer, Chief Financial Officer and General Counsel also attend meetings of the Board. Any one or all of these officers may be excused from all or any portion of a Board meeting at the request of any Director.

19. Executive Sessions – The Board of Directors refers to meetings of the independent Directors as “executive sessions.” The Presiding Director chairs executive sessions; however, he or she may choose to defer to a Committee Chair when the subject matter of the meeting falls within the purview of a Board Committee. The independent Directors, led by the Presiding

Director, determine the frequency, length and agenda for executive sessions. An executive session is generally scheduled immediately before or after each regular Board meeting.

20. Strategy Oversight – At least annually, the Board shall review the Company’s one-year business plan, as well as its long-term strategic plan and financial goals. The Board shall regularly monitor the Company’s performance with respect to these plans and goals.

21. Risk Oversight – Each of the Audit, Compensation, Finance, Governance, and Sustainability and Corporate Responsibility Committees shall be responsible for overseeing risks within its respective area of accountability and reporting to the full Board any risk that such Committee concludes is reasonably likely to be material to the Company. Each of the five Committees also shall regularly update the full Board on its particular risk oversight activities. The Board of Directors as a whole shall, taking into account the work of the five standing Committees with respect to risk oversight, have ultimate responsibility for overseeing risk management related to the entire corporate enterprise. At least annually, the Board shall review the Company’s enterprise risk and management’s mitigation strategies. The Board review shall also include consideration of any emerging risks that may require assignment to a particular Committee for continuing oversight. Management shall provide regular updates to the Board regarding the Company’s risk exposures and mitigation efforts.

22. Site Visits – Directors are expected to visit Company facilities throughout the year. Periodically, the Board may meet away from the Company’s headquarters in order to visit certain of the Company’s operations and provide the Directors the opportunity to meet with local management.

23. Information to be Distributed Prior to Meetings – Information regarding the Company’s business and performance is distributed to all Directors on a regular basis. In addition, business updates and information regarding recommendations for action by the Board at a meeting shall be made available to the Board a reasonable period of time before meetings.

24. Access to Resources – In discharging its responsibilities, the Board of Directors shall by resolution have access to resources and sole authority to retain outside legal counsel or other consultants to advise the Board and to approve the terms of any such engagement and the fees of any such legal counsel or consultant. The Board may request that the Company’s outside counsel or any other person meet with the Board.

FUNCTIONING OF COMMITTEES

25. Committee Structure – The Board believes that the Company benefits from its collective wisdom, and therefore the Board as a whole will deal with major corporate decisions. There are, however, certain key areas that require more in-depth examination than might be possible at a full Board meeting. Accordingly, the Board has established six standing Committees: Audit, Compensation, Executive, Finance, Governance, and Sustainability and Corporate Responsibility. The Board may also establish *ad hoc* committees from time to time as circumstances and business activities warrant.

26. Committee Charters – Each standing Committee shall have a written charter that shall be approved by the full Board. Each Committee charter shall state the purpose of the Committee and reflect the responsibilities that the Committee has undertaken. Each Committee (except the Executive Committee) shall review its charter annually and recommend amendments to it as appropriate to reflect changes in the Committee’s responsibilities, applicable law or regulations, and other relevant considerations.

27. Committee Membership – Committees and their Chairs shall be appointed by the Board annually at the Annual Meeting of the Board, on recommendation of the Governance Committee. The Governance Committee will take into account the experience and expertise needed to fulfill each Committee’s responsibilities in its annual review of Committee membership. It is the Board’s policy that, with the exception of the Executive Committee, only independent Directors shall serve on the standing Committees. The members of the Audit, Compensation and Governance Committees shall at all times meet the requirements of applicable law and listing standards.

28. Committee Meetings – In order to discharge its responsibilities, each Committee (except the Executive Committee) shall establish an annual schedule of meetings each year. The Chair of the Committee, in consultation with members of management, if appropriate, shall determine the agenda of that Committee’s meetings. Information regarding matters to be considered at Committee meetings shall be distributed to Committee members a reasonable period of time before such meetings. The Chair of each Committee shall report on the activities of the Committee to the Board following Committee meetings, and minutes of Committee meetings shall be distributed to all Directors for their information.

BOARD COMPENSATION AND SHARE OWNERSHIP

29. Board Compensation – Management Directors shall not be compensated for their services as Directors. The Governance Committee shall determine the form and amount of compensation for independent Directors, including the non-executive Chairman, if applicable, subject to approval of the full Board of Directors. The Committee shall be sensitive to questions of independence that may be raised where Director fees and expenses exceed customary levels for companies of comparable scope and size.

30. Share Ownership by Directors – The Board of Directors believes that an alignment of Director interests with those of shareholders is important. All Directors are expected to own stock in the Company in accordance with the policy established by the Governance Committee.

MANAGEMENT EVALUATIONS AND SUCCESSION PLANNING

31. Annual Review of Management Performance – After consulting with the independent Directors, the non-executive Chairman (or Presiding Director, if applicable) and the Chair of the Compensation Committee shall approve the annual goals and objectives of the CEO, which shall be consistent with the Company’s goals and objectives relevant to the CEO’s compensation established annually by the Compensation Committee in accordance with its charter. Each year, the non-executive Chairman (or Presiding Director, if applicable) and the Chair of the Compensation Committee shall consult with the independent Directors in evaluating the CEO's

performance and shall thereafter jointly provide the CEO with a performance review for the preceding year. Consistent with this evaluation, the Compensation Committee shall establish the CEO's salary, bonus and other incentive and equity compensation for the year. In addition, the Compensation Committee shall also annually approve the compensation structure for the Company's officers, and shall approve the salary, bonus and other incentive and equity compensation for the Company's officers above the level of Vice President.

32. Succession Planning – The Board shall regularly review leadership development initiatives and short- and long-term succession plans for the CEO and other senior management positions, including in the event of unanticipated vacancies in those offices.

The Board is responsible for the selection of the CEO. In assessing the possible CEO candidates as part of its annual review of succession plans, the independent Directors shall identify and periodically update the skills, experience and attributes that they believe are required to be an effective CEO in light of the Company's business strategy, prospects and challenges. The Board shall also take into account perspectives provided by the incumbent CEO relating to the performance of internal candidates.

BOARD EVALUATIONS AND SUCCESSION PLANNING

33. Board Self-Evaluations – The Governance Committee shall annually evaluate the performance of the Board of Directors as a whole. Individual Directors shall be evaluated each time they are slated for re-election. In completing these evaluations, the Governance Committee may choose to benchmark the practices of other boards of directors; circulate surveys, questionnaires and evaluation forms; hire outside consultants and advisors; and use such other methods as it may deem helpful and appropriate. At the conclusion of the evaluation process, the Chair of the Governance Committee shall report the Committee's conclusions to the full Board and may make recommendations for improvement to the full Board.

34. Committee Self-Evaluations – Each of the Audit, Compensation, Governance, and Sustainability and Corporate Responsibility Committees shall annually evaluate its performance as a Committee. The Finance Committee shall periodically (at least every two years) evaluate its performance as a Committee. At the conclusion of the evaluation process, the Chair of each respective Committee shall report the Committee's conclusions to the full Board and may make recommendations for improvement to the full Board.

35. Succession Planning – The Governance Committee shall have the primary responsibility for developing a succession plan for the Board of Directors and making recommendations to the full Board on succession matters. In so doing, the Governance Committee shall determine the appropriate and desirable mix of characteristics, skills, expertise, diversity and experience for the full Board and each Committee, taking into account the qualifications of both existing Directors and opportunities to nominate others for election. Succession planning shall be conducted in the context of the Board as a whole, with the objective of recommending a group that can best contribute to the long-term success of the Company's business and represent shareholder interests through the exercise of sound and independent judgment.

36. Director Orientation and Education – New non-management Directors shall participate in an orientation process, which shall address the Company's operations, performance, strategic plans, and corporate governance practices, and shall include introductions to members of the Company's senior management and their respective responsibilities. All Directors are encouraged to participate in continuing education programs, and the Company shall pay the reasonable expenses of attendance by a Director at one such program per year.

COMMUNICATIONS

37. Access to Management and Information – In order to fulfill their oversight responsibilities, Directors shall have free access to Company management and employees. The Board encourages the Chairman to invite members of management to make presentations at Board meetings in order to provide particular insights into aspects of the Company's business or to provide individuals with exposure to the Board for purposes of management development. Management shall be responsive to all requests for information from Board members.

38. Board Interaction with Institutional Investors, the Press and other Constituencies – The Board believes that as a general matter, management speaks for the Company. Non-management Directors should refrain from communicating with various constituencies involved with the Company without prior approval from the Chairman and appropriate members of management. In situations where public comments from the Board may be appropriate, they should come only from the Chairman.

39. Public Communications with the Board – The Board of Directors shall provide a means by which persons, including shareholders and employees, may communicate directly with Directors with regard to matters relating to the Company's corporate governance and performance. The Board's independent Directors shall approve a process to be maintained by the Company's management for collecting and distributing communications with the Board. The means of communications with the Board shall be disclosed in the Company's annual proxy statement.

SHAREHOLDER PRACTICES

40. Shareholder Nominations – Shareholders may suggest Director candidates for consideration by the Governance Committee by writing to the Committee and providing the suggested candidate's name, biographical data, qualifications and the candidate's written consent (i) to be considered as a nominee; (ii) to provide information as described in the Company's By-Laws if requested to do so; and (iii) to serve as a Director if elected. Shareholders who wish to nominate Director candidates for election by shareholders at the Company's Annual Meeting of Shareholders may do so in accordance with the provisions for nomination described in the Company's By-Laws or as otherwise permitted under the U.S. federal securities laws.

41. Consideration of Proposals – The Governance Committee shall review and make recommendations to the Board with respect to any proposal recommended by management or properly presented by a shareholder for inclusion in the Company's annual proxy statement. The Governance Committee may also, as appropriate in light of the subject matter of the proposal, refer any such proposal to any other Committee of the Board for purposes of such review and

recommendations. In considering a proposal, any applicable Committee of the Board may seek input from an independent advisor and/or legal counsel.

42. Confidential Voting – It is the Company’s policy to protect the confidentiality of shareholder votes throughout the voting process. The policy in this regard shall be disclosed in the Company’s annual proxy statement.

OTHER GUIDELINES AND POLICIES

In addition to these Principles and the Committee charters, the Board and its Committees will from time to time establish operating procedures, guidelines and policies that pertain to their respective oversight functions. The Secretary of the Company is charged with maintaining copies of these guidelines and policies.

Approved by the Board of Directors
as of March 19, 2015