



McDONALD'S CORPORATION COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee is a standing committee of the Board of Directors. The purpose of the Committee is to evaluate and approve compensation philosophy, plans and programs applicable primarily to the Company's executive officers. The Committee shall assist the Board of Directors in fulfilling its enterprise risk oversight responsibility by periodically assessing and responding as appropriate to risks relating to matters as outlined in this charter.

II. Organization

- A. Charter. At least annually, the Committee shall review and reassess this charter and submit any proposed changes to the Board of Directors for approval.
- B. Members. The members of the Committee shall be appointed by the Board of Directors and shall meet the independence requirements of applicable law, the listing standards of the New York Stock Exchange and applicable policies of the Board of Directors. The Committee shall be comprised of at least three members and the Board of Directors shall designate a Committee Chairperson. Committee members may be removed by the Board of Directors.
- C. Meetings. In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings. Additional meetings may be scheduled as required.
- D. Agenda, Minutes and Reports of the Committee. The Chairperson of the Committee shall be responsible for establishing agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to the meeting. Minutes for all meetings of the Committee shall be prepared and approved by the Committee to document the Committee's discharge of its responsibilities. The Committee shall make regular reports to the Board of Directors.

III. Responsibilities

The following shall be the duties and responsibilities of the Committee:

- A. Chief Executive Officer Compensation. The Committee shall annually review and approve the Company's goals and objectives relevant to the compensation of the



Chief Executive Officer and shall evaluate the performance of the Chief Executive Officer in light of those goals and objectives. Based on this evaluation, the Committee shall have the sole authority to approve the compensation of the Chief Executive Officer. In determining compensation, the Committee shall consider factors it deems appropriate from time to time, including the Company's performance and relative shareholder return, the nature, extent and acceptability of risks that the Chief Executive Officer may be encouraged to take by such compensation, the value of similar compensation packages for chief executive officers at comparable companies and the compensation awarded to the Company's Chief Executive Officer in prior years.

- B. *Executive Officer Compensation*. The Committee shall annually review and approve the compensation of the Company's executive officers (who shall include all officers, subject to Section 16 of the Securities Exchange Act of 1934, as amended; except the principal accounting officer as such term is defined). In determining such compensation, the Committee shall consider factors it deems appropriate from time to time, including any recommendation from the Chief Executive Officer, the Company's business performance, the value of compensation packages for similarly-situated executives at comparable companies and the compensation awarded to the Company's executive officers in prior years.
- C. *Performance Targets*. The Committee shall annually assess and approve the performance targets and ranges included in the Company's annual and long-term incentive programs for the Company's executive officers. The Committee shall also approve the achievement of previously approved performance targets applicable to executive officers.
- D. *Peer Companies*. The Committee shall periodically review and approve a group of peer companies against which to benchmark the compensation of the Company's executive officers, both in terms of type and amount of compensation.
- E. *Stock Ownership Requirements*. The Committee shall establish and oversee the stock ownership guidelines or requirements applicable to the Company's executive officers, including an annual review of compliance.
- F. *Compensation Disclosures and Annual Compensation Committee Report*. The Committee shall review the Compensation Discussion and Analysis section proposed for inclusion in the Company's annual proxy statement, and based on such review, recommend to the Board whether or not such section should be so included. The Committee shall also produce an annual report for inclusion in the Company's annual proxy statement.



- G. Equity and Cash Incentive Plans. The Committee shall have the power to establish, amend, review and administer the Company's cash incentive plans. The Committee shall also have the authority to amend, review and administer the Company's equity plans, and shall recommend adoption of its equity plans to the Board of Directors.
- H. Other Benefit Plans and Remuneration Programs. The Committee shall have the authority to establish, amend and review the Company's benefit plans, including its retirement plans, deferred compensation plans and welfare benefit plans. The Committee shall also have the authority to establish, amend, review and administer the Company's other remuneration programs applicable to its executive officers, including the Company's global mobility and U.S. relocation programs.
- I. Post-Service Arrangements. The Committee shall have the authority to approve any post-service arrangements applicable to the Company's executive officers.
- J. Risk Oversight. The Committee shall annually review the potential risk from the Company's compensation programs and policies, including any incentive plans, and whether such programs and policies incentivize unnecessary and excessive risk taking.
- K. Proxy Proposals. In accordance with the Company's Corporate Governance Principles and the Governance Committee Charter, the Committee shall review and make recommendations with respect to management and shareholder proposals relating to compensation matters within its purview, as requested by the Governance Committee.
- L. Reports. The Committee shall review periodic reports from management on the Company's compensation programs as they affect all employees.
- M. Further Responsibilities. The Committee shall periodically review the Company's programs and practices related to executive workforce diversity and the administration of executive compensation programs in an equitable manner.
- N. Delegation. When appropriate as permitted under applicable law and listing standards, the Committee may delegate any of its responsibilities to (i) a subcommittee comprised of two or more members of the Committee or the Board of Directors or (ii) one or more members of management, acting separately or together as a management committee.
- O. Committee Performance Evaluation. The Committee shall evaluate its own performance on an annual basis.



- P. Access to Records, Consultants and Others. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities as described herein. The Committee shall have the sole authority to select, retain and terminate a compensation consultant, legal counsel or other advisor to advise the Committee, taking into account independence and such other factors as it considers appropriate or as may be required by applicable law or listing standards, and to approve such terms of any such engagement and the fees of any such consultant, legal counsel or advisor. The Committee shall have full access to any relevant records of the Company and may request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.
- Q. Other Duties. The Committee shall also carry out such other duties as may be delegated to it by the Board of Directors from time to time.

Approved by the Compensation Committee
and the Board of Directors
Date: November 2018