



McDONALD'S CORPORATION GOVERNANCE COMMITTEE CHARTER

I. Statement of Purpose

The Governance Committee is a standing committee of the Board of Directors. The purpose of the Committee is to identify individuals qualified to become members of the Board; to evaluate candidates nominated by or recommended by shareholders; to recommend director nominees for each annual meeting of shareholders and nominees for election to fill any vacancies on the Board of Directors; to develop a succession plan for the Board of Directors and make recommendations to the Board on Director succession matters; to advise the Board with respect to the structure and composition of committees of the Board, and to address related matters. The Committee shall have the responsibility to recommend the compensation of the Company's Directors. The Committee shall also develop and recommend to the Board of Directors corporate governance principles and be responsible for leading the annual review of the Board's performance. 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, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted 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. Committee members may be removed by the Board of Directors. The Board of Directors shall also designate a Committee Chairperson.
- 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. The Chairperson of the Committee shall be responsible for establishing the 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 each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent



meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

III. Responsibilities

The following shall be the principal responsibilities of the Committee:

- A. Director Selection Criteria. The Committee shall establish criteria for selecting directors, which shall reflect, among other factors, a candidate's integrity and business ethics, strength of character, judgment, experience and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current Board members and principles of diversity. The Committee shall review these criteria annually in connection with its recommendation of nominees for election to the Board.
- B. Identification of Director Candidates. The Committee shall consider and recruit candidates to fill new positions on the Board of Directors and shall review candidate suggestions made by shareholders. The Committee shall also review and evaluate the qualifications of any candidate nominated by shareholders in accordance with the Company's By-Laws or applicable U.S. federal securities laws and make recommendations to the Board with respect thereto. As part of this responsibility, the Committee shall conduct appropriate inquiries to establish such candidate's compliance with the independence and other qualification requirements established by the Committee.
- C. Recommendation of Nominees to Board. The Committee shall recommend the Director nominees for approval by the Board of Directors and the shareholders.
- D. Certain Matters Relating to Director Elections. If an incumbent Director fails to receive the required vote for re-election in any uncontested election as provided in the Company's By-Laws and Corporate Governance Principles, the Committee shall determine whether or not to accept the Director's resignation based on such factors as it deems appropriate and relevant, and shall submit its recommendation for consideration by the Board of Directors.
- E. Governance Principles. The Committee shall recommend to the Board of Directors corporate governance principles addressing, among other matters, the size, composition and responsibilities of the Board of Directors and its committees, which shall be reviewed not less frequently than annually by the Committee. The Committee shall make recommendations to the Board of Directors with respect to changes to the corporate governance principles.



- F. Board Succession Planning. In accordance with the Company's Corporate Governance Principles, the Committee shall be responsible for developing a succession plan for the Board of Directors and to make recommendations to the full Board on Director succession matters.
- G. Chairman Recommendation. On an annual basis, the Committee shall recommend one of the members of the Board of Directors to act as Chairman of the Board, subject to election by the Board in accordance with the Company's By-Laws.
- H. Advice as to Committee Membership and Operations. The Committee shall advise the Board of Directors with respect to the, structure and operations of the various committees of the Board of Directors and qualifications for membership thereon, including consideration of rotation of members among committees of the Board of Directors. The Committee shall make recommendations as to committee memberships and committee chairpersons, subject to approval by the Board in accordance with the Company's By-Laws.
- I. Evaluation of Board, Directors and Committees. In accordance with the Company's Corporate Governance Principles, the Committee shall evaluate the performance of the Board of Directors on an annual basis. In discharging this responsibility, the Committee shall solicit comments from all Directors and report annually to the Board on its assessment of the Board's performance. The Committee shall also evaluate the performance of individual Directors on an annual basis in connection with its consideration of the slate of nominees to be proposed for election to the Board. The Committee shall establish criteria for each of the Board's standing committees to evaluate its performance and shall evaluate its own performance on an annual basis.
- J. Director Compensation. The Committee shall regularly review Director compensation matters for non-employee Directors and shall recommend proposed changes in such compensation to the Board for approval. In the event the Chairman of the Board is a non-employee Director, the Committee may recommend additional annual compensation for the Chairman's service in such role, subject to approval by the disinterested members of the Board.
- K. Stock Ownership Guidelines for Directors. The Committee shall regularly review Company stock ownership guidelines for non-employee Directors and shall recommend proposed changes in such guidelines for approval by the Board. The Committee shall also annually review Directors' compliance with such guidelines.



- L. Consideration of Proposals. The 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 Committee may, as appropriate in light of the subject matter of the proposal, refer to any such proposal to any other Committee of the Board for purposes of such review and recommendations.

- M. Access to Records, Consultants and Others. In discharging its responsibilities, the Committee shall have the resources and sole authority to engage any outside consultant or search firm to be used to identify director candidates for nomination to the Board of Directors, to engage legal counsel or other consultants to advise the Committee and to approve the terms of any such engagement and the fees of any such consultant, search firm or legal counsel. The Committee shall have full access to any relevant records of the Company and may also 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.

- N. Delegation. The Committee may delegate any of its responsibilities to a subcommittee comprised of two or more members of the Committee. The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.

Approved by the Governance Committee and
the Board of Directors, January 2020