

McDonald's Corporation Policy for Pre-Approval of Audit and Non-Audit Services Provided by External Audit Firm

January 2020 Update

Purpose and Applicability of Policy

Under the Sarbanes-Oxley Act of 2002, the Audit and Finance Committee of the Board of Directors is responsible for the appointment, compensation and oversight of the work performed by the independent auditor engaged by McDonald's Corporation (the Company). As part of this responsibility, the Audit and Finance Committee is required to pre-approve all audit and non-audit services performed by the independent auditor to assure that they do not impair the auditor's independence from the Company. Examples of these services are set out in Exhibit A. Accordingly, the Audit and Finance Committee has adopted the following policy that sets forth the procedures and conditions for pre-approving audit and permitted non-audit services to be performed by the independent auditor responsible for auditing the Company's consolidated financial statements or any separate financial statements that will be filed with the SEC.

The Audit and Finance Committee shall review this policy annually for purposes of assuring its continued appropriateness and compliance with applicable law and listing standards, including regulations of the SEC and the Public Company Accounting Oversight Board (PCAOB).

The SEC's rules establish two different approaches to pre-approving services, both of which the SEC considers to be equally valid. Proposed services may either be pre-approved by the Audit and Finance Committee on a categorical basis, without consideration of specific services ("general pre-approval"), or may be subject to case-by-case pre-approval by the Audit and Finance Committee ("specific pre-approval"). The Audit and Finance Committee believes that the combination of these two approaches will result in an effective and efficient procedure for purposes of addressing the Company's auditing and non-auditing services and when evaluating the potential impact of non-audit services on the independence of the external auditor.

Regardless of whether a class of or individual service is proposed for general or specific pre-approval, the Audit and Finance Committee shall consider whether such service is consistent with applicable SEC and PCAOB rules and guidance with respect to auditor independence. The Audit and Finance Committee shall also consider whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as familiarity with the Company's business, people, culture, accounting systems, risk profile and other factors, and whether the service may enhance the Company's ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative.

The Audit and Finance Committee shall also be mindful of the relationship between fees for audit and non-audit services in determining whether to pre-approve any class of or individual service and may determine, for each fiscal year, the appropriate ratio between the total amount of fees for "Audit", "Audit-related" and "Tax" services and the total amount of fees for permissible non-audit services classified as "All Other" services.

Pre-Approval Requirement and Disclosure

All audit and permitted non-audit services to be provided by the independent auditor shall be pre-approved by the Audit and Finance Committee. Pre-approval fee levels for all services to be provided by the independent auditor shall generally be established annually by the Audit and Finance Committee, subject to the following limitations:

When considering whether to grant an approval, the Audit and Finance Committee should consider the nature, scope and fees of the service to be provided to the Company as well as the principles and guidance established by the SEC and PCAOB with respect to auditor independence, including the fact that an auditor cannot (i) function in the role of management; (ii) audit his or her own work; or (iii) serve in an advocacy role for the Company.

In general, classes of predictable and recurring audit and permitted non-audit services shall be considered for general pre-approval by the full Audit and Finance Committee on an annual basis at the beginning of each fiscal year.

Unless a class of or individual audit or non-audit service shall have received a general pre-approval, it will require specific pre-approval by the Audit and Finance Committee or its delegate. Also, any proposed service for which the estimated fees would cause the total fees for that class of service to exceed the applicable estimated fee threshold shall require specific

approval by the Audit and Finance Committee or its delegate. Permissible tax services and services related to internal control over financial reporting are subject to the requirements of PCAOB rules. Specific pre-approval by the Audit and Finance Committee or its delegate is required before engaging Ernst & Young regardless of the size of the fee to perform internal control reviews or due diligence services (except for transactions involving the acquisition of McDonald's restaurants from franchisees), and any services classified as "Other Services" in Exhibit A, unless they are specifically identified in this policy.

Schedule 1 lists services that are expected to be the subject of general pre-approval on an annual basis and an indication of the historical amount of fees paid for each class of service, the time frame and process for approval, and the estimated pre-approval fee threshold.

Services as to which a general pre-approval shall have been granted on an annual basis shall be effective for the applicable fiscal year. Any specific pre-approval of an audit or permitted non-audit service may be provided up to one year prior to commencement of the service. In any case in which a service is to be provided over a period of years, the approval shall be reviewed for renewal on an annual basis.

Delegation of Pre-Approval

The Audit and Finance Committee elects to delegate pre-approval authority to the Chairman of the Audit and Finance Committee to approve any one or more individual audit or permitted non-audit services for which estimated fees do not exceed \$250,000 as well as adjustments to any estimated pre-approval fee threshold up to \$100,000 for any individual service. Any services that would exceed such limits should be approved by the full Audit and Finance Committee. The Chairman shall report any pre-approval granted at the next scheduled meeting of the Audit and Finance Committee.

Prohibited Services

The Company may not under any circumstances engage the independent auditor to provide any service that is prohibited by applicable law. The Audit and Finance Committee should consult with General Counsel if any question arises as to whether a proposed audit or non-audit service is permissible under applicable law. The Audit and Finance Committee may determine to prohibit other services that in its view may compromise, or appear to compromise, the independence and objectivity of the independent auditor. See Exhibit B for a list of prohibited services.

Monitoring Procedures

The Audit and Finance Committee has designated the Chief Accounting Officer to monitor the performance of all services provided by the independent auditor and to determine whether such services are in compliance with this policy. The Chief Accounting Officer shall report to the Audit and Finance Committee on a periodic basis with respect to compliance with the policy. The Chief Accounting Officer shall promptly report to the Chairman of the Audit and Finance Committee any non-compliance (or attempted non-compliance) with this policy of which he or she becomes aware. On a periodic basis, the nature of actual services provided by the independent auditor as well as the associated fees shall be reported to the Audit and Finance Committee.

Additional Requirements

The Audit and Finance Committee shall take additional measures on an annual basis as may be appropriate to meet its responsibility to oversee the work of the independent auditor and to assure the auditor's independence. Such measures shall include the review of a written statement from the independent auditor describing all relationships between the independent auditor and the Company, consistent with PCAOB Rule 3526; a discussion with the independent auditor with respect to its methods and procedures for ensuring independence; and an annual review of the Company's hiring policy for employees of the external audit firm.

De Minimis Exception

Applicable law provides for an exception to the pre-approval requirements for permissible non-audit services provided that (1) all such services do not, in the aggregate, amount to more than 5 percent of the total fees paid by the Company to the independent auditor, (2) such services were not recognized as non-audit services at the time of the relevant engagement, and (3) such services were promptly brought to the attention of and approved by the Audit and Finance Committee (or its delegate) prior to the completion of the annual audit.

Disclosure of Pre-Approval Policies and Procedures

The Company shall publicly disclose the Audit and Finance Committee's pre-approval policies and procedures in its Proxy Statement.

Exhibit A – Categories of Audit and Permitted Non-Audit Services

Audit Services

These services include professional services rendered for the audit of the Company's annual financial statements and review of quarterly financial statement or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements, and services that generally only the auditor reasonably can provide. This category includes fees for statutory audits required domestically and internationally, including for acquired entities; comfort letters; consents; post-report reviews; accounting consultations for significant or unusual transactions; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities (such as the FASB, SEC, IASB, etc.); assistance with and review of documents filed with the SEC or other regulators; assistance and consultation as to questions, comments or inquiries made by the SEC, attest services that generally only the auditor can provide (such as any required internal control report under Section 404 of the Sarbanes-Oxley Act); and services provided by tax professionals of the independent auditor in connection with the audit or quarterly review.

Audit-Related Services

These services include assurance and related services that are related to the performance of the audit of the Company's financial statements, and assurance and related services that traditionally are performed by the independent auditor. For example; financial audits of employee benefit plans (e.g., Profit Sharing Plan and Welfare Benefits Trust), system and organization controls (SOC) reports, examination, review, agreed-upon or expanded audit procedures required to comply with local market requirements, whether or not required by contract or statute (e.g., to comply with landlord agreements or government regulations); preparation activities that include drafting of the financial statements or notes thereto, assistance in preparing U.S. GAAP to local GAAP reconciliations, income tax provisions, filings and translation considered permissible under the US SEC rules (i.e., entity financials do not form the basis of the US SEC financials); educational services to Company personnel on such rules, regulations, and standards, and providing access to electronic databases of accounting literature. This category also includes:

Sustainability Assurance and Related Long-Term Value Services

These services include, but are not limited to, conducting examination, review, audit and/or pre-assessment (including criteria assessments) procedures and providing assurance reports, agreed-upon procedures reports or reports on findings and recommendations covering the accuracy of information and calculations prepared or data collected by the Company, including for financial and non-financial matters such as nutritional, economic, social/human capital, governance, quality, health and safety, packaging and environmental information. Finally, these services may include providing educational services or advice and consultation to Company personnel on such topics.

Tax Services

These services include tax compliance, tax advice and tax planning services. Expatriate tax services and executive tax services (including financial planning) are permitted only for existing arrangements as of April 15, 2002 (no new individuals may use the independent auditor for executive tax services if the Company reimburses the employee for the cost of those services).

Tax Compliance

Tax compliance includes professional services in which the Company requests the preparation and/or review of an income tax, value added tax, withholding tax, franchise tax, payroll tax or other direct or indirect tax returns or reports to be filed by the Company with either foreign or domestic jurisdictions, including extension requests, estimated payment computations, assistance in maintaining the applicable filing calendars, responses to routine inquiries from tax authorities concerning tax return processing matters and reviews for compliance (e.g., for employee benefit plans). Tax compliance services may also consist of transfer pricing services such as advice in determining and/or documenting appropriate transfer pricing policies in

accordance with the tax law and advice in Advance Pricing Agreement Negotiations and Competent Authority Proceedings with local and foreign taxing authorities. These services may also involve providing access to electronic databases of tax literature and educational services to Company personnel on such rules, regulations, and standards and sharing leading practices with the Company related to its own effective use of tax process and technology.

Tax Planning

Tax advice and planning services include tax advice/planning regarding a specific transaction, structure or tax planning matter, including, but not limited to the structuring of foreign entities and purchases of franchisee businesses, assistance with tax audits/reviews by tax authorities (e.g., assistance with respect to notices, information requests, supporting information and remediation efforts and review of computations estimating the cost of settlement of outstanding tax matters), advice/planning related to direct or indirect taxes, advice on the tax treatment of certain costs/expenditures, qualified tax-only valuation services that do not impact the financial statements filed with the SEC and assistance in determining the tax implications of proposed laws or transactions, new laws or regulatory developments. Such services include, oral or written documentation; for example, in the form of a tax opinion, study of economic analysis, technical memoranda or other deliverable.

No income tax services shall be permitted for which the fees to be paid are contingent on the results of the services provided.

Other Services

Permitted products and services other than those in the above categories, including permitted corporate finance services, and certain advisory services such as real estate, treasury, employee benefit plans and risk management. These services may also include:

Cybersecurity Related Services

Assistance to the Company with performing an assessment of and/or findings and recommendations on the current state of the entity's cybersecurity program, threat management activities, identity and access management activities, data protection and privacy programs, and security architecture. These services may also include performing shadow breach investigations, simulations, assisting with valuing the impact of a cyber breach and assisting with breach insurance claims.

Benchmarking and Thought Leadership

Assistance to the Company with understanding industry trends, leading practices, benchmarks, thought leadership, consumer behaviors and disruptive technologies. This could include researching benchmarks on discrete costs, metrics or other performance measures, comparison of the Company's processes and capabilities to leading practices or holding workshops to educate the Company on new or emerging industry trends or technologies. These services may include assessment of Company processes, practices and performance metrics to leading practices or benchmarks and making observations and recommendations for improvement but may not include recommendations related to Company strategy or design and implementation of process improvements.

Exhibit B – Prohibited Services

The following services are prohibited by applicable law:

Bookkeeping or other services related to the Company's accounting records or financial statements, including (i) maintaining or preparing the Company's accounting records; (ii) preparing financial statements that are filed with the SEC or the information that forms the basis for such financial statements; (iii) originating source data for such financial statements; and (iv) statutory audits of financial statements if such statements form the basis of financial statements filed with the SEC;

Appraisal or valuation services, fairness opinions and contribution-in-kind reports (the SEC continues to permit valuations for non-financial reporting purposes, including transfer-pricing studies, cost segregation studies, and other tax-only valuations);

Actuarial services, including insurance actuarial-orientated advisory services, except assisting the Company in understanding the methods, models, assumptions and inputs used in computing an amount;

Management functions or human resources. In particular, partners and employees of the independent auditor may not act as a director, officer or employee of the Company, or perform any decision-making, supervisory, or ongoing monitoring function for the Company, nor may the independent auditor recruit, test or otherwise evaluate employees or prospective employees or advise that the Company employ any candidate;

Broker-dealer, investment advisory or investment banking services, including any recommendation to the Company as to investments or investment strategies;

Legal services and expert services unrelated to the audit, including any service in which the person providing the service must be admitted to practice before the courts of a U.S. jurisdiction;

Internal audit outsourcing relating to internal accounting controls, financial systems, or financial statements (the rule does allow operational auditing and non-recurring evaluations of discrete items);

Information systems design and implementation relating to the Company's financial statements or accounting records, including any hardware or software that aggregates source data that is significant to the Company's financial statements;

Tax services will not include making tax payments, or any other payments, on behalf of the Company, nor will the work include representing the Company before a court, even if the proceeding is a tax matter. Services will not be performed for any projects involving a contingent fee arrangement. Services will be compensated on a "time and materials" basis. Tax planning services will be performed, or tax related recommendations will be made only for tax treatments that are "more likely than not" allowable under applicable tax laws;

Any tax service to a person in a financial reporting oversight role or to an immediate family member (spouse, spousal equivalent, or dependents) of any such person. The prohibition does not turn on whether the Company or the executive pays for the service. Specifically, the financial reporting oversight role includes the CEO, President/COO, CFO, General Counsel, Chief Accounting Officer, Directors of Internal Audit & Controls, Director of Financial Reporting, and Treasurer. In addition, the Company has determined the following meet the spirit of the financial reporting oversight role and accordingly prohibit these individuals from using EY tax services: all segment Presidents, Relationship Partners and CFOs, and Managing Directors and CFOs for major markets (Australia, Canada, China, France, Germany, Japan, the United Kingdom, and the United States); SVP Market Finance; and

Any other services prohibited by the PCAOB or the Audit and Finance Committee.