



Purpose

Significant ownership and retention of McDonald's Corporation stock by our Senior Management is very important to the Company as we believe these officers will more effectively pursue the long-term interests of shareholders if they are shareholders themselves. Such ownership also illustrates their commitment to and alignment with the Company's long-term goals. This Stock Ownership and Retention Policy (the "Policy") sets out the required level of ownership of McDonald's stock for members of Senior Management as well as the retention requirements applicable to equity compensation awards in the event that there is insufficient progress toward the required ownership level.

Applicability

This Policy shall apply to members of the Company's Senior Management. All members of Senior Management shall be notified that this Policy applies to them.

Defined Terms

"Achievement Period" means the five-year period beginning on the date that an individual is promoted or hired into Senior Management. In the event that he or she is further promoted to a position with a higher minimum stock ownership requirement, the five-year period will restart on the date of the promotion and will become the new Achievement Period.

"Committee" means the Compensation Committee of the Company's Board of Directors.

"Company" means McDonald's Corporation.

"Review Date" means April 1 of each year.

"Senior Management" includes officers at or above the level of Senior Vice President as determined by the Corporate Executive Vice President – Chief People Officer from time to time.

Minimum Stock Ownership

Expressed as a multiple of annual base salary, the following table provides the Company's minimum stock ownership requirements:

Level	Minimum Ownership Requirements
	Multiple of Base Salary
President & CEO	6 X
Executive Management (EVP) & Segment Presidents	4 X
Zone/Division President – U.S. paid	4 X
Division President – non-U.S.-paid	3 X
Senior Leadership (SVP) – U.S.-paid	3 X
Senior Leadership (SVP) – non-U.S.-paid	2 X

Members of Senior Management must satisfy the minimum stock ownership required by this Policy within the Achievement Period, and remain at or above their required ownership level following completion of the Achievement Period as long as they remain employed by the Company or its subsidiaries.

Retention Requirements for Equity Compensation Awards

In the event that a member of Senior Management is not appropriately progressing toward his or her minimum stock ownership requirement, certain retention requirements with respect to equity compensation awards will apply, each as described below.

<u>Measurement Date*</u>	<u>Required Ownership Level</u>	<u>Retention Requirement</u>
April 1st following year three of Achievement Period	60% of minimum stock ownership requirement	Must retain shares of Company stock equal in value to 50% of the net after-tax shares received upon the vesting of any RSU award; or such lesser amount necessary to achieve 60% of the applicable minimum stock ownership requirement
April 1st following year four of Achievement Period	80% of minimum stock ownership requirement	Must retain shares of Company stock equal in value to 50% of the net after-tax shares received upon the vesting of any RSU award; or such lesser amount necessary to achieve 80% of the applicable minimum stock ownership requirement
April 1st following completion of Achievement Period	100% of minimum stock ownership requirement	Must retain shares of Company stock equal in value to 100% of the net after-tax shares received upon the vesting of any RSU award and/or any stock option exercise until applicable minimum stock ownership requirement is achieved

* If a retention requirement applies, it will be in effect for the 12-month period beginning on the applicable Review Date and extending to the following Review Date.

Minimum Stock Ownership Calculation

The following forms will be included for determining share ownership for this Policy:

- Shares owned either individually or jointly with his or her spouse and/or children
- Shares held in the Profit Sharing and Savings Plan
- Shares held in the Excess Benefit and Deferred Bonus Plan
- Shares held in the Supplemental Profit Sharing and Savings Plan
- The net after-tax proceeds (using a 45% tax rate) of unvested restricted stock units (RSUs) - however, this type of holding cannot represent more than 50% of the applicable minimum stock ownership.

Notification of Progress

Each year, the Company will calculate the stock ownership level of each member of Senior Management as of the Review Date and will notify them of their status against the applicable minimum stock ownership requirement. The Company will also report to the Committee on an annual basis with respect to compliance with this Policy.

If a member of Senior Management fails to comply with this Policy, the Committee may take any action it deems advisable, including but not limited to payment of future annual or long-term cash incentives in the form of shares of restricted stock or reduced future equity compensation awards.

Extraordinary Circumstances

The Committee recognizes that from time to time circumstances may arise that require special consideration. Therefore, the Chairman of the Committee may grant exceptions to the Policy's retention requirements for Executive Vice Presidents and above in his or her sole discretion; and the Chief Executive Officer may grant exceptions to the Policy's retention requirements below the level of Executive Vice President.

Amendments to the Policy

Amendments to this Policy must be approved by the Committee.

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