

**McDONALD'S CORPORATION**  
**AUDIT & FINANCE COMMITTEE CHARTER**

I. Statement of Purpose

The Audit & Finance Committee is a standing committee of the Board of Directors. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility relating to (i) the integrity of the Company's financial statements and financial reporting process and the Company's systems of internal accounting and financial controls; (ii) the performance of the internal auditors; (iii) the annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Company with certain legal and regulatory requirements as set out herein; (v) the evaluation of management's process to assess and manage the Company's enterprise risk issues; and (vi) the fulfillment of the other responsibilities as set out herein. The Committee shall also prepare the report of the Committee required to be included in the Company's annual proxy statement.

In discharging its responsibilities, the Committee is not itself responsible for the planning or conduct of audits or for any determination that the Company's financial statements are complete and accurate or in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

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, financial literacy and experience 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, at least one of whom shall meet the expertise requirements of the listing standards of the New York Stock Exchange. Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such Director to serve effectively on the Committee. 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. In planning the annual schedule of meetings, the Committee shall ensure that sufficient opportunities exist for its members to meet separately with the independent auditors, the head of internal audit and management, and to meet in private with only the Committee members present.

D. *Agenda, Minutes and Reports.* 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.

E. *Performance Evaluation.* The Committee shall evaluate its performance on an annual basis.

### III. Responsibilities

The following shall be the principal responsibilities of the Committee:

A. *Engagement of Independent Auditors.* The Committee shall directly appoint, retain, compensate, evaluate and terminate the Company's independent auditors. The Committee shall have the sole authority to approve all engagement fees to be paid to the independent auditors. The independent auditor shall report directly to the Committee.

B. *Determination as to Independence and Performance of Independent Auditors.* The Committee shall receive periodic reports from the independent auditors as required under generally accepted auditing standards, applicable law or listing standards regarding the auditors' independence, which shall be not less frequently than annually. The Committee shall discuss such reports with the auditors, and if so determined by the Committee, take appropriate action to satisfy itself of the independence of the auditors. The Committee shall review the performance of the Company's independent auditors annually. In doing so, the Committee shall consult with management and the Company's internal auditors and shall obtain and review a report by the independent auditors describing their internal control procedures, material issues raised by their most recent internal quality control review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years and the response of the independent auditors. The Committee shall consider whether or not there should be a regular rotation of the independent audit firm. Any selection of the auditors by the Committee may be subject to shareholders' approval, as determined by the Board of Directors.

C. *Audits by Independent Auditors.* The Committee shall discuss with the independent auditors the overall scope, plans and budget for the audit, including the adequacy of staffing and other factors that may affect the effectiveness of the audit. In this connection, the Committee shall discuss with financial management, the internal auditors and the independent auditors the Company's major risk exposures (whether financial, operating or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures and manage legal compliance programs, among other considerations that may be relevant to the audit. The Committee shall review with financial management and the independent auditors management's annual internal control report.

D. *Review of the Internal Audit Plan and Performance and Communications with Internal Auditors.* The Committee shall annually review the structure, resources and performance of the Company's internal audit department. In that regard, the Committee shall discuss with the internal auditors the overall scope, plans and budget for the annual internal audit

plan, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of the internal audits. In addition, the internal auditors shall report periodically to the Committee regarding any significant deficiencies in the design or operation of the Company's internal controls, material weaknesses in internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the Company.

E. *Pre-Approval of Audit and Non-Audit Services.* The Committee shall establish and maintain guidelines for the retention of the independent auditors for any non-audit service and the fee for such service and shall determine procedures for the approval of audit and non-audit services in advance. The Committee shall, in accordance with such procedures, approve in advance any audit or non-audit service provided to the Company by the independent auditors, all as required by applicable law or listing standards.

F. *Review of Annual SEC Filings.* The Committee shall review with management and the independent auditors the Company's Annual Report on Form 10-K, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the financial statements and the adequacy of internal controls. The Committee shall also discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, applicable law or listing standards. The Committee may discuss with the national office of the independent auditors issues on which it was consulted by the Company's audit team and matters of audit quality and consistency. Based on such review and discussion, the Committee shall make a determination whether to recommend to the Board of Directors that the audited financial statements be included in the Company's Form 10-K.

G. *Review of Quarterly SEC Filings and Other Communications.* The Committee shall meet to review and discuss with management and the independent auditors the quarterly financial information to be included in the Company's Quarterly Reports on Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and shall discuss any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, applicable law or listing standards. Management shall review and discuss the Company's quarterly earnings press releases with the Committee Chairperson prior to their issuances. The Committee shall also periodically review and discuss the Company's earnings press releases as well as the types of financial information provided to analysts and rating agencies. The Committee shall also discuss the results of the independent auditors' review of the Company's quarterly financial information.

H. *Review of Disclosure Controls and Procedures.* The Committee shall review with the Chief Executive Officer, the Chief Financial Officer and the General Counsel the Company's disclosure controls and procedures and shall review periodically, but in no event less frequently than quarterly, management's conclusions about the effectiveness of such disclosure controls and

procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

I. *Oversight of Financial Risk.* The Committee shall oversee the Company's financial risk assessment and financial risk management.

J. *Review of Certain Matters with Internal and Independent Auditors.* The Committee shall review periodically with financial management, the internal auditors and independent auditors the effect of new or proposed regulatory and accounting initiatives on the Company's financial statements and other public disclosures.

K. *Consultation with Independent Auditors.* The Committee shall review with the independent auditors any problems or difficulties the auditors may have encountered in connection with the annual audit or otherwise, any management letters provided to the Committee and the Company's responses. Such review shall address any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, material adjustments to the financial statements recommended by the independent auditors and adjustments that were proposed.

L. *Preparation of Report for Proxy Statement.* The Committee shall prepare the report required to be included in the Company's annual proxy statement, all in accordance with applicable rules and regulations.

M. *Employment of Former Audit Staff.* The Committee shall establish and maintain guidelines for the Company's hiring of former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.

N. *"Whistleblowing" Procedures.* The Committee shall establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing or federal securities law matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

O. *Review of Legal and Regulatory Compliance.* The Committee shall periodically review with management, including the General Counsel and the Chief Compliance Officer, and the independent auditors any correspondence with, or other action by, regulators or governmental agencies regarding the Company's financial statements, accounting or auditing matters and any employee complaints that raise concerns about such. In that regard, the Committee shall also meet periodically, and may request to meet separately, with the General Counsel, the Chief Compliance Officer and other appropriate legal staff of the Company, and if appropriate, the Company's outside counsel, to review such matters, including matters involving criminal conduct or potential criminal conduct, and the Company's compliance with applicable securities laws and listing standards. Each of the General Counsel and the Chief Compliance Officer has express authority to communicate personally with the Chairperson of the Committee about any such matters as appropriate. The Committee shall, at least annually, review the implementation and effectiveness of the Company's compliance program.

P. *Grants of Franchises.* The Committee shall establish and have oversight of the Company's policy regarding approval of grants of franchises to Company officers. The Committee shall also approve the purchase of restaurants from a franchisee who immediately thereafter becomes a Company officer.

Q. *Capital Structure, Dividend Policy and Share Repurchase.* The Committee shall annually review the Company's capital structure, which shall include, but not be limited to, review of the Company's dividend policy and plans for share repurchase. The Committee shall recommend dividend actions and share repurchase plans to the Board for approval.

R. *Treasury Activities.* The Committee shall annually review the Company's Policy for Use of Financial Derivatives, as well as the authorizations under the End-User Exceptions for Derivatives executed by the Company and its subsidiaries, and approve any revisions thereto.

S. *Tax Compliance.* The Committee shall annually review the Company's global tax compliance efforts.

T. *Other Duties.* The Committee shall perform other activities consistent with the charter that may be delegated to the Committee by the Board from time to time.

#### IV. Access and Delegation

A. *Access to Records, Consultants and Others.* The Committee shall have the full resources and authority (i) to investigate any matter brought to its attention and within its purview with full access to all books, records, facilities and personnel of the Company; (ii) to engage outside legal, accounting or other consultants to advise the Committee and to approve the terms of any such engagement and the fees of any such legal, accounting or other consultant; and (iii) to request any officer or employee of the Company, the Company's outside counsel, internal auditor, internal audit service providers or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

B. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of two or more members of the Committee.

Approved by the Audit & Finance Committee  
Date: December 5, 2019

Approved by the Board of Directors  
Date: December 6, 2019