our operating guidelines

addin’ it up

my total compensation
Our Values and Conduct

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Our Operating Guidelines is one of five booklets that describe McDonald's benefits, policies and procedures. The other booklets are: Your Health and Protection, which describes the health and insurance benefits; Your Pay and Rewards, which describes our compensation programs; Investing In Your Future, which describes our savings and money management benefits; and Helping Balance Your Work and Life, which describes McDonald's benefits that help support your life outside of work.

This booklet provides highlights of important guidelines and policies related to employment at McDonald's. For complete details, you should consult the legal documents for specific policies. If there are discrepancies between this booklet and the official policies, the official policies govern.

McDonald's Policies and Procedures May Be Subject to Change

McDonald's reserves the right at its sole discretion to amend its policies, programs and/or guidelines, including the contents of this booklet, at any time without prior notice. This booklet and other McDonald's policies, programs and manuals that are issued from time to time set forth procedures and guidelines which do not constitute promises or establish contractual rights between McDonald's and any of its employees. McDonald's reserves the right to change any term or condition of employment of any employee without prior notice, consultation or agreement.

McDonald's Employment Is at Will

The relationship that exists between McDonald's and each of its employees is employment at will. This means that an employee is free to terminate his/her employment at any time for any reason, with or without cause or prior notice. Similarly, McDonald's retains the right to terminate an individual's employment at any time for any reason, with or without cause or prior notice, at its sole discretion. The Executive Vice President of Human Resources of the Corporation is the only person who may make an exception to this policy and any exception must be in writing, addressed to the employee personally and contain the original signature of this Officer.
introduction

At McDonald’s, our continued success rests on living up to the high standards we have set. That’s why we follow specific guidelines and policies that govern how we conduct business.

Our operating guidelines and policies can be broken down into three main categories:

- **Our values and conduct** — McDonald’s core values, standards of business conduct and our employment policies reflect our guiding principles that help us position ourselves globally as a great place to work and convey what we expect of McDonald’s employees.

- **Our beliefs** — Our performance development system, and our ombudsman and division franchise relations team reflect our belief in equitable and, fair treatment at McDonald’s.

- **Our Service Center and HR Consulting** — The Service Center is there to assist you and answer any questions you may have about McDonald’s benefits, pay and Human Resources policies. HR Consulting provides advice and consultation on human resources-related matters.

Taken together, these policies, guidelines and services provide insight into how we conduct business and treat people.
our values and conduct

McDonald’s values and how we conduct ourselves are a reflection of what we stand for at McDonald’s. Here’s how we define our values and the policies that govern our conduct.

**McDonald’s Values**

For McDonald’s to achieve our mission to be our customers’ favorite place and way to eat, our actions as individuals and as a system must reflect the values we share across the system.

- **The customer experience is at the core of all we do.**
  Our customers are the reason for our existence. We demonstrate our appreciation by providing them with high quality food and superior service, in a clean, welcoming environment, at a great value. Our goal is QSC&V for each and every customer, each and every time.

- **We are committed to our people.**
  We provide opportunity, nurture talent, and develop leaders. We believe that a diverse team of well-trained individuals working together in an environment that fosters respect and drives high levels of engagement is essential to our continued success.

- **We believe in the McDonald’s system.**
  McDonald’s business model, depicted by the “three-legged stool” of owner/operators, suppliers and company employees, is our foundation, and the balance of interests among the three groups is key.

- **We operate our business ethically.**
  Sound ethics is good business. At McDonald’s, we hold ourselves and conduct our business to the highest possible standards of fairness, honesty and integrity. We are individually accountable and collectively responsible.

- **We give back to our communities.**
  We take seriously the responsibilities that come with being a leader. We help our customers build better communities, support RMHC and leverage our size, scope and resources to help make the world a better place.

- **We grow our business profitably.**
  Our stakeholders support our ability to serve our customers. In return, we work to provide sustained, profitable growth for all members of our system and our investors.

- **We strive continually to improve.**
  We are a learning organization that aims to anticipate and respond to changing customer, employee and system needs through constant evolution and innovation.

You can view the values and discuss them through the Values Community on AccessMCD.
Standards of Business Conduct

The following is a summary of some of the key topics that are addressed in the Standards. However, this summary does not replace the Standards, and you are responsible for being aware of and complying with all provisions of the Standards.

Applicability of Standards

The Standards of Business Conduct apply to employees of McDonald’s Corporation and its majority-owned subsidiaries worldwide (herein called McDonald’s or the Company). Non-employee members of McDonald’s Board of Directors must abide by the Code of Conduct for the Board of Directors of McDonald’s Corporation, which is posted and maintained at the McDonald’s website at www.mcdonalds.com. The Standards do not apply to our owner/operators, suppliers, non-controlled affiliates, or any of their employees. However, as members of the McDonald’s System, they are expected to be aware of the Standards. We encourage them to develop their own policies, procedures, training programs and certifications that are consistent with the spirit of the Standards, and to fully support our employees in complying with the Standards. This shared commitment will help ensure that we earn our reputation as a company that conducts business with integrity.

Open Communication / Business Integrity Line

The McDonald’s Business Integrity Line is staffed 24 hours a day, 7 days a week, 365 days a year by an outside firm experienced in handling sensitive calls. Phone 1-800-261-9827 within the United States. If the call originates from outside the U.S., reverse charges and interpreters are available. Callers may report anonymously, and no attempt will be made to identify them. Anonymous callers should know, however, that it is sometimes more difficult to follow up on issues raised anonymously.

Communicating With the Public

When McDonald’s provides information to the news media, securities analysts and stockholders, we have an obligation to accurately and completely communicate the facts. Inquiries for a public statement in the name of the Company or in a manner that could reasonably be attributed to the Company regarding McDonald’s activities, results, plans or its position on public issues must be referred to the Communications Department, or to the department in your area that deals with public issues. If you answer a question on behalf of the Company from a public source with consent from the Communications Department, be sure to stay within your level of knowledge and get help if you are unsure of the correct answer.

Inclusion and Diversity

McDonald’s provides equal treatment and equal employment opportunity without regard to race, color, religion, sex, age, national origin citizenship status, disability, sexual orientation, military status, genetic information or any other basis protected by law. We apply this policy to our employees, applicants, independent contractors, franchisees, vendors and suppliers. We follow this policy in all aspects of our dealings with customers and to our employment decisions, including recruitment, hiring, placement, development, promotion, training, scheduling, benefits, compensation and termination.

Data Privacy and Protection

At McDonald’s, we respect and value the privacy of our employees, customers and franchisees, and maintain confidentiality when handling their personal data. Personal Data includes any information that directly or indirectly relates to a person, for example dates of birth, telephone numbers, addresses, Social Security numbers, passwords, financial information, and in some cases IP addresses. This means that you must treat all Personal Data with care and respect, while guarding against inappropriate access and disclosure. You must never use any such data for personal benefit or in any other inappropriate way. If you have access to Personal Data, you must only use it for legitimate business reasons and in compliance with all applicable laws and policies. If you are not sure what is permissible, please ask. Never disclose any Personal Data to anyone inside or outside McDonald’s. In addition, there may be legal restrictions on transferring Personal Data to another party, or outside the country of origin. Breaches of Personal Data can result in legal penalties and harm McDonald’s reputation. Contact the Global Compliance Office with any questions relating to data privacy.
What is confidential information?
Confidential information includes non-public business-related information about McDonald’s, its franchisees, employees, customers, and vendors that could damage McDonald’s from a competitive business standpoint. Examples would include methods or processes, sales figures, guest counts, business plans, how food or marketing promotions are doing, and any other similar internal business-related confidential information or communications. Information is a valuable asset, and unauthorized disclosure of these types of business information could be harmful to the McDonald’s System and is prohibited.

Here are some tips to remember:
- Do not discuss confidential information in public places such as elevators, restrooms, or restaurants.
- Do not leave confidential documents in the open, including in conference rooms or at copy machines, where unauthorized people can see them.
- Exercise caution when sending or forwarding any confidential information via e-mail. Check and double-check your list of recipients to make sure that each one has a need to know the information, and be especially careful when using “Reply to All.”

The entire version of our Standards of Business Conduct is available on AccessMCD or from McDonald’s Service Center or the Global Compliance Department in Oak Brook. For questions or to report any violation of the standards, contact the McDonald’s Business Integrity Line at 1-800-261-9827 or send an e-mail to business.integrity@us.mcd.com.

If you are a Staff or Restaurant Management employee, you will be asked once a year to certify that you have read, understand and agree to follow the Standards of Business Conduct. Your continued employment is contingent on this certification.

Equal Opportunity
We provide opportunities for recruitment, employment, training, development, performance reviews, pay, advancement and all other aspects of employment based on job related factors such as individual abilities and job performance regardless of race, color, sex, religion, national origin, citizenship status, age, disability, veteran status, military status, sexual orientation, genetic information, or for individuals in any other protected category.

McDonald’s believes ensuring that opportunities exist for all prospective employees and current employees requires positive, active participation and continuous attention and review.

Inclusion and Diversity
Our Global Inclusion & Intercultural Management (GIIM) department is responsible for our diversity and inclusion strategies and initiatives. At McDonald’s we define diversity as all the human characteristics that make us unique and valuable as individuals; and inclusion is leveraging everyone’s differences and similarities to uniquely and measurably strengthen the brand and grow the business. A strategic diversity and inclusion initiative helps in creating the conditions where everyone can bring their whole self to work and contribute as fully integrated brand trust ambassadors to execute our organization’s Plan To Win!

McDonald’s has a very long history as pioneers and pacesetters of valuing diversity and inclusion. We’ve encouraged and inspired our employees, operators, and suppliers to share this value throughout our Divisions, Regions, Home Office departments - throughout our neighborhoods, communities and with all those with whom we do business and serve. Our success is deeply rooted in Our Values – It’s Who We Are! -and is based on our business commitment to be change agents and stand firm on our founder Ray Kroc’s belief, that none of us is as good as all of us.

As we grow, evolve and expand our presence; we aspire to be our customers’ favorite place and way to eat and drink. Our natural evolution encourages us all to focus on successfully communicating with customers and employees of all cultures. This successful communication requires us to be knowledgeable about other cultures, customs, expressions, beliefs and behaviors. It requires each of us to have confidence in our ability to respect and value the feelings and needs of everyone on both sides of the counter.

McDonald’s Prohibits Discrimination and Harassment
McDonald’s believes in the value of a diverse workforce, equal opportunity and a workplace free from all forms of unlawful discrimination and harassment. McDonald’s does not tolerate unlawful discrimination or harassment.

Employees who violate this policy will be disciplined up to and including termination.

McDonald’s Prohibits Discrimination and Harassment
McDonald’s strongly believes that employees and applicants for employment should be treated with respect and without regard to race, color, sex, religion, national origin, citizenship status, age, disability, veteran status, military status, sexual orientation, genetic information or any other prohibited basis. This applies to all employment practices, including but not limited to recruiting, hiring, pay, performance reviews, training and development, promotions, discipline, discharge and other terms and conditions of employment.

McDonald’s does not tolerate any form of harassment, joking remarks or other conduct (including verbal, non-verbal or physical conduct) that demeans or shows hostility...
toward an individual based on these prohibited categories and that creates an intimidating, hostile or offensive work environment, unreasonably interferes with an individual’s work performance or otherwise adversely affects an individual’s employment opportunities.

Discrimination or harassment of a McDonald’s employee or applicant, whether by another employee, customer, supplier, vendor, franchisee (or their employees) or other individuals present in the work environment, will not be tolerated.

**McDonald’s Prohibits Sexual Harassment**

McDonald’s does not tolerate any form of sexual harassment of any employee or applicant for employment, whether male or female. Sexual harassment includes but is not limited to unwelcome sexual advances, requests for sexual favors and certain other verbal, non-verbal or physical conduct which is sexual or based on gender if that conduct could reasonably offend another person, whether or not such conduct was intended to offend.

Examples of sexual harassment include, but are not limited to, the following:

- **Verbal conduct** (e.g., jokes, comments or threats relating to sexual activity, body parts or other matters of a sexual nature)
- **Non-verbal conduct** (e.g., staring at a person’s body in a sexually suggestive manner, making sexually related gestures or motions and/or viewing or circulating sexually related or suggestive material, whether written or electronic, such as through email, Facebook or Twitter, or otherwise)
- **Physical conduct** (e.g., grabbing, holding, hugging, kissing, tickling, massaging, displaying private body parts, unnecessary touching or other unwelcome physical conduct)
- Making an employment decision (e.g., hiring, promotion, compensation, scheduling, performance evaluation, work or project assignment, demotion, termination, etc.) based on an employee’s submission to or rejection of conduct of a sexual nature
- Conduct that denigrates or shows hostility or aversion to a person because of his/her gender and creates an intimidating, hostile or offensive work environment
- Any other conduct of a sexual nature that unreasonably interferes with another person’s work performance or creates an intimidating, hostile or offensive work environment or adversely affects another person’s employment opportunities

**Application of McDonald’s Policy**

All employees must follow McDonald’s policy prohibiting discrimination and harassment while on McDonald’s premises, engaging in work-related activities, at company-sponsored training or other functions, or at activities that are not work related when conduct at these activities would affect the work environment.

**Employee Recourse**

Every employee has the right, and is encouraged, to tell any other McDonald’s employee to stop behavior towards him/her that the employee believes to be discriminatory, harassing and/or offensive. Any employee who feels subjected to discrimination or harassment should immediately report it as outlined below:

- **Restaurant employees below the Shift Manager level:** report to your Restaurant Manager/General Manager (the highest level manager who works in the restaurant). If you are not comfortable bringing the concern to your Restaurant Manager/General Manager, report to your Operations Supervisor or Consultant, Human Resources Representative for your restaurant or McDonald’s HR Consulting (1-877-623-9150).
- **Salaried Restaurant/General Managers, Assistant or Department Managers, Area Managers, Manager Trainees and hourly-paid Shift Managers:** report to your Operations Supervisor or Consultant or the Human Resources Representative for your restaurant. If you are not comfortable bringing the concern to these individuals, contact your Division Human Resources Representative or McDonald’s HR Consulting (1-877-623-9150).
- **Regional Staff:** report to your Human Resources Consultant, Manager or Director. If you are not comfortable bringing the concern to this person, contact your Division Human Resources Representative or McDonald’s HR Consulting (1-877-623-9150).
- **Home Office and Division Staff:** report to your Home Office Human Resources Business Partner, the head of Home Office Human Resources (Home Office Staff), your Division Human Resources Representative (Division Staff), or McDonald’s Business Integrity Line (1-800-261-9827).

McDonald’s investigates all complaints or reports appropriately, with sensitivity towards confidentiality, to the extent consistent with carrying out an appropriate investigation. If the complaint or report has merit, McDonald’s will take corrective action, including but not limited to disciplinary action against the offender up to and including termination.

**McDonald’s Prohibits Retaliation**

McDonald’s encourages employees to report incidents of discrimination or harassment freely, without fear of retaliation. McDonald’s prohibits retaliation against any employee who has made a complaint about harassment or discrimination or has cooperated in the investigation of such a complaint. Retaliation includes any employment decision or other conduct made with the intent to punish an employee for, or that would likely deter an employee from, complaining about or assisting in the investigation of discrimination or harassment. Any employee who believes he or she is being retaliated against should immediately report the situation by following the procedures as stated above in the Employee Recourse section of this policy.
Management’s Responsibility
It is the responsibility of every employee to prevent discrimination and harassment. Officers, Staff Management Employees, Salaried Restaurant/General Managers, Assistant or Department Managers, Area Managers, Manager Trainees and hourly-paid Shift Managers are responsible for ensuring that their restaurants or departments/work groups provide a respectful environment for all employees, customers, suppliers, vendors and other individuals present in the work environment.

These management employees who witness or receive reports of discriminatory or harassing behavior, or of retaliation, are required to immediately report the incident as outlined below:

- **Restaurant management employees at or below the Assistant or Department Manager level, Area Managers, Manager Trainees and hourly-paid Shift Managers:** immediately report the incident to your Restaurant Manager/General Manager (the highest level manager who works in the restaurant). If it would not be appropriate to report the concern to your Restaurant Manager/General Manager, report to your Operations Supervisor or Consultant, the Human Resources representative for your restaurant, or McDonald's HR Consulting (1-877-623-9150).
  
  If you are a salaried Restaurant/General Manager, Assistant or Department Manager, Area Manager, Manager Trainee or hourly-paid Shift Manager, you are also responsible for taking steps before you report the incident to ensure that further discrimination, harassment or retaliation does not occur.

- **Restaurant/General Managers:** immediately report the incident to your Operations Supervisor or Consultant, the Human Resources representative for your restaurant, or McDonald's HR Consulting (1-877-623-9150). You are also responsible for taking steps to ensure that further discrimination, harassment or retaliation does not occur before an investigation into the matter is completed. In many instances, you will be responsible for timely investigation and appropriate resolution of situations within your restaurant, with coaching and guidance from your supervisor and/or Human Resources representative or HR Consulting.

- **Company Officers and Staff Management employees:** immediately report the incident to either the Human Resources representative who supports your Region, Division, or department, or to McDonald’s Business Integrity Line at 1-800-261-9827. Officers and Staff Management employees are also responsible for taking steps to ensure that further discrimination, harassment or retaliation does not occur before an investigation into the matter is completed.

Employees identified above who fail to fulfill their responsibilities under this policy, including the reporting requirements listed above, may be subject to discipline up to and including termination.

Customers, Suppliers, Vendors, Franchisees and Others
McDonald's employees are prohibited from discriminating against or harassing customers, suppliers, vendors, franchisees (and their employees) and other individuals present in the work environment based on race, color, sex, religion, national origin, citizenship status, age, disability, veteran status, military status, sexual orientation, genetic information or any other unlawful reason, in the course of work-related activities, company-sponsored training or company-related functions. McDonald's also does not tolerate discrimination or harassment directed toward our employees by our customers, suppliers, vendors, franchisees (and their employees) or other individuals present in the work environment.

Any restaurant employee who feels he or she is being discriminated against or harassed by any such individual should immediately report it to a manager on duty for assistance in handling the situation. If not satisfied with how a situation was handled by the manager on duty, a restaurant employee should promptly report the situation to others as outlined in the Employee Recourse section of this policy. All other employees who feel they are being discriminated against or harassed by any such individual should immediately report it to their immediate supervisor (unless this would not be appropriate), their Regional, Divisional, McOpCo or Home Office Human Resources representative, or to HR Consulting (1-877-623-9150).

Dating, Nepotism and Fraternization Policy for Staff Employees in the United States
McDonald’s is committed to fostering a professional work environment. That means McDonald’s managers and employees have a responsibility to maintain such an environment and avoid relationships that create a conflict of interest. Certain personal relationships between employees, especially those in a reporting capacity, may create issues for the employees involved as well as for their co-workers. This can include a lack of objectivity towards the subordinate’s job performance, the perception of favoritism by other employees, and potential sexual harassment complaints. This policy also applies to relationships with franchisees and their employees, independent contractors and vendors engaged by McDonald’s.

Rules for Staff Employees
- **Dating or Romantic Relationships:** Employees who have a direct or indirect reporting relationship to each other are prohibited from dating. “Dating” means being involved in any kind of romantic or intimate relationship and includes, but is not limited to, any sexual relationship or encounter. In addition: (1) any staff employee who consults with or advises franchisees is prohibited from dating a franchisee or any of that franchisee’s employees or immediate family members if such employee consults/advises with such franchisee; (2) officers are prohibited from dating any franchisee or any franchisee’s employee or immediate family member; and (3) any staff employee is prohibited from dating an
independent contractor or vendor if such employee has the direct or indirect authority to engage the services of such independent contractor or vendor.

- **Nepotism:** Staff employees are prohibited from working in job positions where they directly report to or are reported to by their spouse or other immediate family member. Any exception to this policy can only be made by the McDonald’s Corporate Compliance Officer. In addition, any indirect reporting relationship must be reported to the Corporate Compliance Officer for a determination of whether the reporting relationship creates a conflict of interest. Refer to the standards of business conduct for the guidelines on engaging family members as vendors or independent contractors.

- **Fraternization:** Staff employees must exercise appropriate judgment both in and outside the office when fraternizing or socializing with coworkers, subordinates, vendors or independent contractors. It is not appropriate to show favoritism or make business decisions based on emotions or friendships rather than on the best interests of the Company.

**Employee Obligations**
- Any employee who enters into or plans to enter into a relationship that violates this policy must advise his/her Human Resources Manager or Director immediately.
- In order to address a violation of this policy, McDonald’s may take such steps as it deems reasonable and appropriate to correct the violation, including (but not limited to) transferring or reassigning one or both of the employees involved; asking the employees involved to cease dating or to agree not to begin dating; or terminating the employment of one or both of the employees.
- Staff employees are required to report any relationships that may violate the nepotism policy to the McDonald’s Corporate Compliance Officer.

McDonald’s employees who violate the Dating, Nepotism and Fraternization Policy will be disciplined up to and including termination.

McDonald’s Policy against Discrimination and Harassment applies to all work-related situations. Unwelcome advances of a sexual nature toward any individual in a work-related situation always are prohibited.

For a restaurant version, please see the policy posted in your crew room.

**Substance Abuse**

McDonald’s strictly prohibits the use, sale, purchase, transfer, possession, being under the influence of, or the presence in one’s system of any drugs that are illegal under state, federal or local law including controlled substances (except medically prescribed drugs when used in accordance with a valid prescription) by any person while on company premises, engaged in company business or business functions, or while operating any vehicle in the performance of work. Violations of this policy call for disciplinary action up to and including termination.

The Employee Resource Connection can provide assistance if you are having problems with drug or alcohol use. Contacting the Employee Resource Connection does not excuse any employee from adhering to this policy.

**Serious Offenses**

Since it is impossible for McDonald’s to anticipate every form of misconduct that might call for discipline, the following are examples of serious offenses that may result in disciplinary action, including termination:
- Theft, destruction, defacing, misuse or willful abuse of property belonging to McDonald’s, another employee or a customer
- Possession, sale of, consumption or being under the influence of illegal drugs on company premises, or while performing company business, attending a work-related function or operating a company vehicle
- Possession or consumption of alcoholic beverages on company premises (except when supported, authorized and supervised by the Company); selling or being under the influence of alcohol on company premises, or while performing company business (except when supported, authorized and supervised by the company) or operating a company vehicle
- Possession of any firearm or other weapon on company premises or property, while attending any company function or while conducting or purporting to conduct company business, unless otherwise permitted by law
- Abusive or threatening behavior
- Insubordinate conduct (for example, refusing to follow a reasonable direct request of a supervisor)
- Falsification of any records
- Job abandonment
- Disregard of McDonald’s policies

In cases when a serious offense has occurred and it becomes necessary to take immediate action, the following procedures may be applied:
- If appropriate, the person will be suspended for a time that permits review and a decision regarding the offense.
- If, after review, it is determined that the allegations are not substantiated, the person may be reinstated.

The Company reserves the discretion whether to use these procedures in particular situations and may use all of them, some of them or none of them, depending upon the circumstances.
No Solicitation Policy — Corporate Offices

Solicitation by outsiders for funds, memberships, or individual commitments to outside organizations or causes, or distribution of literature for any purpose is prohibited at all times anywhere on company property.

Solicitation by employees for funds, membership or individual commitment to outside organizations or causes is also prohibited on company property during such employees’ own working time or when the employee being solicited is on working time.

Distribution of literature by employees is prohibited on company property during such employees' own working time or when the employee receiving the material is on working time, or even when not on working time if such distribution takes place in employee working areas. Company property must be kept clean and free of litter at all times.

Off duty employees are not permitted to interfere with or disturb employees on working time.

For a restaurant version, please see the policy posted in your crew room.

Policies Related to Employees’ Pay

Policy on Accuracy of Pay

At McDonald’s, it is our policy and practice to pay employees accurately and in accordance with all applicable state and federal laws. Therefore, if you notice that you made a mistake in punching in or out, please contact your Immediate Supervisor, Department Manager or shift manager immediately so we can correct any errors that may have occurred.

You should also check your pay stub each payday to ensure all amounts are correct. If you have a question about the amount or nature of any deductions from your pay, please contact your Immediate Supervisor, Area Supervisor, your HR Representative or the Service Center at 1-877-623-1955 as soon as possible so that we can address the situation quickly and you can receive all of the pay you have earned without any delay.

Because McDonald’s wants to ensure that you are paid for all time worked, your manager may also notify you of any errors he or she has found in the recording of your time. It is important that you understand the proposed correction and that you agree with it before authorizing it or signing the correction. If you do not agree to the proposed correction to your time records please contact your Immediate Supervisor or General Manager so that the issue can be resolved promptly. If your Immediate Supervisor or General Manager does not resolve the problem to your satisfaction, please contact your Area Supervisor, your HR Representative or HR Consulting at 1-877-623-9150 as soon as possible so that we can rectify the situation quickly.

Salary Payment Policy for Exempt Employees

If you are an exempt employee (not eligible for overtime pay), McDonald’s applies the following rules about how your salary is paid. Exceptions may be made in certain situations.

Except as indicated in McDonald’s other policies (such as FMLA), you will receive your full weekly salary for any workweek in which you perform any work, regardless of the quality or quantity of the work or the number of days or hours you worked. Also, if you are ready, willing and able to work, McDonald’s may not deduct from your pay for time when work is not available.

For any week during which you work, McDonald’s may not reduce your weekly pay for absences on your part due to jury duty, attendance as a witness at a trial or temporary military leave. However, consistent with its leave policies, McDonald’s reserves the right to offset any amounts you receive for jury pay, witness fees or military pay for a particular week against the salary due to you for that workweek.

Pay Deductions

McDonald’s may make deductions from your pay in accordance with applicable law only when:

- You authorize the deduction, such as for benefits, generally with written approval; or
- The deduction is required by law, such as taxes, garnishments or other court-ordered payments, or is otherwise allowed by law.

Complaints and Questions

If you believe deductions have been made from your salary in error, you should immediately contact the Service Center at 1-877-623-1955. If McDonald’s confirms that an improper deduction has been made, you will be promptly reimbursed for the amount.

McDonald’s will not retaliate against employees who question or complain about their pay.

Standard Work Hours

Your work hours vary based on your position within the company.

- Restaurant Managers — Work hours and weekly schedule vary based on customer needs.
- Full-time Staff employees — Other than during summer hours, work hours are 8:30 a.m. to 5:00 p.m. During summer hours (May through September), work hours are 8:00 a.m. to 5:00 p.m. Monday through Thursday, and 8:00 a.m. to 1:00 p.m. on Friday.

If you are a non-exempt employee, you’ll be paid overtime when you work more than 40 hours in one week. McDonald’s follows all federal and state wage and hour laws regarding overtime pay. Your supervisor must approve any overtime before you work it.
Performance
Development System
McDonald’s Performance Development System has two main objectives:
■ To focus employees on achieving results that will help us meet our business goals
■ To support employees in developing skills and competencies, advancing in their careers, and driving our business objectives

Who’s Eligible
Every employee participates in the Performance Development System.

How It Works
The Performance Development System has two primary components:
1. Individual performance – setting goals and assessing performance
2. Individual development – identifying development needs and activities

Individual Performance
The individual performance and assessment process is designed to align your work goals to business priorities, provide you with clear expectations about the work you are to accomplish and allow for objective assessment of your performance based on your achievement of goals. For Staff and restaurant management employees, your performance assessment also takes into account how well you display certain leadership competencies that enhance your performance and effectiveness.

Throughout the year, you should keep track of your achievements toward your goals. You should have no fewer than two performance discussions with your manager during the year: one at mid-year and one at year-end. It is a good idea to seek informal feedback about your performance on a regular basis. This allows you to continuously improve your performance and stay focused on the work you are expected to do.

At the end of the year, your manager will determine your performance rating. The current ratings under the performance development system are as follows.

Performance Ratings – Staff and Restaurant Management Employees
■ Exceptional Performance, for employees who achieved results that far exceeded expectations and requirements of the job, while modeling the leadership competencies that are expected of McDonald’s employees. This rating describes employees whose performance was consistently of exceptional quality throughout the year, and is reserved for employees who have exhibited exceptional performance while meeting challenging demands.

■ Significant Performance, for employees who achieved results that consistently met or occasionally exceeded expectations and planned objectives. This rating describes
employees who successfully do their jobs and meet high performance standards while at the same time demonstrating the leadership competencies that are expected of McDonald's employees.

- **Some Improvement Required**, where performance requires improvement because the employee’s ability to meet expectations and accomplish planned objectives was inconsistent. This rating also describes employees who achieved their goals but did not demonstrate the leadership competencies that are expected of McDonald’s employees. Employees in this rating category should be placed on an accelerated review cycle with a Performance Improvement Plan to improve performance.

- **Unacceptable Performance**, where performance was unacceptable and needs immediate improvement; the employee did not attain expected results or achieve planned objectives. This rating also pertains to employees who achieved results but did so in a manner that is clearly in violation of the leadership competencies that are expected of McDonald’s employees. An employee in this category should be on a Performance Improvement Plan, and must meet the objectives of the plan to remain in current position. In some cases, termination without going through a Performance Improvement Plan may be appropriate.

In some cases, termination without going through a Performance Improvement Plan may be appropriate.

Performance Ratings – Certified Swing Managers and Primary Maintenance Employees

- **Outstanding**, for top performers, where performance is always of an exceptional quality; you anticipate circumstances and adjust effectively to maintain premium performance.

- **Excellent**, for significant contributors, where performance often exceeds expectations; you respond effectively to direction and adjust to circumstances influencing performance.

- **Good**, for steady contributors, where performance meets job requirements and expectations; you respond effectively to direction and do your job well.

- **Needs Improvement**, where performance falls short of meeting job requirements and expectations. You may be placed on a Performance Improvement Plan, where special attention is given to improving your performance through a goal-setting process.

- **Unsatisfactory**, where performance is unacceptable and has significantly failed to meet job requirements. Similar to the Needs Improvement rating, if you receive a performance review of Unsatisfactory you may be placed on a Performance Improvement Plan. In some cases, termination without going through a Performance Improvement Plan may be appropriate.

Declining Performance Guidelines

We hope that your career with McDonald’s is exciting and challenging, and that you will be successful in your job. However, should performance or other work problems occur, McDonald’s uses measures intended to help both the employee and the company work through the situation. In the event that your performance is declining or rated “some improvement required” or “needs improvement,” one or more of the following steps — generally referred to as performance improvement measures — may be used:
Verbal counseling
Written warning outlining areas needing improvement
Goal setting
Performance improvement plan

It is recommended that you discuss your declining performance with your supervisor. If you fail to make a genuine effort to improve your performance once you have been notified, or to meet short-term goals that have been identified through the above steps, you may be terminated. Also, any scheduled salary increase may be postponed until your performance meets standards.

The above procedures are guidelines and will vary according to the circumstances of a particular situation at McDonald's sole discretion.

Individual Development
At McDonald's, we strive to create an environment that supports you in developing the skills and competencies that are required to drive business results and to advance your career.

Your individual development plan (IDP) is a key component of the performance development system. It provides a framework for you to build or improve on key knowledge, skills and abilities that you need in your current or future positions.

In creating your IDP, you and your manager will work together to identify your strengths and development needs in Leadership and Functional competencies. Next you’ll create your individual development plan, which you should update at least once a year or as often as your skill levels change.

All the forms and information related to the Performance Development System are available on AccessMCD, or through your Human Resources representative, or by calling the Service Center at 1-877-623-1955.

Ombudsman and Division Franchise Relations Team
The Ombudsman and Division Franchise Relations Team acts as an objective third party when issues arise between employees and the Company. They get involved when an employee has business-related problems and/or complaints that have not been resolved through discussions with the employee's immediate supervisor, Human Resources Department or normal company channels.

When presented with an issue, the Ombudsman Officer or the Division Franchise Relations Officer (depending on the situation) makes recommendations to the employee and the Company about the specific measures they believe will best resolve the problem. This recommendation is made following McDonald's philosophy, policies and practices.

The Ombudsman and Division Franchise Relations departments ensure that employees have an unbiased and objective method of handling work-related problems.

For more details, contact the Ombudsman office directly at:
1-630-623-6410
Ombudsman or Franchise Relations
McDonald's Corporation
2111 McDonald's Drive
Oak Brook, IL 60523

Our Beliefs

McDonald's Employment
Is at Will

Employment is at the will of the employee and employer and McDonald's may, at its sole discretion, decide to terminate an employee without having utilized any of the measures described in this booklet. McDonald's maintains the right to select the form of discipline it deems appropriate or terminate an employee with or without cause and without notice.
Service Center

McDonald’s Service Center offers convenient, confidential and comprehensive service to McDonald’s employees. The Service Center can help you in the following ways:

- **Information and assistance** — You can find out more about McDonald’s policies, procedures, programs and employee benefits. In addition, you can request forms or inquire about your paycheck. In most cases, you’ll receive the information you need at the time of your call.

- **Transaction processing** — You can process transactions through the Service Center by faxing completed forms with the required signatures, or completing forms online and sending them by email to the Service Center. Or, you can call the Service Center to make changes or initiate benefit elections.

- **Automatic fax-back service** — You can have forms and other documents, such as Benefits and Payroll forms and Human Resources policies and tools, faxed to you automatically. Automatic fax-back service is available 24 hours a day, seven days a week.

Service Center representatives are available Monday through Friday from 8:00 a.m. to 6:00 p.m. Central time. You can reach McDonald’s Service Center by calling toll-free at 1-877-623-1955.

Human Resources Consulting

McDonald’s HR Consulting is a team of McDonald’s experienced human resources professionals who provide consulting advice to U.S. restaurant management employees, McOpCo and Regional field human resources staff, and operations and field service staff. Topics they consult on include: employee relations; health and safety concerns; performance, discipline and termination issues; discrimination, harassment, treatment and accommodation issues; federal and state employment laws; recruiting, staffing and retention; policies and trends, and more. The consulting team draws on their extensive operations and human resources experience as well as a variety of resources to provide skilled support and consultation.

The HR Consulting team also provides guidance and support to McOpCo restaurant crew and shift management employees who are experiencing concerns with their employment.

HR Consulting representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. CST at 1-877-623-9150 (toll free). When HR Consulting is closed, they can be paged through their regular number in the event of a critical emergency situation.

Please note: For questions about payroll, e-pay, leaves of absence, benefits, and verification of employment, staff and McOpCo employees need to contact the McDonald’s Service Center at 1-877-623-1955, which is a separate department from HR Consulting. Also, Human Resources Consulting does not handle consumer complaints or media issues and does not quote stock prices.

**Get It Online**

The addin’ it up for me web site is your single starting point for information and transactions related to your benefits and pay at McDonald’s. Here you’ll find general information about benefits and pay programs, as well as your personalized benefits and pay information.

Here’s a sampling of what you can do from the site:

- See the value of your total compensation
- Link to web sites for benefits providers
- View your paycheck stubs
- Use AboutMe links to update your personal records — including your address, dependent information, tax withholdings, and direct deposit
- Access modelers and other tools and information

Link to addin’ it up for me from AccessMCD or go directly to addinitupforme.com.
## who to call

Important Phone Numbers and Web Sites

<table>
<thead>
<tr>
<th>Topic</th>
<th>Contact</th>
</tr>
</thead>
</table>
| General questions, information                  | McDonald’s Service Center  
1-877-623-1955  
Service Center fax: 1-630-623-5027  
Internal email: McServiceCenter  
External email: mc.service_center@us.mcd.com  
addin’ it up for me web site  
Available through AccessMCD at www.accessmcd.com |
| Consulting on Human Resources issues            | McDonald’s Human Resources Consulting  
1-877-623-9150 |
| Standards of Business Conduct                   | McDonald’s Service Center  
1-877-623-1955  
Global Compliance  
1-630-623-3522  
Business Integrity Line  
1-800-261-9827 |
| Corporate Electronic Communication Policy       | Global Compliance  
1-630-623-3522 |
| and Protecting McDonald's Information          |                                                                         |