

Offering Circular dated March 29, 2017



McDonald's Corporation
Incorporated in the State of Delaware, United States of America

EUR500,000,000
Floating Rate Notes due 2019

McDonald's Corporation (the "**Issuer**") is offering EUR500,000,000 Floating Rate Notes (the "**Notes**") under its U.S.\$10,000,000,000 Program for the Issuance of Global Medium-Term Notes (the "**Program**"). Interest on the Notes will be determined as set forth below under the section titled "*The Offering*". The Issuer will pay interest on the Notes on April 5, July 5, October 5 and January 5 of each year, beginning July 5, 2017. The Notes will mature on April 5, 2019.

This offering circular (the "**Offering Circular**") is supplemental to, forms part of, supersedes and must be read and construed in conjunction with, the base prospectus dated April 8, 2016 (attached as Appendix A), as supplemented by the first supplement dated April 26, 2016 (attached as Appendix B) and the second supplement dated June 7, 2016 (attached as Appendix C) (the "**Base Prospectus**"), and relates to the Notes offered hereby. The Base Prospectus has been issued by the Issuer in respect of its Program. Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Offering Circular. To the extent that there is any inconsistency between (a) any statement in this Offering Circular or any statement incorporated by reference into this Offering Circular and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in this Offering Circular will prevail. This Offering Circular is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the "**EU Prospectus Directive**"). This Offering Circular constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus for securities dated July 10, 2005, as amended (the "**Luxembourg Prospectus Act**").

The Notes are unsecured obligations of the Issuer, ranking equally with all other unsecured and unsubordinated indebtedness for borrowed money of the Issuer, as further described in Condition 3 in the section titled "*Terms and Conditions of the Notes*" set out in the Base Prospectus.

There is currently no public market for the Notes. The Issuer has applied to have the Notes admitted to listing on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"), which is not a regulated market within the meaning of Article 1(13) of Directive 2004/39/EC.

The Notes will be issued only in denominations of EUR100,000.

Investing in the Notes involves risks. See the sections titled "Risk Factors" beginning on page 5 of the Base Prospectus and page 3 of the Issuer's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the U.S. Securities and Exchange Commission (the "SEC") for a discussion of certain of the risks you should consider before investing in the Notes.

The Notes will be represented upon issue by a global Note in registered form (a "**Global Registered Note**"). The Global Registered Note will be registered in the name of a nominee for a common depositary (a "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or around April 5, 2017. Under certain limited circumstances, interests in a Global Registered Note may be exchanged for definitive Notes in registered form, which will be serially numbered ("**Definitive Notes**").

The Issuer currently has a credit rating for senior unsecured notes and debentures of Baa1 from Moody's Investors Service, Inc. and BBB+ from Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.

Goldman Sachs International (the "**Manager**") has entered into a Terms Agreement, dated March 29, 2017 (the "**Terms Agreement**") relating to the purchase of the Notes from the Issuer.

Manager

GOLDMAN SACHS INTERNATIONAL

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Notes may not be offered, sold or delivered within the United States of America (the “**United States**” or the “**U.S.**”) or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act). The Notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration thereunder or exemption therefrom.

This Offering Circular should be read and construed with any supplement hereto and with any other documents incorporated by reference.

No person has been authorized by the Issuer to give any information or to make any representation that is not contained in, or is otherwise inconsistent with, this Offering Circular or any other document entered into in relation to the Program or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer or the Manager. Neither the Issuer nor the Manager takes any responsibility for any other information that others may give you.

This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or the Manager that any recipient of this Offering Circular should subscribe for or purchase any Notes. Each recipient of this Offering Circular shall be deemed to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date thereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no material adverse change in the financial situation of the Issuer since the date thereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Offering Circular by reference, or that any other information supplied in connection with this Offering Circular is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The communication of this Offering Circular and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”)), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

This Offering Circular has not been approved by and will not be submitted for approval to the Commission de Surveillance du Secteur Financier (the “**CSSF**”, i.e., the Luxembourg financial services authority), or a competent authority of another EU Member State for notification to the CSSF, for the purposes of public offering or sale of the Notes in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Offering Circular nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and to listing of the Notes on the Official List of the Luxembourg Stock Exchange, and except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Prospectus Act, implementing the EU Prospectus Directive. Consequently, this Offering

Circular and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Luxembourg Prospectus Act; (ii) no more than 149 prospective investors, which are not qualified investors; and/or (iii) in any other circumstance contemplated by the Luxembourg Prospectus Act.

TABLE OF CONTENTS

TABLE OF CONTENTS	4
THE OFFERING	5
INCORPORATION BY REFERENCE AND AVAILABLE INFORMATION	9
PLAN OF DISTRIBUTION	10
GENERAL INFORMATION	11
 Base Prospectus, dated April 8, 2016	 Annex A
First Base Prospectus Supplement, dated April 26, 2016	Annex B
Second Base Prospectus Supplement, dated June 7, 2016	Annex C

THE OFFERING

The Issuer is offering the Notes upon the following terms (which are supplemental to the Terms and Conditions of the Notes contained in the Base Prospectus), and the Notes are issued pursuant to and in accordance with the Fiscal Agency Agreement:

PART A: CONTRACTUAL TERMS

- | | | |
|-----|--|---|
| 1. | Series Number: | 6 |
| 2. | Relevant Currency or Currencies: | |
| | – of Denomination
(Condition 1.05) | EUR |
| | – of Payment
(Condition 1.06) | EUR |
| 3. | Aggregate Principal Amount of Notes: | |
| | Series: | EUR 500,000,000 |
| 4. | Issue Price: | 100.203 percent of the Aggregate Principal Amount |
| 5. | Specified Denomination(s):
(Condition 1.05) | EUR 100,000 |
| 6. | (i) Issue Date: | April 5, 2017 |
| | (ii) Interest Commencement Date:
(Condition 21) | Issue Date |
| 7. | Maturity Date:
(Condition 6.01) | Interest Payment Date falling in April 2019 |
| 8. | Interest:
(Condition 5) | |
| | – Interest Basis: | 3-month EURIBOR + 0.230% per annum Floating Rate
(further particulars specified below) |
| 9. | Maturity Redemption/Payment Basis:
(Condition 6.01) | Redemption at par |
| 10. | Method of distribution: | Non-Syndicated |
| 11. | Relevant corporate authorization(s) required
for issuance of Notes: | Pursuant to the resolutions of the Board of Directors of the
Issuer, dated September 28, 2016, and in accordance with the
Terms Agreement |

PROVISIONS RELATING TO INTEREST PAYABLE

- | | | |
|-----|--|---|
| 12. | Interest Rate Note Provisions | |
| | (i) Interest Period(s): | Quarterly in arrears |
| | (ii) Specified Interest Payment Dates: | April 5, July 5, October 5 and January 5 in each year, from and
including July 5, 2017 to and including the Maturity Date, |

		adjusted in accordance with the Business Day Convention set out in (iv) below
(iii)	Interest Period End Dates:	Each Interest Payment Date
(iv)	(a) Business Day Convention: —for Interest Payment Dates: —for Interest Period End Dates: — for Maturity Date: —any other date:	Modified Following Business Day Convention Modified Following Business Day Convention Modified Following Business Day Convention Modified Following Business Day Convention
	(b) Definition of Business Day: (Condition 21)	London, TARGET2
(v)	Relevant Financial Center: (Condition 21)	Brussels
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vii)	Interest Determination Dates: (Condition 21)	Second day on which the TARGET2 System is open prior to the start of each Interest Period
(viii)	Calculation Agent: (Condition 21)	BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich, Howald – Hesperange L-2085 Luxembourg Luxembourg
(ix)	Screen Rate Determination: (Condition 5.03)	
	– Reference Rate:	3-month EURIBOR
	– Interest Determination Date(s): (Condition 21)	Second day on which the TARGET2 System is open prior to the start of each Interest Period
	– Relevant Time: (Condition 21)	11:00 a.m. Brussels time
	– Relevant Screen Page: (Condition 5.03)	Reuters Screen page EURIBOR01
(x)	Reference Banks: (Condition 21)	As selected by the Calculation Agent
(xi)	Relevant Margin(s): (Condition 5.03)	Plus 0.230 percent per annum
(xii)	Minimum Interest Rate: (Condition 5.04)	Zero percent per annum
(xiii)	Maximum Interest Rate: (Condition 5.04)	Not Applicable
(xiv)	Day Count Fraction: (Condition 21)	Actual/360

PROVISIONS RELATING TO REDEMPTION

13. Early Redemption Amount (Tax):

- | | |
|--|------------------------------|
| (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons: (Condition 6.02) | Outstanding Principal Amount |
| (ii) Date after which changes in law, etc. entitle the Issuer to redeem: | Issue Date |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|---|---|
| 14. Form of Notes: | Global Registered Notes |
| 15. Applicable Business Day Convention: (Condition 21) | Modified Following Business Day Convention |
| 16. Redenomination, renominialization and reconventioning provisions: | Not Applicable. The provisions in Condition 14 apply. |
| 17. Consolidation provisions: | The provisions in Condition 14 apply. |
| 18. Selling restrictions:
– United States of America:
– Other: | Regulation S: Category 2 restrictions apply
As specified in the Base Prospectus. |

PART B: OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|---|---|
| Listing and trading: | Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and for the Notes to be admitted to trading on the Euro MTF Market thereof. The Euro MTF of the Luxembourg Stock Exchange is not a regulated market pursuant to the provisions of Directive 2004/39/EC. |
| Estimate of the total expenses related to the admission to trading: | EUR 2,200 |

2. RATINGS

- | | |
|----------|---|
| Ratings: | <p>The Notes to be issued are expected to be rated Baa1 by Moody's Investors Service, Inc. and BBB+ by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.</p> <p>Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009, as amended (the "CRA Regulation"). The ratings are expected to be endorsed by Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services Europe Limited in accordance with the CRA Regulation.</p> |
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer:	The Issuer intends to use the net proceeds from the sale of the Notes for general corporate purposes, which may include refinancing of debt, capital expenditures, payment of dividends, and the purchase of its common stock.
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Estimated net proceeds:	EUR 500,265,000
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5. OPERATIONAL INFORMATION

ISIN Code:	XS1591430746
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Common Code:	159143074
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Delivery:	Delivery against payment
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Registrar:	BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich, Howald – Hesperange L-2085 Luxembourg Luxembourg
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Transfer Agent:	BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich, Howald – Hesperange L-2085 Luxembourg Luxembourg
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Names and addresses of initial Paying Agent(s):	BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich, Howald – Hesperange L-2085 Luxembourg Luxembourg
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6. DISTRIBUTION

Name and address of Manager	Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB England
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Date of Terms Agreement:	March 29, 2017
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Commission Payable:	0.150 percent
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INCORPORATION BY REFERENCE AND AVAILABLE INFORMATION

The Issuer's Annual Report on Form 10-K for the year ended December 31, 2016 (as filed with the Commission under the Exchange Act on March 1, 2017) is incorporated in this Offering Circular by reference.

Cross-Reference Table

The Issuer's Annual Report on Form 10-K, for the year ended December 31, 2016

Business	Pages 1–3
Risk Factors and Cautionary Statement Regarding Forward-Looking Statements	Pages 3–8
Unresolved Staff Comments	Page 8
Properties	Page 8
Legal Proceedings	Page 8
Mine Safety Disclosures	Page 8
Executive Officers of the Registrant	Page 9
Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	Pages 10–11
Selected Financial Data	Page 12
Management's Discussion and Analysis of Financial Condition and Results of Operations	Pages 13–27
Quantitative and Qualitative Disclosures About Market Risk	Page 28
Financial Statements and Supplementary Data	
Consolidated statement of income for each of the three years in the period ended December 31, 2016	Page 29
Consolidated statement of comprehensive income for each of the three years in the period ended December 31, 2016	Page 30
Consolidated balance sheet at December 31, 2016 and 2015	Page 31
Consolidated statement of cash flows for each of the three years in the period ended December 31, 2016	Page 32
Consolidated statement of shareholders' equity for each of the three years in the period ended December 31, 2016	Page 33
Notes to consolidated financial statements	Pages 34–46
Quarterly results (unaudited)	Page 47
Management's assessment of internal control over financial reporting	Page 48
Report of independent registered public accounting firm	Page 49
Report of independent registered public accounting firm on internal control over financial reporting	Page 50
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Page 51
Controls and Procedures	Page 51
Other Information	Page 51
Directors, Executive Officers and Corporate Governance	Page 51
Executive Compensation	Page 51
Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	Page 51
Certain Relationships and Related Transactions, and Director Independence	Page 52
Principal Accountant Fees and Services	Page 52
Exhibits and Financial Statement Schedules	Pages 52–54
Signatures	Page 55
Exhibits	Pages 56–91

Copies of this Offering Circular as well as the document incorporated herein by reference are available free of charge from Goldman Sachs International at Peterborough Court, 133 Fleet Street, London EC4A 2BB England during normal business hours, or can be ordered by telephone (+44 20 7774 1000) or fax (+44 20 7774 4477). The document incorporated by reference is also available on the Internet at <http://corporate.mcdonalds.com> and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the Terms Agreement, the Manager has agreed to purchase the Notes from the Issuer and the Issuer has agreed to sell the Notes to the Manager.

The Terms Agreement provides that the obligation of the Manager to purchase the Notes is subject to certain conditions. The Manager must purchase all of the Notes if it purchases any of the Notes.

The Issuer has agreed to pay the Manager, as compensation for its services in connection with the purchase of the Notes and the managing of the offering thereof, a combined management and underwriting commission equal to 0.150% of the aggregate principal amount of the Notes.

Subject to the restrictions on offers and sales of the Notes set forth in the Base Prospectus, the Manager proposes to offer the Notes at the issue price set forth in this Offering Circular. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Manager.

The Manager has acknowledged that no representation is made by the Issuer or the Manager that any action has been or will be taken in any jurisdiction by the Issuer or the Manager that would permit a public offering of the Notes, or possession or distribution of this Offering Circular in any country or jurisdiction where action for that purpose is required. The Manager has agreed to comply to the best of its knowledge and belief in all material respects with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, in all cases at its own expense unless agreed otherwise.

The Notes are a new issue of securities with no established trading market. Application has been made to have the Notes admitted to trading on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange. The Manager may make a market in the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active trading market for the Notes will develop. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.
2. The Program was authorized by the respective corporate authorities of the Issuer on October 26, 2015 and on September 28, 2016. The Issuer has obtained or will obtain, from time to time, all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.
3. The Issuer was incorporated on December 21, 1964. As at January 31, 2017 (being the last practicable date at which such figures could be obtained), the Issuer's issued and outstanding capital comprised 818,993,182 ordinary shares of common stock of a nominal value of US\$0.01 each, all of which were fully paid.
4. There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries, taken as a whole, which has occurred since December 31, 2016, the last day of the financial period in respect of which the most recent published audited financial statements of the Issuer have been prepared.

Except as described in the section "Legal Proceedings" included herein beginning on page 8 of the Issuer's Annual Report on Form 10-K, for the year ended December 31, 2016, incorporated by reference, neither the Issuer nor any of its consolidated subsidiaries has been involved in any governmental, legal or arbitration proceeding (including any such proceedings that are pending of which the Issuer is aware as of the date of this Offering Circular) that have had or may have had a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiaries.

5. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes is as set forth in the section titled "*The Offering*" above.
6. The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of:
 - a. this Offering Circular (and any document incorporated by reference herein, including its Annual Report on Form 10-K, for the year ended December 31, 2016);
 - b. the Terms Agreement;
 - c. the Fiscal Agency Agreement; and
 - d. the constitutional documents of the Issuer.

Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the listing agent in Luxembourg. For so long as any Notes shall be outstanding, copies (in English) of the above documents may be inspected during normal business hours (i) at the specified office of the Paying Agent in Luxembourg; (ii) by writing to the specified office of the Paying Agent in Luxembourg; or (iii) through electronic means by sending a facsimile to + 352.2696.9757.

In addition to the above mentioned documents, copies of the documents referred to in the section titled "*Documents Incorporated By Reference – Requests for Copies of Documents*" in the Base Prospectus may also be requested in accordance with the requirements in that section.

ANNEX A
BASE PROSPECTUS, DATED APRIL 8, 2016

BASE PROSPECTUS

McDonald's Corporation

(Incorporated in the State of Delaware, United States of America)

as Issuer

U.S.\$10,000,000,000

PROGRAM FOR THE ISSUANCE OF GLOBAL MEDIUM-TERM NOTES

Application has been made to the Commission de Surveillance du Secteur Financier (the “CSSF”), in its capacity as competent authority under the Luxembourg Act dated July 10, 2005 on prospectuses for securities, as amended (the “Prospectus Act 2005”), to approve this base prospectus (the “Base Prospectus”) as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as defined herein). **The CSSF has not reviewed any information in this Base Prospectus that pertains to offerings of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive and, therefore, the CSSF has not approved any information contained herein that relates to such Notes, including the Form of Pricing Supplement that pertains to such Notes.** Application has also been made to the Luxembourg Stock Exchange for notes (the “Notes”) issued under the Program for the Issuance of Global Medium-Term Notes (the “Program”) described in this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. However, Notes may also be issued under the Program that are admitted to trading on other markets or not listed on any exchange. This Base Prospectus shall be in force for a period of one year from the date set out hereunder.

The CSSF, in its capacity as competent authority under the Prospectus Act 2005, assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Base Prospectus and the quality or solvency of the Issuer, in accordance with Article 7(7) of the Prospectus Act 2005.

Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Notes may not be offered, sold or delivered within the United States of America (the “United States” or the “U.S.”) or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act), unless the Notes are registered under the Securities Act or an exemption therefrom is available. The Issuer is authorized to borrow up to U.S.\$10,000,000,000 (or such other amount as may be subsequently authorized, from time to time), or the equivalent thereof in foreign currencies, by means of incurring any form of indebtedness (excluding any borrowings made via commercial paper), including by issuing Notes under the Program.

An investment in Notes issued under the Program involves certain risks. For a discussion of these risks, see the “Risk Factors” section contained in this Base Prospectus.

Arranger for the Program

MORGAN STANLEY

Dealers

ANZ
BNP PARIBAS
CITIGROUP
CRÉDIT AGRICOLE CIB
DEUTSCHE BANK
HSBC
J.P. MORGAN
MORGAN STANLEY
RABOBANK
SANTANDER GLOBAL CORPORATE BANKING
SMBC NIKKO
STANDARD CHARTERED BANK
WELLS FARGO SECURITIES

BARCLAYS
BOFA MERRILL LYNCH
COMMERZBANK
CREDIT SUISSE
GOLDMAN SACHS INTERNATIONAL
ING
MIZUHO SECURITIES
MUFG
RBC CAPITAL MARKETS
SCOTIABANK
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
UNICREDIT BANK
WESTPAC BANKING CORPORATION

April 8, 2016

McDonald's Corporation (the "**Issuer**" and the "**Company**") accepts responsibility for the information contained in this Base Prospectus and in the Final Terms or Pricing Supplement, as the case may be, relating to any Notes. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information contained in this Base Prospectus has been extracted from third party sources. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware, and is able to ascertain from information published by such third party sources, no facts have been omitted that would render the reproduced information inaccurate or misleading.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Final Terms or the Pricing Supplement of the Notes herein, in which event, if such Notes are to be admitted to trading on a regulated market in the European Economic Area or offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, a further Base Prospectus, subject to approval by the CSSF, will be made available that will describe the effect of the agreement reached in relation to such Notes. For offerings of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, the Issuer may agree with any Dealer that such Notes may be issued in a form not contemplated by the Pricing Supplement of the Notes herein, in which event a prospectus supplement, further Base Prospectus or other documentation, if appropriate, will be made available that will describe the effect of the agreement reached in relation to such Notes.

This Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms or Pricing Supplement.

No person has been authorized by the Issuer to give any information or to make any representation that is not contained in, or is otherwise inconsistent with, this Base Prospectus or any other document entered into in relation to the Program or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer or any Dealer. Neither the Issuer nor any Dealer takes any responsibility for any other information that others may give you.

See "Risk Factors" beginning on page 5 for a discussion of certain factors to be considered in connection with an investment in the Notes.

This Base Prospectus, together with any prospectus supplement, is a "base prospectus" for the purposes of Article 5.4 of the Prospectus Directive. The expression "**Prospectus Directive**" means Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a Relevant Member State (as defined below). A "**Relevant Member State**" is any Member State of the European Economic Area that has implemented the Prospectus Directive. The distribution of this Base Prospectus and any relevant Final Terms or Pricing Supplement, and the offering, sale and delivery of the Notes in certain jurisdictions, including in the United States and the United Kingdom, may be restricted by law. Persons into whose possession this Base Prospectus or any relevant Final Terms or Pricing Supplement come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any relevant Final Terms or Pricing Supplement and other offering material relating to the Notes, see the section "Subscription and Sale" contained herein. In particular, the Notes have not been and will not be registered under the Securities Act. Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act), unless the Notes are registered under the Securities Act or an exemption therefrom is available. **Neither this Base Prospectus nor any Final Terms nor Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

Application has been made to the Luxembourg Stock Exchange for Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). Notes may be admitted to listing and trading and/or quotation on other or further stock exchanges. The Issuer may elect to issue Notes under the Program that will not be listed on any stock exchange.

Series of Notes may be rated or unrated. Where a Series is rated, such rating will not necessarily be the same as the rating(s) assigned to the Issuer. The rating of certain Series may be specified in the relevant Final Terms or Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Series will be issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”), will be disclosed in the relevant Final Terms or Pricing Supplement.

Neither this Base Prospectus nor any Final Terms nor Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or any Dealer that any recipient of this Base Prospectus or any Final Terms or Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms or Pricing Supplement shall be deemed to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Dealers have not separately verified the information contained in this Base Prospectus. No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty, or accept any responsibility, as to the accuracy or completeness of the information relating to the Issuer contained in this Base Prospectus.

Neither the delivery of this Base Prospectus or any Final Terms or Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no material adverse change in the financial situation of the Issuer since the date thereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Base Prospectus by reference, or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

All references in this Base Prospectus to “**U.S. dollars**,” “**U.S.\$**” or “**\$**” are to the lawful currency of the United States, all references to “**pounds sterling**” or “**£**” are to the lawful currency of the United Kingdom, all references to “**Australian dollars**” or “**A\$**” are to the lawful currency of the Commonwealth of Australia and all references to “**euro**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche (as defined herein) of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the relevant Final Terms or Pricing Supplement may over-allot Notes or effect transactions (outside Australia and on a market operated outside Australia) with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

An investor intending to acquire or acquiring any Notes from an offeror will do so, and offers and sales of the Notes to an investor by an offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors (other than the Arranger and the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms or Pricing Supplement, as the case may be, will not contain such information. The investor must look to the offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an investor in respect of such information.

TABLE OF CONTENTS

RISK FACTORS	5
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS	14
GENERAL DESCRIPTION OF THE PROGRAM.....	15
TERMS AND CONDITIONS OF THE NOTES	16
PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	32
FORM OF FINAL TERMS APPLICABLE TO ISSUANCES OF NOTES SUBJECT TO THE PROSPECTUS DIRECTIVE	34
FORM OF PRICING SUPPLEMENT APPLICABLE TO ISSUANCES OF NOTES NOT SUBJECT TO THE PROSPECTUS DIRECTIVE.....	43
MCDONALD’S CORPORATION.....	54
CREDIT RATINGS.....	57
USE OF PROCEEDS	58
UNITED STATES TAXATION.....	59
PROPOSED FINANCIAL TRANSACTIONS TAX	61
SUBSCRIPTION AND SALE.....	62
EXPERTS	66
DOCUMENTS INCORPORATED BY REFERENCE.....	66
GENERAL INFORMATION	69

RISK FACTORS

Set out below are factors the Issuer believes may be material for the purpose of assessing the risks associated with the Notes. Prospective investors should read this Base Prospectus, as supplemented, and the relevant Final Terms or Pricing Supplement, as the case may be, in their entirety and form their own conclusions regarding investing in any Notes, in addition to consulting their respective financial and legal advisors about the risks entailed by an investment in any Notes and the suitability of any investment in Notes in light of their respective particular circumstances. Prospective investors should also consider carefully, among other factors, the matters described below.

The following risk factors have been separated into two groups:

- *Risks related to the Notes; and*
- *Risks related to the Issuer.*

The occurrence of the events described below under the risks relating to the Issuer could have a material adverse effect on the Issuer's businesses, prospects, financial condition, results of operations and/or cash flows. Furthermore, other unknown or unpredictable economic, business, competitive, regulatory, geopolitical or other factors could also have material adverse effects on the Issuer's future results.

Risks Related to the Notes

Notes denominated in currencies other than U.S. dollars are subject to exchange rate and exchange control risks.

An investment in a Note denominated in a specified currency other than the currency of the jurisdiction in which a particular investor resides, does business or reports its operating results entails significant risks. These risks include the possibility of significant changes in rates of exchange between the specified currency and the investor's currency resulting from the official redenomination or revaluation of the specified currency and the possibility of the imposition or modification of foreign exchange controls by either the investor's jurisdiction or foreign governments. These risks generally depend on factors over which the Issuer has no control, such as economic and political events and the supply of and demand for the relevant currencies. Moreover, if payments on Notes denominated in currencies other than U.S. dollars are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, rates of exchange between some currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any Note. Depreciation of a specified currency for a Note against the investor's currency would result in a decrease in the effective yield of such Note (in terms of the investor's currency) below its coupon rate and, in certain circumstances, could result in a loss to a particular investor (in terms of that investor's currency).

Except as set forth below, if payment in respect of a Note is required to be made in a currency other than U.S. dollars, and such currency is unavailable to the Issuer due to the imposition of exchange controls or other circumstances beyond the Issuer's control or is no longer used by the government of the relevant country (unless otherwise replaced by the euro) or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of such Note will be made in U.S. dollars until such currency is again available to the Issuer or so used. The amounts payable on any date in such currency will be converted into U.S. dollars on the basis of the most recently available market exchange rate for such currency or as otherwise indicated in the relevant Final Terms or Pricing Supplement. Any payment in respect of such Note so made in U.S. dollars will not constitute an event of default under the terms and conditions of the Notes.

The paying agent will make all determinations referred to above at its sole discretion. All determinations will, in the absence of clear error, be binding on holders of the Notes.

Early redemption may adversely affect your return on the Notes.

If the Notes are redeemable at the Issuer's option, the Issuer may choose to redeem the Notes at times when prevailing interest rates are relatively low. In addition, if the Notes are subject to mandatory redemption, the Issuer may be required to redeem the Notes at times when prevailing interest rates are relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the Notes being redeemed. An optional redemption feature is likely to limit the market value of the Notes as the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time.

Interest rate conversion, if applicable, may affect the market value of the Notes.

Certain fixed/floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Notes may be less favorable than the then-prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time

may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing rates on its Notes.

In certain circumstances Holders may be subject to U.S. withholding tax.

Under the U.S. tax rules known as the Foreign Account Tax Compliance Act (“**FATCA**”), a U.S. Alien Holder will generally be subject to 30% U.S. withholding tax on payments made on (and, after December 31, 2018, gross proceeds from the sale or other taxable disposition of) the Notes if such Holder (i) is, or holds its Notes through, a foreign financial institution that has not entered into an agreement with the U.S. government to report, on an annual basis, certain information regarding accounts with or interests in the institution held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons, or that has been designated as a “nonparticipating foreign financial institution” if it is subject to an intergovernmental agreement between the United States and a foreign country, or (ii) fails to provide certain documentation containing information about its identity, its FATCA status, and if required, its direct and indirect U.S. owners. The future adoption of, or implementation of, an intergovernmental agreement between the United States and an applicable foreign country, or future U.S. Treasury regulations, may modify these requirements. Prospective Holders should refer to the section “United States Taxation” of this Base Prospectus.

There may not be any trading market for the Notes; many factors affect the trading and market value of the Notes.

Upon issuance, the Notes will not have an established trading market. The Issuer cannot assure you that a trading market for the Notes will ever develop, or that any such market will be maintained if developed. In addition to the Issuer’s creditworthiness, many factors affect the trading market for, and trading value of, the Notes. If such a market were to develop, the Notes could trade at prices that may be lower than the initial offering prices depending on many factors, including:

- the method of calculating the principal, premium, if any, and interest, if any, in respect of the Notes,
- the time remaining to the maturity of the Notes,
- the outstanding amount of the Notes,
- any redemption features of the Notes,
- the level, direction and volatility of market interest rates generally, and
- fluctuations in exchange rates between an investor’s currency and the specified currency in which a Note is denominated.

There may be a limited number of buyers when you decide to sell your Notes. This may affect the price you receive for your Notes or your ability to sell your Notes at all. In addition, Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. You should not purchase Notes unless you understand and know you can bear all of the investment risks involving the Notes.

The Issuer’s credit ratings may not reflect all risks of an investment in the Notes.

The credit ratings of the Issuer or the Notes may not reflect the potential impact of all risks related to the structure of and market for the Notes and do not address the price, if any, at which the Notes may be resold prior to maturity. However, real or anticipated changes in the Issuer’s or the Program’s credit ratings will generally affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. The impact of other activities that the Issuer undertakes, including its stock repurchase program, changes in its dividend rate and, particularly, increases in its debt levels could also result in future declines in its credit ratings. See “Risks Related to the Issuer – Trading volatility and price of the Issuer’s common stock may be affected by many factors.” In the event that a credit rating assigned to the Notes or the Issuer is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, and the market value of the Notes is likely to be adversely affected.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its Web site in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in the section “McDonald’s Corporation — Credit Ratings” of this Base Prospectus and will be disclosed in the Final Terms or Pricing Supplement relating to any issue of Notes.

Because the Notes are unsecured, your right to receive payments may be adversely affected by certain events.

The payment obligations of the Issuer under the Notes are unsecured and rank equally in right of payment with all existing and future unsecured obligations of the Issuer. If the Issuer defaults on the Notes, or in the event of a bankruptcy, liquidation or reorganization, then, to the extent that the Issuer has granted security over its assets, the assets that secure those obligations will be used to satisfy the obligations thereunder before the Issuer could sell or otherwise dispose of those assets in order to make payment on the Notes. As a result of the granting of such security, there may only be limited assets available to make payments on the Notes in the event of an acceleration of the Notes. The Issuer may also incur substantial additional indebtedness in the future, including under the Program. Such additional indebtedness may be secured indebtedness to which the Notes would be structurally subordinated.

Notes may be issued at a substantial discount or premium.

Notes may be issued at a substantial discount or premium from their principal amount. The market value of such Notes may fluctuate to a greater extent in relation to general changes in interest rates than do market values for conventional interest-bearing securities. Generally, the longer the remaining term of such Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors in the Notes are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each investor of the Notes should consult his, her or its, as the case may be, legal advisors to determine whether and to what extent (1) the Notes constitute legal investments; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions might apply to the purchase or pledge of any Notes. Financial institutions should consult their respective legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (1) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement; (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on the investor's overall investment portfolio; (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes; (4) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and (5) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect the investor's investment and the investor's ability to bear the applicable risks.

A prospective investor should not invest in Notes unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes, and the impact this investment will have on the prospective investor's overall investment portfolio.

The terms of the Notes, in certain circumstances, may be subject to modifications and waivers.

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. Certain changes require each affected holder's approval, others require no approval by holders and still others require the approval of 25% of the holders. Accordingly, the terms of the Notes may in some cases be subject to change without your consent.

Certain Dealers may be subject to potential conflicts of interest.

All or some of the Dealers and their affiliates (including their parent companies) have and/or may in the future engage, in the ordinary course of business, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities; (ii) act as underwriters in connection with offerings of securities issued by the Issuer and its affiliates; or (iii) act as financial advisors to the Issuer or its affiliates. In the context of these transactions, certain of such Dealers have or may hold securities issued by the Issuer or its affiliates. Where applicable, they have or will receive customary fees and commissions for these transactions.

Potential conflicts of interest may arise between the calculation agent, if any, for a Series of Notes and the Noteholders, including with respect to certain discretionary determinations and judgments that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. A conflict of interest may arise if one of the Dealers, or an affiliate of a Dealer, is appointed as the calculation agent.

The Notes may be affected by changes in law.

The Terms and Conditions of the Notes are based on the laws of the State of New York, United States of America, in effect as at the date of issue of the relevant Notes. The impact of any possible judicial decision or change to the laws of the State of New York or administrative practice after the date of issue of the relevant Notes is uncertain.

Risks Related to the Issuer

The Issuer's business results are subject to a variety of risks, including those that are reflected in the following considerations and factors, as of the date of this Base Prospectus. If any of these considerations or risks materialize, the Issuer's expectations may change and its performance may be adversely affected.

If the Issuer does not successfully design and execute its business strategies, it may not be able to increase revenues or market share.

To drive future results, the Issuer's business strategies must be effective in achieving market share gains while at the same time delivering operating income growth. Whether the Issuer successfully executes these strategies depends mainly on its employees, franchisees and suppliers' (collectively referred to as the System) ability to:

- Continue to innovate and differentiate in all aspects of the Issuer's experience in a way that balances value to its customers with profitability;
- Reinvest in the Issuer's restaurants and identify and develop restaurant sites consistent with its System's plans for net growth of System-wide restaurants;
- Provide clean and friendly environments that deliver a consistent Issuer experience and demonstrate high service levels;
- Drive restaurant improvements that achieve optimal capacity, particularly during peak mealtime hours; and
- Manage the complexity of the Issuer's restaurant operations.

If the Issuer is delayed or unsuccessful in executing its strategies, or if the Issuer's strategies do not yield the desired results, its business, financial condition and results of operations may suffer.

The implementation of the Issuer's turnaround plans may intensify the risks it faces and may not be successful in driving improved performance.

The Issuer's turnaround plans include restructuring market segments, optimizing restaurant ownership mix through accelerated refranchising, delivering cost savings and enhancing financial value through increased leverage. Implementing those actions will intensify the existing risks the Issuer faces in its business, including risks associated with franchising and risks associated with the Issuer's credit ratings. Further, if those actions are not successful, take longer to complete than initially projected, or are not executed effectively, the Issuer's business operations, financial results and results of operations could be adversely affected.

The Issuer faces intense competition in its markets, which could hurt the Issuer's business.

The Issuer competes primarily in the "informal eating out" (IEO) segment, which is highly competitive. The Issuer is facing sustained, intense competition from both traditional and other competitors, which include many non-traditional market participants such as convenience stores and coffee shops. In addition, in recent periods the Issuer has experienced emerging and growing competition from the fast casual category of restaurants. The Issuer expects its environment to continue to be highly competitive and in any particular reporting period the Issuer's results may be impacted by new actions of its competitors, which may have a short- or long-term impact on the Issuer's results.

The Issuer competes on the basis of product choice, quality, affordability, service and location. In particular, the Issuer believes its ability to compete successfully in the current market environment depends on the Issuer's ability to improve existing products, develop new products, price its products appropriately, manage the complexity of its restaurant operations and respond effectively to its competitors' actions. Recognizing these dependencies, the Issuer has intensified its focus in recent periods on strategies to achieve these goals, including the turnaround plans described above, and the Issuer will likely continue to modify its strategies and implement new strategies in the future. There can be no assurance these strategies will be effective, and some strategies may be effective at improving some metrics while adversely affecting other metrics.

If the Issuer does not anticipate and address evolving consumer preferences, its business could suffer.

The Issuer's continued success depends on its System's ability to anticipate and respond effectively to continuously shifting consumer demographics, trends in food sourcing, food preparation and consumer preferences in the IEO segment. The Issuer must continuously adapt to deliver a relevant experience for its customers amidst a highly competitive, value-driven operating environment. The Issuer continues to implement initiatives to address these shifts at an aggressive pace. There is no assurance that these initiatives will be successful and, if they are not, the Issuer's financial results could be adversely impacted.

If the Issuer's pricing, promotional and marketing plans are not effective, its results may be negatively impacted.

The Issuer's results depends on the impact of its pricing, promotional and marketing plans and the Issuer's System's ability to adjust these plans to respond quickly to economic and competitive conditions. The Issuer's existing or future pricing strategies and the value proposition they represent will continue to be important components of its overall plan, may not be successful and could negatively impact sales and margins. The promotion of the Issuer's menu offerings may yield results below desired levels.

Additionally, the Issuer operates in an increasingly complex and costly advertising environment. The Issuer's marketing and advertising programs may not be successful and the Issuer may fail to attract and retain customers. The Issuer has increased its emphasis on digital offerings and customer loyalty initiatives, and the Issuer's success depends in part on whether the Issuer can effectively

execute such offerings and initiatives in a way that will enhance customer engagement. If the Issuer's pricing, promotional and marketing plans are not successful, or are not as successful as those of the Issuer's competitors, its sales, guest counts and market share could decrease.

Failure to preserve the value and relevance of the Issuer's brand could have a negative impact on its financial results.

To be successful in the future, the Issuer believes it must preserve, enhance and leverage the value of its brand. Brand value is based in part on consumer perceptions on a variety of factors, including the nutritional content and preparation of the Issuer's food, its business practices and the manner in which the Issuer sources the commodities it uses. Consumer acceptance of the Issuer's offerings is subject to change for a variety of reasons. For example, nutritional, health and other scientific studies and conclusions, which constantly evolve and often have contradictory implications, drive popular opinion, litigation and regulation (including initiatives intended to drive consumer behavior) in ways that affect the IEO segment or perceptions of the Issuer's brand and could be material to its business. Perceptions may also be affected by third parties presenting or promoting adverse commentary or perceptions of the quick-service category of the IEO segment, the Issuer's brand and/or its operations, its suppliers or its franchisees. If the Issuer is unsuccessful in addressing such adverse commentary or perceptions, the Issuer's brand and its financial results may suffer.

Additionally, the ongoing relevance of the Issuer's brand may depend on the success of its sustainability initiatives to support the Issuer's brand ambition of good food, good people and good neighbor, which will require System-wide coordination and alignment. If the Issuer is not effective in achieving its stated sustainability goals and addressing these and other matters of social responsibility in a way that inspires trust and confidence, trust in the Issuer's brand could suffer. In particular, business incidents that erode consumer trust, particularly if such incidents receive considerable publicity or result in litigation, can significantly reduce brand value and have a negative impact on the Issuer's financial results.

Unfavorable general economic conditions could adversely affect the Issuer's business and financial results.

The Issuer's results of operations are substantially affected by economic conditions, which can vary significantly by market and can impact consumer disposable income levels and spending habits. Economic conditions can also be impacted by a variety of factors including hostilities, epidemics and actions taken by governments to manage national economic matters, whether through austerity or stimulus measures and initiatives intended to control wages, unemployment, credit availability, inflation, taxation and other economic drivers. Many major economies, both advanced and developing, continue to face weak economies, high unemployment rates and other ongoing economic issues. Continued adverse economic conditions or adverse changes in economic conditions in the Issuer's markets could pressure its operating performance, and the Issuer's business and financial results may suffer.

Supply chain interruptions may increase costs or reduce revenues.

The Issuer depends on the effectiveness of its supply chain management to assure reliable and sufficient product supply, including on favorable terms. The products the Issuer sells are sourced from a wide variety of suppliers in countries around the world. Supply chain interruptions, including due to lack of supply or price increases, can adversely affect the Issuer or the suppliers and franchisees that are also part of the Issuer's System and whose performance has a significant impact on the Issuer's results. Such shortages or disruptions could be caused by factors beyond the control of the Issuer's suppliers or the Issuer, including inclement weather, natural disasters, increased demand, problems in production or distribution, disruptions in third party logistics or transportation systems, the inability of the Issuer's suppliers to obtain credit, or food safety warnings or advisories. If the Issuer experiences interruptions in its supply chain, its costs could increase and it could limit the availability of products critical to the Issuer's operations.

Food safety concerns may have an adverse effect on the Issuer's business.

The Issuer's ability to increase sales and profits depends on its System's ability to meet expectations for safe food and on the Issuer's ability to manage the potential impact of food-borne illnesses and food or product safety issues that may arise in the future. Food safety is a top priority, and the Issuer dedicates substantial resources to ensure that its customers enjoy safe food products. However, food safety events, including instances of food-borne illness, have occurred in the food industry in the past, and could occur in the future. In 2014, food quality issues were discovered at a supplier to the Issuer and other food companies in China. As a consequence of this issue, results in China, Japan and certain other markets were negatively impacted due to lost sales and profitability, including expenses associated with rebuilding customer trust. Any future instances of food tampering, food contamination or food-borne illness, whether actual or perceived, could adversely affect the Issuer's brand and reputation as well as the Issuer's revenues and profits.

The Issuer's franchise business model presents a number of risks.

The Issuer's success relies in part on the financial success and cooperation of its franchisees, yet the Issuer has limited influence over their operations. The Issuer's restaurant margins arise from two sources: company-operated restaurants and franchised restaurants. The Issuer's franchisees manage their businesses independently, and therefore are responsible for the day-to-day operation of their restaurants. The revenues the Issuer realizes from franchised restaurants are largely dependent on the ability of the Issuer's franchisees to grow their sales. The Issuer's franchisees may not experience sales growth, and the Issuer's revenues and margins could be negatively affected as a result. If sales trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, restaurant closures or delayed or reduced payments to the Issuer. The Issuer's refranchising effort will increase that dependence and the effect of those factors.

The Issuer's success also depends on the willingness and ability of its independent franchisees to implement major initiatives, which may include financial investment, and to remain aligned with the Issuer on operating, promotional and capital-intensive

reinvestment plans. The ability of the Issuer's franchisees to contribute to the achievement of its plans is dependent in large part on the availability of funding at reasonable interest rates and may be negatively impacted by the financial markets in general or by the creditworthiness of the Issuer's franchisees or the Company. The Issuer's operating performance could also be negatively affected if its franchisees experience food safety or other operational problems or project a brand image inconsistent with the Issuer's values, particularly if its contractual and other rights and remedies are limited, costly to exercise or subject to litigation. If franchisees do not successfully operate restaurants in a manner consistent with the Issuer's required standards, the brand's image and reputation could be harmed, which in turn could hurt the Issuer's business and operating results.

The Issuer's ownership mix also affects its results and financial condition. The decision to own restaurants or to operate under franchise or license agreements is driven by many factors whose interrelationship is complex and changing. The Issuer's ability to achieve the benefits of its refranchising strategy, which involves a shift to a greater percentage of franchised restaurants, in a timely manner or at all, will depend on various factors, including the Issuer's ability to timely and effectively identify franchisees that meet its rigorous standards, the performance of the Issuer's existing franchisees, whether the resulting ownership mix supports its financial objectives and its ability to manage risks associated with the Issuer's refranchising strategy.

Changes in commodity and other operating costs could adversely affect the Issuer's results of operations.

The profitability of the Issuer's company-operated restaurants depends in part on its ability to anticipate and react to changes in commodity costs, including food, paper, supply, fuel, utilities, distribution and other operating costs. Any volatility in certain commodity prices could adversely affect the Issuer's operating results by impacting restaurant profitability. The commodity market for some of the ingredients the Issuer uses, such as beef and chicken, is particularly volatile and is subject to significant price fluctuations due to seasonal shifts, climate conditions, industry demand, international commodity markets, food safety concerns, product recalls, government regulation and other factors, all of which are beyond the Issuer's control and, in many instances, unpredictable. The Issuer can only partially address future price risk through hedging and other activities, and therefore increases in commodity costs could have an adverse impact on the Issuer's profitability.

The global scope of the Issuer's business subjects the Issuer to risks that could negatively affect its business.

The Issuer faces differing cultural, regulatory and economic environments that exist within and among the more than 100 countries where the Issuer's restaurants operate, and the Issuer's ability to achieve its business objectives depends on the Issuer's success in these environments. Meeting customer expectations is complicated by the risks inherent in the Issuer's global operating environment, and the Issuer's global success is partially dependent on its System's ability to leverage operating successes across markets. The Issuer's initiatives may not have broad appeal with its customer base and could drive unanticipated changes in customer perceptions and guest counts.

Disruptions in the Issuer's operations or price volatility in a market can also result from governmental actions, such as price, foreign exchange or import-export controls, increased tariffs, government-mandated closure of the Issuer's or its suppliers' operations and asset seizures. The cost and disruption of responding to governmental investigations or actions, whether or not they have merit, may impact the Issuer's results. The Issuer's international success depends in part on the effectiveness of its strategies and brand-building initiatives to reduce the Issuer's exposure to such governmental actions. The Issuer's results of operations and financial condition are also affected by fluctuations in currency exchange rates, which may adversely affect reported earnings.

Additionally, the Issuer faces challenges and uncertainties associated with operating in developing markets, which may entail a relatively higher risk of political instability, economic volatility, crime, corruption and social and ethnic unrest. Such challenges are exacerbated in many cases by a lack of an independent and experienced judiciary and uncertainties in how local law is applied and enforced, including in areas most relevant to commercial transactions and foreign investment. If the Issuer is unable to effectively manage the risks associated with its international operations, it could have a material adverse effect on the Issuer's business and financial condition.

Challenges with respect to talent management could harm the Issuer's business.

The Issuer's success depends in part on its System's ability to recruit and retain qualified personnel to work in the Issuer's restaurants. Increased costs associated with recruiting and retaining such qualified personnel, whether because of the trend toward higher statutory minimum wages and social expenses or because of voluntary increases in wages necessitated by labor market conditions, could have a negative impact on the margins of the Issuer's company-operated restaurants. Additionally, economic action, such as boycotts, protests, work stoppages or campaigns by labor organizations, could adversely affect (including the ability to recruit and retain talent) the Issuer or the franchisees and suppliers that are also part of the Issuer's System and whose performance may have a material impact on the Issuer's results.

The Issuer is also impacted by the costs and other effects of compliance with U.S. and international regulations affecting the Issuer's workforce, which includes its staff and employees working in the Issuer's company-operated restaurants. These regulations are increasingly focused on employment issues including wage and hour, healthcare, immigration, retirement and other employee benefits and unlawful workplace discrimination. The Issuer's potential exposure to reputational and other harm regarding its workplace practices or conditions or those of the Issuer's independent franchisees or suppliers (or perceptions thereof) could have a negative impact on the Issuer's business.

Information technology system failures or interruptions or breaches of network security may interrupt the Issuer's operations.

The Issuer is increasingly reliant on technological systems (e.g., point-of-sale and other in-store systems or platforms) to conduct its business, including technology-enabled solutions provided to the Issuer by third parties; and any failure of these systems could significantly impact the Issuer's operations and customer perceptions. Despite the implementation of security measures, those technology systems and solutions could become vulnerable to damage, disability or failures due to theft, fire, power loss, telecommunications failure or other catastrophic events. The third party solutions also present the risks faced by the third party's business. If those systems or solutions were to fail or otherwise be unavailable, and the Issuer was unable to recover in a timely way, it could experience an interruption in its operations. The Issuer may also not fully realize the benefits of the significant investments it is making to enhance the customer experience through digital engagement and social media. Furthermore, security breaches involving the Issuer's systems or those of third party providers may occur, such as unauthorized access, denial of service, computer viruses and other disruptive problems caused by hackers. The Issuer's information technology systems contain personal, financial and other information that is entrusted to the Issuer by its customers and employees as well as financial, proprietary and other confidential information related to the Issuer's business. An actual or alleged security breach could result in system disruptions, shutdowns, theft or unauthorized disclosure of confidential information. The occurrence of any of these incidents could result in adverse publicity, loss of consumer confidence, reduced sales and profits, and criminal penalties or civil liabilities.

Increasing regulatory complexity may adversely affect restaurant operations and the Issuer's financial results.

The Issuer's regulatory environment worldwide exposes the Issuer to complex compliance and similar risks that could affect its operations and results in material ways. In many of the Issuer's markets, including the United States and countries in Europe, the Issuer is subject to increasing regulation, which has increased the Issuer's cost of doing business. The Issuer is affected by the cost, compliance and other risks associated with the often conflicting and highly prescriptive regulations it faces, including where inconsistent standards imposed by multiple governmental authorities can adversely affect the Issuer's business and increase its exposure to litigation or governmental investigations or proceedings.

The Issuer's success depends in part on its ability to manage the impact of new, potential or changing regulations that can affect the Issuer's business plans. These regulations may relate to, among others, product packaging, marketing and the nutritional content and safety of the Issuer's food and other products, labeling and other disclosure practices, ordinary variations in food preparation among its own restaurants, and the need to rely on the accuracy and completeness of information from third-party suppliers (particularly given varying requirements and practices for testing and disclosure).

Additionally, the Issuer is keenly aware of and working to manage the risks and costs to the Issuer, its franchisees and its supply chain of the effects of climate change, greenhouse gases, energy and water resources. The increased public focus, including by governmental and nongovernmental organizations, on these and other environmental sustainability matters (e.g., packaging and waste, animal health and welfare, deforestation and land use) and the increased pressure to make commitments, set targets or establish additional goals and take actions to meet them, could expose the Issuer to market, operational and execution costs or risks. If the Issuer is unable to effectively manage the risks associated with its complex regulatory environment, it could have a material adverse effect on the Issuer's business and financial condition.

The Issuer is subject to increasing legal complexity and could be party to litigation that could adversely affect the Issuer.

Increasing legal complexity will continue to affect the Issuer's operations and results in material ways. The Issuer could be subject to legal proceedings that may adversely affect its business, including class actions, administrative proceedings, government investigations, employment and personal injury claims, landlord/tenant disputes, disputes with current or former suppliers, claims by current or former franchisees, and intellectual property claims (including claims that the Issuer infringed another party's trademarks, copyrights, or patents). Inconsistent standards imposed by governmental authorities can adversely affect the Issuer's business and increase its exposure to litigation.

Litigation involving the Issuer's relationship with franchisees and the legal distinction between the Issuer's franchisees and the Issuer for employment law purposes, if determined adversely, could increase costs, negatively impact the business prospects of the Issuer's franchisees and subject the Issuer to incremental liability for their actions. Similarly, although the Issuer's commercial relationships with its suppliers remain independent, there may be attempts to challenge that independence, which, if determined adversely, could also increase costs, negatively impact the business prospects of the Issuer's suppliers, and subject the Issuer to incremental liability for their actions. The Issuer is also subject to the legal and compliance risks associated with privacy, data collection, protection and management, in particular as it relates to information the Issuer collects when it provides optional technology-related services to franchisees.

The Issuer's operating results could also be affected by the following:

- The relative level of the Issuer's defense costs, which vary from period to period depending on the number, nature and procedural status of pending proceedings;
- The cost and other effects of settlements, judgments or consent decrees, which may require the Issuer to make disclosures or take other actions that may affect perceptions of the Issuer's brand and products;
- Adverse results of pending or future litigation, including litigation challenging the composition and preparation of the Issuer's products, or the appropriateness or accuracy of the Issuer's marketing or other communication practices; and
- The scope and terms of insurance or indemnification protections that the Issuer may have.

A judgment significantly in excess of any applicable insurance coverage could materially adversely affect the Issuer's financial condition or results of operations. Further, adverse publicity resulting from these claims may hurt the Issuer's business.

The Issuer may not be able to adequately protect its intellectual property or adequately ensure that the Issuer is not infringing the intellectual property of others, which could harm the value of the Issuer's brand and the Issuer's business.

The success of the Issuer's business depends on its continued ability to use its existing trademarks and service marks in order to increase brand awareness and further develop the Issuer's branded products in both domestic and international markets. The Issuer relies on a combination of trademarks, copyrights, service marks, trade secrets, patents and other intellectual property rights to protect the Issuer's brand and branded products. The Issuer also licenses its intellectual property to franchisees and other third parties and the Issuer cannot assure you that they will not take actions that hurt the value of the Issuer's intellectual property.

The Issuer has registered certain trademarks and has other trademark registrations pending in the United States and certain foreign jurisdictions. The trademarks that the Issuer currently uses have not been registered in all of the countries outside of the United States in which the Issuer does business or may do business in the future and may never be registered in all of these countries. The steps the Issuer has taken to protect the Issuer's intellectual property in the United States and foreign countries may not be adequate. In addition, the steps the Issuer has taken may not adequately ensure that the Issuer does not infringe the intellectual property of others and third parties may claim infringement by the Issuer in the future. In particular, the Issuer may be involved in intellectual property claims, including often aggressive or opportunistic attempts to enforce patents used in information technology systems, which might affect the Issuer's operations and results. Any claim of infringement, whether or not it has merit, could be time-consuming, could result in costly litigation and could harm the Issuer's business.

Changes in tax laws and unanticipated tax liabilities could adversely affect the taxes the Issuer pays and its profitability.

The Issuer is subject to income and other taxes in the United States and foreign jurisdictions, and the Issuer's operations, plans and results are affected by tax and other initiatives around the world. In particular, the Issuer is affected by the impact of changes to tax laws or related authoritative interpretations, particularly if corporate tax reform becomes a key component of budgetary initiatives in the United States and elsewhere. The Issuer is also impacted by settlements of pending or any future adjustments proposed by the Internal Revenue Service or other taxing authorities in connection with the Issuer's tax audits, all of which will depend on their timing, nature and scope. Any increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters could have a material adverse impact on the Issuer's financial results.

Changes in accounting standards or the recognition of impairment or other charges may adversely affect the Issuer's future operations and results.

New accounting standards or changes in financial reporting requirements, accounting principles or practices, including with respect to the Issuer's critical accounting estimates, could adversely affect the Issuer's future results. The Issuer may also be affected by the nature and timing of decisions about underperforming markets or assets, including decisions that result in impairment or other charges that reduce its earnings. In assessing the recoverability of the Issuer's long-lived assets, the Issuer considers changes in economic conditions and make assumptions regarding estimated future cash flows and other factors. These estimates are highly subjective and can be significantly impacted by many factors such as global and local business and economic conditions, operating costs, inflation, competition, and consumer and demographic trends. If the Issuer's estimates or underlying assumptions change in the future, the Issuer may be required to record impairment charges. If the Issuer experiences any such changes, they could have a significant adverse effect on the Issuer's reported results for the affected periods.

A decrease in the Issuer's credit ratings or an increase in the Issuer's funding costs could adversely affect its profitability.

The Issuer may be negatively affected by the impact of changes in its debt levels or its results of operations on its credit ratings, interest expense, availability of acceptable counterparties, ability to obtain funding on favorable terms or the Issuer's operating or financial flexibility, especially if lenders impose new operating or financial covenants. In particular, the Issuer's credit rating was lowered as a result of the Issuer's decision to increase its leverage and the pace of the return of cash to its shareholders.

The Issuer's operations may also be impacted by regulations affecting capital flows, financial markets or financial institutions, which can limit the Issuer's ability to manage and deploy its liquidity or increase its funding costs. If any of these events were to occur, they could have a material adverse effect on the Issuer's business and financial condition.

Trading volatility and price of the Issuer's common stock may be adversely affected by many factors.

Many factors affect the volatility and price of the Issuer's common stock in addition to its operating results and prospects. The most important of these factors, some of which are outside the Issuer's control, are the following:

- The continuing unpredictable global economic and market conditions;
- Governmental action or inaction in light of key indicators of economic activity or events that can significantly influence financial markets, particularly in the United States which is the principal trading market for the Issuer's common stock, and media reports and commentary about economic or other matters, even when the matter in question does not directly relate to the Issuer's business;

- Trading activity in the Issuer's common stock or trading activity in derivative instruments with respect to the Issuer's common stock or debt securities, which can be affected by market commentary (including commentary that may be unreliable or incomplete); unauthorized disclosures about the Issuer's performance, plans or expectations about its business; its actual performance and creditworthiness; investor confidence generally; actions by shareholders and others seeking to influence the Issuer's business strategies; portfolio transactions in the Issuer's stock by significant shareholders; or trading activity that results from the ordinary course rebalancing of stock indices in which the Issuer may be included, such as the S&P 500 Index and the Dow Jones Industrial Average;
- The impact of the Issuer's stock repurchase program or dividend rate; and
- The impact on the Issuer's results of corporate actions and market and third-party perceptions and assessments of such actions, such as those the Issuer may take from time to time as it reviews the its corporate structure and strategies in light of business, legal and tax considerations.

The Issuer's results and prospects can be adversely affected by events such as severe weather conditions, natural disasters, hostilities and social unrest, among others.

Severe weather conditions, natural disasters, hostilities and social unrest, terrorist activities, health epidemics or pandemics (or expectations about them) can adversely affect consumer spending and confidence levels or other factors that affect the Issuer's results and prospects, such as commodity costs. The Issuer's receipt of proceeds under any insurance the Issuer maintains with respect to certain of these risks may be delayed or the proceeds may be insufficient to offset the Issuer's losses fully.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Base Prospectus (including the information incorporated by reference in this Base Prospectus) includes forward-looking statements about the Issuer's plans and future performance. These statements use words such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "thinks," "estimates," "seeks," "expects," "predicts," "potential" and similar expressions. In particular, statements regarding the Issuer's plans, strategies, prospects and expectations regarding its business and industry are forward-looking statements. They reflect the Issuer's expectations and speak only as of the date of this Base Prospectus. Factors that may affect these statements include those factors under "Risk Factors" in this Base Prospectus. The Issuer does not undertake to update its forward-looking statements. The Issuer's expectations (or the underlying assumptions) may change or not be realized, and you should not rely unduly on forward-looking statements.

GENERAL DESCRIPTION OF THE PROGRAM

McDonald's Corporation is the Issuer of the Notes under the Program. The arranger for the Program is Morgan Stanley & Co. International plc. The dealers for the program are Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), Banco Santander, S.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, Mizuho International plc, Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. (Rabobank), RBC Europe Limited, Scotiabank Europe plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank, UniCredit Bank AG, Wells Fargo Securities International Limited and Westpac Banking Corporation (ABN 33 007 457 141) and any other dealer appointed from time to time by the Issuer either generally in respect of the Program or in relation to a particular Tranche.

The Issuer may issue Notes up to a maximum of U.S.\$10,000,000,000 in aggregate principal amount or the equivalent thereof in one or more foreign currencies under the Program, representing the total aggregate amount that the Issuer is authorized to borrow (excluding any borrowings made via commercial paper), which borrowings may include (i) offerings of notes, bonds or other evidences of indebtedness in public or private markets anywhere in the world; (ii) borrowings from banks or other financial institutions; and (iii) any other form of indebtedness. The Issuer may reauthorize the issuance of Notes, and the maximum aggregate principal amount of Notes that may be issued may be increased (any such increase subject to compliance with the relevant terms of the Dealership Agreement), from time to time. Notes may have a maturity between one month and 60 years, subject, in relation to specific currencies, to compliance with all applicable legal, regulatory and central bank requirements.

Each Series may be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange and/or any other stock exchange, as may be agreed upon by and between the Issuer and the relevant Dealer and specified in the relevant Final Terms or Pricing Supplement, or may be unlisted.

The Final Terms or Pricing Supplement, as the case may be, will be prepared in respect of each Tranche and, in the case of Notes to be traded on the regulated market of the Luxembourg Stock Exchange, a copy of the Final Terms will be delivered to the CSSF and Luxembourg Stock Exchange, each on or before the closing date for the sale of such Notes.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes, which, as completed in relation to any Notes by the relevant Final Terms or Pricing Supplement, and as otherwise provided below, will be applicable to each Series:

The Notes are issued pursuant to and in accordance with the Second Amended and Restated Fiscal and Paying Agency Agreement (as amended, supplemented or replaced, the **“Fiscal Agency Agreement”**), dated October 2, 2012, as amended from time to time, by and among McDonald’s Corporation (the **“Issuer”**), BNP Paribas Securities Services, Luxembourg Branch, in its capacity as fiscal agent (such fiscal agent or such other person acting in a similar capacity as specified in the relevant Final Terms, the **“Fiscal Agent,”** which expression shall include any successor to such agent in such capacity), principal paying agent (such principal paying agent or such other person acting in a similar capacity as specified in the relevant Final Terms, the **“Principal Paying Agent,”** which expression shall include any successor to such principal paying agent in such capacity), registrar (such registrar or such other person acting in a similar capacity as specified in the relevant Final Terms, the **“Registrar,”** which expression shall include any successor to such registrar in such capacity) and transfer agent (such transfer agent or such other person acting in a similar capacity as specified in the relevant Final Terms, the **“Transfer Agent,”** which expression shall include any successor to such transfer agent in such capacity), and the paying agents named therein (the **“Paying Agents,”** which expression shall include the Fiscal Agent, Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Fiscal Agency Agreement insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a **“Series”**), and each Series may comprise one or more tranches (**“Tranches”** and each, a **“Tranche”**) of Notes. Each Tranche will be the subject of final terms (each, a **“Final Terms”**), a copy of which will be available for inspection (and a copy of which may be obtained) during normal business hours at the specified office of the Fiscal Agent. In the case of a Tranche in relation to which application has not been made for listing on any stock exchange, copies of the Final Terms will only be available for inspection by a Holder (as defined in Conditions 2.01 and 2.07) in respect of such Notes. The Notes of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches; and (ii) a Series may comprise Notes in more than one denomination. The Notes of each Tranche will all be subject to identical terms in all respects except that a Tranche may comprise Notes of different denominations. Notes may be issued at any price, as specified in the relevant Final Terms.

References in these Terms and Conditions to Notes are to Notes of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Notes of the relevant Tranche or Series, except in connection with any offerings of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, where any references to **“Final Terms”** shall instead be to the pricing supplement prepared in relation to the Notes of the relevant Tranche or Series (the **“Pricing Supplement”**).

In respect of any Notes, references herein to these Terms and Conditions are to these Terms and Conditions, as completed by the relevant Final Terms. For offerings of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, the Pricing Supplement prepared in relation to the Notes of such issuance may supplement, modify or replace these Terms and Conditions.

Capitalized terms used in these Terms and Conditions and not otherwise defined herein or in the relevant Final Terms shall have the meanings given to them in Condition 21.

1. Form and Denomination

1.01 Notes may be issued in registered form (**“Registered Notes”**) or bearer form (**“Bearer Notes”**), as specified in the relevant Final Terms. Bearer Notes may not be issued unless such Notes are treated as issued in registered form for U.S. federal income tax purposes. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*, except in the case of the exchange of Global Bearer Notes (as defined herein) for Definitive Notes (as defined herein) in certain limited circumstances, as described below.

Registered Notes

1.02 Each Tranche of Registered Notes will be represented upon issue by a global Note in registered form (a **“Global Registered Note”**). Global Registered Notes will be registered in the name of a nominee for a common depositary (a **“Common Depositary”**) for Euroclear Bank S.A./N.V. (**“Euroclear”**) and/or Clearstream Banking S.A. (**“Clearstream, Luxembourg”**) and/or any other relevant clearing system. Under certain limited circumstances, interests in a Global Registered Note may be exchanged for definitive Notes in registered form, which will be serially numbered (**“Definitive Notes”**).

Bearer Notes

1.03 Each Tranche of Bearer Notes will be represented upon issue by a global Note in bearer form (a **“Global Bearer Note”**). Global Bearer Notes will be delivered to a Common Depositary (or a nominee thereof) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, in any case as part of an arrangement that results in the issuance of a debt

obligation in registered form for U.S. federal income tax purposes. Under certain limited circumstances, interests in a Global Bearer Note may be exchanged for Definitive Notes.

Definitive Notes

1.04 Interests in a Global Registered Note or a Global Bearer Note will be exchanged by the Issuer in whole, but not in part only, at the option of the Holder of such Global Registered Note or Global Bearer Note, as the case may be, for Definitive Notes, (a) if an Event of Default (as described in Condition 7.01) occurs in respect of any Note of the relevant Series or (b) if either Euroclear; Clearstream, Luxembourg; or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so without a successor. Interests in a Global Registered Note or a Global Bearer Note will be exchanged by the Issuer in whole, but not in part only, at the option of the Issuer upon a change in tax law that would be adverse to the Issuer but for the issuance of Definitive Notes, completed in accordance with the terms and conditions of the Fiscal Agency Agreement. For the avoidance of doubt, no Holder shall be permitted to remove or repossess a Global Registered Note or a Global Bearer Note from Euroclear; Clearstream, Luxembourg; or any other relevant clearing system, except in exchange for Definitive Notes in the circumstances permitted by this Condition 1.04, and such Holder will be required to provide any information necessary for the exchange of such interest for Definitive Notes. Any exchange of Notes pursuant to this Condition 1.04 shall be at the cost and expense of the Issuer.

Denominations

1.05 Notes will have a minimum denomination of €100,000 (or if the Notes are denominated in a currency other than euro, as specified in the Final Terms, at least the equivalent thereof in such currency using the spot rate as of the date of issue) or as specified in the Final Terms; *provided that*, any such denomination specified in the Final Terms will not be less than €100,000 (or if the Notes are denominated in a currency other than euro, as specified in the Final Terms, at least the equivalent thereof in such currency using the spot rate as of the date of issue), unless such Notes will neither be admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive. Notes (including Notes denominated in pounds sterling) in respect of which the issue proceeds are to be accepted in the United Kingdom or which issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) and which have a maturity of less than one year shall have a minimum denomination and redemption value of £100,000 (or if the Notes are denominated in a currency other than pounds sterling, as specified in the Final Terms, at least the equivalent thereof in such currency using the spot rate as of the date of issue). Notes having an original term to maturity of 183 days or less shall have a minimum denomination of \$500,000 (or if the Notes are denominated in a currency other than U.S. dollars, as specified in the Final Terms, at least the equivalent thereof in such currency) and, at the Issuer’s election, shall be issued in a manner that satisfies the requirements of Treasury regulation section 1.6049-5(b)(10). Notes of one denomination may not be exchanged for Notes of any other denomination.

Currency of Notes

1.06 The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified subject to compliance with all applicable legal, regulatory and central bank requirements. If the Notes will be paid in a currency other than the currency in which they are denominated, such currency will be specified in the Final Terms.

Legending

1.07 All Global Bearer Notes having an original term to maturity of 183 days or less will bear the following legend: “By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the U.S. Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in section 6049(b)(4) of the U.S. Internal Revenue Code and the regulations thereunder).”

2. Title and Transfer

Registered Notes

2.01 The Registrar will maintain the register (the “**Register**”) in accordance with the provisions of the Fiscal Agency Agreement. A Registered Note will be issued to each Holder (as defined below) in respect of its registered holding. If issued, each Definitive Note will be numbered serially and recorded in the Register. References herein to the “**Holders**” or “**holders**” of Registered Notes are to the persons in whose name such Registered Notes are for the time being registered in the Register (or, in the case of a joint holding, the first named thereof), unless otherwise specified in the relevant Final Terms. So long as a Common Depositary (or a nominee thereof) is the person in whose name any Global Registered Note is registered in the Register, such Common Depositary (or a nominee thereof) will be considered the sole Holder of the Notes represented by such Global Registered Note for all purposes under these Terms and Conditions.

2.02 The Holder of any Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof), and no person shall be liable for so treating such Holder.

2.03 Subject to Conditions 2.05 and 2.06 below, a Registered Note may be transferred upon surrender of the relevant Global Registered Note or Definitive Note (as the case may be), with the endorsed form of transfer duly completed, at the specified

office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or such Transfer Agent (as the case may be) may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however*, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Global Registered Note or Definitive Note are the subject of the transfer, a new Global Registered Note or Definitive Note in respect of the balance of the Registered Notes will be issued to the transferor.

2.04 Within five business days of the surrender of a Global Registered Note or a Definitive Note in accordance with Condition 2.03 above, the Registrar will register the transfer in question and shall assist the Fiscal Agent in delivering a new Global Registered Note or a Definitive Note (as the case may be) of a like principal amount to the Registered Notes transferred to each relevant Holder at its specified office or (as the case may be) the specified office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose of such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or the relevant Transfer Agent (as the case may be) has its specified office).

2.05 The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or such Transfer Agent (as the case may be) may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

2.06 Holders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

Bearer Notes

2.07 Title to Global Bearer Notes passes by delivery. References herein to the “**Holders**” or “**holders**” of Global Bearer Notes are to the bearers of such Notes, unless otherwise specified in the relevant Final Terms. For the avoidance of doubt, so long as a Common Depositary (or a nominee thereof) is the bearer of any Global Bearer Note, such Common Depositary (or nominee thereof) will be considered the sole Holder of the Notes represented by such Global Bearer Note for all purposes under these Terms and Conditions.

2.08 The Holder of any Global Bearer Note will (unless otherwise specified in the relevant Final Terms and except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status of the Notes

The Notes are unsecured obligations of the Issuer, ranking equally with all other unsecured and unsubordinated indebtedness for borrowed money of the Issuer. Certain unsecured obligations of the Issuer may, however, under certain circumstances, become secured by mortgages pursuant to negative pledge covenants applicable to such obligations while the Notes remain unsecured (see Condition 4 below).

4. Certain Covenant

The Issuer hereby agrees that if it shall create, incur or assume any Real Property Mortgage as security for any Public Indebtedness incurred after the date hereof, and as a result thereof is required by any agreement or instrument to secure any other Public Indebtedness then outstanding by such Real Property Mortgage, then the Issuer will secure the Notes equally and ratably with all such Public Indebtedness.

The term “**Real Property**” means land, leases, the buildings or improvements on owned or leased land or leased premises, either owned in fee simple or leased by the Issuer or one of its subsidiaries. The term “**Real Property Mortgage**” means a mortgage upon or affecting Real Property. The term “**Public Indebtedness**” means any obligation for money borrowed or incurred in connection with the acquisition of stock or assets of any other corporation or entity (whether by purchase, merger or otherwise) and which is evidenced by securities publicly distributed by or on behalf of the Issuer.

5. Interest

Interest

5.01 Notes may be interest-bearing or non-interest-bearing, as specified in the Final Terms.

Interest-bearing Notes

5.02 Notes which are specified in the Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrears on each Interest Payment Date.

If specified in the Final Terms, the Interest Rate payable may be converted, at the option of the Issuer, from a fixed rate to a floating rate, or from a floating rate to a fixed rate, at any time, including between Interest Payment Dates.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on the relevant Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified, and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

Floating Rate Notes

5.03 If the relevant Final Terms specify the Interest Rate applicable to the Notes as being “Floating Rate,” it shall also specify which page (the “**Relevant Screen Page**”) on the Reuters Screen, or any other information service, shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Notes for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the Reference Rate (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the Reference Rates) in the Relevant Currency for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if, on any Interest Determination Date, no such rate so appears (or, as the case may be, if fewer than two such rates so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the Reference Rates by four Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the Relevant Time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Center (or, in the case of Notes denominated in euro, in such financial center or centers as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11:00 a.m. (Relevant Financial Center time (or local time at such other financial center or centers as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the Relevant Currency to leading European banks for a period for the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the Relevant Time,

and the Interest Rate applicable to such Notes during each Interest Accrual Period will be the sum of the relevant margin (the “**Relevant Margin**”) specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined; *provided, however*, that if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Notes during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Notes in respect of the last preceding Interest Accrual Period.

Maximum or Minimum Interest Rate

5.04 If any Maximum or Minimum Interest Rate is specified in the relevant Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

5.05 Interest shall accrue on the Outstanding Principal Amount of each Note during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue on the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 6.10) is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the relevant Final Terms (“**Default Interest Rate**”) until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 16 that the Fiscal Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.06 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount (as defined in Condition 6.10), obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”), which may be the Fixed Coupon Amount or the Broken Amount, as the case may be, in respect of each denomination of the Notes for the relevant Interest Accrual Period, calculate the Redemption Amount (as defined in Condition 6.10), obtain such quote or make such determination or calculation, as the case may be,

and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or the Redemption Amount (as defined in Condition 6.10) to be notified to the Fiscal Agent, the Issuer, the Holders in accordance with Condition 16 and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day (or, if the Calculation Agent is located in Luxembourg, the fourth Luxembourg Banking Day) thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Notes become due and payable pursuant to Condition 7, the Interest Rate and the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will ensure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Notes and a Calculation Agent, if provision is made for one in the Final Terms.

If the Calculation Agent is incapable or unwilling to act as such, or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

5.07 The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, except that if the Final Terms specifies a specific amount in respect of such period, the amount of interest payable in respect of such Note for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 percent being rounded up to 0.00001 percent), (b) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Non-interest-bearing Notes

5.08 If any Maturity Redemption Amount (as defined in Condition 6.01) in respect of any Note which is non-interest-bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield as specified in, or determined in accordance with the provisions of, the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 16 that the Fiscal Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.07 as if the Interest Rate was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 21).

6. Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its maturity redemption amount (the “**Maturity Redemption Amount**”) (which shall be its Outstanding Principal Amount) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series:

- (i) as a result of any change in, or amendment to, the laws, regulations or rulings of the United States or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the application,

interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 8;

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (iii) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of legal counsel reasonably satisfactory to the Fiscal Agent to the effect that such circumstances prevail;

then the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 16 (which notice shall be irrevocable), redeem all (but not part) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest-bearing, their Amortized Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in the Final Terms), together with accrued interest (if any) thereon; *provided, however*, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

Optional Early Redemption (Call)

6.03 If this Condition 6.03 is specified in the Final Terms as being applicable, the Issuer may, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, in part only) of the Notes of the relevant Series at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest-bearing, their Amortized Face Amount or such other redemption amount (in any case, not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount if so specified in the Final Terms) as may be specified in the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Note that is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 16, which notice shall be irrevocable and shall specify:

- (i) the Series subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and the serial numbers (if applicable) of the Notes of the relevant Series which are to be redeemed;
- (iii) the due date(s) for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given (the "**Call Option Date(s)**") or a day falling within such period (the "**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- (iv) the Early Redemption Amount (Call) at which such Notes are to be redeemed.

Partial Redemption

6.05 If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6.03:

- (i) in the case of Definitive Notes, the Definitive Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair; and
- (ii) in the case of a Global Registered Note or Global Bearer Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (as the case may be),

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Notes may be listed; *provided that*, any such redemption in part only must be of an amount not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount if so specified in the relevant Final Terms and in any case shall not result in any redemption that would cause outstanding Notes to be in a denomination less than any specified minimum denomination set forth in the relevant Final Terms.

Optional Early Redemption (Put)

6.06 If this Condition 6.06 is specified in the relevant Final Terms as being applicable and subject to further qualification therein, the Issuer shall, upon the exercise of the relevant option by the Holder of any Note of the relevant Series, redeem such Note on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “**Early Redemption Amount (Put)**”) (which shall be its Outstanding Principal Amount or, if such Note is non-interest-bearing, its Amortized Face Amount or such other redemption amount as may be specified in the relevant Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (the “**Put Date(s)**”) (or a day falling within such period (the “**Put Period**”) as may be specified in the relevant Final Terms), deposit the relevant Note during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“**Put Notice**”) specifying the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the relevant Final Terms or an integral multiple thereof). Each relevant Put Notice shall be in such form as may be agreed to by the Issuer and the Fiscal Agent and shall be made available at the specified office of any of the Paying Agents. No Note so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement).

The Holder may not exercise such option in respect of any Note that is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6.02 or 6.03.

Purchase of Notes

6.07 The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.

Cancellation of Redeemed and Purchased Notes

6.08 All unmatured Notes redeemed or purchased in accordance with this Condition 6, or as otherwise specified in the relevant Final Terms, will be cancelled forthwith and may not be reissued or resold.

Further Provisions applicable to Redemption Amount

6.09 The provisions of Condition 5.06 and the last paragraph of Condition 5.07 shall apply to any determination or calculation of the Redemption Amount required by the relevant Final Terms to be made by the Calculation Agent.

6.10 References herein to “**Redemption Amount**” shall mean, as appropriate, the Maturity Redemption Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the Final Terms. If any Minimum Redemption Amount or Maximum Redemption Amount is specified in the relevant Final Terms, then the Redemption Amount shall in no event be greater than the maximum or less than the minimum so specified.

6.11 In the case of any Note which is non-interest-bearing, the “**Amortized Face Amount**” shall be an amount equal to the sum of:

- (i) the Issue Price specified in the relevant Final Terms; and
- (ii) the product of the Amortization Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms for the purposes of this Condition 6.11.

6.12 In the case of any Note that is non-interest-bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Condition 6.11 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 16 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

7. Events of Default

7.01 The following events or circumstances (each an “**Event of Default**”) shall be acceleration events in relation to the Notes of any Series, namely:

- (i) failure on the part of the Issuer to pay all or any part of any installment of interest on any of the Notes of a particular Series (whether at maturity or on redemption or otherwise) for 30 days after such payment shall become due and payable;
- (ii) failure on the part of the Issuer to pay all or any part of the principal of the Notes of a particular Series (whether at maturity or on redemption or otherwise) for 15 days after such payment shall become due and payable;
- (iii) failure on the part of the Issuer to perform or observe any other term, covenant or agreement on the part of the Issuer contained in the Notes of a particular Series for a period of 60 days (120 days with respect to the Issuer's compliance with the Issuer's Certain Covenant described in Condition 4) after there has been given, by registered or certified mail, to the Issuer and the Fiscal Agent by the Holders of 25% or more in aggregate principal amount of the Notes of the relevant Series at the time outstanding a written notice specifying such failure and stating that such is a "Notice of Default" hereunder;
- (iv) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, if such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or
- (v) the commencement by the Issuer of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or the Issuer's consent to the entry of an order for relief in any involuntary case under any such law, or its consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or the making by the Issuer of any general assignment for the benefit of creditors, or its failure generally to pay its debts as they become due or the taking by the Issuer of any corporate action in furtherance of any of the foregoing.

7.02 If such an Event of Default shall occur and be continuing, in relation to any Series, the Holder of the relevant Series may, at such Holder's option, declare the Outstanding Principal Amount of such Note (or, if such Note is non-interest-bearing, its Amortized Face Amount) or such other early termination amount (the "**Early Termination Amount**") as may be specified in the provisions of the relevant Final Terms) and the accrued, but unpaid, stated interest thereon, if any, to be due and payable immediately by written notice to the Issuer and the Fiscal Agent, and unless all such defaults shall have been cured by the Issuer prior to receipt of such written notice, the Outstanding Principal Amount of such Note and the accrued, but unpaid, stated interest thereon, if any, shall become and be immediately due and payable.

8. Taxation

8.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, assessments or governmental charges is required by law. In that event, the Issuer or a paying agent (on behalf of the Issuer) will make all required withholdings and deductions, will remit the full amount withheld or deducted to the relevant taxing authority as required by law, and will pay such additional amounts as may be necessary in order that the net amounts receivable by a Holder who is a U.S. Alien, after such withholding or deduction, shall equal the amounts that would have been receivable by such Holder in the absence of such withholding or deduction, except that the obligation to pay such additional amounts shall not apply to:

- (i) any tax, assessment or other governmental charge that would not have been imposed but for (a) the existence of any present or former connection between such Holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such Holder, if such Holder is an estate or a trust, or a member or shareholder of such Holder, if such Holder is a partnership or a corporation) and the United States, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (b) such Holder's past or present status as a personal holding company or private foundation or other tax-exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- (ii) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;
- (iii) any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the Holder for payment more than 30 days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later;
- (iv) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note;

- (v) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, if such payment can be made without such deduction or withholding by any other Paying Agent;
- (vi) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with any applicable certification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of a Note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (vii) any tax, assessment or other governmental charge that would not have been imposed but for a failure by the Holder or beneficial owner (or any financial institution through which the Holder or beneficial owner holds any Note or through which payment on the Note is made) to comply with any applicable certification, documentation, information or other reporting requirement (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code as in effect on the date of issuance of the Notes, or any successor or amended version of these provisions that are substantially similar, and any regulations or authoritative guidance promulgated thereunder or an intergovernmental agreement (“IGA”) between the United States and another jurisdiction facilitating the implementation thereof or any law or other official guidance implementing such an IGA;
- (viii) any tax, assessment or governmental charge imposed on a Holder that actually or constructively owns 10 percent or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership;
- (ix) in respect of any tax, assessment or other governmental charge imposed on a Holder by reason of its past or present status as a bank that acquired any Notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or
- (x) in respect of any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) above,

nor shall such additional interest be paid with respect to a payment on a Note to a Holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the Holder of such Note.

The term “**U.S. Alien**” means any person who, for U.S. federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for U.S. federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

8.02 Any reference in these Terms and Conditions to “**principal**” or “**interest**” in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to “**principal**” shall include any premium payable in respect of a Note, any Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “**interest**” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

9A. Payments – Registered Notes

This Condition 9A is only applicable to Registered Notes.

9A.01 Payments of principal in respect of each Registered Note (whether or not in global form) shall be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of any of the Paying Agents. Such payments shall be made in the manner provided in Condition 9A.02 below.

9A.02 Payments of interest or principal, as the case may be, in respect of each Registered Note (whether or not in global form) will (other than to the extent provided below) be made by a check in the Relevant Currency drawn on a Designated Bank (as defined below) and mailed by uninsured mail on the Business Day immediately preceding the relevant due date to the Holder (i) in the case of any Global Registered Note, at the close of business on the last Business Day on which Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system specified in the Final Terms are open for business (such date, the “**Global Registered Note Record Date**”) that shall immediately precede the relevant due date, and (ii) in the case of any Definitive Note, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) that shall precede the relevant due date (the “**Definitive Note Record Date**”) at such Holder’s address shown in the Register on the Definitive Note Record Date. The delivery of such payment by mail shall be at the Holder’s risk. Upon application of the Holder to the specified office of any Paying Agent before the Global Registered Note Record Date or the Definitive Note Record Date, as applicable, such payment of interest or principal, as the case may be, may be made on the relevant due date by wire transfer to the Designated Account (as defined below) of the Holder (i) in the case of any Global Registered Note, at the close of business on the Global Registered Note Record Date, and (ii) in the case of any Definitive

Note, at the close of business on the Definitive Note Record Date. Notwithstanding the previous sentence, if: (a) a Holder has not provided a Designated Account; or (b) the nominal amount of the Registered Notes held by a Holder is less than U.S.\$1,000,000 (or its approximate equivalent in any other Relevant Currency), payment may, at the Issuer's option, instead be made by a check in the Relevant Currency drawn on a Designated Bank. For these purposes, "**Designated Account**" means the account maintained by a Holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Relevant Currency other than euro) a bank in the principal financial center of the country of such Relevant Currency or (in the case of a payment in euro) any bank that processes payments in euro. Any such wire transfer application shall be deemed to relate to all future payments of interest and principal (other than interest due on redemption) in respect of the Registered Notes which become payable to the Holder who has made the initial application until the Paying Agent is notified in writing to the contrary by such Holder. Notwithstanding the foregoing, payment of any interest due in respect of each Registered Note on redemption shall be made in the same manner as, and together with, payment of the principal amount of such Registered Note.

Holders of Registered Notes shall not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Notes as a result of a check mailed or a wire transfer made in accordance with this Condition 9A.02 arriving after the due date for payment, being lost in the mail or failing to transmit, as the case may be. No commissions or expenses shall be charged to such Holders by any Paying Agent in respect of any payments of principal or interest in respect of the Registered Notes.

9A.03 If the Holder is to receive payment of any amount due in respect of any Registered Note by wire transfer to a Designated Account and the due date is not a Business Day and a Banking Day, then the Holder thereof shall not be entitled to payment thereof until the next day which is such a day, or as otherwise specified in the relevant Final Terms, and from such day and thereafter shall be entitled to receive payment by check on any Banking Day, and shall be entitled to payment by wire transfer to a Designated Account on any day which is a Banking Day, a Business Day and a day on which commercial banks and foreign exchange markets settle payments in the Relevant Currency in the place where the relevant Designated Account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.05 or, if appropriate, Condition 5.08.

9B. Payments – Bearer Notes

This Condition 9B is only applicable to Bearer Notes.

9B.01 Payment of amounts (other than interest) due in respect of Bearer Notes shall be made against presentation and surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents. Payment of amounts in respect of interest will be made against presentation of the relevant Bearer Note at the specified office of any of the Paying Agents.

9B.02 If the due date for payment of any amount due in respect of any Bearer Note is not a Business Day, then the Holder thereof shall not be entitled to payment thereof until the next Business Day, at the place of payment, with the same force and effect as if made on the date fixed for payment, and no interest shall accrue for the period after such date unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.05 or, if appropriate, Condition 5.08.

9C. Payments – General Provisions

9C.01 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes shall be made in the Relevant Currency in which such amount is due as provided above. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Holders of Notes in respect of such payments.

9C.02 Except as otherwise specified in the relevant Final Terms, any monies paid by the Issuer to any Paying Agent (or such other person specified by the relevant Final Terms) for the payment of principal of or interest on any Notes which remain unclaimed at the end of the applicable proscription period, as described in Condition 10, shall be repaid to the Issuer and all liability of such Paying Agent with respect thereto shall cease and the Holder shall thereafter look only to the Issuer for any payment to which such Holder is entitled.

Redenomination

9C.03 Where "**Redenomination**" is specified in the relevant Final Terms as being applicable, the Issuer may, without the consent of the Holders of the Notes, on giving at least 30 days' prior notice to the Holders of the Notes in accordance with Condition 16, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) each denomination will be deemed to be denominated in such amount of euro as is equivalent to its denomination or the amount of interest so specified in the Relevant Currency at the Established Rate, rounded down to the nearest euro 0.01;
- (ii) after the Redenomination Date, all payments in respect of the Notes, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in

the Notes to the Relevant Currency were to euro. Payments will be made in the manner provided in Condition 9A or Condition 9B, as applicable;

(iii) if the Notes are Notes which bear interest at a fixed rate and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the applicable Day Count Fraction specified in the relevant Final Terms;

(iv) if the Notes are Notes which bear interest at a floating rate the relevant Final Terms will specify any relevant changes to the provisions relating to interest; and

(v) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Fiscal Agent, and as may be specified in the notice, to conform them to conventions then applicable to Notes denominated in euro or to enable the Notes to be consolidated with other Notes whether or not originally denominated in the Relevant Currency or euro. Any such other changes will not take effect until after they have been notified to the Holders of the Notes in accordance with Condition 16.

Exchangeability

9C.04 When “**Exchangeability**” is specified in the relevant Final Terms as being applicable, the Issuer may, without the consent of the Holders on giving at least 30 days’ prior notice to the Holders in accordance with Condition 16, elect that, with effect from the Redemption Date or such later date for payment of interest under the Notes as it may specify in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, with the approval of the Fiscal Agent and as will be specified in the notice.

10. Proscription

Claims against the Issuer for payment of principal and interest in respect of Notes will be proscribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.

11. The Paying Agents, the Calculation Agent and the Registrar

11.01 The Calculation Agent in respect of any Notes shall be specified in the Final Terms. The Issuer reserves the right at any time (subject to the notice periods set forth in the Fiscal Agency Agreement) to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent), the Calculation Agent, or the Registrar and to appoint additional or other Paying Agents, another Calculation Agent, or another Registrar; *provided* that, except as otherwise specified in the relevant Final Terms, it will at all times maintain (i) a Fiscal Agent (which may be the Registrar); (ii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city; (iii) so long as any of the Notes are admitted to trading on the Luxembourg Stock Exchange’s regulated market and listed on the Official List of the Luxembourg Stock Exchange and/or any other stock exchange, and the rules of such stock exchange so require, a Paying Agent (which may be the Fiscal Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange; (iv) a Calculation Agent where required by the relevant Final Terms applicable to any Notes; and (v) a Registrar (which may be the Fiscal Agent) (in the case of (i), (ii), (iv) and (v) with a specified office located in such place (if any) as may be required by these Terms and Conditions). The Paying Agents, the Calculation Agent, and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent or the Registrar will be given promptly by the Issuer to the Holders in accordance with Condition 16.

11.02 The Paying Agents, the Calculation Agent, and the Registrar act solely as agents of the Issuer and, except as provided in the Fiscal Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Fiscal Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

12. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents or other persons as may be specified for such purpose in the Final Terms (“**Replacement Agent**”), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders and Modification

The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest.

Amendment Without Consent of Holders of Notes

13.01 The Fiscal Agency Agreement and these Terms and Conditions may be modified or amended by the Issuer and the Fiscal Agent, without the consent of any Holders of Notes, for the purpose of (i) curing any ambiguity, or curing, correcting or

supplementing any defective provisions contained therein or herein; (ii) adding to the covenants of the Issuer for the benefit of the Holders of Notes; (iii) surrendering any right or power conferred upon the Issuer; (iv) effecting any assumption by any direct or indirect wholly-owned subsidiary of the Issuer of the Issuer's obligations herein or in the Fiscal Agency Agreement; or (v) in any other manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which will not be inconsistent with the Notes and which will not adversely affect the interests of the Holders of the Notes in any material respect, to all of which each Holder of any Note shall, by acceptance thereof, consent.

Amendment With Consent of Holders of Notes

13.02 The Fiscal Agency Agreement and these Terms and Conditions may also be modified or amended by the Issuer and the Fiscal Agent, and past defaults thereunder or hereunder or future compliance therewith or herewith by the Issuer may be waived, either with the written consent of the Holders of not less than 25% in aggregate principal amount of the affected Series at the time outstanding, or by the adoption, at a meeting duly convened and held in accordance with the provisions of the Fiscal Agency Agreement, of a resolution by the Holders of not less than 25% in aggregate principal amount of the affected Series at the time outstanding; *provided, however*, that no such modification, amendment or waiver may, without the consent or affirmative vote of the Holder of each Note affected thereby:

- (i) waive a default in the payment of the principal of or interest on any Note, or change the stated maturity of the principal of or payment date of interest on any Note, or reduce the principal amount of or interest thereon, or change the obligation of the Issuer to pay additional amounts pursuant to Condition 8 hereof, or change the coin or currency in which the principal of any Note or the interest thereon is payable (other than for payments to be made in euro), or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the applicable redemption date);
- (ii) modify the obligation of the Issuer to maintain an office or agency in Europe; or
- (iii) reduce the percentage in principal amount of Notes at the time outstanding, the consent of whose Holders is required for any modification or amendment to the Fiscal Agency Agreement or these Terms and Conditions or to waive future compliance therewith or past default thereunder, or reduce the percentage of votes required for the adoption of a resolution or the quorum required at any meeting of Holders of Notes at which a resolution is to be adopted.

It shall not be necessary for the Holders of Notes to approve the particular form of any proposed modification, amendment or waiver but it shall be sufficient if they approve the substance thereof. Any instrument given by or on behalf of any Holder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Note.

Effect of Amendments

13.03 Any modifications, amendments or waivers to the Fiscal Agency Agreement or to these Terms and Conditions in accordance with the foregoing provisions will be conclusive and binding on all Holders of the affected Notes, whether or not they have given such consent or were present at such meeting, and on all future Holders of the affected Notes, whether or not notation of such modifications, amendments or waivers is made upon such Notes.

14. Consolidation, Merger, Etc.

14.01 The Issuer may, without consent of the Holders of any Notes, consolidate with or merge into any other corporation or sell or convey its properties and assets substantially as an entirety to any person, provided that:

- (i) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer, or which leases, the properties and assets of the Issuer substantially as an entirety shall be a corporation organized and existing under the laws of the United States, any State thereof or the District of Columbia (the "**Successor Corporation**") and shall, by amendment to the Fiscal Agency Agreement signed by the Issuer and such Successor Corporation and delivered to the Fiscal Agent, assume the due and punctual payment of the principal of and interest on all the Notes and the performance of every covenant hereof and of the Fiscal Agency Agreement on the part of the Issuer to be performed or observed; and
- (ii) immediately after giving effect to such transaction, no Event of Default (as described in Condition 7), and no event that, with notice or lapse of time or both, would become such an Event of Default, shall have happened and be continuing.

14.02 Upon any consolidation or merger, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety, or any assumption, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Fiscal Agency Agreement and the Notes with the same effect as if the Successor Corporation had been named as the Issuer therein and herein and the Issuer, except in the case of a lease of the Issuer's properties and assets, shall be released from its liability on any of the Notes and under the Fiscal Agency Agreement.

15. Assumption

15.01 Any wholly-owned subsidiary may assume the obligations and covenants of the Issuer herein and under the Fiscal Agency Agreement, provided that:

- (i) such subsidiary shall expressly assume, by amendment to the Fiscal Agency Agreement signed by the Issuer and such subsidiary and delivered to the Fiscal Agent, the due and punctual payment of the principal of and interest on all the Notes and the performance of every covenant hereof and of the Fiscal Agency Agreement on the part of the Issuer to be performed or observed;
- (ii) immediately after giving effect to such transaction, no Event of Default (as described in Condition 7), and no event which, with notice or lapse of time or both, would become such an Event of Default, shall have happened and be continuing;
- (iii) such subsidiary has satisfied or arranged to be paid in full all taxes payable by such subsidiary upon such assumption and if such subsidiary is not organized under the laws of the United States, or any State thereof or the District of Columbia or any political subdivision thereof, it shall agree to indemnify and hold harmless the Holder of each Note against (1) any tax, assessment or governmental charge imposed on such Holder by a jurisdiction other than the United States or any political subdivision or taxing authority thereof or therein with respect to, and withheld on the making of, any payment of principal of or interest (including any additional amounts pursuant to Condition 8) on such Note and which would not have been so imposed and withheld had such assumption not been made and (2) any tax, assessment or governmental charge imposed on or relating to, and any costs or expenses involved in, such assumption;
- (iv) the Issuer irrevocably and unconditionally guarantees the performance of all obligations and covenants of such subsidiary under the Fiscal Agency Agreement and under this Note; and
- (v) the Issuer has delivered to the Fiscal Agent an officer's certificate and an opinion of counsel, each stating that such assumption and the amendment to the Fiscal Agency Agreement required pursuant to clause (i) above comply with this Condition 15 and the Fiscal Agency Agreement and that all conditions precedent herein and therein provided for relating to such transaction have been complied with.

15.02 Upon any assumption by a wholly-owned subsidiary of the Issuer, such subsidiary shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Fiscal Agency Agreement and the Notes with the same effect as if such subsidiary had been named as the Issuer therein and herein and the Issuer shall be released from its liability as obligor on any of the Notes and under the Fiscal Agency Agreement. Any other wholly-owned subsidiary of the Issuer may subsequently assume the obligations and covenants herein and under the Fiscal Agency Agreement on the same terms and conditions as provided herein.

15.03 For the purposes of this Condition 15, "**wholly-owned subsidiary**" means any corporation of which there is owned, directly or indirectly, by or for the Issuer, voting shares that in the aggregate entitle the holders thereof to cast 100% of the votes that may be cast by the holders of all the outstanding voting shares of such first mentioned corporation for the election of its directors and includes any corporation in like relationship to a wholly-owned subsidiary; and for this purpose "**voting shares**" means shares of the capital stock of any class of a corporation having under ordinary circumstances the right to elect at least a majority of the directors of such corporation.

16. Notices

Notices to Holders will be deemed to be validly given if (i) in the case of any Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange (so long as such Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or *Tageblatt*) and/or the Luxembourg Stock Exchange's Web site, www.bourse.lu, or, (ii) in the case of any Notes that are not admitted to trading or listed on any market, published in a leading English language daily newspaper having general circulation in Europe, in the case of Bearer Notes, or sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register, in the case of Registered Notes. If the Notes are in global form, then notice may alternatively be given in the manner provided under "Provisions Relating to the Notes While in Global Form." The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, then on the first date on which publication shall have been made in all the required newspapers).

17. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes, create and issue further instruments, notes, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and the denomination thereof) so as to form a single series with the Notes of any particular Series.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Law and Jurisdiction

19.01 The Notes shall be governed by, and construed in accordance with, the internal laws of the State of New York, United States. The Issuer submits to the jurisdiction of the courts in the State of New York and the federal courts in the United States having jurisdiction in the State of New York.

19.02 The Issuer agrees that the process by which any proceedings in New York are begun may be served on it by being delivered to The Prentice-Hall Corporation System, Inc. at 80 State Street, Albany, New York 12207-2543, United States. If the appointment of the person mentioned in this Condition 19.02 ceases to be effective, the Issuer shall forthwith appoint a further person in New York to accept service of process on its behalf in New York and notify the name and address of such person to the Fiscal Agent and, failing such appointment within fifteen days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing contained herein shall affect the right of any Holder to serve process in any other manner permitted by law.

20. Final Terms

In connection with any issuance of Notes that are admitted to trading on a regulated market in the European Economic Area or offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, the Issuer shall prepare Final Terms to complete these Terms and Conditions. In connection with any issuance of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, the Issuer may prepare a Pricing Supplement to supplement, modify or replace these Terms and Conditions.

21. Definitions

“Applicable Business Day Convention” means the “Business Day Convention” which may be specified in the Final Terms as applicable to any date in respect of the Notes unless the Final Terms specifies “No Adjustment” in relation to any date in which case such date shall not be adjusted in accordance with any Business Day Convention. Where the Final Terms fails to specify either an applicable Business Day Convention or “No Adjustment” for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Notes which bear interest at a fixed rate, “No Adjustment” shall be deemed to have been so specified; and in the case of Notes which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Notes.

“Banking Day” means, unless otherwise specified in the relevant Final Terms, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

“Business Day” means a day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Relevant Financial Center and, in relation to Notes payable in euro, a day on which the TARGET2 System is operating or in any other place or any other days as may be specified in the Final Terms.

“Business Day Convention” means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Notes, shall have the following meanings:

“Following Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day;

“Modified Following Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

“Preceding Business Day Convention” means that such date shall be brought forward to the first preceding day that is a Business Day; and

“FRN Convention” or “Eurodollar Convention” means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred provided that:

if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

“Calculation Agent” means such agent as may be specified in the Final Terms as the Calculation Agent.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any period of time (**“Calculation Period”**), such day count fraction as may be specified in the Final Terms and:

if **“Actual/365”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

if **“Actual/Actual (ICMA)”** is so specified, means:

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period; and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where

“Determination Period” means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date.

if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;

if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;

if **“30/360,” “360/360”** or **“Bond Basis”** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes the last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

if **“30E/360”** or **“Eurobond Basis”** is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

“Established Rate” means the rate for the conversion of the Relevant Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(4) of the Treaty.

“euro” means the currency of participating member states of the European Union adopted in accordance with the Treaty.

“Interest Accrual Period” means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

“Interest Commencement Date” means the date of issue of the Notes (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

“Interest Determination Date” means, in respect of any Interest Accrual Period, the date which is such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is specified, the date which is two London Banking Days prior to the first day of such Interest Accrual Period.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Notes (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

“Interest Period End Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Notes.

“Interest Rate” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of Relevant Currency) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, the Final Terms.

“Outstanding Principal Amount” means, in respect of a Note, its principal amount currently outstanding.

“Redenomination Date” means any date for payment of interest under the Notes specified by the Issuer which occurs on or after the start of the third stage of European Economic and Monetary Union pursuant to the Treaty or, if the country of the Relevant Currency is not one of the countries then participating in such third stage, which occurs on or after such later date as it does so participate.

“Reference Banks” means such banks as may be specified in the Final Terms as the Reference Banks or, if fewer than four such banks are specified, then such banks and up to four additional major banks in the London interbank market as selected by the Calculation Agent, such that the total number of banks is four (unless more than four banks are specified in the Final Terms).

“Reference Rate” means the rate specified in the relevant Final Terms and shall be either the London Interbank Offered Rate (“LIBOR”); the Euro Interbank Offered Rate (“EURIBOR”); or another interbank offered rate.

“Relevant Currency” means the currency of denomination of the Notes shown on such Notes and which is specified in the Final Terms.

“Relevant Date” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the monies payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which, the full amount of such monies having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 16.

“Relevant Financial Center” means the principal financial center of the country of the Relevant Currency or such other city as specified in the relevant Final Terms.

“Relevant Time” means the time as of which any rate is to be determined as specified in the Final Terms or, if none is specified, at which it is customary to determine such rate.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

“TARGET2 System” means the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System.

“Treaty” means the Treaty of Rome of March 25, 1957, as amended by various agreements, including the Treaty on European Union (1993), the Treaty of Amsterdam (1999), the Treaty of Nice (2003) and as further amended, from time to time.

“U.S. Internal Revenue Code” means the U.S. Internal Revenue Code of 1986, as amended.

PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Unless otherwise specified in the relevant Final Terms or Pricing Supplement, the following provisions are applicable to Global Registered Notes and Global Bearer Notes.

(A) Relationship with Clearing Systems

So long as any of the Notes remain in global form, payments will be made by the Holder to each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as having a beneficial interest represented by a Global Registered Note or Global Bearer Note in accordance with customary operating procedures of the relevant clearing system. Such persons must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system (as the case may be) for such person's share of each payment made by the Issuer to the Holder of such Global Registered Note or Global Bearer Note (as the case may be) and in relation to all other rights arising under the Global Registered Note or Global Bearer Note, subject to and in accordance with the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or such other clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Registered Note or Global Bearer Note (as the case may be), and such obligations of the Issuer will be discharged by payment to the Holder of such Global Registered Note or Global Bearer Note (as the case may be) in respect of each amount so paid.

(B) Form and Exchange

(1) Form of Global Registered Notes or Global Bearer Notes: Unless otherwise specified in the relevant Final Terms or Pricing Supplement:

- (i) Global Registered Notes will be registered in the name of a Common Depositary (or a nominee thereof) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; and
- (ii) Global Bearer Notes will be delivered to a Common Depositary (or a nominee thereof) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

(2) Exchange for Definitive Notes: Interests in a Global Registered Note or Global Bearer Note will be exchanged by the Issuer in whole, but not in part only, at the option of the Holder of such Note, for Definitive Notes, (a) if an Event of Default (as described in Condition 7.01 in "Terms and Conditions of the Notes") occurs in respect of any Note of the relevant Series or (b) if either Euroclear; Clearstream, Luxembourg; or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so without a successor. Interests in a Global Registered Note or Global Bearer Note will be exchanged by the Issuer in whole, but not in part only, at the option of the Issuer upon a change in tax law that would be adverse to the Issuer but for the issuance of Definitive Notes, completed in accordance with the terms and conditions of the Fiscal Agency Agreement. For the avoidance of doubt, no Holder shall be permitted to remove or repossess a Global Registered Note or Global Bearer Note from Euroclear; Clearstream, Luxembourg; or any other relevant clearing system, except in exchange for Definitive Notes in registered form in the circumstances permitted by Condition 1.04 in "Terms and Conditions of the Notes," and such Holder will be required to provide any information necessary for the exchange of such interest for Definitive Notes. Any exchange of Notes pursuant to Condition 1.04 shall be at the cost and expense of the Issuer.

(C) Amendment to Conditions

The Global Registered Notes and Global Bearer Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

(1) Meetings: The Holder of a Global Registered Note or Global Bearer Note, respectively, shall (unless such Global Registered Note or Global Bearer Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, as having one vote in respect of each minimum denomination of Notes for which such Global Registered Note or Global Bearer Note may be exchanged.

(2) Cancellation: Cancellation of any Note represented by a Global Registered Note or Global Bearer Note that is required by the Terms and Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Registered Note or Global Bearer Note.

(3) Purchase: Notes represented by a Global Registered Note or Global Bearer Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

(4) Issuer's Option: Any option of the Issuer provided for in the Terms and Conditions of the Notes while such Notes are represented by a Global Registered Note or a Global Bearer Note shall be exercised by the Issuer giving notice to the Holders within the time limits set out in and containing the information required by the Terms and Conditions, except that the notice shall not be required to

contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as having a beneficial interest represented by such Global Registered Note or Global Bearer Note will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system (as the case may be).

(5) Holders' Options: Any option of the Holders provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Registered Note or a Global Bearer Note may be exercised by the Holder of such Global Registered Note or Global Bearer Note, respectively, by giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised. The Notice shall state the principal amount of Notes in respect of which the option is exercised, and the Holder shall present for notation such Global Registered Note or Global Bearer Note, respectively, to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent.

(6) Notices: So long as any Notes are represented by a Global Registered Note or Global Bearer Note, and such Global Registered Note or Global Bearer Note is registered or held on behalf of a clearing system, notices to the persons shown in the records of such clearing system as having a beneficial interest represented by a Global Registered Note or Global Bearer Note may be given by delivery of the relevant notice to the clearing system for communication by it to such persons in substitution for publication, as required by the Terms and Conditions or by delivery of the relevant notice to the Holder of such Global Registered Note or Global Bearer Note, respectively, except that so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or *Tageblatt*) and/or the Luxembourg Stock Exchange's Web site, www.bourse.lu. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, then on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

(7) Payments: So long as any of the Notes remains in global form, payments will be made by the Holder to the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (as the case may be) as having a beneficial interest represented by a Global Registered Note or a Global Bearer Note in accordance with customary operating procedures of the relevant clearing system.

**FORM OF FINAL TERMS APPLICABLE TO ISSUANCES OF NOTES
SUBJECT TO THE PROSPECTUS DIRECTIVE**

The following is a Pro Forma Final Terms for an issue of Notes under the Program if such Notes are to be admitted to trading on a regulated market in the European Economic Area or offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive.

FINAL TERMS

dated [date]

**McDonald's Corporation
(the "Issuer")**

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the U.S.\$10,000,000,000

Program for the Issuance of Global Medium-Term Notes

PART A – CONTRACTUAL TERMS

(The following language applies unless the immediately following paragraph applies.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated April 8, 2016 [as supplemented by the Prospectus Supplement[s] dated ____] which [together] constitute[s] a Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Base Prospectus [and the Prospectus Supplement[s] is/are] available for viewing at BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, Luxembourg, L-2085 Luxembourg, Grand Duchy of Luxembourg or at the Issuer's registered office, c/o The Prentice-Hall Corporation System, Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States, and copies may be obtained from BNP Paribas Securities Services, Luxembourg Branch, or from the Issuer, at their same respective addresses. The Base Prospectus[, as supplemented,] and these Final Terms will be available for viewing on the Web site of the Luxembourg Stock Exchange at www.bourse.lu.]

(The following alternative language applies if the first tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [November 18, 2010] [October 2, 2012] [November 20, 2013] [November 14, 2014], which are incorporated by reference in the Base Prospectus dated April 8, 2016. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU) and must be read in conjunction with the Base Prospectus dated April 8, 2016 [as supplemented by the Prospectus Supplement[s] dated ____] which [together] constitute[s] a Prospectus for the purposes of the Prospectus Directive, including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Base Prospectus [and the Prospectus Supplement[s] is/are] available for viewing at BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, Luxembourg, L-2085 Luxembourg, Grand Duchy of Luxembourg or at the Issuer's registered office, c/o The Prentice-Hall Corporation System, Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States, and copies may be obtained from BNP Paribas Securities Services, Luxembourg Branch, or from the Issuer, at their same respective addresses. The Base Prospectus[, as supplemented,] and these Final Terms will be available for viewing on the Web site of the Luxembourg Stock Exchange at www.bourse.lu.]

- | | |
|--|---|
| 1. [(i)] Series Number: | [Specify] |
| [(ii)] Tranche Number: | [Specify] |
| [(iii)] Fungibility; Date on which Notes | [Not Applicable/The Notes constitute a further issuance of <i>[insert</i> |

become fungible:

title of the Series], as governed by the Conditions set forth in the Base Prospectus dated [November 18, 2010] [October 2, 2012] [November 20, 2013] [November 14, 2014] [April 8, 2016] and the relevant Final Terms, and shall be consolidated and form a single series. The newly issued Notes and the outstanding Notes shall be interchangeable for trading purposes with [*insert title of the Series*], as governed by the Conditions set forth in the Base Prospectus dated [November 18, 2010] [October 2, 2012] [November 20, 2013] [November 14, 2014] [April 8, 2016] and the relevant Final Terms, on [Issue Date] [date on which any transfer restrictions expire]. Upon completion of this offering, the aggregate principal amount of outstanding Notes of this Series will be [*insert amount*].]

2. Relevant Currency or Currencies: [Specify]
—of Denomination
(Condition 1.05)
—of Payment
(Condition 1.06)
3. Aggregate Principal Amount of Notes:
[(i) Series [(including Aggregate Principal Amount of previously issued tranches of the same Series)]: [Specify]
[(ii) Tranche: [Specify]]
4. Issue Price: [] percent of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5. Specified Denomination(s): [Specify] [plus integral multiples of [. . .]]
(Condition 1.05)
6. (i) Issue Date: [Specify]
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
(Condition 21)
7. Maturity Date: [Specify date or (*if FRN Convention applies*) Interest Payment Date occurring in or nearest to the specified month and year]
(Condition 6.01)
8. Interest: [Specify]
(Condition 5)
—Interest Basis: [[•]% per annum Fixed Rate]
[[Specify Reference Rate] Plus/Minus [•]% per annum Floating Rate]
[Zero Coupon]
(further particulars specified below)
—Default Interest Rate: [Specify, if different from the Interest Rate]
(Condition 5.05)
9. Change of Interest Basis: [Specify the date when any fixed to floating or floating to fixed rate change occurs] [Not Applicable]
(Condition 5.02)
10. Optional Early Redemption Options: [Optional Early Redemption (Put)]
[Optional Early Redemption (Call)]

[(further particulars specified below)]

11. Method of distribution: [Syndicated/Non-syndicated]

12. Relevant corporate authorization(s) required for issuance of Notes: [Specify]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate[(s)] of Interest: [] percent per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrears]
(Condition 5)

(ii) Interest Payment Date(s): [Specify dates] in each year, commencing on [specify date], [up to and including/excluding the Maturity Date], [adjusted in accordance with [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment] [specify any applicable Relevant Financial Center(s) for the definition of "Business Day"] (If nothing is specified, there will be no adjustment)

(iii) Fixed Coupon Amount[(s)]: [] per [] in Principal Amount

(iv) Broken Amount(s): [Specify particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]

(v) Day Count Fraction: [Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis]
(Condition 21)

(vi) Interest Determination Dates: [] in each year
(Condition 21) [Specify number of Banking Days in which city(ies), if different from Condition 21]

14. Floating Rate Note Provisions [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Interest Period(s): [Specify]

(ii) Specified Interest Payment Dates: [Specify]

(iii) Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [Specify dates or (if the Applicable Business Day Convention is the FRN Convention) number of months]

(iv) Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [Specify. If nothing is specified, Interest Period End Dates will correspond with Interest Payment Dates]

(v) (a) Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment] (If nothing is specified, Modified Following Business Day Convention shall be deemed so specified)

—for Interest Payment Dates: []

—for Interest Period End Dates: []

—for Maturity Date: []

—any other date: []

(b) Definition of Business Day: [Specify any additional places or days for the purpose of adjusting any date in accordance with a Business Day Convention]

(vi) Relevant Financial Center: [Specify]
(Condition 21)

(vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination unless unavailable, in which case, using Reference Bank quotations, as described in Condition 5.03]

(viii) Interest Determination Dates: [] in each year
(Condition 21) [Specify number of Banking Days in which city(ies), if different from Condition 21]

(ix) Calculation Agent: [Specify name and office]
(Condition 21)

(x) Screen Rate Determination:
(Condition 5.03)

– Reference Rate: [LIBOR] [EURIBOR] [Specify another interbank offered rate]

– Interest Determination Date(s): [] in each year. [Specify number of Banking Days in which city(ies), if different from Condition 21]
(Condition 21)

– Relevant Time: [] [a.m./p.m.] [Specify city] time
(Condition 21)

– Relevant Screen Page: [[Reuters Screen/Other] page []]
(Condition 5.03)

(xi) Reference Banks: [Specify]
(Condition 21)

(xii) Relevant Margin(s): Plus/Minus [] percent per annum
(Condition 5.03)

(xiii) Minimum Interest Rate: [] percent per annum
(Condition 5.04)

(xiv) Maximum Interest Rate: [] percent per annum
(Condition 5.04)

(xv) Day Count Fraction: [Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)]
(Condition 21) [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis]

15. Zero Coupon Note Provisions [Applicable/Not Applicable] (If applicable, redemption shall be at par, and the Notes shall be issued at a discount. If not applicable, delete the remaining sub-paragraphs of this paragraph.)
(Condition 5.08)

- (i) Amortization Yield: [] percent per annum
- (ii) Rate of interest on overdue amounts: [*Specify, if not the Amortization Yield*]
- (iii) Day Count Fraction: [Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)]
[Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis]

PROVISIONS RELATING TO REDEMPTION

16. Optional Early Redemption (Call): [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
(Condition 6.03)
- (i) Call Option Date(s)/Call Option Period: [*Specify*]
 - (ii) Early Redemption Amount (Call) of each Note and method, if any, of calculation of such amount(s): [[] per Note of [] [*specified denomination*]] [*Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount*]
 - (iii) Redeemable in part: [Applicable/Not Applicable] [*Specify, otherwise redemption will only be permitted of entire Series*]
 - (a) Minimum Redemption Amount: [*Specify*]
 - (b) Maximum Redemption Amount: [*Specify*]
 - (iv) Notice period: [*Specify*]
17. Optional Early Redemption (Put): [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
(Condition 6.06)
- (i) Put Date(s)/Put Period: [*Specify*]
 - (ii) Early Redemption Amount (Put) of each Note and method, if any, of calculation of such amount(s): [[] per Note of [] [*specified denomination*]] [*Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount*]
 - (iii) Notice period: [*Specify*]
18. Early Redemption Amount (Tax):
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons: [*Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount*]
(Condition 6.02)
 - (ii) Date after which changes in law, etc. entitle the Issuer to redeem: [*Specify, if not the Issue Date*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Global Registered Notes]
[Global Bearer Notes]

[Definitive Note]

20. Applicable Business Day Convention:
(Condition 21)

[Following Business Day Convention] [Modified Following
Business Day Convention] [Preceding Business Day
Convention] [FRN Convention] [Eurodollar Convention] [No
Adjustment]

Signed on behalf of the Issuer:

By: _____
Duly authorized

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: [Luxembourg Stock Exchange] [*Specify other*] [Not Applicable]

Admission to trading: [Application has been made for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange] [*Specify other*] with effect from [].] [Not Applicable]

[*If fungible issue, indicate that original securities are already admitted to trading*]

Estimate of the total expenses related to the admission to trading: [*Specify*]

2. RATINGS

Ratings: [The Notes to be issued [have been]/[are expected to be] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

(Depending on the identity of the relevant credit rating agency and its status, include the appropriate paragraph(s) below:)

*[[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). As such, [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation.]*

*[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation.]*

*[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). The ratings [have been]/[are expected to be] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation.*

*[Insert the legal name of the relevant EU-registered credit rating agency entity] is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). As such, [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority [“(ESMA)”] on its Web site in accordance with the CRA Regulation. [ESMA has indicated that ratings issued in [*Japan / Australia / the United States / Canada / Hong Kong / Singapore / Argentina / Mexico /**

Brazil (delete as appropriate)] (such as the ratings by [insert the legal name of the relevant non-EU credit rating agency entity] that have been endorsed by [insert the legal name of the relevant EU credit rating agency entity that applied for registration] may be used in the European Union by the relevant market participants.]

[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the “CRA Regulation”), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation]/[although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [insert the legal name of the relevant non-EU credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation].]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]/[Include a description of any interest in the issue/offer, including conflicts of interest, that is material to the issue/offer, detailing the persons involved and the nature of such interest.]

4. FIXED RATE NOTES ONLY – YIELD

Indication of yield: [Specify]/[Not Applicable]

5. OPERATIONAL INFORMATION

ISIN Code: [Specify]

Common Code: [Specify]

Other Relevant Security Code: [Specify]/[Not Applicable]

Any Clearing System(s) other than Euroclear and Clearstream, Luxembourg and the relevant address and identification number(s): [Specify]/[Not Applicable]

Delivery: [Delivery [against/free of] payment] [Specify whether customary medium-term note/ eurobond/other settlement and payment procedures apply]

Registrar: [Specify]

Transfer Agent: [Specify]

Names and addresses of initial Paying Agent(s): [Specify]

Names and addresses of additional Paying Agent(s): [Specify]/[Not Applicable]

6. DISTRIBUTION

Capacity in which named advisors have acted: *[Specify]*/*[Not Applicable]*

**FORM OF PRICING SUPPLEMENT APPLICABLE TO ISSUANCES OF
NOTES NOT SUBJECT TO THE PROSPECTUS DIRECTIVE**

The following is a Pro Forma Pricing Supplement for an issue of Notes under the Program if such Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive. The CSSF has not reviewed information contained in this Pricing Supplement and, therefore, the CSSF has not approved this Pricing Supplement.

PRICING SUPPLEMENT

dated [date]

**McDonald's Corporation
(the "Issuer")**

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the U.S.\$10,000,000,000

Program for the Issuance of Global Medium-Term Notes

PART A – CONTRACTUAL TERMS

(The following language applies unless the immediately following paragraph applies.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated April 8, 2016 [as supplemented by the Prospectus Supplement[s] dated ____]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Prospectus Supplement[s] is/are] available for viewing at BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, Luxembourg, L-2085 Luxembourg, Grand Duchy of Luxembourg or at the Issuer's registered office, c/o The Prentice-Hall Corporation System, Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States, and copies may be obtained from BNP Paribas Securities Services, Luxembourg Branch, or from the Issuer, at their same respective addresses.]

(The following alternative language applies if the first tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus dated April 8, 2016. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Prospectus dated April 8, 2016 [as supplemented by the Prospectus Supplement[s] dated ____]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Prospectus Supplement[s] is/are] available for viewing at BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, Luxembourg, L-2085 Luxembourg, Grand Duchy of Luxembourg or at the Issuer's registered office, c/o The Prentice-Hall Corporation System, Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States, and copies may be obtained from BNP Paribas Securities Services, Luxembourg Branch, or from the Issuer, at their same respective addresses.]

- | | |
|---|--|
| 1. [(i)] Series Number: | [Specify] |
| [(ii)] Tranche Number: | [Specify] |
| [(iii)] Fungibility; Date on which Notes become fungible: | [Not Applicable/The Notes constitute a further issuance of [insert description of the Series] and shall be consolidated and form a single series. The newly issued Notes and the outstanding Notes shall be interchangeable for trading purposes with [insert description of the Series] on [Issue Date] [date on which any transfer restrictions expire]. Upon completion of this offering, the aggregate principal amount of outstanding Notes of this Series will |

- be *[insert amount].*]
2. Relevant Currency or Currencies: *[Specify]*
—of Denomination
—of Payment
(Condition 1.06)
 3. Aggregate Principal Amount of Notes:
[(i) Series [(including Aggregate Principal Amount of previously issued tranches of the same Series)]: [Specify]
[(ii) Tranche: [Specify]]
 4. Issue Price: *[] percent of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]*
 5. Specified Denomination(s): *[Specify] [plus integral multiples of [. . .]]*
(Condition 1.05)
 6. (i) Issue Date: *[Specify]*
(ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
(Condition 21)
 7. Maturity Date: *[Specify date or (if FRN Convention applies) Interest Payment Date occurring in or nearest to the specified month and year]*
(Condition 6.01)
 8. Interest:
(Condition 5)
—Interest Basis: *[[•]% per annum Fixed Rate]*
[[Specify Reference Rate] Plus/Minus [•]% per annum Floating Rate]
[Zero Coupon]
[Other [specify]]
(further particulars specified below)
—Default Interest Rate: *[Specify, if different from the Interest Rate]*
(Condition 5.05)
 9. Maturity Redemption/Payment Basis: *[Redemption at par] [Specify other]*
(Condition 6.01)
 10. Change of Interest Basis: *[Specify details of any provision for convertibility of Notes into another interest basis]*
 11. Optional Early Redemption Options: *[Optional Early Redemption (Put)]*
[Optional Early Redemption (Call)]
[(further particulars specified below)]
 12. Method of distribution: *[Syndicated/Non-syndicated]*
 13. Relevant corporate authorization(s) required for issuance of Notes: *[Specify]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest:
(Condition 5) [] percent per annum [payable [annually/semi-annually/
quarterly/monthly/other (specify)] in arrears]
 - (ii) Interest Payment Date(s): [Specify dates] in each year, commencing on [specify date], [up
to and including/excluding the Maturity Date], [adjusted in
accordance with [specify applicable Business Day Convention
and any applicable Business Center(s) for the definition of
“Business Day”]/ No Adjustment] (If nothing is specified, there
will be no adjustment)
 - (iii) Fixed Coupon Amount[(s)]: [] per [] in Principal Amount
 - (iv) Broken Amount(s): [Specify particulars of any initial or final broken interest
amounts which do not correspond with the Fixed Coupon
Amount[(s)]]
 - (v) Day Count Fraction:
(Condition 21) [Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)]
[Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond
Basis] [30E/360] [Eurobond Basis] [Specify]
 - (vi) Interest Determination Dates:
(Condition 21) [] in each year
[Specify number of Banking Days in which city(ies), if different
from Condition 21]
 - (vii) Other terms relating to the method of
calculating interest for Fixed Rate
Notes : [Not Applicable/give details]
15. Floating Rate Note Provisions [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [Specify]
 - (ii) Specified Interest Payment Dates: [Specify]
 - (iii) Interest Payment Dates or (if the
Applicable Business Day Convention
is the FRN Convention) Interest
Period: [Specify dates or (if the Applicable Business Day Convention is
the FRN Convention) number of months]
 - (iv) Interest Period End Dates or (if the
Applicable Business Day Convention
is the FRN Convention) Interest
Accrual Period: [Specify. If nothing is specified, Interest Period End Dates will
correspond with Interest Payment Dates]
 - (v) (a) Business Day Convention: [Specify, unless no adjustment is required, in which case specify
“No Adjustment.” If nothing is specified, Modified Following
Business Day Convention shall be deemed so specified]
 - for Interest Payment Dates: []
 - for Interest Period End Dates: []
 - for Maturity Date: []
 - any other date: []

- (b) Definition of Business Day:
(Condition 21) *[Specify any additional places or days for the purpose of adjusting any date in accordance with a Business Day Convention]*
- (vi) Relevant Financial Center:
(Condition 21) *[Specify]*
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: *[Screen Rate Determination unless unavailable, in which case, using Reference Bank quotations, as described in Condition 5.03]*
- (viii) Interest Determination Dates:
(Condition 21) *[] in each year
[Specify number of Banking Days in which city(ies), if different from Condition 21]*
- (ix) Calculation Agent:
(Condition 21) *[Specify name and office]*
- (x) Screen Rate Determination:
(Condition 5.03)
- Reference Rate: *[LIBOR] [EURIBOR] [Specify other]*
- Interest Determination Date(s):
(Condition 21) *[] in each year. [Specify number of Banking Days in which city(ies), if different from Condition 21]*
- Relevant Time:
(Condition 21) *[][a.m./p.m.] [Specify city] time*
- Relevant Screen Page:
(Condition 5.03) *[[Reuters Screen/Other] page []]*
- (xi) Reference Banks:
(Condition 21) *[Specify]*
- (xii) Relevant Margin(s):
(Condition 5.03) *Plus/Minus [] percent per annum*
- (xiii) Minimum Interest Rate:
(Condition 5.04) *[] percent per annum*
- (xiv) Maximum Interest Rate:
(Condition 5.04) *[] percent per annum*
- (xv) Day Count Fraction:
(Condition 21) *[Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)]
[Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [Specify]*
- (xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: *[Specify]*
16. Zero Coupon Note Provisions
(Condition 5.08) *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Amortization Yield: *[] percent per annum*
- (ii) Any other formula/basis of *[Specify]*

determining amount payable:

- (iii) Rate of interest on overdue amounts: *[Specify, if not the Amortization Yield]*
- (iv) Day Count Fraction: *[Actual/365] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [Specify]*

PROVISIONS RELATING TO REDEMPTION

- 17. Optional Early Redemption (Call): *[Applicable/Not Applicable](if not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Call Option Date(s)/Call Option Period: *[Specify]*
 - (ii) Early Redemption Amount (Call) of each Note and method, if any, of calculation of such amount(s): *[[] per Note of [] [specified denomination]] [Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount]*
 - (iii) Redeemable in part: *[Applicable/Not Applicable] [Specify, otherwise redemption will only be permitted of entire Series]*
 - (a) Minimum Redemption Amount: *[Specify]*
 - (b) Maximum Redemption Amount: *[Specify]*
 - (iv) Notice period: *[Specify]*
- 18. Optional Early Redemption (Put): *[Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Put Date(s)/Put Period: *[Specify]*
 - (ii) Early Redemption Amount (Put) of each Note and method, if any, of calculation of such amount(s): *[[] per Note of [] [specified denomination]] [Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount]*
 - (iii) Notice period: *[Specify]*
- 19. Early Redemption Amount (Tax):
 - (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons: *[Specify amount, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount]*
(Condition 6.02)
 - (ii) Date after which changes in law, etc. entitle the Issuer to redeem: *[Specify, if not the Issue Date]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20. Form of Notes: *[Global Registered Notes]*
[Global Bearer Notes]

[Definitive Note]

21. Applicable Business Day Convention:
(Condition 21) [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment] *[Specify]*
22. Events of Default:
(Condition 7.01)
- (i) Early Termination Amount: *[Specify, if not the Outstanding Principal Amount or, in the case of any Notes which are non-interest-bearing, the Amortized Face Amount]*
- (ii) Any additional (or modifications to) Events of Default: *[Specify]*
23. Redenomination, renominalization and reconventioning provisions:
(Condition 9C.03) [Applicable/Not Applicable] The provisions in Condition 9C.03 apply. *[Specify any changes]*
24. Consolidation provisions: The provisions in Condition 14 apply.
25. Exchangeability:
(Condition 9C.04) [Applicable/Not Applicable] The provisions in Condition 9C.04 apply.
26. Replacement of Notes:
(Condition 12) *[Specify Replacement Agent, if other than (or in addition to) the Fiscal Agent]*
27. Notices:
(Condition 16) *[Specify any other means of effective communication]*
28. Additional U.S. Tax Considerations: *[Specify details]*/[Not Applicable]
29. Selling restrictions:
- United States of America: Regulation S: [Category 2 restrictions apply unless otherwise specified]
- Other: As specified in the Base Prospectus. *[Specify changes to selling restrictions, or any modifications of or additions to selling restrictions contained in Dealership Agreement.]*
30. Governing Law (if different than in Terms and Conditions): *[Specify]*/[Not Applicable]
31. Other final terms: [Not Applicable/*give details*]

RESPONSIBILITY

To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Pricing Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer confirms that such information as may be contained herein has been accurately reproduced and that, so far as the Issuer is aware, and is able to ascertain from information published by the Issuer, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: _____

Name:

Title:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: [Yes/No]
[if Yes, specify which Stock Exchange(s)]

Admission to trading: [Application has been made for the Notes to be admitted to trading on [] with effect from [].] [Not Applicable]

[If fungible issue, indicate that original securities are already admitted to trading]

Estimate of the total expenses related to the admission to trading: (Applicable to debt securities with a denomination per unit of EUR 100,000 (or its equivalent in another currency) or more.)

2. RATINGS

Ratings: [The Notes to be issued [have been]/[are expected to be] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

(Depending on the identity of the relevant credit rating agency and its status, include the appropriate paragraph(s) below:)

[[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). As such, [insert the legal name of the relevant credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation.]

[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). [Insert the legal name of the relevant non-EU credit rating agency entity] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation.]

[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). The ratings [have been]/[are expected to be] endorsed by [insert the legal name of the relevant EU-registered credit rating agency entity] in accordance with the CRA Regulation.

[Insert the legal name of the relevant EU-registered credit rating agency entity] is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). As such, [insert the legal name of the relevant EU credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority [(“**ESMA**”)] on its Web site in accordance with the CRA Regulation. [ESMA has indicated that ratings issued in [Japan /

Australia / the United States / Canada / Hong Kong / Singapore / Argentina / Mexico / Brazil (delete as appropriate)] (such as the ratings by [insert the legal name of the relevant non-EU credit rating agency entity] that have been endorsed by [insert the legal name of the relevant EU credit rating agency entity that applied for registration] may be used in the European Union by the relevant market participants.]

[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the “CRA Regulation”), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation]/[although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [insert the legal name of the relevant non-EU credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its Web site in accordance with the CRA Regulation].]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save as discussed in “Subscription and Sale,” so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]/[Include a description of any interest in the issue/offer, including conflicts of interest, that is material to the issue/offer, detailing the persons involved and the nature of such interest.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer: [The Issuer intends to use the net proceeds from the sale of the Notes for general corporate purposes, which may include refinancing of debt, capital expenditures, payment of dividends, and the purchase of its common stock.] *[If different, specify.]*

[Estimated net proceeds: []]

Estimated total expenses: []. *[Include breakdown of expenses. If Definitive Notes available, specify that the Issuer must bear the costs of producing Definitive Notes.]*

5. [FIXED RATE NOTES ONLY – YIELD]

Indication of yield: [].

The yield is calculated on the basis of the Issue Price using the process set forth in the Base Prospectus. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

ISIN Code: *[Specify]*

Common Code: *[Specify]*

Other Relevant Security Code: *[Specify]/[Not Applicable]*

Any Clearing System(s) other than Euroclear and Clearstream, Luxembourg and the relevant *[Specify]/[Not Applicable]*

identification number(s):

Delivery: [Delivery [against/free of] payment] [Specify whether customary medium-term note/ eurobond/other settlement and payment procedures apply]

Registrar: [Specify]

Transfer Agent: [Specify]

Names and addresses of initial Paying Agent(s): [Specify]

Names and addresses of additional Paying Agent(s): [Specify]/[Not Applicable]

7. DISTRIBUTION

If syndicated, names and addresses of Dealers/Managers and commitments: [Not Applicable]/[give names, addresses and underwriting commitments below; include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers]

Morgan Stanley & Co. International plc [address]

—Arranger: [Specify name and address]

—Relevant [Joint] Dealer[s]/[Joint] Lead Manager[s]: [Specify]/[Not Applicable]

—Other Dealers/Managers:

—Portion of the issue not being sold on a firm commitment basis: [Specify]/[Not Applicable]

Date of Terms Agreement: [Date]

Stabilizing Manager(s) (if any): [Specify name and address of the entities which have indicated they will act as intermediaries in secondary trading and description of the main terms of their commitment]/[Not Applicable]

If non-syndicated, name and address of Dealer: [Specify name and address]/[Not Applicable]

Total commission and concession: [] percent of the Aggregate Principal Amount

[Commission Payable:] [] percent

[Selling Concession:] [] percent

Tranche(s) reserved for certain countries: [Specify, where the offer is being made simultaneously in the markets of two or more countries, any tranche reserved for certain of these]/[Not Applicable]

Process for notification of amounts allotted; whether dealing may begin before notification is made: [Specify]/[Not Applicable]

Amount of expenses and taxes charged to the subscriber or purchaser: [Specify]/[Not Applicable]

Capacity in which named advisors have acted: [Specify]/[Not Applicable]

McDONALD'S CORPORATION

The Issuer franchises and operates McDonald's restaurants. Of the 36,525 restaurants in 119 countries at December 31, 2015, 30,081 were licensed to franchisees and 6,444 were operated by the Issuer.

Under the Issuer's conventional franchise arrangement, franchisees provide a portion of the capital required by initially investing in the equipment, signs, seating and décor of their restaurant business, and by reinvesting in the business over time. The Issuer owns the land and building or secures long-term leases for both Issuer-operated and conventional franchised restaurant sites. This maintains long-term occupancy rights, helps control related costs and assists in alignment with franchisees enabling restaurant performance levels that are among the highest in the industry. In certain circumstances, the Issuer participates in the reinvestment for conventional franchised restaurants in an effort to accelerate implementation of certain initiatives.

Under the Issuer's developmental license arrangement, licensees provide capital for the entire business, including the real estate interest, and the Issuer has no capital invested. In addition, the Issuer has an equity investment in a limited number of affiliates that invest in real estate and operate or franchise restaurants within a market.

The Issuer's restaurants offer a substantially uniform menu, although there are geographic variations to suit local consumer preferences and tastes. The Issuer's relationship with franchisees is designed to assure consistency and high quality at every restaurant.

McDonald's Corporation is a parent company and conducts worldwide operations through its subsidiaries. The Issuer is a corporation that was organized under the laws of the State of Delaware, United States, on March 1, 1965, as the successor to an Illinois corporation formed in 1956. Its principal executive offices are at One McDonald's Plaza, Oak Brook, Illinois 60523, United States, and its telephone number is +1.630.623.3000. The Issuer's registered office in Delaware is c/o The Prentice-Hall Corporation System, Inc. at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States. Delaware does not issue registration numbers.

Management

The following are the executive officers and members of the Board of Directors of the Issuer.

Executive Officers

<u>Name of Executive Officer</u>	<u>Age</u>	<u>Function</u>
Andres, Michael D.	58	President, McDonald's USA
Bensen, Peter J.	53	Chief Administrative Officer
Borden, Ian F.	47	President – Foundational Markets
Easterbrook, Stephen J.	48	President and Chief Executive Officer
Fairhurst, David O.	47	Corporate Executive Vice President and Chief People Officer
Gibbs, Robert L.	45	Corporate Executive Vice President – Corporate Relations
Goare, Douglas M.	63	President, Lead International Markets
Hoffmann, David L.	48	President, High Growth Markets
Kempczinski, Christopher	47	Corporate Executive Vice President – Strategy, Business Development and Innovation
Lagnado, Silvia	52	Corporate Executive Vice President – Global Chief Marketing Officer
Mullens, Brian	44	Corporate Senior Vice President and Corporate Controller
Ozan, Kevin M.	52	Corporate Executive Vice President and Chief Financial Officer
Santona, Gloria	65	Corporate Executive Vice President and General Counsel and Secretary
Sappington, Jim R.	57	Corporate Executive Vice President, Operations and Technology Systems

The business address of each executive officer of the Issuer in his or her capacity as such is One McDonald's Plaza, Oak Brook, Illinois 60523, United States.

Directors

<u>Name of Director</u>	<u>Age</u>	<u>Primary Occupation</u>	<u>Independent</u>	<u>Other Current Directorships</u>
Arnold, Susan E.	62	Operating Executive, Global Consumer & Retail Group, The Carlyle Group	Yes	NBTY, Inc. The Walt Disney Company
Dean, Lloyd H.	65	President & CEO, Dignity Health	Yes	Navigant Consulting, Inc. Wells Fargo & Company
Easterbrook, Stephen J.	48	President & CEO, McDonald's Corporation	No	
Eckert, Robert	61	Operating Partner, Friedman, Fleischer & Lowe	Yes	Amgen Inc. Levi Strauss & Co.
Georgiadis, Margaret H.	52	President, Americas, Google Inc.	Yes	Amyris, Inc.
Hernandez, Jr., Enrique	60	President & CEO, Inter-Con Security Systems	Yes	Chevron Corporation Nordstrom, Inc. Wells Fargo & Company
Jackson, Jeanne P.	64	President, Product & Merchandising, NIKE	Yes	The Kraft Heinz Company
Lenny, Richard H.	64	Non-executive Chairman, Information Resources	Yes	ConAgra Foods, Inc. Discover Financial Services Illinois Tool Works Inc.
Massey, Walter E.	78	President, School of the Art Institute of Chicago	Yes	
McKenna, Andrew J.	86	Chairman Emeritus, Schwarz Supply Source		
Mulligan, John J.	50	Executive Vice President & COO, Target	Yes	
Penrose, Sheila A.	70	Non-executive Chairman, Jones Lang LaSalle	Yes	Jones Lang LaSalle Incorporated
Rogers, Jr., John W.	58	Founder, Chairman & CEO, Ariel Investments	Yes	Ariel Investment Trust Exelon Corporation
White, Miles D.	61	Chairman & CEO, Abbott Laboratories	Yes	Abbott Laboratories Caterpillar, Inc.

The business address of each Director of the Issuer in his or her capacity as such is One McDonald's Plaza, Oak Brook, Illinois 60523, United States.

Conflicts of Interest

Policies and Procedures for Related Person Transactions

The Issuer's System has over 36,000 restaurants worldwide, most of which are independently owned and operated. Within this extensive System, it is not unusual for the Issuer's business to touch many companies in many industries, including suppliers of food and other products and services. The Issuer's Board of Directors reviews and approves (or ratifies), as appropriate, transactions, relationships or arrangements in which the Issuer is a participant and that involve Directors, executive officers, beneficial owners of more than 5% of its common stock, their immediate family members, including domestic partners, and companies in which they have a material interest.

The Issuer's Board has a policy that sets out procedures for the reporting, review and ratification of related person transactions. The policy operates in conjunction with other aspects of the Issuer's compliance program, including a requirement that Directors and

employees report any circumstances that may create or appear to create a conflict, regardless of the amount involved. Directors and executive officers must also confirm information about related person transactions, and management reviews its books and records and makes other inquiries as appropriate.

Under the policy, the Issuer's Board evaluates related person transactions for purposes of recommending to the disinterested members of the Issuer's Board whether or not the transactions are fair, reasonable and within the Issuer's policies and should be approved or ratified.

The Issuer's Board has considered certain types of potential related person transactions and pre-approved them as not presenting material conflicts of interest. Those transactions include (i) compensation paid to Directors and executive officers that has been approved by the Issuer's Board or the Compensation Committee; (ii) Issuer contributions to Ronald McDonald House Charities, Inc. and certain other contributions made in limited amounts to other charitable or not-for-profit organizations; and (iii) transactions in which the related person's interest arises solely from ownership of the Issuer's common stock and all holders of the common stock receive the same benefit on a pro rata basis. The Issuer's Board considered the appropriateness of any related person transaction not within the pre-approved classes in light of all relevant factors, including:

- the terms of the transaction and whether they are arm's-length and in the ordinary course of Issuer's business;
- the direct or indirect nature of the related person's interest in the transaction;
- the size and expected duration of the transaction; and
- other facts and circumstances that bear on the materiality of the related person transaction under applicable law and listing standards.

Related person transactions involving the Issuer's Directors are also subject to approval or ratification by the Issuer's disinterested Directors when so required under Delaware law.

Related Person Transactions

In 2014, Inter-Con Security Systems, Inc. provided physical security services for the Issuer's home office campus. The Issuer's Director Hernandez is the President and Chief Executive Officer, as well as a 51.44% shareholder of Inter-Con. Payments by the Issuer to Inter-Con for 2014 for such services totaled approximately \$1.3 million. The Issuer believes that these services, which represent less than 1% of the revenues of Inter-Con, were made on terms at least as favorable as would have been available from other parties. The disinterested Directors ratified this transaction for 2014 and approved the continuation of this arrangement under similar terms for 2015.

As described above, the Issuer has in place a robust process to identify and, where necessary, approve related person transactions, and discloses such transactions pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "**Commission**"). Those rules require annual identification and disclosure of all such related party transactions in the Issuer's proxy statement, and would further require disclosure of the entry into any non-ordinary course agreements between the Issuer and any Executive Officers or Director of the Issuer that would be material to the Issuer within four business days after entry into those agreements. Except as described above, the Issuer is not aware of any other conflicts of interest between any duties of the Executive Officers and the Directors of the Issuer towards the Issuer and their other duties. Furthermore, as of the date of this Base Prospectus, Mr. Stratton is not an Executive Officer of the Issuer.

CREDIT RATINGS

The Issuer currently has a credit rating for senior unsecured notes and debentures of Baa1 from Moody's Investors Service, Inc.; and BBB+ from Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. Neither of the credit rating agencies referred to in the preceding sentence is established in the European Union or registered under the CRA Regulation and, therefore, is not included in the list of credit rating agencies published by ESMA on its Web site in accordance with the CRA Regulation. These ratings have been endorsed by Moody's Investors Services Ltd. and Standard & Poor's Credit Market Services Europe Limited in accordance with the CRA Regulation. Notes may be rated or unrated by any one or both of the rating agencies referred to above. Where a Tranche is rated, such rating will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

USE OF PROCEEDS

The Issuer intends to use the net proceeds from the sale of the Notes for general corporate purposes, which may include refinancing of debt, capital expenditures, payment of dividends, the purchase of its common stock, investments in or extensions of credit to its subsidiaries, or business expansion.

UNITED STATES TAXATION

The Information provided below does not purport to be a complete summary of U.S. tax law and practice currently applicable. This section assumes that income with respect to Notes is not effectively connected with a trade or business within the United States in which a relevant U.S. Alien is engaged.

The following summary contains a description of certain U.S. federal income and estate tax consequences of the purchase, ownership and disposition of Notes by Holders who are U.S. Aliens (as defined in Condition 8 in “Terms and Conditions of the Notes”) and are beneficial owners of a Note for U.S. federal income tax purposes. Both Registered Notes and Bearer Notes (as defined in Condition 1 in “Terms and Conditions of the Notes”) will be treated as issued in registered form for U.S. federal income tax purposes. The Issuer generally intends to treat the Notes as debt. Certain Notes, however, such as Notes with extremely long maturities, may not be treated as debt for U.S. federal income tax purposes. The tax treatment of Notes to which a treatment other than debt may apply will be discussed in the relevant Final Terms or Pricing Supplement. To the extent the U.S. tax consequences differ from the treatment described below, such tax consequences will be set forth in a Prospectus Supplement to this Base Prospectus or the relevant Final Terms or Pricing Supplement.

Under U.S. federal income and estate tax law as now in effect, and subject to the discussion below concerning information reporting and backup withholding:

(a) payment of principal or interest (including any original issue discount) on a Note by the Issuer or any Paying Agent (acting in its capacity as such) to a Holder that is a U.S. Alien will not be subject to withholding of U.S. federal income tax, provided that, (i) with respect to payments of interest on a Note, (x) the Holder does not actually or constructively own 10 percent or more of the combined voting power of all classes of stock of the Issuer, is not a controlled foreign corporation related to the Issuer through stock ownership, and is not considered a bank that receives such interest in a transaction constituting an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and (y) (A) the beneficial owner provides a statement signed under penalties of perjury (typically, on Internal Revenue Service (“IRS”) Form W-8BEN or W-8BEN-E) that includes its name and address and certifies that it is a United States Alien Holder in compliance with applicable requirements (or satisfies certain documentary evidence requirements for establishing that it is a United States Alien Holder), and that provides the information required by clause (vii) of Condition 8.01 of the Terms and Conditions of the Notes, including in the case of a Holder that is an entity information about its direct and indirect U.S. owners, and (B) any foreign financial institution through which the U.S. Alien or beneficial owner holds any Note or through which payment on the Note is made has provided the information required under clause (vii) of Condition 8.01 of the Terms and Conditions of the Notes; and (ii) with respect to principal payments on the Notes paid after December 31, 2018, the beneficial owner of the Notes and any foreign financial institution through which it holds the Notes has provided the information described in clause (a)(i)(y) above.

(b) a Holder that is a U.S. Alien will not be subject to U.S. federal income tax on gain realized on the sale, exchange or redemption of the Note, provided that, (i) such Holder does not have a connection with or status with respect to the United States described in clause (i) of Condition 8.01 of the Terms and Conditions of the Notes; (ii) such Holder has provided the information required under clause (vi) of Condition 8.01 of the Terms and Conditions of the Notes; and (iii) in the case of a sale, exchange, redemption or other taxable disposition of a Note, effected after December 31, 2018, the U.S. Alien (or any foreign financial institution through which the U.S. Alien or beneficial owner holds any Note or through which payment on the Note is made) has provided the information required under clause (vii) of Condition 8.01 of the Terms and Conditions of the Notes.

(c) a Note will not be subject to U.S. federal estate tax as a result of the death of a Holder who is not a citizen or resident of the United States at the time of death, provided (i) with respect to a Note having an original term to maturity of 184 days or more, that such Holder did not at the time of death actually or constructively own 10 percent or more of the combined voting power of all classes of stock of the Issuer; and (ii) at the time of such Holder’s death, payments of interest on such Note would not have been effectively connected with the conduct by such Holder of a trade or business within the United States.

If United States tax is imposed as a result of a failure to comply with the documentation requirements described in clauses (a) or (b) above, the beneficial owner may be entitled to a refund if the required information is provided to the Internal Revenue Service.

For the purposes of the discussion in paragraphs (a) and (b) above, a “foreign financial institution” generally is a non-U.S. entity that (i) accepts deposits in the ordinary course of a banking or similar business; (ii) as a substantial portion of its business, holds financial assets for the account of others; (iii) is engaged (or holds itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securities, partnership interests or commodities, or interests in securities, partnership interests or commodities; or (iv) is engaged in certain life insurance activities.

U.S. information reporting requirements and backup withholding tax will not apply to payments on a Note made by the Issuer or any Paying Agent to a Holder that is a U.S. Alien if the statement described in paragraph (a)(i)(y) above is duly provided.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a Holder’s U.S. federal income tax liability. A Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for a refund with the U.S. Internal Revenue Service and furnishing the required information.

For purposes of applying the rules set forth under this heading “United States Taxation” to an entity that is treated as fiscally transparent (*e.g.*, a partnership) for U.S. federal income tax purposes, the beneficial owner means each of the ultimate beneficial owners of the entity.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER’S PARTICULAR SITUATION. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE PARTICULAR CONSEQUENCES TO THEM OF PURCHASING, HOLDING AND DISPOSING OF NOTES IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING THE TAX CONSEQUENCES UNDER LOCAL, STATE, FOREIGN AND OTHER TAX LAWS AND POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL INCOME OR OTHER TAX LAWS.

PROPOSED FINANCIAL TRANSACTIONS TAX

On February 14, 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common Financial Transactions Tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”); however, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of the Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT remains subject to negotiation by and among the participating Member States. It may, therefore, be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), Banco Santander, S.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, Mizuho International plc, Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. (Rabobank), RBC Europe Limited, Scotiabank Europe plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank, UniCredit Bank AG, Wells Fargo Securities International Limited and Westpac Banking Corporation (ABN 33 007 457 141) (the “**Dealers**”). Notes may also be sold by the Issuer directly to institutions who are not Dealers.

The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Amended and Restated Dealership Agreement, dated November 20, 2013, as amended from time to time (the “**Dealership Agreement**”), by and among the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers, the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase, and the amounts allotted to each of the Dealers. The Dealership Agreement also makes provision for the resignation or termination or appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Program or in relation to a particular Tranche; any such additional Dealer or Dealers in respect of a particular Tranche will be disclosed in the relevant Final Terms or Pricing Supplement. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. Settlement arrangements will be agreed between the Issuer, the relevant Dealers and the Fiscal Agent in relation to each Tranche. The price and amount of Notes will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions. Notes that have a maturity of less than one year and that qualify as money market instruments will be subject to all applicable legal, regulatory and central bank requirements relating to money market instruments as well as any other requirements governing notes that have a maturity of less than one year. The approval of this Base Prospectus by the CSSF does not cover Notes that have a maturity of less than one year and that qualify as money market instruments.

United States of America: Regulation S Category 2

Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified), within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the restricted period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons. In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each such Member State, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity or person which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Canada

The Notes have not been and will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that: (a) it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and (b) it has not and will not distribute or deliver this Base Prospectus, or any other offering material in connection with any offering of Notes in Canada, other than in compliance with applicable securities laws.

If the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealers may agree. Each Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Commonwealth of Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Australian Corporations Act**”)) in relation to the Program or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia) and (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive prospectus or any other offering material or advertisement relating to the Notes in Australia, unless (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies but disregarding monies lent by the offeror or its associates (as defined in the Australian Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act, (ii) such offer or invitation is not made to a person who is a “retail client” within the meaning given in section 761G of the Australian Corporations Act, (iii) such action complies with all applicable laws, regulations and directives, and (iv) such action does not require any document to be lodged with ASIC.

Hong Kong Special Administrative Region

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than
 - (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “**SFO**”) and any rules made thereunder; or
 - (b) in other circumstances which do not result in such document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (ii) it has not issued, or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the “**FIEL**”), and each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except

pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

New Zealand

This Program is a wholesale program. No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (“**FMCA**”). In particular, no product disclosure statement under the FMCA has been prepared or lodged in New Zealand in relation to the Notes. Each Dealer has represented and agreed that it will not, and each further Dealer appointed under the Program will be required to represent and agree that it will not, offer or sell any Notes in New Zealand, or distribute or publish in New Zealand any offering material or advertisement in relation to any offer of Notes, other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 to the FMCA, which includes a person who is (a) an “investment business”; (b) “large”; or (c) a “government agency”, in each case as defined in Schedule 1 to the FMCA, provided (for the avoidance of doubt) that Notes may not be offered or sold to any “eligible investor” (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

People’s Republic of China

Each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that the Notes are not being offered, sold, distributed or delivered and may not be offered, sold, distributed or delivered, directly or indirectly, in the People’s Republic of China (“**PRC**”) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except in compliance with applicable laws, regulations, measures and notices in the PRC, including securities laws of the PRC.

Republic of Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA), pursuant to Section 275(1), or any person pursuant to an offer referred to in Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) (in the case of that corporation) or Section 276(4)(i)(B) (in the case of that trust) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Taiwan

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Notes in Taiwan.

United Arab Emirates

Each Dealer acknowledges, and each further Dealer appointed under the Program will be required to acknowledge, that no prospectus or other disclosure document in relation to the Program or any Notes has been approved by or filed with the Central Bank of the United Arab Emirates (“UAE”), the UAE Securities and Commodities Authority or any other authorities in the UAE (including any authority incorporated under the laws and regulations of any of the free zones established and operating in the UAE, in particular the Dubai Financial Services Authority, a regulatory authority of the Dubai International Financial Centre). Each Dealer represents, warrants and agrees that it has not distributed or caused to be distributed and will not distribute or cause to be distributed the Base Prospectus or any other offering material relating to the Program or any Notes in the UAE, and that no marketing of any Notes has been or will be made from within the UAE and no subscription to any Notes may or will be consummated within the UAE, other than in compliance with the laws of the UAE. No Dealer may offer or sell any Notes, whether directly or indirectly, to the public in the UAE and/or any of the free zones.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) in relation to any Notes that have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Other than the approval of this Base Prospectus as a base prospectus in accordance with Article 5.4 of the Prospectus Directive and in relation to any issue of Notes, as may be specified in the relevant Final Terms or Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms or Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Subject to the provisions of the immediately preceding paragraph, the Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. In connection with any issuance of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive, the Issuer may prepare Final Terms or a Pricing Supplement to supplement, modify or replace these selling restrictions.

EXPERTS

Ernst & Young LLP, independent public registered accounting firm, has audited the Issuer's consolidated financial statements as of December 31, 2015 and 2014, and for each of the three years in the period ended December 31, 2015, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), as set forth in their report, which is incorporated by reference in this Base Prospectus. Ernst & Young LLP is an independent public accounting firm registered with the PCAOB. The Issuer's consolidated financial statements are incorporated by reference in this Base Prospectus in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing. The Issuer's independent auditor is located at 155 N. Wacker Drive, Chicago, Illinois 60606, United States.

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer is subject to the informational requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Commission. Such reports and other information can be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, DC 20549, United States or through the Commission's Web site on the Internet at <http://www.sec.gov> (this uniform resource locator ("URL") is an inactive textual reference only and is not intended to incorporate the Commission's Web site into this Base Prospectus).

The following documents have been filed with (i) the Commission, pursuant to the Exchange Act, and (ii) the *Commission de Surveillance du Secteur Financier* ("CSSF") (except those documents specified in item (3), which have only been filed with the CSSF). These documents and the information they contain are incorporated by reference in, and made a part of, this Base Prospectus (other than portions of these documents that are furnished under applicable Commission rules rather than filed and exhibits furnished in connection with such items, unless otherwise stated):

- (1) the Issuer's Annual Report on Form 10-K, for the year ended December 31, 2015;
- (2) the Issuer's Current Reports on Form 8-K, filed with the Commission on January 25, 2016 and February 18, 2016; and
- (3) the section "Terms and Conditions of the Notes" from the following prospectuses relating to the Program: (i) Base Prospectus, dated November 18, 2010 (pages 21 to 38); (ii) Base Prospectus, dated October 2, 2012 (pages 15 to 32); (iii) Base Prospectus, dated November 20, 2013 (pages 14 to 29); and (iv) Base Prospectus, dated November 14, 2014 (pages 15 to 30).

Copies of each of the documents incorporated by reference in this Base Prospectus can be viewed at the Luxembourg Stock Exchange's Web site on the Internet at <http://www.bourse.lu> (this URL is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange's Web site into this Base Prospectus).

Cross-Reference Table

The Issuer's Annual Report on Form 10-K, for the year ended December 31, 2015

Business	Pages 1–3
Risk Factors and Cautionary Statement Regarding Forward-Looking Statements	Pages 3–7
Unresolved Staff Comments	Page 7
Properties	Page 7
Legal Proceedings	Page 8
Mine Safety Disclosures	Page 8
Executive Officers of the Registrant	Page 9
Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	Pages 10–11
Selected Financial Data	Page 12
Management's Discussion and Analysis of Financial Condition and Results of Operations	Pages 13–29
Quantitative and Qualitative Disclosures About Market Risk	Page 29
Financial Statements and Supplementary Data	
Consolidated statement of income for each of the three years in the period ended December 31, 2015	Page 30
Consolidated statement of comprehensive income for each of the three years in the period ended December 31, 2015	Page 31
Consolidated balance sheet at December 31, 2015 and 2014	Page 32
Consolidated statement of cash flows for each of the three years in the period ended December 31, 2015	Page 33
Consolidated statement of shareholders' equity for each of the three years in the period ended December 31, 2015	Page 34

Notes to consolidated financial statements	Pages 35–46
Quarterly results (unaudited)	Page 47
Management’s assessment of internal control over financial reporting	Page 48
Report of independent registered public accounting firm	Page 49
Report of independent registered public accounting firm on internal control over financial reporting	Page 50
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Page 51
Controls and Procedures	Page 51
Other Information	Page 51
Directors, Executive Officers and Corporate Governance	Page 51
Executive Compensation	Page 51
Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	Page 51
Certain Relationships and Related Transactions, and Director Independence	Page 52
Principal Accountant Fees and Services	Page 52
Exhibits and Financial Statement Schedules	Pages 52–54
Signatures	Page 55
Exhibits	Pages 56–64

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedule of Commission Regulation (EC) No. 809/2004.

The Issuer will comply with the relevant requirements of the Prospectus Directive and implementing legislation associated with incorporating documents by reference into this Base Prospectus. Any statement contained in this Base Prospectus or in any of the documents incorporated by reference into, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

As it relates to offerings made outside of the European Economic Area, where the Prospectus Directive does not apply, the Issuer intends to comply with the relevant requirements of the applicable legislation and regulations for incorporating documents by reference into the prospectus used for such offerings. Where permitted, reports filed by the Issuer pursuant to Sections 13(a) or 15(d) of the Exchange Act after the date hereof and prior to termination of such offerings shall be deemed to be incorporated by reference into the relevant prospectus and to be a part thereof from the date of filing such documents. Any statement contained in the relevant prospectus or in any of the documents incorporated by reference into, and forming part of, the relevant prospectus shall be deemed to be modified or superseded for the purpose of the relevant prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement. *The approval of this Base Prospectus by the CSSF does not cover offerings made outside of the European Economic Area, where the Prospectus Directive does not apply.*

Publication

The Issuer has undertaken, in connection with the listing of the Notes, that if, while Notes of the Issuer are outstanding and traded on the regulated market of the Luxembourg Stock Exchange, there shall occur any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus (or any of the documents incorporated by reference in this Base Prospectus), which is capable of affecting the assessment of any Notes, the Issuer will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new Prospectus for use in connection with any subsequent offering of Notes to be traded on the regulated market of the Luxembourg Stock Exchange. However, Notes may also be issued under the Program that are admitted to trading on other markets or not listed on any exchange. The Issuer undertakes to comply with the relevant provisions of such other markets, as required. This Base Prospectus, the Final Terms or Pricing Supplement, and the documents incorporated by reference can be viewed at the Luxembourg Stock Exchange’s Web site on the Internet at <http://www.bourse.lu> (this URL is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange’s resource Web site into this Base Prospectus).

Requests for Copies of Documents

The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference herein, including its Annual Report on Form 10-K, for the year ended December 31, 2015). Written or oral requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the listing agent in Luxembourg. For so long as the Program remains in effect or any Notes shall be outstanding, copies (in English) of the following documents may be inspected during normal business hours (i) at the specified office of the Paying Agent in Luxembourg; (ii) by writing to the specified office of the Paying Agent in Luxembourg; or (iii) through electronic means by sending a facsimile to + 352.2696.9757, namely:

- (a) the constitutional documents of the Issuer;

- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus, if any;
- (c) the Second Amended and Restated Fiscal Agency Agreement, dated October 2, 2012, as amended November 20, 2013, November 14, 2014 and April 8, 2016, and as may be further modified or amended from time to time; and
- (d) the audited historical financial information of the Issuer for each of the two financial years preceding the publication of this Base Prospectus.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. However, Notes may be issued pursuant to the Program which will not be admitted to trading on the Luxembourg Stock Exchange's regulated market or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree. Further, Notes which are initially listed may subsequently be de-listed at the Issuer's option if other statutory requirements become impracticable or unduly burdensome.
2. The Program was authorized by the respective corporate authorities of the Issuer on October 26, 2015. The amount of Notes issuable under the Program may be increased, from time to time, upon authorization by such corporate authorities. The Issuer has obtained or will obtain, from time to time, all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.
3. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries, taken as a whole, since December 31, 2015, the last day of the financial period in respect of which the most recent published audited financial statements of the Issuer have been prepared.

There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries, taken as a whole, which has occurred since December 31, 2015, the last day of the financial period in respect of which the most recent published audited financial statements of the Issuer have been prepared.

Except as described in the section "Legal Proceedings" included herein beginning on page 8 of the Issuer's Annual Report on Form 10-K, for the year ended December 31, 2015, incorporated by reference, neither the Issuer nor any of its consolidated subsidiaries has been involved in any governmental, legal or arbitration proceeding (including any such proceedings that are pending of which the Issuer is aware as of the date of this Base Prospectus) in the 12 months before the date of this Base Prospectus that have had or may have had a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiaries.
4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the relevant Final Terms or Pricing Supplement. The relevant Final Terms or Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance, together with any further appropriate information.
5. The price and amount of Notes will be determined by the Issuer and each relevant Dealer at the time of issue of each Series or Tranche in accordance with prevailing market conditions.
6. Indication of yield is the sum of (i) the relevant benchmark rate and (ii) the spread to a specified benchmark rate determined in connection with each offering of Notes. The indication of yield estimates the rate of return at the Issue Price when held to maturity, taking into account the receipt and reinvestment of interest payments and any capital gain or loss on the Notes. Accordingly, the indication of yield for any particular offering of Notes will be a function of the Issue Price, Issue Date, Interest Rate(s), Fixed Coupon Amount(s), Interest Payment Date(s), date of final maturity, redemption price and potentially other relevant terms relating to payment of interest and principal. It is not an indication of future yield or actual realized return. The indication of yield and any further specific details of its method of calculation will be reflected in the relevant Final Terms or Pricing Supplement.

PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER

McDONALD'S CORPORATION

One McDonald's Plaza
Oak Brook, Illinois 60523
United States

DEALERS

Australia and New Zealand Banking Group Limited

28th Floor
40 Bank Street
Canary Wharf
London E14 5EJ
England

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
England

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
England

Crédit Agricole Corporate and Investment Bank

9 quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
England

HSBC Bank plc

8 Canada Square
London E14 5HQ
England

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
England

Mitsubishi UFJ Securities International plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
England

Banco Santander, S.A.

Ciudad Grupo Santander
Edificio Encinar
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28660, Boadilla del Monte
Madrid, Spain

BNP Paribas

10 Harewood Avenue
London NW1 6AA
England

Commerzbank Aktiengesellschaft

Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ
England

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
England

ING Bank N.V.

Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
England

Mizuho International plc

Bracken House
One Friday Street
London EC4M 9JA
England

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
England

Coöperatieve Rabobank U.A. (Rabobank)

Markets, UC-Z2090
Croeselaan 18
3521 CB Utrecht
The Netherlands

RBC Europe Limited

Riverbank House
2 Swan Lane
London EC4R 3BF
England

Scotiabank Europe plc

201 Bishopsgate, 6th Floor
London EC2M 3NS
England

SMBC Nikko Capital Markets Limited

One New Change
London EC4M 9AF
England

Société Générale

29, boulevard Haussman
75009 Paris
France

Standard Chartered Bank

One Basinghall Avenue
London EC2V 5DD
England

UniCredit Bank AG

Arabellastrasse 12
81925 Munich
Germany

Wells Fargo Securities International Limited

1 Plantation Place
30 Fenchurch Street
London EC3M 3BD
England

Westpac Banking Corporation

Camomile Court
23 Camomile Street
London EC3A 7LL
England

INDEPENDENT AUDITORS TO THE ISSUER

Ernst & Young LLP
155 N. Wacker Drive
Chicago, Illinois 60606
United States

LEGAL ADVISORS

To the Issuer

Sidley Austin LLP
Woolgate Exchange
25 Basinghall Street
London EC2V 5HA
England

To the Dealers

Allen & Overy LLP
One Bishops Square
London E1 6AD
England

FISCAL AGENT, REGISTRAR AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
Luxembourg
L-2085 Luxembourg
Grand Duchy of Luxembourg

LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
Luxembourg
L-2085 Luxembourg
Grand Duchy of Luxembourg

ANNEX B
FIRST BASE PROSPECTUS SUPPLEMENT, DATED APRIL 26, 2016

**FIRST BASE PROSPECTUS SUPPLEMENT, dated April 26, 2016
(To the Base Prospectus dated April 8, 2016)**

McDonald's Corporation

(Incorporated in the State of Delaware, United States of America)

as Issuer

U.S.\$10,000,000,000

PROGRAM FOR THE ISSUANCE OF GLOBAL MEDIUM-TERM NOTES

This Supplement (the “**Supplement**”) to the Base Prospectus, dated as of April 8, 2016 (the “**Base Prospectus**”), constitutes a supplement for the purposes of Article 16 of the Prospectus Directive as implemented by Article 13.1 of the Luxembourg law of July 10, 2005 on prospectuses for securities (the “**Luxembourg Law**”) and is prepared in connection with the Program for the Issuance of Global Medium-Term Notes (the “**Program**”) established by McDonald's Corporation (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement, and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Except as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement will be published on the Web site of the Luxembourg Stock Exchange and may be viewed on the Internet at <http://www.bourse.lu> (this uniform resource locator (“**URL**”) is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange's Web site into this Supplement).

(A) Incorporation by Reference of the Issuer's 2016 First Quarter Earnings Release

The Issuer is subject to the informational requirements of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and in accordance therewith files reports and other information with the United States Securities and Exchange Commission (the “**Commission**”). Such reports and other information can be inspected and copied at the public reference facilities maintained by

the Commission at 100 F Street, N.E., Washington, D.C. 20549, or through the Commission's Web site on the Internet at <http://www.sec.gov> (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate the Commission's Web site into this Supplement or the Base Prospectus).

The following document has been filed with (i) the Commission, pursuant to the Exchange Act, and (ii) the *Commission de Surveillance du Secteur Financier* (the "CSSF"), and by virtue of this Supplement is incorporated by reference in, and made a part of, the Base Prospectus:

- The Issuer's Current Report on Form 8-K, filed with the Commission on April 22, 2016.

The table below sets out relevant page references for the Current Report on Form 8-K (as filed with the Commission, under the Exchange Act, on April 22, 2016, and the CSSF on April 25, 2016).

	<u>Page Reference</u>
Investor Release (Exhibit 99.1 to Current Report on Form 8-K)	Pages 5-7
Supplemental Information (Exhibit 99.2 to Current Report on Form 8-K)	Page 8
Impact of Foreign Currency Translation	Page 9
Net Income and Diluted Earnings per Share	Page 9
Revenues	Pages 10-11
Restaurant Margins	Page 12
Selling, General & Administrative Expenses	Page 13
Other Operating (Income) Expense, Net	Page 13
Operating Income	Page 14
Interest Expense	Page 14
Nonoperating (Income) Expense, Net	Page 14
Income Taxes	Page 14
Outlook	Page 15
Restaurant Information	Pages 16-17
Risk Factors and Cautionary Statement Regarding Forward-Looking Statements	Pages 18-23

The information incorporated by reference that is not included in the cross-reference table is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004.

Copies of this Supplement and the document incorporated by reference in the Base Prospectus can be viewed at the Luxembourg Stock Exchange's Web site on the Internet at <http://www.bourse.lu> (this URL is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange's Web site into this Supplement or the Base Prospectus) or, free of charge, at the specified offices of the Paying Agent, as described on page 67 of the Base Prospectus.

(B) Changes in Disclosure Regarding “Conflicts of Interest”

The section, “Conflicts of Interest” that begins on page 55 of the Base Prospectus shall be removed in its entirety and replaced with the following new disclosure:

Policies and Procedures for Related Person Transactions

The McDonald’s System has over 36,000 restaurants worldwide, most of which are independently owned and operated. Within this extensive System, it is not unusual for the Issuer’s business to touch many companies in many industries, including suppliers of food and other products and services. The Issuer’s Board of Directors reviews and approves (or ratifies), as appropriate, transactions, relationships or arrangements in which the Issuer is a participant and that involve Directors, nominees for Director, executive officers, beneficial owners of more than 5% of our common stock, their immediate family members, including domestic partners, and companies in which they have a material interest.

The Issuer’s Board has a policy that sets out procedures for the reporting, review and ratification of related person transactions. The policy operates in conjunction with other aspects of the Issuer’s compliance program, including a requirement that Directors and employees report any circumstances that may create or appear to create a conflict, regardless of the amount involved. Directors and executive officers must also confirm information about related person transactions, and management reviews its books and records and makes other inquiries as appropriate.

Under the policy, the Board evaluates related person transactions for purposes of recommending to the disinterested members of the Board whether or not the transactions are fair, reasonable and within the Issuer’s policies and should be approved or ratified. Related person transactions involving Directors are reviewed by the Board at least annually.

The Issuer’s Board has considered certain types of potential related person transactions and pre-approved them as not presenting material conflicts of interest. Those transactions include (i) compensation paid to Directors and executive officers that has been approved by the Board or the Compensation Committee; (ii) Issuer contributions to Ronald McDonald House Charities, Inc. and certain other contributions made in limited amounts to other charitable or not-for-profit organizations; and (iii) transactions in which the related person’s interest arises solely from ownership of the Issuer’s common stock and all holders of the common stock receive the same benefit on a pro rata basis. The Board considers the appropriateness of any related person transaction not within the pre-approved classes in light of all relevant factors, including:

- the terms of the transaction and whether they are arm’s-length and in the ordinary course of the Issuer’s business;
- the direct or indirect nature of the related person’s interest in the transaction;
- the size and expected duration of the transaction; and
- other facts and circumstances that bear on the materiality of the related person transaction under applicable law and listing standards.

Related person transactions involving Directors are also subject to approval or ratification by the disinterested Directors when so required under Delaware law.

Related Person Transactions

The Issuer has identified and reported the following related person transactions in its Proxy Statement, dated April 15, 2016:

In 2015, Inter-Con Security Systems, Inc. provided physical security services for the Issuer's home office campus. Mr. Hernandez, a Director of the Issuer, is the President and Chief Executive Officer, as well as a 51.44% shareholder of Inter-Con. Payments by the Issuer to Inter-Con for 2015 for such services totaled approximately U.S.\$1.3 million. The Issuer believes that these services, which represent less than 2% of the gross revenues of Inter-Con, were made on terms at least as favorable as would have been available from other parties. The disinterested Directors ratified this transaction for 2015 and approved the continuation of this arrangement through the date of the contract's expiration at the end of 2016.

Arranger for the Program

MORGAN STANLEY

Dealers

ANZ

BNP PARIBAS

CITIGROUP

CRÉDIT AGRICOLE CIB

DEUTSCHE BANK

HSBC

J.P. MORGAN

MORGAN STANLEY

RABOBANK

SANTANDER GLOBAL CORPORATE BANKING

SMBC NIKKO

STANDARD CHARTERED BANK

WELLS FARGO SECURITIES

BARCLAYS

BoFA MERRILL LYNCH

COMMERZBANK

CREDIT SUISSE

GOLDMAN SACHS INTERNATIONAL

ING

MIZUHO SECURITIES

MUFG

RBC CAPITAL MARKETS

SCOTIABANK

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

UNICREDIT BANK

WESTPAC BANKING CORPORATION

ANNEX C
SECOND BASE PROSPECTUS SUPPLEMENT, DATED JUNE 7, 2016

**SECOND BASE PROSPECTUS SUPPLEMENT, dated June 7, 2016
(To the Base Prospectus dated April 8, 2016)**

McDonald's Corporation

(Incorporated in the State of Delaware, United States of America)

as Issuer

U.S.\$10,000,000,000

PROGRAM FOR THE ISSUANCE OF GLOBAL MEDIUM-TERM NOTES

This Supplement (the “**Supplement**”) to the Base Prospectus, dated as of April 8, 2016 (the “**Base Prospectus**”), constitutes a supplement for the purposes of Article 16 of the Prospectus Directive as implemented by Article 13.1 of the Luxembourg law of July 10, 2005 on prospectuses for securities (the “**Luxembourg Law**”) and is prepared in connection with the U.S.\$10,000,000,000 Program for the Issuance of Global Medium-Term Notes (the “**Program**”) established by McDonald's Corporation (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus and the First Base Prospectus Supplement, dated April 26, 2016 (together with this Supplement, the “**Base Prospectus Supplements**”), issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement, and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Except as disclosed in the Base Prospectus Supplements, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement will be published on the Web site of the Luxembourg Stock Exchange and may be viewed on the Internet at <http://www.bourse.lu> (this uniform resource locator (“**URL**”) is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange's Web site into this Supplement).

(A) Incorporation by Reference of the Issuer's 2016 First Quarter Report

The Issuer is subject to the informational requirements of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and in accordance therewith files reports and other information with the United States Securities and Exchange Commission (the “**Commission**”). Such

reports and other information can be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549, or through the Commission's Web site on the Internet at <http://www.sec.gov> (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate the Commission's Web site into this Supplement or the Base Prospectus).

The following document has been filed with (i) the Commission, pursuant to the Exchange Act, and (ii) the *Commission de Surveillance du Secteur Financier* (the "CSSF"), and by virtue of this Supplement is incorporated by reference in, and made a part of, the Base Prospectus:

- The Issuer's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed with the Commission on May 6, 2016.

The table below sets out relevant page references for the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (as filed with the Commission, under the Exchange Act, on May 6, 2016, and the CSSF on June 1, 2016).

	<u>Page Reference</u>
Financial Statements	
Condensed consolidated balance sheet, March 31, 2016 (unaudited) and December 31, 2015	Page 3
Condensed consolidated statement of net income (unaudited), quarters ended March 31, 2016 and 2015	Page 4
Condensed consolidated statement of comprehensive income (unaudited), quarters ended March 31, 2016 and 2015	Page 5
Condensed consolidated statement of cash flows (unaudited), quarters ended March 31, 2016 and 2015	Page 6
Notes to condensed consolidated financial statements (unaudited)	Pages 7 - 9
Management's Discussion and Analysis of Financial Condition and Results of Operations	Pages 10 - 26
Quantitative and Qualitative Disclosures About Market Risk	Page 26
Controls and Procedures	Page 26
Legal Proceedings	Page 27
Risk Factors	Page 27
Unregistered Sales of Equity Securities and Use of Proceeds	Page 27
Exhibit List	Pages 28 – 30
Signature	Page 31
Exhibits	Pages 32 - 36
Report of Independent Registered Public Accounting Firm	Back Page (not numbered)

The information incorporated by reference that is not included in the cross-reference table is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004.

(B) Changes Regarding “General Information”

The second paragraph under item 3. in “General Information” on page 69 of the Base Prospectus shall be removed in its entirety and replaced with the following:

“There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries, taken as a whole, which has occurred since March 31, 2016, the last day of the financial period in respect of which the most recent published interim financial statements of the Issuer have been prepared.”

Copies of this Supplement and the documents incorporated by reference in the Base Prospectus can be viewed at the Luxembourg Stock Exchange’s Web site on the Internet at <http://www.bourse.lu> (this URL is an inactive textual reference only and is not intended to incorporate the Luxembourg Stock Exchange’s Web site into this Supplement or the Base Prospectus) or, free of charge, at the specified offices of the Paying Agent, as described on page 67 of the Base Prospectus.

Arranger for the Program

MORGAN STANLEY

Dealers

ANZ
BNP PARIBAS
CITIGROUP
CRÉDIT AGRICOLE CIB
DEUTSCHE BANK
HSBC
J.P. MORGAN
MORGAN STANLEY
RABOBANK
SANTANDER GLOBAL CORPORATE BANKING
SMBC NIKKO
STANDARD CHARTERED BANK
WELLS FARGO SECURITIES

BARCLAYS
BoFA MERRILL LYNCH
COMMERZBANK
CREDIT SUISSE
GOLDMAN SACHS INTERNATIONAL
ING
MIZUHO SECURITIES
MUFG
RBC CAPITAL MARKETS
SCOTIABANK
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
UNICREDIT BANK
WESTPAC BANKING CORPORATION

PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER

McDonald's Corporation

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United States

MANAGER

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
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INDEPENDENT AUDITORS TO THE ISSUER

Ernst & Young LLP

155 N. Wacker Drive
Chicago, Illinois 60606
United States

LEGAL ADVISORS

To the Issuer

Sidley Austin LLP

Woolgate Exchange
25 Basinghall Street
London EC2V 5HA
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FISCAL AGENT, REGISTRAR AND PRINCIPAL PAYING AGENT

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Grand Duchy of Luxembourg

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BNP Paribas Securities Services, Luxembourg Branch

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Grand Duchy of Luxembourg