UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 5, 2019

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: McDonald's Corporation

Dear Ms. Ising:

This letter is in regard to your correspondence dated March 5, 2019 concerning the shareholder proposal (the "Proposal") submitted to McDonald's Corporation (the "Company") by Julie and Peter Kaye (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its January 21, 2019 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Jacqueline Kaufman
Attorney-Adviser

cc: Molly Betournay
Clean Yield Asset Management
molly@cleanyield.com

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

1050 Connecticut Avenue, N.W.
Washington, DC 20036-5306
Tel 202.955.8500
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Elizabeth A. Ising
Direct: +1 202.955.8287
Fax: +1 202.530.9631
Eising@gibsondunn.com

March 5, 2019

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *McDonald's Corporation*
Shareholder Proposal of Julie Kaye and Peter Kaye
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

In a letter dated January 21, 2019, we requested that the staff of the Division of Corporation Finance concur that our client, McDonald's Corporation (the "Company"), could exclude from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders a shareholder proposal (the "Proposal") and statements in support thereof received from Clean Yield Asset Management, purportedly on behalf of Julie Kaye and Peter Kaye (together, the "Proponents").

Enclosed as Exhibit A is a confirmation, dated March 5, 2019, verifying that the Proponents have withdrawn the Proposal. Each of the Proponents has authorized Clean Yield Asset Management to act on its behalf with respect to the Proposal. In reliance on this communication, we hereby withdraw the January 21, 2019 no-action request.

Please do not hesitate to call me at (202) 955-8287, or Denise A. Horne, the Company's Corporate Vice President, Associate General Counsel and Assistant Secretary, at (630) 623-3154.

Sincerely,

Elizabeth A. Ising

Enclosure

cc: Denise A. Horne, McDonald's Corporation
Molly Betournay, Clean Yield Asset Management
Julie Kaye and Peter Kaye, c/o Clean Yield Asset Management

EXHIBIT A

From: Molly Betournay <molly@cleanyield.com>
Sent: Tuesday, March 5, 2019 1:39 PM
To: Card Jennifer
Subject: Withdrawal Notice

Dear Ms. Card,

Pursuant to our separate agreement, on behalf of Julie and Peter Kaye, I withdraw the shareholder proposal that was submitted to McDonald's Corporation for inclusion in its proxy statement for the 2019 Annual Shareholders' Meeting.

Regards,

Molly

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
molly@cleanyield.com
(802) 526-2525 x103

This is not an investment recommendation or a solicitation to become a client of the firm. Unless indicated, these views are the author's and may differ from those of the firm or others in the firm. We do not represent this is accurate or complete and we may not update this. Past performance is not indicative of future returns. You may contact me for additional information and important disclosures. You should be judicious when using email to request or authorize the investment in any security or instrument, or to effect any other transactions. We cannot guarantee that any such requests received via email will be processed in a timely manner. This communication is solely for the addressee(s) and may contain confidential information. We do not waive confidentiality by this transmission. Clean Yield Group monitors and stores both incoming and outgoing electronic correspondence.

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Elizabeth Ising
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Fax: 202.530.9631
EIsing@gibsondunn.com

January 21, 2019

VIA E-MAIL
Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *McDonald's Corporation*
Shareholder Proposal of Julie Kaye and Peter Kaye
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, McDonald's Corporation (the "Company"), intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the "2019 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof received from Clean Yield Asset Management, purportedly on behalf of Julie Kaye and Peter Kaye (together, the "Proponents").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and

- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponents that if they elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

***FISMA & OMB Memorandum M-07-16

THE PROPOSAL

The Proposal states:

> **RESOLVED** Shareholders request that McDonald's senior management, with oversight from the Board of Directors, issue a report on the potential impact on the company of emerging state and federal policies described in this proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements. The report should be developed at reasonable cost and omit proprietary information.

A copy of the Proposal, as well as related correspondence with the Proponents, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponents failed to properly authorize the Proponents' representative to submit the Proposal.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponents Failed To Properly Authorize The Proponents' Representative To Submit The Proposal.

A. Background

On December 12, 2018, Clean Yield Asset Management submitted the Proposal to the Company via email, which the Company received on the same day. *See* Exhibit A. In its letter dated December 11, 2018, Clean Yield Asset Management indicated that it was submitting the Proposal on behalf of Julie Kaye and Peter Kaye and included a letter dated December 10, 2018 purporting to authorize Clean Yield Asset Management to submit a proposal on behalf of Julie Kaye and Peter Kaye (the "Authorization Letter"). *Id*. The Authorization Letter identified the proposal authorized to be submitted as "[s]pecifically, [a] proposal request[ing] that McDonald's Corporation issue a report assessing the effectiveness of the company's controls and procedures to prevent workplace harassment and discrimination." *Id*.

B. The Company Provided A Detailed And Timely Deficiency Notice

Accordingly, on December 26, 2018, which was within 14 days of the date that the Company received the Proposal, the Company sent Clean Yield Asset Management[1] a letter notifying Clean Yield Asset Management of the Proposal's procedural deficiency regarding proper authorization, as required by Rule 14a-8(f) (the "Deficiency Notice"). In the Deficiency Notice, attached hereto as Exhibit B, the Company informed Clean Yield Asset Management of the requirements of Rule 14a-8 and how the Proponents could cure the procedural deficiency.

Specifically, in relevant part, the Deficiency Notice stated:

- the eligibility requirements of Rule 14a-8(b) and the guidance of Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("SLB 14I"), including the list of requirements that the Staff indicated sufficient documentation should include;

- that the documentation from the Proponents purporting to authorize Clean Yield Asset Management to act on their behalf was insufficient because the documentation did not identify the Proposal as the specific proposal to be submitted;

- that in order to comply with the requirements of Rule 14a-8(b) and SLB 14I, the Proponents should provide documentation that confirms that as of December 12, 2018, the Proponents had instructed Clean Yield Asset Management to submit the Proposal to the Company on the Proponents' behalf; and

- that the Proponents' response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponents received the Deficiency Notice.

The Deficiency Notice also included a copy of Rule 14a-8 and SEC Staff Legal Bulletin No. 14F (Oct. 18, 2011) ("SLB 14F"). The Deficiency Notice was sent to Clean Yield Asset Management on December 26, 2018 via email. *See* Exhibit B. Accordingly, the Proponents' response to the Deficiency Notice was required to be postmarked or transmitted electronically on or before January 9, 2019 (*i.e.*, 14 calendar days from the Proponents' receipt of the Deficiency Notice).

[1] Clean Yield Asset Management did not provide contact information for the Proponents.

C. Clean Yield Asset Management's Response Failed To Cure The Deficiency

At 6:16 a.m. on December 28, 2018, Clean Yield Asset Management acknowledged receipt of the Deficiency Notice via email. *See* Exhibit C. At 1:44 p.m. on January 3, 2019, the 8th calendar day after its receipt of the Deficiency Notice, Clean Yield Asset Management responded to the Deficiency Notice via email. *See* Exhibit D. The email attached a letter in response to the Deficiency Notice (the "Response Letter"). *Id.*

Clean Yield Asset Management did not include with its Response Letter any new documentation from the Proponents updating the Authorization Letter or authorizing Clean Yield Asset Management to submit the Proposal on their behalf, nor did it provide any information regarding what the Proponents were told about the nature of the Proposal. Instead, in the Response Letter, Clean Yield Asset Management only stated that "[i]n [its] opinion, the paperwork . . . previously presented is otherwise in compliance with federal and state law." *Id.*

D. Analysis

The Company may exclude the Proposal under Rule 14a-8(f)(1) because the Proponents failed to properly authorize their representative to submit the Proposal under Rule 14a-8(b), as requested by, and described in, the Company's timely Deficiency Notice. Specifically, the Proponents have not provided the Company sufficient documentation demonstrating their delegation of authority to Clean Yield Asset Management to submit the Proposal to the Company.

Rule 14a-8(b) provides guidance regarding what information must be provided to demonstrate that a person is eligible to submit a shareholder proposal. Rule 14a-8(f)(1) permits a company to exclude a shareholder proposal from the company's proxy materials if a shareholder proponent fails to comply with the eligibility or procedural requirements under Rule 14a-8, provided that the company has timely notified the proponent of any eligibility or procedural deficiencies and the proponent has failed to correct such deficiencies within 14 days of receipt of such notice.

In SLB 14I, the Staff provided additional guidance as to what information must be provided under Rule 14a-8(b) where, as is the case with the Proposal, a shareholder submits a proposal through a representative (*i.e.*, a "proposal by proxy"). In SLB 14I, the Staff indicated that such submission by proxy is consistent with Rule 14a-8 and the eligibility requirements of Rule 14a-8(b) if the shareholder who submits a proposal by proxy provides sufficient documentation describing the shareholder's delegation of authority to the proxy. The Staff stated that where such sufficient documentation has not been provided, there "may be a basis to exclude the proposal under Rule 14a-8(b)." *See* Section D, SLB 14I. The Staff indicated it "would expect this documentation to:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- **identify the *specific* proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%)**; and
- be signed and dated by the shareholder" (emphasis added).

The Staff indicated that such documentation is intended to address concerns about proposals by proxy including, "that shareholders may not know that proposals are being submitted on their behalf." *Id*. In addition, the Staff instructed companies seeking exclusion of a proposal under Rule 14a-8(b) based on a shareholder's failure to provide some or all of the information described above that the company "must notify the proponent of the specific defect(s) within 14 calendar days of receiving the proposal so that the proponent has an opportunity to cure the defect." *Id.* n.12.

Here, the documentation submitted by Clean Yield Asset Management with the Proposal on December 12, 2018 was insufficient to demonstrate the Proponents' proper delegation of authority to Clean Yield Asset Management to submit the Proposal on their behalf. The Deficiency Notice clearly explained that the documentation submitted was not sufficient because the documentation "does not consistently identify the specific proposal to be submitted" on behalf of the Proponents (emphasis added). *See* Exhibit B. The Deficiency Notice explained that the documentation provided refers to a "proposal request[ing] that McDonald's Corporation issue a report assessing the effectiveness of the company's controls and procedures to prevent workplace harassment and discrimination." *Id*. In contrast, the Proposal submitted to the Company requests "a report on the potential impact on the company of emerging state and federal policies described in this proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements." *See* Exhibit A. The Deficiency Notice further explained that in order to cure this deficiency, "the Proponents should provide documentation that confirms that as of the date [Clean Yield Asset Management] submitted the Proposal, the Proponents had instructed or authorized [Clean Yield Asset Management] to submit the specific proposal to the Company on the Proponents' behalf" and that such documentation "should consistently identify the specific proposal to be submitted." *See* Exhibit B.

Despite the Deficiency Notice clearly identifying the specific defect in the materials submitted by Clean Yield Asset Management and providing clear instructions that to cure this deficiency, "the Proponents should provide documentation that confirms that as of the date

[Clean Yield Asset Management] submitted the Proposal, the Proponents had instructed or authorized [Clean Yield Asset Management] to submit the specific proposal to the Company on the Proponents' behalf," Clean Yield Asset Management failed to provide such documentation and instead claimed in its Response Letter that "[i]n [its] opinion, the paperwork . . . previously presented is otherwise in compliance with federal and state law." *See* Exhibits B and D.

As discussed above, when evaluating a proposal by proxy, the Staff will evaluate whether the proponent provides sufficient documentation "describing the shareholder's delegation of authority to the proxy," including whether the documentation "identif[ies] the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%)." *See* Section D, SLB 14I. Requiring such information is intended to "alleviate concerns about proposals by proxy," including whether shareholders know what proposals are being submitted on their behalf. *Id.* The documentation issues raised by the materials provided by Clean Yield Asset Management are exactly the types of issues that the Staff described in SLB 14I. The Authorization Letter identified a proposal that "[s]pecifically" requested a report "assessing the *effectiveness of the company's controls and procedures* to prevent workplace harassment and discrimination." *See* Exhibit A (emphasis added). An internally-facing assessment of the Company's existing controls and procedures is not the same as the Proposal's much broader request for a report "on the *potential impact* on the company *of emerging state and federal policies* described in th[e] proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements." *Id.* (emphasis added). The proposal referred to in the Authorization Letter seeks an assessment of existing controls and procedures against no explicit standard, and focuses the assessment on effectiveness. The scope of the Proposal's request for the "potential impact on the company" far exceeds that referred to in the purported authorization, as the Proposal would require focus not on a subset of controls and procedures, but on the impact of potentially numerous state and federal policy changes on all aspects of the Company's business. Even if the Proposal's review of the potential impacts of these policy changes included the Company's controls and procedures to prevent harassment and discrimination, the review of the *impact of policy changes* on those controls and procedures is not the same as an *assessment of the effectiveness* of those controls and procedures. The Response Letter does nothing to resolve or explain this discrepancy between the Proposal submitted and the proposal purportedly authorized. *See* Exhibit D. As a result, the purported Authorization Letter is not sufficient evidence of the Proponents' knowledge that Clean Yield Asset Management submitted the specific Proposal on their behalf.

Despite the Deficiency Notice's clear instructions, the Proponents still did not provide sufficient documentation. Accordingly, the Proponents failed to demonstrate that Clean Yield Asset Management was authorized to act as the Proponents' proxy to submit the Proposal to the Company.

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, or to email Denise A. Horne, the Company's Corporate Vice President, Associate General Counsel and Assistant Secretary, at Denise.Horne@us.mcd.com.

Sincerely,

Elizabeth A. Ising

Enclosures

cc: Denise A. Horne, McDonald's Corporation
Molly Betournay, Clean Yield Asset Management
Julie Kaye and Peter Kaye, c/o Clean Yield Asset Management

EXHIBIT A

From: Molly Betournay <molly@cleanyield.com>
Sent: Wednesday, December 12, 2018 12:59 PM
To: Corporate Secretary <corporatesecretary@us.mcd.com>
Subject: Clean Yield proposal on workplace harassment and discrimination

Dear Mr. Krulewitch,

Please find attached a letter of transmittal for a shareholder proposal concerning workplace harassment and discrimination, which we are filing on behalf of our clients Julie and Peter Kaye; the proposal; proof of ownership; and a letter from our clients authorizing the filing. We welcome the opportunity to discuss the contents of the proposal with you.

Could you kindly confirm receipt of this email?

Respectfully submitted,

Molly Betournay

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
molly@cleanyield.com
(802) 526-2525 x103

This is not an investment recommendation or a solicitation to become a client of the firm. Unless indicated, these views are the author's and may differ from those of the firm or others in the firm. We do not represent this is accurate or complete and we may not update this. Past performance is not indicative of future returns. You

may contact me for additional information and important disclosures. You should be judicious when using email to request or authorize the investment in any security or instrument, or to effect any other transactions. We cannot guarantee that any such requests received via email will be processed in a timely manner. This communication is solely for the addressee(s) and may contain confidential information. We do not waive confidentiality by this transmission. Clean Yield Group monitors and stores both incoming and outgoing electronic correspondence.

CLEAN YIELD
ASSET MANAGEMENT

December 11, 2018

Jerome N. Krulewitch
Corporate Secretary
McDonald's Corporation
110 North Carpenter Street
Chicago, IL 60607

Via email: corporatesecretary@us.mcd.com

RE: Shareholder proposal for 2019 Annual Meeting

Dear Mr. Krulewitch,

Clean Yield Asset Management ("Clean Yield") is an investment firm based in Norwich, VT specializing in socially responsible asset management.

I am hereby authorized to notify you of our intention to file the enclosed shareholder resolution with McDonald's Corporation on behalf of our clients Julie and Peter Kaye. Clean Yield submits this shareholder proposal for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Julie and Peter Kaye hold more than $2,000 of McDonald's Corporation common stock, acquired more than one year prior to today's date and held continuously for that time. Our client will remain invested in this position continuously through the date of the 2019 annual meeting. Enclosed is verification from our client's custodian, Charles Schwab, of the position, and a letter from Julie and Peter Kaye authorizing Clean Yield to undertake this filing on their behalf. We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We would welcome discussion with McDonald's Corporation about the contents of our proposal.

Please direct any written communications to me at the address below or to molly@cleanyield.com. Please also confirm receipt of this letter via email.

Sincerely,

Molly Betournay

Cc: Meredith Benton, Whistle Stop Capital
Enclosures: Shareholder resolution, verification of ownership, and client authorization letter.

In February 2018, Attorney Generals from all 50 states signed a letter asking that Congress end mandatory arbitration in sexual harassment cases, stating, "...[C]oncerns arise from the secrecy requirements of arbitration clauses, which disserve the public interest by keeping both the harassment complaints and any settlements confidential ... Ending mandatory arbitration ... would help to put a stop to the culture of silence that protects perpetrators at the cost of their victims."(https://tinyurl.com/yaxtb67s)

Sixteen states have introduced bills to address the use of non-disclosure agreements related to sexual harassment, and laws have passed in seven states. Alphabet, Facebook, Microsoft and Uber, among others, have ended forced arbitration related to sexual harassment.

Recent media reports, corporate and political developments have focused public attention on this significant social policy issue and its attendant risks.

Tolerating harassment or discrimination invites great legal, brand, financial, and human capital risk:

- Companies have incurred legal damages or paid settlements in the hundreds of millions of dollars and threat of lawsuits is increasing.
- Companies may experience reduced morale, lost productivity, absenteeism, turnover, and challenges recruiting and retaining talent. McDonald's Corporation ("McDonald's) employees in 10 cities have publicly protested treatment of sexual harassment at our company.
- Sexual harassment claims have been shown to cause significant damage to company reputations. (https://tinyurl.com/yaqxqvp5)
- Companies that have lost leadership over discrimination and harassment allegations include: CBS, Nike, Papa Johns, Texas Instruments, Uber, Walt Disney, and Wynn Resorts. Leadership turnover puts shareholder value at risk.

Harassment and discrimination are widespread and pervasive across the American workforce. Forty-eight percent of African-Americans and thirty-six percent of Hispanics state they have experienced race-based workplace discrimination (https://tinyurl.com/y8wkrp5u). Fifty-five percent of senior-level women say that they have been sexually harassed during their careers (https://tinyurl.com/y8wraedj). Sixty-four percent of Americans believe that sexual harassment and racism are major problems in America (https://tinyurl.com/y8qzsbxx). Sexual harassment is particularly widespread in the fast-food industry, where 80% of women and 70% of men report being sexually harassed by co-workers (https://tinyurl.com/y9cxnsrk).

Shareholders seek proactive assurance that McDonald's is not masking patterns of harassment or discrimination that may harm future share value.

RESOLVED

Shareholders request that McDonald's senior management, with oversight from the Board of Directors, issue a report on the potential impact on the company of emerging state and federal policies described in this proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements. The report should be developed at reasonable cost and omit proprietary information.

Supporting Statement:

The report should assess the company's current approach to nondisclosure and compulsory arbitration agreements as they affect EEO-protected classes of employees, the potential impact that the company's policies regarding those agreements may have on perpetuating patterns of harassment and discrimination, and any material financial or human resources impact on the company associated with the proposed changes to public policy.

charles SCHWAB

Advisor Services
1958 Summit Park Dr
Orlando, FL 32810

December 11, 2018

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
(802)-526-2525

Re: JULIE A KAYE & PETER M KAYE JT TEN
Account# ***

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 85 shares of MC DONALDS CORP (MCD) common stock. These shares have been held in this account continuously for at least one year prior to December 10, 2018.

These shares are held at depository Trust Company under the nominee name of Charles Schwab and Company.

This Letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,

Luis Nunez

Relationship Specialist
Schwab Advisors Services

December 10, 2018

Molly Betournay
Director of Research & Advocacy
Clean Yield Asset Management
16 Beaver Meadow Road
P.O. Box 874
Norwich, VT 05055

Dear Ms. Betournay:

We hereby authorize Clean Yield Asset Management to file a shareholder resolution with our stock regarding workplace harassment and discrimination at the McDonald's Corporation 2019 annual meeting. Specifically, the proposal requests that McDonald's Corporation issue a report assessing the effectiveness of the company's controls and procedures to prevent workplace harassment and discrimination.

We confirm that we are the beneficial owner of more than $2,000 worth of common stock in McDonald's Corporation (MCD) and have held this position continuously for more than a year. We will retain this position through the date of the company's annual meeting in 2019.

We specifically give Clean Yield Asset Management full authority to deal with any and all aspects of the aforementioned shareholder resolution. We understand that our names may be identified on the corporation's proxy statement as the filers of the aforementioned resolution.

Sincerely,

Julie Kaye

Julie Kaye

Peter Kaye

Peter Kaye

EXHIBIT B

From: Assaf-Holmes, Lauren
Sent: Wednesday, December 26, 2018 1:59 PM
To: 'molly@cleanyield.com'
Subject: McDonald's Corporation (Clean Yield) Correspondence
Attachments: MCD Clean Yield Letter.pdf

Attached on behalf of our client, McDonald's Corporation, please find our notice of deficiency with respect to the shareholder proposal you submitted.

Best,

Lauren

Lauren Assaf

GIBSON DUNN

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LAssaf@gibsondunn.com • www.gibsondunn.com

GIBSON DUNN

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Elizabeth A. Ising
Direct: +1 202.955.8287
Fax: +1 202.530.9631
EIsing@gibsondunn.com

December 26, 2018

VIA OVERNIGHT MAIL AND EMAIL
Molly Betournay
Clean Yield Asset Management
16 Beaver Meadow Rd., PO Box 874
Norwich, VT 05055
molly@cleanyield.com

Dear Ms. Betournay:

I am writing on behalf of McDonald's Corporation (the "**Company**"), which received on December 12, 2018, the shareholder proposal you submitted on behalf of Julie Kaye and Peter Kaye (the "**Proponents**") regarding a report on certain emerging state and federal policies described in the proposal, pursuant to Securities and Exchange Commission ("**SEC**") Rule 14a-8 for inclusion in the proxy statement for the Company's 2019 Annual Meeting of Shareholders (the "**Proposal**").

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention.

1. Proposals by Proxy

Your correspondence did not include sufficient documentation demonstrating that you had the legal authority to submit the Proposal on behalf of the Proponents as of the date the Proposal was submitted (December 12, 2018). In Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("**SLB 14I**"), the SEC's Division of Corporation Finance ("**Division**") noted that proposals submitted by proxy, such as the Proposal, may present challenges and concerns, including "concerns raised that shareholders may not know that proposals are being submitted on their behalf." Accordingly, in evaluating whether there is a basis to exclude a proposal under the eligibility requirements of Rule 14a-8(b), as addressed below, SLB 14I states that in general the Division would expect any shareholder who submits a proposal by proxy to provide documentation to:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;

- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and

- be signed and dated by the shareholder.

The documentation that you provided with the Proposal raises the concerns referred to in SLB 14I. Specifically, the Proposal raises the concerns referred to in SLB 14I because the documentation from the Proponents purporting to authorize you to act on the Proponents' behalf does not consistently identify the specific proposal to be submitted. The documentation refers to a "proposal request[ing] that McDonald's Corporation issue a report assessing the effectiveness of the company's controls and procedures to prevent workplace harassment and discrimination"; however, the Proposal requests "a report on the potential impact on the company of emerging state and federal policies described in this proposal to prevent harassment and discrimination against any EEO-protected classes of employees by restricting nondisclosure and compulsory arbitration agreements." To remedy these defects, the Proponents should provide documentation that confirms that as of the date you submitted the Proposal, the Proponents had instructed or authorized you to submit the specific proposal to the Company on the Proponents' behalf. The documentation should consistently identify the specific proposal to be submitted.

2. Proof of Continuous Ownership

To the extent that the Proponents authorized you to submit the Proposal to the Company, please note the following. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least $2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company's stock records do not indicate that the Proponents are the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received adequate proof that the Proponents have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company. The December 11, 2018 letter from Schwab Advisors Services that you provided is insufficient because it verifies ownership for at least one year prior to December 10, 2018 rather than for the one-year period preceding and including December 12, 2018, the date the Proposal was submitted to the Company.

To remedy these defects, the Proponents must obtain a new proof of ownership letter verifying the Proponents' continuous ownership of the required number or amount of Company shares for the one-year period preceding and including December 12, 2018, the

date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

(1) a written statement from the "record" holder of the Proponents' shares (usually a broker or a bank) verifying that the Proponents continuously held the required number or amount of Company shares for the one-year period preceding and including December 12, 2018; or

(2) if the Proponents have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponents' ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponents continuously held the required number or amount of Company shares for the one-year period.

If the Proponents intend to demonstrate ownership by submitting a written statement from the "record" holder of the Proponents' shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("**DTC**"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponents' broker or bank is a DTC participant by asking the Proponents' broker or bank or by checking DTC's participant list, which is available at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

(1) If the Proponents' broker or bank is a DTC participant, then the Proponents need to submit a written statement from the Proponents' broker or bank verifying that the Proponents continuously held the required number or amount of Company shares for the one-year period preceding and including December 12, 2018.

(2) If the Proponents' broker or bank is not a DTC participant, then the Proponents need to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponents continuously held the required number or amount of Company shares for the one-year period preceding and including December 12, 2018. You should be able to find out the identity of the DTC participant by asking the Proponents' broker or bank. If the Proponents' broker is an introducing broker, you may also be able to learn the identity and

telephone number of the DTC participant through the Proponents' account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponents' shares is not able to confirm the Proponents' individual holdings but is able to confirm the holdings of the Proponents' broker or bank, then the Proponents need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including December 12, 2018, the required number or amount of Company shares were continuously held: (i) one from the Proponents' broker or bank confirming the Proponents' ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to Jennifer Card, the Company's Senior Counsel – Securities, Governance and Corporate, at McDonald's Corporation, 110 North Carpenter Street, Chicago, Illinois 60607. Alternatively, you may transmit any response to Ms. Card by email at jennifer.card@us.mcd.com.

If you have any questions with respect to the foregoing, please contact me at (202) 955-8287. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

Elizabeth A. Ising

cc: Jennifer Card, Senior Counsel – Securities, Governance and Corporate
McDonald's Corporation

Julie and Peter Kaye c/o Clean Yield Asset Management
Meredith Benton, Whistle Stop Capital c/o Clean Yield Asset Management

Enclosures

Rule 14a-8 – Shareholder Proposals

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to ''you'' are to a shareholder seeking to submit the proposal.

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?

> (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.
>
> (2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:
>
> > (i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or
> >
> > (ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:
> >
> > > (A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10–Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d–1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S–K (§229.402 of this chapter) or any successor to Item 402 (a “say-on-pay vote”) or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a–21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a–21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments? Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a–6.

U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://tts.sec.gov/cgi-bin/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of

Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

What if a shareholder's broker or bank is not on DTC's participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals.

Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

> "As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8 (c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[16]

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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[1] *See* Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. *See* Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

[3] If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

[4] DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. *See* Proxy Mechanics Concept Release, at Section II.B.2.a.

[5] *See* Exchange Act Rule 17Ad-8.

[6] *See* Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

[7] *See KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden,* 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the

company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

[8] *Techne Corp.* (Sept. 20, 1988).

[9] In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. *See* Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

[10] For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

[11] This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

[12] As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

[13] This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

[14] *See, e.g.*, Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

[15] Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

[16] Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

EXHIBIT C

From: Molly Betournay <molly@cleanyield.com>
Sent: Friday, December 28, 2018 6:16 AM
To: Assaf-Holmes, Lauren
Subject: RE: McDonald's Corporation (Clean Yield) Correspondence

[External Email]
Dear Lauren,

Thank you for sending across this letter. We are reviewing the letter and plan to respond in the next week.

Best,

Molly

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
molly@cleanyield.com
(802) 526-2525 x103

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From: Assaf-Holmes, Lauren
Sent: Wednesday, December 26, 2018 4:59 PM
To: 'molly@cleanyield.com'
Subject: McDonald's Corporation (Clean Yield) Correspondence

Attached on behalf of our client, McDonald's Corporation, please find our notice of deficiency with respect to the shareholder proposal you submitted.

Best,

Lauren

Lauren Assaf

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
3161 Michelson Drive, Irvine, CA 92612-4412
Tel +1 949.451.3990 • Fax +1 949.475.4680
LAssaf@gibsondunn.com • www.gibsondunn.com

EXHIBIT D

From: Molly Betournay <molly@cleanyield.com>
Sent: Thursday, January 3, 2019 1:44 PM
To: Card Jennifer <Jennifer.Card@us.mcd.com>
Subject: McDonald's Correspondence

Dear Ms. Card,

Attached please find our response to the notice of deficiency that was sent to us from Gibson Dunn on McDonald's behalf on December 26, 2018 with respect to the shareholder proposal Clean Yield submitted.

Regards,

Molly

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
molly@cleanyield.com
(802) 526-2525 x103

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CLEAN YIELD
ASSET MANAGEMENT

January 3, 2019

Jennifer Card
Senior Counsel – Securities, Governance and Corporate
McDonald's Corporation
110 North Carpenter Street
Chicago, IL 60607

Via email: Jennifer.card@us.mcd.com

RE: Correspondence regarding shareholder proposal for 2019 Annual Meeting

Dear Ms. Card,

We received a letter dated December 26, 2018 from Elizabeth Ising at Gibson Dunn regarding Clean Yield's proposal for the 2019 McDonald's Annual Meeting. In response to this letter, we are enclosing a letter verifying Julie and Peter Kaye's continuous long-term ownership of 85 McDonald's shares. In our opinion, the paperwork we previously presented is otherwise in compliance with federal and state law.

Regards,

Molly Betournay

Enclosure: Verification of ownership

Advisor Services
1958 Summit Park Dr
Orlando, FL 32810

December 12, 2018

Molly Betournay
Director of Social Research & Advocacy
Clean Yield Asset Management
(802)-526-2525

Re: JULIE A KAYE & PETER M KAYE JT TEN
Account# ***

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 85 shares of MC Donalds Corp (MCD) common stock. These shares have been held in this account continuously for at least one year prior to December 12, 2018.

These shares are held at depository Trust Company under the nominee name of Charles Schwab and Company.

This Letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Schwab's DTC Clearing 0164, Code 40.

Sincerely,

Luis Nunez

Relationship Specialist
Schwab Advisors Services