



DIVISION OF  
CORPORATION FINANCE

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

April 3, 2023

Elizabeth A. Ising  
Gibson, Dunn & Crutcher LLP

Re: McDonald's Corporation (the "Company")  
Incoming letter dated January 23, 2023

Dear Elizabeth A. Ising:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by The Bahnsen Family Trust Dated July 15th 2003 for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the Company prepare and annually update a report to shareholders listing and analyzing policy endorsements made in recent years, including public endorsements, which include press statements released by the Company and signing of public statements associated with activist groups and statements of threat or warning against particular states in response to policy proposals, and analyzing whether the policies advocated can rigorously be established to be of pecuniary benefit to the Company and describe possible risks to the Company arising from such statements, endorsements, or warnings.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to, and does not transcend, ordinary business matters. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: David Bahnsen  
The Bahnsen Family Trust Dated July 15th 2003

January 23, 2023

**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 The Bahnsen Family Trust Dated July 15th 2003*  
*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 2023 Annual Meeting of Shareholders (collectively, the "2023 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof (the "Supporting Statement") received from The Bahnsen Family Trust Dated July 15th 2003 (the "Proponent").

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 2023 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

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 Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be sent at the same time to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

Be it RESOLVED that shareholders of the Company request that the Company prepare and annually update a report to shareholders, at reasonable expense and excluding proprietary information, listing and analyzing policy endorsements made in recent years. The report should include public endorsements, including press statements released by the company and signing of public statements associated with activist groups and statements of threat or warning against particular states in response to policy proposals. The report should analyze whether the policies advocated can rigorously be established to be of pecuniary benefit to the company and describe possible risks to the company arising from such statements, endorsements, or warnings.

A copy of the Proposal and the Supporting Statement, as well as correspondence with the Proponent relevant to this no-action request, is attached to this letter as Exhibit A.

## BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2023 Proxy Materials pursuant to:

- Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations; and
- Rule 14a-8(i)(3) because it is impermissibly vague and indefinite so as to be inherently misleading.

## ANALYSIS

### **I. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Deals With Matters Relating To The Company's Ordinary Business Operations.**

#### *A. Background On Rule 14a-8(i)(7).*

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing

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management with flexibility in directing certain core matters involving the company’s business and operations.” Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”).

In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. The first was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” Examples of the tasks cited by the Commission include “management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.” 1998 Release. The Proposal implicates this consideration.

A shareholder proposal being framed in the form of a request for a report, including requesting a report about certain risks, does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the proposed report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983); *Johnson Controls, Inc.* (avail. Oct. 26, 1999) (“[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).”); *see also Ford Motor Co.* (avail. Mar. 2, 2004) (concurring with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details of indirect environmental consequences of its primary automobile manufacturing business).

Moreover, in Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), the Staff explained how it evaluates shareholder proposals relating to risk:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk . . . . [S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document—where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business—we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

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Consistent with its positions in SLB 14E, the Staff has repeatedly concurred in the exclusion of shareholder proposals seeking risk assessments when the subject matter concerns ordinary business operations. *See, e.g., Dollar Tree, Inc.* (avail. May 2, 2022) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on risks to the company’s business strategy from increasing labor market pressure); *BlackRock, Inc. (National Center for Public Policy Research)* (avail. Apr. 4, 2022) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on the potential risks associated with omitting “viewpoint” and “ideology” from the company’s written equal employment opportunity policy); *The TJX Companies, Inc.* (avail. Mar. 29, 2011) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting an annual assessment of the risks created by the actions the company takes to avoid or minimize U.S. federal, state and local taxes and provide a report to shareholders on the assessment); *Amazon.com, Inc.* (avail. Mar. 21, 2011) (same); *Wal-Mart Stores, Inc.* (avail. Mar. 21, 2011) (same); *Lazard Ltd.* (avail. Feb. 16, 2011) (same); *Pfizer Inc.* (avail. Feb. 16, 2011) (same).

*B. The Proposal Relates To The Company’s Ordinary Business Operations.*

The Proposal requests a report “listing and analyzing policy endorsements made in recent years,” noting that “policy endorsements” should “include public endorsements, including press statements released by the [C]ompany and signing of public statements associated with activist groups and statements of threat or warning against particular states in response to policy proposals.” The Proposal focuses on the Company’s public relations activities, a topic that the Staff has long recognized implicates ordinary business matters, thereby making the Proposal excludable under Rule 14a-8(i)(7).

The Staff has consistently determined that a company’s public relations activities, including a company’s decision as to whether, and if so how, to respond to various social issues and public pressure campaigns, are part of its ordinary business operations. For example, in *Nike, Inc.* (avail. Jun. 19, 2020), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a shareholder proposal requesting that Nike “issue a public report . . . detailing any known and any potential risks and costs to the Company that would arise from company involvement in the debate about state policies on abortion or other related hot-button social issues about which consumers, employees and Americans generally are deeply interested and deeply split.” In *Nike*, the company noted that the proposal sought to improperly involve shareholders in the company’s management of public relations decisions. *See also Johnson & Johnson* (avail. Jan. 31, 2018) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company prepare a report detailing the known and potential risks and costs to the company caused by pressure campaigns from outside “activists” seeking to dictate the company’s free speech and freedom of association rights where the company argued, among other things, that the proposal related to its public relations activities); *Best Buy Co. Inc.* (avail. Feb. 23, 2017) (concurring with the exclusion

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under Rule 14a-8(i)(7) of a proposal requesting that the company prepare a report detailing the known and potential risks and costs to the company caused by pressure campaigns to oppose certain laws, including religious freedom laws, freedom of conscious laws and public accommodation laws); *Johnson & Johnson* (avail. Feb. 23, 2017) (same); *The Home Depot, Inc.* (avail. Feb. 23, 2017) (same); *Johnson & Johnson* (avail. Jan. 12, 2004) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a review of pricing and marketing policies and a report disclosing how the company intended to respond to “public pressure to reduce prescription drug pricing” where the Staff noted that “marketing and public relations” are ordinary business matters); *E.I. du Pont de Nemours and Co.* (avail. Feb. 23, 1993) (concurring with the exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company take an active role against the environmental movement because the proposal related to the company’s “advertising and public relations policy”); *Apple Computer, Inc.* (avail. Oct. 20, 1989) (concurring with the exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company create a committee to regulate public use of the company’s logo because the proposal related to the company’s ordinary business operations, specifically “operational decisions with respect to advertising, public relations and related matters”).

As with the precedents cited above, the Proposal’s focus on the Company’s public relations activities would result in inappropriate shareholder involvement in the Company’s management of its public relations. The Company’s decisions on how to conduct its public relations activities, including what topics and issues it decides to address (including actions that fall in the broad categories of “policy endorsements” and “public endorsements”), are important to the Company’s business, strategy and corporate purpose objectives. By requesting that the Company prepare a report on the risks and “pecuniary benefit” of making “statements, endorsements, or warnings,” the Proposal seeks to improperly introduce shareholder involvement in the Company’s management of its public relations activities. Through robust disclosure included on the Company’s website, its publicly available filings with the Commission, and in its various reports, including the Company’s 2021-2022 “Purpose & Impact Global Progress Summary,”<sup>1</sup> the Company discloses its commitment to corporate responsibility, including advocacy on certain societal issues important to the Company’s business. A key component of this commitment is its work to “feed and foster communities” by helping to “address some of the world’s most pressing social challenges and ensure the natural world is protected for future generations.” To this end, the Company has established a governance structure and has implemented corresponding policies to thoroughly manage and thoughtfully oversee the Company’s public relations, public policy

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<sup>1</sup> Available at [https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds\\_PurposeImpact\\_ProgressReport\\_2021\\_20221.pdf](https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_PurposeImpact_ProgressReport_2021_20221.pdf).

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and stakeholder engagement efforts. In addition, the Company's Public Policy & Strategy Committee was established by the Company's Board of Directors to "oversee the Company's strategy around determining when positions on social, political or similar issues should be articulated publicly." As set forth in the Committee's charter,<sup>2</sup> the Committee has the responsibility to "review and monitor the Company's strategies and efforts to identify, evaluate and address trends, issues, regulatory matters and other concerns that materially affect, or that could materially affect the Company's business activities and performance, as well as the Company's reputation and image" and "review and monitor the Company's government affairs strategies and priorities." Similarly, in cases where the Company believes that doing so is in the best interests of it and its shareholders, the Company strives to play a constructive role in engaging with policymakers about legislative issues. The foregoing actions and disclosures demonstrate that the Company is, in fact, engaged in day to day management and oversight of these public relations activities, as part of its ordinary business operations.

Finally, the Proposal's heading indicates a focus on "non-core" issues, suggesting that issues like "religious freedom" are unrelated to the Company's principal business. However, the question of what is a "core" or "non-core" issue is itself complex and must be evaluated by the Company's management as it considers implications for numerous stakeholders that affect the Company's business operations, including its employees, customers, suppliers and communities.

*C. The Proposal Does Not Focus On A Significant Policy Issue That Transcends The Company's Ordinary Business Operations.*

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" exception that the Commission had initially articulated in Exchange Act Release No. 12999 (Nov. 22, 1976) (the "1976 Release"). In the 1998 Release, the Commission also distinguished proposals relating to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. When assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. See Staff Legal Bulletin No. 14C, part D.2 (June 28,

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<sup>2</sup> Available at <https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/Public%20Policy%20and%20Strategy%20Committee%20Charter.pdf>.

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2005) (“In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.”).

In contrast, shareholder proposals that only touch upon topics that might raise significant social policy issues—but which do not focus on such issues—are not transformed into a proposal that transcends ordinary business. As a result, such proposals remain excludable under Rule 14a-8(i)(7). Notably, in *PetSmart, Inc.* (avail. Mar. 24, 2011), the proposal requested that the board require the company’s suppliers to certify that they had not violated “the Animal Welfare Act, the Lacey Act, or any state law equivalents.” The Staff concurred with exclusion, noting that “[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is ‘fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.’” See also *Amazon.com, Inc. (Domini Impact Equity Fund)* (avail. Mar. 28, 2019) (concurring with the exclusion of a proposal that requested that the board annually report to shareholders “its analysis of the community impacts of [the company’s] operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities,” noting that “the [p]roposal relates generally to ‘the community impacts’ of the [c]ompany’s operations and does not appear to focus on an issue that transcends ordinary business matters”); *Mattel, Inc.* (avail. Feb. 10, 2012) (concurring with the exclusion of a proposal that requested the company require its suppliers to publish a report detailing their compliance with the International Council of Toy Industries Code of Business Practices, noting that the ICTI Code encompasses “several topics that relate to . . . ordinary business operations and are not significant policy issues”).

In SLB 14L, the Staff stated that it “will realign its approach for determining whether a proposal relates to ‘ordinary business’ with the standard the Commission initially articulated in [the 1976 Release], which provided an exception for certain proposals that raise significant social policy issues, and which the Commission subsequently reaffirmed in the 1998 Release.” As such, the Staff stated that it will focus on the issue that is the subject of the shareholder proposal and determine whether it has “a broad societal impact, such that [it] transcend[s] the ordinary business of the company,” and noted that proposals “previously viewed as excludable because they did not appear to raise a policy issue of significance for the company may no longer be viewed as excludable under Rule 14a-8(i)(7).”

Here, the Proposal does not focus on a significant social policy issue that transcends the ordinary business of the Company. While the introduction to the Proposal and the Supporting Statement contain one reference to “religious freedom,” the Proposal’s central focus (as evidenced in the Proposal and the Supporting Statement) is on the Company’s policy endorsements and public statements as part of its general public relations activities, a matter of ordinary business. This singular reference to religious freedom as one example of



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such policies is insufficient to result in the Proposal being considered to focus on a significant social policy issue under Rule 14a-8(i)(7). Accordingly, the Proposal does not transcend the ordinary business of the Company and is excludable under Rule 14a-8(i)(7) because it relates to ordinary business matters.

## **II. The Proposal May Be Excluded Under Rule 14a-8(i)(3) Because It Is Impermissibly Vague And Indefinite So As To Be Inherently Misleading**

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the Commission’s proxy rules or regulations, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. The Staff consistently has taken the position that vague and indefinite shareholder proposals are inherently misleading and therefore excludable under Rule 14a-8(i)(3) because “neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Staff Legal Bulletin No. 14B (Sept. 15, 2004). *See also Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961) (“[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail.”); *Capital One Financial Corp.* (avail. Feb. 7, 2003) (concurring with the exclusion under Rule 14a-8(i)(3) of a proposal where the company argued that its shareholders “would not know with any certainty what they are voting either for or against”).

### *A. The Proposal Is Excludable Under Rule 14a-8(i)(3) Because It Fails To Provide Sufficient Clarity Or Guidance Such That Shareholders And The Company Would Be Uncertain About The Core Purpose Of The Proposal Or Reach Different Conclusions Regarding The Implementation Thereof.*

The scope of the report the Company’s shareholders are being asked to consider is unclear. Shareholders reading the specific words of the Proposal, such as “public endorsements,” “activist groups,” and “statements of threat or warning,” would not be able to identify the scope of the report for which they are voting. Similarly, if shareholders were to vote in favor of the Proposal, the Company would be unable to ascertain the scope of the report that shareholders requested.

Even if the Company attempts to narrow the scope of the Proposal to public-facing actions related to societal issues, the Proposal remains too vague and indefinite. In *Fuqua Industries, Inc.* (avail. Mar. 12, 1991), the Staff permitted exclusion of a proposal under Rule 14a-8(i)(3) that sought to prohibit “any major shareholder . . . which currently owns

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25% of the Company and has three board seats from compromising the ownership of the other stockholders,” where the meaning and application of such terms as “any major shareholder,” “assets/interest” and “obtaining control” would be subject to differing interpretations. In *Fuqua*, the company argued that the ambiguities in the proposal would render the proposal materially misleading since “any action ultimately taken by the [c]ompany upon implementation [of the proposal] could be significantly different from the actions envisioned by the shareholders voting on the proposal.” Here, like in *Fuqua*, the ambiguous scope of the requested report could lead to materially different, reasonable interpretations. For example, the term “policy endorsements” could include statements made in all or any of the following: Annual Reports on Form 10-K; Quarterly Reports on Form 10-Q; Current Reports on Form 8-K; proxy statements; statements to news outlets; website statements; messaging in advertising initiatives or on social media; participation in pro bono or volunteer programs; community support initiatives; internal policies and practices, such as hiring practices or benefit offerings; and financial actions, such as philanthropic donations and pledges to particular organizations.

The Supporting Statement does not clarify which of these practices are within the scope of the Proposal. Shareholders would not be able to determine the scope, and the Company would be unable to effectively respond to shareholder support of the Proposal because it is likely that each shareholder reads and interprets the Proposal differently. Among the items to be analyzed in the requested report, the Proposal lists “public endorsements, including press statements released by the [C]ompany and signing of public statements associated with activist groups and statements of threat or warning against particular states in response to policy proposals.” The Supporting Statement states that “political pronouncements made by, or perceived to be made by, the Company are likely to expose the Company to adverse public opinion, boycotts, political hostility, and regulatory burden.” This statement only serves to broaden and obscure the Proposal’s focus, rather than narrowing it to one issue. In addition, the phrase “perceived to be made by” the Company implicates a necessity of analyzing public opinion at large.

*B. The Proposal Is Excludable Under Rule 14a-8(i)(3) Because It Fails To Define Other Key Terms.*

The Staff has routinely concurred with the exclusion of proposals that fail to define key terms or otherwise fail to provide sufficient clarity or guidance to enable either stockholders or the company to understand how the proposal would be implemented. For example, in *Apple Inc. (Zhao)* (avail. Dec. 6, 2019), the Staff recently concurred that a company could exclude, as vague and indefinite, a proposal that recommended that the company “improve guiding principles of executive compensation,” but failed to define or explain what improvements the proponent sought to the “guiding principles.” The Staff noted that the proposal “lack[ed] sufficient description about the changes, actions or ideas for the

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[c]ompany and its shareholders to consider that would potentially improve the guiding principles” and concurred with exclusion of the proposal as “vague and indefinite.” *See also The Walt Disney Co. (Graw)* (avail. Jan. 19, 2022) (concurring with the exclusion under Rule 14a-8(i)(3) as vague and indefinite a proposal that requests a prohibition on communications by or to cast members, contractors, management or other supervisory groups within the Company of “politically charged biases regardless of content or purpose”, where the Staff stated that “in applying this proposal to the Company, neither shareholders nor the Company would be able to determine with reasonable certainty exactly what actions or measures the Proposal requests”); *The Boeing Co.* (avail. Feb. 23, 2021) (concurring with the exclusion of a proposal requiring that 60% of the company’s directors “must have an aerospace/aviation/engineering executive background” where such phrase was undefined); *AT&T Inc.* (avail. Feb. 21, 2014) (concurring with the exclusion of a proposal requesting a review of policies and procedures related to the “directors’ moral, ethical and legal fiduciary duties and opportunities,” where such phrase was undefined); *International Paper Co.* (avail. Feb. 3, 2011) (concurring with the exclusion of a proposal under Rule 14a-8(i)(3) that requested the adoption of a particular executive stock ownership policy because it did not sufficiently define “executive pay rights”); *Verizon Communications Inc.* (avail. Feb. 21, 2008) (concurring with the exclusion of a proposal under Rule 14a-8(i)(3) because it failed to define certain critical terms, such as “Industry Peer Group” and “relevant time period”).

Here, the terms “policy endorsements,” “public endorsements,” and “activist groups” are inherently broad, vague and indefinite terms that are subject to ideological debate regarding what they actually encompass, and their interpretation varies widely based on the specific context in which they are used. For example, the term “policy” in “policy endorsements” could implicate a variety of social, economic or other considerations, which reinforces and extends the uncertainty created by the variety of possible meanings for the word “endorsements,” as discussed above in Part II.A. of this letter.

Further, the term “pecuniary benefit” is subject to a wide range of interpretations—for example, is it purely dollars coming directly in and out of the Company, or does it include more indirect impacts, such as employee and community support, that may translate to financial benefit. The Proposal fails to state over what period of time such pecuniary benefit should be shown or how the origin of the benefit would be determined. Additionally, topics that may be considered purely economic in the eyes of the Company may be considered to have political meaning by those outside the Company, which the Supporting Statement acknowledges in its concern about “political pronouncements . . . perceived to be made” by the Company. The conclusion as to what statements would be subject to the Proposal, if adopted, could reasonably vary as between the Company and shareholders. It is also unclear whether indirect impacts resulting from Company’s statements would be acknowledged as carrying a “pecuniary benefit.” For example, the factors determining guests’ decisions to patronize the Company and employees’ decisions to work at the Company may include

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whether they perceive that the Company's actions support issues important to those constituents. The uncertainty over which of the variety of interpretations of "pecuniary benefit" is or are intended by the Proposal is only amplified by the requirement that the requested report analyze whether a pecuniary benefit "can rigorously be" established by the advocated policy. It is difficult to understand how the Company could ever logically show that a pecuniary benefit "can rigorously be established" if the Proposal's intended meaning of the term pecuniary benefit cannot be reasonably established.

Finally, the undefined term "non-core" in the title of the Proposal casts further doubt on the intended scope of the Proposal. The question of what is a "core" or "non-core" issue is itself complex and must be evaluated by the Company's management as it considers implications for numerous stakeholders that affect the Company's business operations, including its employees, customers, suppliers, and communities.

The failure to resolve these ambiguities in the Proposal render it so vague as to be materially misleading since "any action ultimately taken by the [c]ompany upon implementation [of the proposal] could be significantly different from the actions envisioned by the shareholders voting on the proposal." *Fuqua Industries, Inc.* In this respect, the Proposal's request comprises many types of statements and disclosures made by the Company on a regular basis and could conceivably include prior shareholder approval of any public-facing statements or disclosures contemplated by the Company, as well as of the Company's decision to make a statement or disclosure or refrain from making such statement or disclosure.

As the Proposal does not provide any explanation or context for the meaning of these critical terms, which define the very basis of the requested report, shareholders would have no ability to make a reasonable assessment of the Proposal and the Company would not be able to reasonably determine how to implement the preparation of the report if shareholders approve the Proposal. And without any specificity as to what the Proposal is asking shareholders to vote on, shareholders would have difficulty determining whether to vote "for" or "against" the Proposal, and neither the shareholders nor the Company would be able to determine with reasonable certainty what further actions or measures should be taken with regard to this Proposal if it were it to be approved. If shareholders were to approve the Proposal pursuant to their individual interpretations, the Company would have no consistent direction or guidelines with respect to how the Proposal should be implemented. The Company's Board of Directors would then have to choose among multiple reasonable interpretations for implementing the Proposal, any one of which could be very different from what the shareholders approving the Proposal envisioned. Accordingly, the Proposal is inherently vague and indefinite and may be excluded under Rule 14-8(i)(3).

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## 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 2023 Proxy Materials pursuant to Rule 14a-8(i)(7) and Rule 14a-8(i)(3).

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](mailto: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 Austin Arnett, the Company's Senior Counsel, at (231) 563-3233.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Austin Arnett, McDonald's Corporation  
Jeffrey Pochowicz, McDonald's Corporation  
David Bahnsen

**EXHIBIT A**

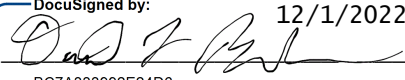
December 1<sup>st</sup>, 2022

Corporate Secretary, McDonald's Corporation  
corporatesecretary@us.mcd.com

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the McDonald's Corporation (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14a-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations. I submit the Proposal as DAVID BAHNSEN, TRUSTEE of THE BAHNSEN FAMILY TRUST DATED JULY 15<sup>TH</sup> 2003, which has continuously owned Company stock with a value exceeding \$25,000 for at least one year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2023 annual meeting of shareholders. Pursuant to interpretations of Rule 14(a)-8 by the U.S. Securities and Exchange Commission staff, I initially propose as a time for a telephone conference to discuss this proposal THURSDAY, DECEMBER 8<sup>TH</sup> 2022, 1:30 PM EST. If that proves inconvenient, please suggest some other times to speak. Feel free to contact me at [REDACTED] so that we can determine the mode and method of that discussion.

A Proof of Ownership letter is forthcoming and will be delivered to the Company. Copies of correspondence or a request for a "no-action" letter should be sent to [REDACTED] and emailed to [REDACTED].

Sincerely,

DocuSigned by:  12/1/2022  
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DAVID BAHNSEN

Enclosure: Shareholder Proposal

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## **Report on Risks of Company's Involvement with Non-Core Political Issues**

**Whereas**, our Company has made public statements in favor of and against political policies unrelated to its business and the interests of all stakeholders, such as religious freedom; and insofar as America is increasingly divided along political and cultural lines, policy endorsements made by the Company and/or by the CEO might expose our company to risks to reputation and to political backlash.

**Be it RESOLVED** that shareholders of the Company request that the Company prepare and annually update a report to shareholders, at reasonable expense and excluding proprietary information, listing and analyzing policy endorsements made in recent years. The report should include public endorsements, including press statements released by the company and signing of public statements associated with activist groups and statements of threat or warning against particular states in response to policy proposals. The report should analyze whether the policies advocated can rigorously be established to be of pecuniary benefit to the company and describe possible risks to the company arising from such statements, endorsements, or warnings.

### **Supporting Statement**

Public polling indicates that the nation is severely politically and culturally divided and becoming increasingly so. In addition, polling indicates that a majority of Americans are skeptical about corporations involving themselves in such matters, including both Republicans and Democrats. Therefore, political pronouncements made by, or perceived to be made by, the Company are likely to expose the Company to adverse public opinion, boycotts, political hostility, and regulatory burden.

It is therefore vital that the Company monitor carefully, and report to shareholders, the public pronouncements on divisive political and cultural issues and risks which might arise from them.