
Vote Against McDonald's Directors Hernandez and Lenny



Timeline

January 2015

- Board named Steve Easterbrook, CEO of McDonald's.
- Board knew about Easterbrook's prohibited relationship with a consultant when he was chief brand officer for McDonald's.

October 2015

- David Fairhurst is named global Chief People Person.

November 3, 2019

- Board fires Easterbrook "without cause" after conducting initial investigation.

November 4, 2019

- McDonald's said Fairhurst's "departed the company."

August 2020

- McDonald's sues Easterbrook over his severance after anonymous tip reveals more affairs.
- McDonald's acknowledged that Fairhurst was fired and said it started a broad look at McDonald's human resources function in April.

Difference in For Cause vs Without Cause Terminations

For Cause Termination/Voluntary
or Forced Resignation

~~**SEVERANCE**~~

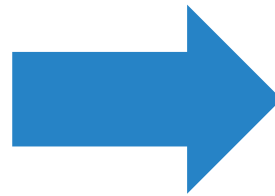
Without Cause Termination

SEVERANCE

New Standard for Executive Fraternization Cases

Current Approach

Board Discretion /
Every Case is
“Unique”



New Standard

No Severance / “For
Cause” Termination as
Default



Why Hold McDonald's Board Accountable?

- **Scant Investigation.** Board readily accepted Easterbrook's own explanations regarding the violation, rather than performing proper due diligence.
- **Corporate Culture at Risk.** Board set a poor "tone at the top" that fostered a workplace culture permissive of inappropriate behavior and violations of Company policy.
- **Entrenched Board.** Long standing board members serving in leadership positions not optimal structure.

Initial 2019 Investigation was not Thorough

- Initial 2019 investigation **completed in one week.**
- **More incidents discovered after termination.** New photo and video evidence Easterbrook sent from his Company email address shows that he had sexual relationships with no less than three employees in the year before his termination.
- **Computer servers not checked in initial investigation.** Easterbrook's emails remained available on Company servers, which investigators apparently neglected to examine.

Board Sets Poor “Tone at the Top”

- **Head of HR also culpable.** Easterbrook was not the only senior executive exhibiting inappropriate behavior toward women: McDonald’s reportedly fired “for cause” David Fairhurst, the Global Chief People Officer.
- **Party Culture.** Similar to Easterbrook, Fairhurst reportedly participated in McDonald’s so-called “party culture” and often frequented corporate parties that involved heavy drinking.
- **Sexual Harassment at Restaurants.** Company has faced mounting criticism and legal actions due to sexual misconduct at McDonald's restaurants over the last five years.

Inadequate Board Refreshment

Long tenured directors should not be in leadership positions.
Excessive tenure can compromise a director's independence.

- Six of McDonald's twelve directors have been on the board for **at least twelve years**.
- Board Chair Enrique Hernandez Jr. has been on the Board for **25 years**.
- Compensation Committee Chair Richard Lenny, has been on the Board for **16 years**.



Vote **AGAINST McDonald's Chairman **Enrique Hernandez, Jr.** (Item 1e) and Compensation Committee Chair **Richard Lenny** (Item 1g) on May 20th**