

MCDONALDS CORP
Form S-3ASR
July 27, 2018
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As filed with the U.S. Securities and Exchange Commission on July 27, 2018

Registration Statement No. 333-[]

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM S-3

**REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

McDONALD S CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-2361282
(I.R.S. Employer Identification Number)

110 North Carpenter Street

Chicago, Illinois 60607

(630) 623-3000

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jerome Krulewitch

Corporate Executive Vice President,

General Counsel and Secretary

McDonald's Corporation

110 North Carpenter Street

Chicago, Illinois 60607

(630) 623-3000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the Securities Act), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box:

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box:

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Acts:

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered / Proposed maximum offering price per unit / Proposed maximum aggregate offering price	Amount of registration fee
Debt Securities	(1)	(2)
Preferred Stock		
Common Stock		

(1) An indeterminate aggregate initial offering price or number of the securities of each identified class is being registered as may from time to time be sold at indeterminate prices.

(2) In accordance with Rules 456(b), 457(r) and 415(a)(6) under the Securities Act of 1933, as amended (the Securities Act), McDonald's Corporation (the Registrant) is deferring payment of all of the related registration fees, which will be paid from time to time in connection with one or more offerings to be made hereunder.

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Prospectus Supplement

(To Prospectus, dated July 27, 2018)

McDONALD S CORPORATION

110 North Carpenter Street

Chicago, Illinois 60607

United States of America

+1.630.623.3000

Medium-Term Notes

Due from One Year to 60 Years from Date of Issue

The following terms will generally apply to the medium-term notes that we may sell, from time to time, using this prospectus supplement and the accompanying prospectus. We will include information on the specific terms for each note in a pricing supplement to this prospectus supplement.

- Each note will mature in one year to 60 years and may be subject to redemption, at our option, or repayment, at the option of the holder.
- Each note will be denominated in U.S. dollars, unless we specify otherwise.

- Interest on the notes may be based on a fixed or floating rate.
- The notes may be issued as indexed notes.
- The notes may be issued in certificated or book-entry form.
- Interest on fixed-rate notes will be paid on February 15 and August 15 of each year, unless we specify otherwise.
- Interest on floating-rate notes will be paid on dates determined at the time of issuance.
- Minimum denominations for each note will be \$1,000, increased in multiples of \$1,000 or other specified denominations if denominated in foreign currencies, or if we specify otherwise.

Unless otherwise indicated in the applicable pricing supplement, the notes will be offered at a public offering price of 100%, and the agents discounts or commissions will equal between 0.150% and 0.750%, and proceeds, before expenses, to McDonald's Corporation will equal between 99.850% and 99.250%.

See Risk Factors beginning on page S-4 for a discussion of certain risks that should be considered in connection with an investment in the notes.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement, the accompanying prospectus or any pricing supplement. Any representation to the contrary is a criminal offense.

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The notes are being offered on a continuous basis by us through the agents listed below, who have agreed to act as agents for us in soliciting offers to purchase the notes. We may also sell notes to an agent, as principal, for resale to investors or other purchasers, and we reserve the right to sell notes to or through others and directly to investors on our own behalf. We reserve the right to cancel or modify the offer made by this prospectus supplement and the accompanying prospectus without notice. There is no termination date for the offering. Any offer to purchase notes solicited by us or by an agent may be rejected by us or the agent in whole or in part. We do not expect that any of the notes will be listed on an exchange, and a market for any particular series of notes may not develop.

Citigroup

ANZ Securities

Barclays

BNP PARIBAS

BofA Merrill Lynch

COMMERZBANK

Credit Agricole CIB

Goldman Sachs & Co. LLC

HSBC

ING

J.P. Morgan

MUFG

Mizuho Securities

Morgan Stanley

PNC Capital Markets LLC

Rabo Securities

RBC Capital Markets

Scotiabank

SMBC Nikko

SOCIETE GENERALE

Standard Chartered Bank

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SunTrust Robinson Humphrey

TD Securities

UniCredit Capital Markets

US Bancorp

Wells Fargo Securities

Westpac Capital Markets LLC

The date of this prospectus supplement is July 27, 2018.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. We have not, and the agents have indicated that they have not, authorized anyone to give any information or make any representation about the offering that is different from, or in addition to, that contained in this prospectus supplement, the accompanying prospectus and any pricing supplement, the related registration statement or in any of the materials that we have incorporated by reference into this prospectus supplement, the accompanying prospectus and any pricing supplement. Therefore, if anyone does give you information of this type, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus supplement, the accompanying prospectus and any pricing supplement are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus supplement, the accompanying prospectus and any pricing supplement does not extend to you. The information contained in this prospectus supplement, the accompanying prospectus and any pricing supplement speaks only as of the date of this prospectus supplement, the accompanying prospectus and any pricing supplement unless the information specifically indicates that another date applies. Our business, financial condition, results of operations and prospects may have changed since the respective dates of those documents.

References in this prospectus supplement to McDonald s, the Company, we, us, or our are to McDonald s Corporation and its consolidated subsidiaries.

None of this prospectus supplement, the accompanying prospectus and any related pricing supplement is a prospectus for the purposes of the Prospectus Directive (as defined below). This prospectus supplement, the accompanying prospectus and any related pricing supplement have

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been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the "EEA") that has implemented the Prospectus Directive (each, a "Relevant Member State") will only be made to a legal entity that is a qualified investor under the Prospectus Directive ("Qualified Investors"). Accordingly any person making or intending to make an offer in that Relevant Member State of notes that are the subject of the offering contemplated in this prospectus supplement, the accompanying prospectus and any related pricing supplement may only do so with respect to Qualified Investors. Neither McDonald's Corporation nor the agents have authorized, nor do they authorize, the making of any offer of notes other than to Qualified Investors. The expression "Prospectus Directive" means Directive 2003/71/EC (as

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amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

PRIIPs / IMPORTANT EEA RETAIL INVESTORS The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the PRIIPs Regulation) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market The pricing supplement in respect of any notes may include a legend entitled MiFID II Product Governance which will outline the target market assessment in respect of the notes and which channels for distribution of the notes are appropriate. Any person subsequently offering, selling or recommending the notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593, as amended (the MiFID Product Governance Rules), any agent subscribing for any notes is a manufacturer in respect of such notes, but otherwise neither the agents nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

The information set forth in this prospectus supplement is directed to prospective purchasers of notes who are United States (U.S.) residents, except to the extent expressly set forth in the section U.S. Tax Considerations below. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the U.S. regarding any matters that may affect the purchase or holding of, or receipt of payment of principal, any premium, or interest on, the notes. Such persons should consult their financial and legal advisors with regard to those

matters.

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RISK FACTORS

Your investment in the notes involves certain risks. In consultation with your own financial and legal advisors, you should carefully consider, among other matters, the following discussion of risks before deciding whether an investment in the notes is suitable for you. Notes are not an appropriate investment for you if you are unsophisticated with respect to their significant components.

This prospectus supplement does not describe all of the risks of an investment in the notes, whether arising from our business or because the notes are denominated in a currency other than the U.S. dollar or because the return on the notes is linked to one or more interest rate or currency indices or formulas. Prospective purchasers should consult their own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of their investment in the notes in light of their particular circumstances.

Risks Related to the Company

We are subject to various operating and other risks as a result of the nature of our operations and the marketplace in which we operate. Many of these risks are beyond our control and pose challenges to our business, operations, revenues, net income and cash flows. For a discussion of some of these risks, see **Risk Factors** in our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q, as well as any subsequent periodic or current report filed with the U.S. Securities and Exchange Commission that includes **Risk Factors** or that discusses such risks.

Risks Related to the Notes

The notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions, if such notes are denominated in a currency other than U.S. dollars, or transactions involving the type of index or formula used to determine the amount payable, if applicable. You should also consider carefully, among other factors, the matters described below.

Redemption May Adversely Affect Your Return on the Notes

If the notes are redeemable at our option, including our right to redeem the notes if we are, or a material probability exists that we will be, required to pay additional amounts in connection with any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on payments in respect of such notes, by or on behalf of any governmental authority (in each case as described in the relevant pricing supplement), then we may choose to redeem the notes at times when prevailing interest rates are relatively low. In addition, if the notes are subject to mandatory redemption, we may be required to redeem the notes also at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the notes being redeemed. Such redemption right of ours also may adversely impact your ability to sell your notes, and/or the price at which you could sell your notes, as the redemption date approaches.

Floating Rate Notes Bear Additional Risks

If your debt securities bear interest at a floating rate, there will be significant risks not associated with a conventional fixed rate debt security. These risks include fluctuation of the interest rates and the possibility that you will receive an amount of interest that is lower than expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results.

Uncertainty Relating to the Calculation of LIBOR and Other Reference Rates and Their Potential Discontinuance May Materially Adversely Affect the Value of the Floating Rate Notes

National and international regulators and law enforcement agencies have conducted investigations into a number of rates or indices that are deemed to be reference rates. Actions by those regulators and law enforcement agencies may result in changes to the manner in which certain reference rates are determined, their discontinuance, or the establishment of alternative reference rates. In particular, on July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the FCA), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. That announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Notwithstanding the foregoing, it appears highly likely that LIBOR will be discontinued or modified by 2021.

At this time, it is not possible to predict the effect that these developments, any discontinuance, modification or other reforms to LIBOR or any other reference rate, or the establishment of alternative reference rates may have on LIBOR, other benchmarks or variable rate securities, including the floating rate notes. Uncertainty as to the nature

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of such potential discontinuance, modification, alternative reference rates or other reforms may materially adversely affect the trading market for securities linked to such benchmarks, including the floating rate notes. Furthermore, the use of alternative reference rates or other reforms could cause the interest rate calculated for the floating rate debt securities to be materially different than expected.

If the calculation agent determines an alternative reference rate for LIBOR as described in Description of Notes Floating Rate Notes LIBOR Notes in this prospectus supplement or pursuant to the relevant information in an accompanying pricing supplement, the calculation agent may, after consultation with us, make certain adjustments to such rate, including applying a spread thereon or with respect to the business day convention, Interest Determination Dates and related provisions and definitions, to make such alternative reference rate comparable to LIBOR, in a manner that is consistent with industry-accepted practices for such alternative reference rate. See Description of Notes Floating Rate Notes LIBOR Notes and any relevant information in the applicable pricing supplement.

Index Notes May Have Risks Not Associated with a Conventional Debt Security

An investment in indexed notes entails significant risks that are not associated with an investment in a conventional fixed rate debt security. Indexation of the interest rate of notes may result in an interest rate that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest will be paid. Indexation of the principal of and/or premium on notes may result in an amount of principal and/or premium payable that is less than the original purchase price of the notes, including the possibility that no amount will be paid. The secondary market for indexed notes will be affected by a number of factors, independent of our creditworthiness. Such factors include the volatility of the index selected, the time remaining to the maturity of the notes, the amount outstanding of the notes and market interest rates. The value of an index can depend on a number of interrelated factors, including economic, financial and political events, over which we have no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to indexed notes contains a multiple or leverage factor, the effect of any change in the index will be increased. The historical experience of an index should not be taken as an indication of its future performance. Accordingly, you should consult your own financial and legal advisors as to the risks entailed by an investment in indexed notes.

Conversion of Interest Rate May Affect the Market Value of the Notes

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

Foreign Currency Notes Are Subject to Exchange Rate and Exchange Control Risks

An investment in notes denominated in a currency other than U.S. dollars entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and that currency, the possibility of significant changes in rates of exchange between the U.S. dollar and that currency resulting from the official redenomination of that currency, and the possibility of the imposition or

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modification of foreign exchange controls by either the U.S. or foreign governments. These risks generally depend on factors over which we have no control and which cannot be readily foreseen, such as economic and political events and the supply of and demand for the relevant currencies. Moreover, if payments on your foreign currency notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, rates of exchange between the U.S. dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any note. Depreciation of the specified currency for notes against the U.S. dollar would result in a decrease in the effective yield of such note (on a U.S. dollar basis) below its coupon rate and, in certain circumstances, could result in a loss to you on a U.S. dollar basis.

Governments have imposed, from time to time, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a specified currency at the time payment of principal of, premium, if any, or interest, if any, on a foreign currency note is made. There can be no assurance that exchange controls will not restrict or prohibit payments of principal of, any premium on, if any, or any interest denominated in a specified currency. Except as set forth below, if payment in respect of notes is required to be made in a currency other than U.S. dollars, and such currency is unavailable to us due to the imposition of exchange controls or other

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circumstances beyond our control or is no longer used by the government of the relevant country (unless otherwise replaced by the Euro) or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of such notes will be made in U.S. dollars until such currency is again available to us or so used. The amounts payable on any date in such currency will be converted into U.S. dollars on the basis of the most recently available Market Exchange Rate (defined below) for such currency or as otherwise indicated in the applicable pricing supplement. Any payment in respect of such notes so made in U.S. dollars will not constitute an event of default under the applicable Indenture. The paying agent will make all determinations referred to above at its sole discretion. All determinations will, in the absence of clear error, be binding on holders of the notes.

Foreign Exchange Rate Fluctuations May Affect Your Realized Value of Any Court-Awarded Judgment

The notes will be governed by and construed in accordance with the internal laws of the State of Illinois. Courts in the U.S., including state and federal courts situated in Illinois, have increasingly started to render judgments for money damages denominated in currencies other than the U.S. dollar when the currency of the underlying transaction is a currency other than the U.S. dollar. Illinois has adopted the Uniform Foreign-Money Claims Act, and a state court in the State of Illinois may, at the request of the claimant, render a judgment in respect of a foreign currency note in the specified currency. The payor may, however, elect to pay the judgment in U.S. dollars calculated as of the banking day immediately preceding the date on which the money is paid to the claimant. You may still experience foreign exchange rate fluctuations based on the amount of time a court may take to adjudicate your claim and for you to receive payment of an award, if any. The law in this area is still unsettled. Other costs may still be assessed in U.S. dollars, and foreign exchange rates may not be favorable to you if, at the time that you receive a foreign currency judgment or other U.S. dollars awarded, you desire to convert the funds into another currency.

There May Not Be Any Trading Market for the Notes; Many Factors Affect the Trading and Market Value of the Notes

Upon issuance, the notes will not have an established trading market. We cannot assure you a trading market for the notes will ever develop or be maintained if developed. In addition to our creditworthiness, many factors affect the trading market for, and trading value of, the notes. These factors include:

- the complexity, level, direction and volatility of the index or formula applicable to the notes;
- the method of calculating the principal, premium, if any, and interest, if any, in respect of the notes;
- the time remaining to the maturity of the notes;
- the outstanding amount of the notes;

- any redemption features of the notes;
- the amount of other debt securities linked to the index or formula applicable to the notes;
- the level, direction and volatility of market interest rates generally;
- fluctuations in exchange rates between your currency and the specified currency in which notes are denominated; and
- market perceptions of the level, direction and volatility of the index property or formula applicable to the notes or of interest rates generally.

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

Our Credit Ratings May Not Reflect All Risks of an Investment in the Notes

The credit ratings of our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the notes. In addition, real or anticipated changes in our credit ratings will generally affect any trading market for, or trading value of, the notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. In the event that a credit rating assigned to the notes or to us is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the notes, and the market value of the notes is likely to be adversely affected.

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Because the Notes are Unsecured, Your Right to Receive Payments May Be Adversely Affected

The notes that we are offering will be unsecured. If we default on the notes, or after bankruptcy, liquidation or reorganization, then, to the extent that we have granted security over our assets, the assets that secure our debts will be used to satisfy the obligations under that secured debt before we could make payment on the notes. There may only be limited assets available to make payments on the notes in the event of an acceleration of the notes.

The Notes May Not Be a Suitable Investment for all Investors

You must determine the suitability of your investment in light of your own circumstances. In particular, you should

- have sufficient knowledge and experience to make a meaningful evaluation of the notes, the merits and risks of investing in the notes and the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any pricing supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the notes and the impact the notes will have on the your overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the notes;
- understand thoroughly the terms of the notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

Notes are complex financial instruments. You should not invest in the notes unless you have the expertise (either alone or with a financial adviser) to evaluate how the notes will perform under changing conditions, the resulting effects on the value of the notes, and the impact this investment will have on your overall investment portfolio.

CAPITALIZATION

The following table sets forth the capitalization of the Company and its consolidated subsidiaries at March 31, 2018.

	March 31, 2018	
	Outstanding	
	(in millions of U.S. dollars)	
Short-term debt, including current portion of long-term debt	\$	
Long-term debt, less current portion		30,869.5
Shareholders' equity (deficit)		(4,718.8)
Total capitalization(1)	\$	26,150.7

(1) At March 31, 2018, we had 3.5 billion authorized shares of common stock, with \$0.01 par value, of which 1.66 billion were issued and 785.2 million were outstanding. There has been no material change in our consolidated capitalization since March 31, 2018.

IMPORTANT CURRENCY INFORMATION

You are required to pay for each note in the currency specified by us. You may ask an agent, if applicable, to use its reasonable efforts to arrange for the exchange of U.S. dollars into the specified currency to enable you to pay for such note. You must make this request on or before the fifth Business Day preceding the delivery date for such note or by a later date if allowed by the agent. Each exchange will be made on the terms and conditions established by the agent, if applicable, and all costs will be paid by you. There can be no assurances that you will be able to convert such currencies into U.S. dollars on a timely basis or at all.

DESCRIPTION OF NOTES

The following description of terms of the notes supplements the general description of the debt securities provided in the accompanying prospectus. However, the pricing supplement and any free writing prospectus for each offering of notes will contain the specific information and terms for that offering. The pricing supplement and any free writing prospectus may also add, update or change information contained in this prospectus supplement or

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the accompanying prospectus. If the information in the pricing supplement or any such free writing prospectus differs from this prospectus supplement, the pricing supplement or free writing prospectus, as the case may be, will control. It is important for you to consider the information contained in the accompanying prospectus, this prospectus supplement, the pricing supplement and any free writing prospectus in making your investment decision.

We have provided a glossary at the end of this prospectus supplement to define any capitalized words we use but do not define in this prospectus supplement.

General

We will issue the notes as a single series of debt securities under the Senior Indenture. We may use this prospectus supplement to offer an indeterminate aggregate initial public offering price of notes. If payments on any notes must be made in the currency of a country that adopts the Euro subsequent to the issuance of the notes, then we may redenominate all of those notes into Euro by giving holders notice of the redenomination as described under **Redenomination** below.

The notes will be issued in fully registered form only, without coupons.

Each note will be issued either as a **book-entry** note, represented by a permanent global note registered in the name of The Depository Trust Company (**DTC**), or its nominee, or as a certificate issued in temporary or definitive form. Except as described below under **Book-Entry System**, book-entry notes will not be issuable in certificated form.

Unless otherwise described in the applicable pricing supplement, the authorized denominations for notes denominated in U.S. dollars will be \$1,000 and any larger amount that is a multiple of \$1,000. The authorized denominations of notes denominated in some other specified currency will be described in the applicable pricing supplement.

Each note will mature on any day from one year to 60 years from its date of issue. However, each note may also be subject to redemption at our option or repayment at the option of the holder, as described in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, the notes will be denominated in, and payments of principal, premium, if any, and/or interest, if any, in respect of the notes will be made in, U.S. dollars. The notes also may be denominated in, and payments of principal, premium, if any, and/or interest, if any, in respect of the notes may be made in one or more foreign currencies. See **Special Provisions Relating to Foreign Currency Notes** **Payment of Principal, Premium, if any, and Interest, if any.** The currency in which notes are denominated (or, if that currency is no longer legal tender for the payment of public and private debts in the country issuing that currency or, in the case of Euro, in the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended, the currency that is then legal tender in the related country or in the adopting member states of the European Union, as the case may be) is referred to as the **specified currency** with respect to the particular note. References to **United States dollars**, **U.S. dollars** or **\$** are to the lawful currency of the United States of America.

You will be required to pay for your notes in the specified currency. At the present time, there are limited facilities in the U.S. for the conversion of U.S. dollars into foreign currencies and vice versa, and commercial banks do not generally offer non-U.S. dollar checking or savings account facilities in the U.S. The agent from or through which a foreign currency note is purchased, if applicable, may be prepared to arrange for the conversion of U.S. dollars into the specified currency in order to enable you to pay for your foreign currency note, provided that you make a request to that agent on or prior to the fifth Business Day preceding the date of delivery of the particular foreign currency note, or by any other day determined by that agent. Each conversion will be made by an agent, if applicable, on the terms and subject to the conditions, limitations and charges as that agent may from time to time establish in accordance with its regular foreign exchange practices. You will be required to bear all costs of exchange in respect of your foreign currency note. See Special Provisions Relating to Foreign Currency Notes.

The pricing supplement or any free writing prospectus relating to notes will describe the following terms:

- the specified currency;
- whether the note is a fixed rate note and, if so, the rate per year at which it will bear interest, if any, and the dates on which interest will be payable if other than February 15 and August 15;
- whether the note is a floating rate note and, if so, the base rate, the initial interest rate, the interest reset period, the interest payment dates, the Index Maturity, the maximum interest rate, if any, the minimum interest rate, if any, the Spread and/or Spread Multiplier, if any, and any other terms relating to the particular method of calculating the interest rate for the note;
- whether the note is an indexed note and, if so, the manner in which principal or interest will be determined;

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- whether the note is an amortizing note;
- the issue price;
- the original issue date;
- the stated maturity date;
- whether the note is an Original Issue Discount Note;
- whether the note may be redeemed at our option, or repaid at the holder's option, prior to the stated maturity date as described further under "Optional Redemption, Repayment and Repurchase" below, and if so, the terms of the redemption or repayment; and
- any other terms that do not conflict with the provisions of the Senior Indenture.

Interest rates that we offer with respect to the notes may differ depending on, among other things, the aggregate principal amount of the notes purchased in any single transaction.

Notes with different variable terms other than interest rates may also be offered concurrently to different investors. We may, from time to time, change interest rates or formulas and other terms of notes, but no change of terms will affect any note we have previously issued or as to which we have accepted an offer to purchase.

Except as described in this prospectus supplement, there are no covenants specifically designed to protect you against a reduction in our creditworthiness in the event of a highly leveraged transaction or to prohibit other transactions that may adversely affect you.

Payment of Principal, Premium, if any, and Interest, if any

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We will make payments of principal, premium, if any, and interest, if any, on book-entry notes through the Trustee to DTC. Beneficial owners will be paid in accordance with DTC's and its participants' procedures. See Book-Entry System.

If the note is a certificated security, U.S. dollar payments of interest on notes are generally payable to the person in whose name the note is registered at the close of business on the record date before each interest payment date. However, interest will be payable at Maturity to the person to whom principal is payable. The first interest payment on any note originally issued between a record date and an interest payment date or on an interest payment date will be made on the interest payment date after the next record date. If you hold at least \$10,000,000 (or the equivalent thereof in a specified currency other than U.S. dollars) in aggregate principal amount of notes of like tenor and term, you will be entitled to receive your U.S. dollar interest payments by wire transfer, but only if the paying agent has received your wire transfer instructions not later than 15 days before the applicable interest payment date. Simultaneously with your election to receive payments in a currency other than U.S. dollars, as discussed earlier, you must provide wire transfer payment instructions to the paying agent, and all payments made in that currency will be made by wire transfer to an account maintained by you with a bank located outside the United States. Any payment due at Maturity will be paid in immediately available funds upon surrender of your note at the agency office of the paying agent located in East Syracuse, New York. The agency office for The Bank of New York Mellon Trust Company, N.A. is located at The Bank of New York Mellon, 111 Sanders Creek Parkway, East Syracuse, New York 13057.

Unless otherwise specified in the applicable pricing supplement, if the principal of any Original Issue Discount Note is declared to be due and payable immediately as described under Description of Debt Securities Events of Default in the accompanying prospectus, the amount of principal due and payable will be limited to the principal amount of the note multiplied by the sum of its issue price (expressed as a percentage of the principal amount) plus the original issue discount amortized from the date the note was issued to the date of declaration, which amortization shall be calculated using the interest method (computed in accordance with generally accepted accounting principles in effect on the date of declaration).

Unless otherwise specified in the applicable pricing supplement, the record date for any interest payment date for a floating rate note will be the date (whether or not a Business Day) 15 calendar days immediately before the interest payment date, and for a fixed rate note will be February 1 or August 1 (whether or not a Business Day) immediately before the interest payment date or Maturity, as the case may be.

Interest payments on the notes will equal the amount of interest accrued from, and including, the immediately preceding interest payment date on which interest was paid or made available for payment (or from and including the date of issue, if no interest has been paid) to, but excluding, the related interest payment date or Maturity, as the case may be.

For information on payment of principal and interest of foreign currency notes, see Special Provisions Relating to Foreign Currency Notes.

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Transfer of Notes

Book-entry notes may be transferred or exchanged only through DTC. See Book-Entry System. Registration of transfer or exchange of certificated notes will be made at the office or agency maintained by the Trustee for this purpose in the Borough of Manhattan, New York City, currently the corporate trust office of the Trustee. No service charge will be imposed for any such registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with such transfer or exchange (other than certain exchanges not involving any transfer).

Fixed Rate Notes

Each fixed rate note will bear interest from the date it is originally issued, or from the last interest payment date to which interest has been paid or duly provided for, to, but excluding, the next interest payment date, at the rate per year stated on its face until the principal amount is paid or made available for payment. Unless otherwise set forth in the applicable pricing supplement, we will pay interest on each fixed rate note semiannually in arrears on each February 15 and August 15 and at Maturity. Each payment of interest on an interest payment date will include interest accrued to, but excluding, such interest payment date. Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be computed using a 360-day year of twelve 30-day months.

If any payment date for a fixed rate note falls on a day that is not a Business Day, we will make the payment on the next Business Day, without additional interest.

Floating Rate Notes

Each floating rate note will have an interest rate formula set forth, or otherwise described, in the applicable pricing supplement. The formula may be based on:

- the CMT Rate;

- the Commercial Paper Rate;

- the Federal Funds Rate;

- LIBOR;
- the Prime Rate;
- the Treasury Rate; or
- another Base Rate or formula described in the pricing supplement.

The pricing supplement will also indicate any Spread and/or Spread Multiplier, which would be applied to the interest rate formula to determine the interest rate. Any floating rate note may have a maximum or minimum interest rate limitation but in no event shall the interest rate on a floating rate note be less than zero.

We have appointed a calculation agent to calculate interest rates on the floating rate notes. Unless we choose a different party in the pricing supplement, the paying agent will be the calculation agent for each note. Upon request, the calculation agent will provide the current interest rate and, if determined and different, the interest rate that will become effective on the next Interest Reset Date (as defined below).

The interest rate on each floating rate note may be reset daily, weekly, monthly, quarterly, semiannually or annually (this period is the Interest Reset Period, and the first day of each Interest Reset Period is an Interest Reset Date), as specified in the pricing supplement. Unless otherwise specified in the pricing supplement, the Interest Reset Dates will be:

- for floating rate notes that reset daily, each Business Day;
- for floating rate notes (other than Treasury Rate notes) that reset weekly, Wednesday of each week;
- for Treasury Rate notes that reset weekly, Tuesday of each week (except as provided below under Treasury Rate Notes);
- for floating rate notes that reset monthly, the third Wednesday of each month;
- for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

- for floating rate notes that reset semiannually, the third Wednesday of each of the two months of each year specified in the pricing supplement; and
- for floating rate notes that reset annually, the third Wednesday of one month of each year specified in the pricing supplement.

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If an Interest Reset Date for any floating rate note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that, in the case of a LIBOR note, if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

Unless otherwise specified on the applicable pricing supplement, floating rate notes will accrue interest from and including the original issue date or the last date to which interest has been paid or provided for, as the case may be, up to but excluding the applicable Interest Payment Date, as described below, or Maturity, as the case may be.

Unless otherwise specified on the applicable pricing supplement, accrued interest on floating rate notes will be calculated by multiplying the principal amount of such note (or, in the case of an indexed note, unless otherwise specified in the pricing supplement, the face amount of such indexed note) by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. Unless we specify otherwise in the applicable pricing supplement, the interest factor (expressed as a decimal calculated to seven decimal places without rounding) for each day will be computed by dividing the interest rate in effect on that day by 360, in the case of Commercial Paper Rate notes, Federal Funds Rate notes, LIBOR notes and Prime Rate notes, or by the actual number of days in the year, in the case of Treasury Rate notes or CMT Rate notes. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.

The calculation agent will round all percentages resulting from any calculation of the rate of interest on a floating rate note, if necessary, to the nearest 1/100,000 of 1% (.0000001), with five millionths of a percentage point (.00000005) rounded upward, and all currency amounts used in or resulting from any calculation on floating rate notes will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upward).

Unless we specify otherwise in the applicable pricing supplement, we will pay interest on floating rate notes as follows:

- for notes that reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year as specified in the applicable pricing supplement;
- for notes that reset quarterly, on the third Wednesday of March, June, September and December of each year;
- for notes that reset semiannually, on the third Wednesday of each of two months of each year specified in the pricing supplement; and
- for notes that reset annually, on the third Wednesday of one month of each year specified in the pricing supplement.

Each of the above dates is an Interest Payment Date. We will also pay interest on all notes at Maturity.

If an Interest Payment Date (other than at Maturity) for any floating rate note falls on a day that is not a Business Day, it will be postponed to the following Business Day, without the payment of additional interest; except that, in the case of a LIBOR note, if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity for a floating rate note falls on a day that is not a Business Day, we will make the payment on the next Business Day, without additional interest.

References below to information services include any successor information services.

CMT Rate Notes

Each CMT Rate note will bear interest at a specified rate that will be reset periodically based on the CMT Rate and any Spread or Spread Multiplier.

Unless we indicate otherwise in an applicable pricing supplement, the CMT Rate shall be as follows:

- if CMT Reuters Page FRBCMT is specified in the applicable pricing supplement:
 - (a) the percentage equal to the yield for U.S. Treasury securities at constant maturity having the Index Maturity specified in the applicable pricing supplement as published in H.15 (519) under the caption Treasury Constant Maturities, as the yield is displayed on Reuters 3000 Xtra Service (Reuters) (or any successor service) on page FRBCMT (or any other page as may replace the specified page on that service) (Reuters Page FRBCMT), for the particular Interest Determination Date;
 - (b) if the rate referred to in clause (a) does not so appear on Reuters Page FRBCMT, the percentage equal to the yield for U.S. Treasury securities at constant maturity having the particular Index Maturity

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and for the particular Interest Determination Date as published in H.15 (519) under the caption Treasury Constant Maturities ;

(c) if the rate referred to in clause (b) does not so appear in H.15 (519), the rate on the particular Interest Determination Date for the period of the particular Index Maturity as may then be published by either the Federal Reserve System Board of Governors or the U.S. Department of the Treasury that the calculation agent determines to be comparable to the rate which would otherwise have been published in H.15 (519);

(d) if the rate referred to in clause (c) is not so published, the rate on the particular Interest Determination Date calculated by the calculation agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on that Calculation Date of three leading primary U.S. government securities dealers in New York City (which may include the agents or their affiliates) (each, a Reference Dealer), selected by the calculation agent from five Reference Dealers selected by the calculation agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for U.S. Treasury securities with an original maturity equal to the particular Index Maturity, a remaining term to maturity no more than one year shorter than that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time;

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated;

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the calculation agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on that Interest Determination Date of three Reference Dealers selected by the calculation agent from five Reference Dealers selected by the calculation agent and eliminating the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for U.S. Treasury securities with an original maturity greater than the particular Index Maturity, a remaining term to maturity closest to that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time;

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated; or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on the particular Interest Determination Date or, if none, the initial interest rate.

- if CMT Reuters Page FEDCMT is specified in the applicable pricing supplement:

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(a) the percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for U.S. Treasury securities at constant maturity having the Index Maturity specified in the applicable pricing supplement as published in H.15 (519) opposite the caption Treasury Constant Maturities, as the yield is displayed on Reuters (or any successor service) on page FEDCMT (or any other page as may replace the specified page on that service) (Reuters Page FEDCMT), for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which the particular Interest Determination Date falls;

(b) if the rate referred to in clause (a) does not so appear on Reuters Page FEDCMT by 3:00 p.m., New York City time, on the related Calculation Date, the percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for U.S. Treasury securities at constant maturity having the particular Index Maturity and for the week or month, as applicable, preceding the particular Interest Determination Date as published in H.15 (519) opposite the caption Treasury Constant Maturities ;

(c) if the rate referred to in clause (b) does not so appear in H.15 (519) by 3:00 p.m., New York City time, on the related Calculation Date, the one-week or one-month, as specified in the applicable pricing supplement, average yield for U.S. Treasury securities at constant maturity having the particular Index Maturity as otherwise announced by the Federal Reserve Bank of New York for the week or month, as

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applicable, ended immediately preceding the week or month, as applicable, in which the particular Interest Determination Date falls;

(d) if the rate referred to in clause (c) is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the calculation agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on that Interest Determination Date of three Reference Dealers selected by the calculation agent from five Reference Dealers selected by the calculation agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for U.S. Treasury securities with an original maturity equal to the particular Index Maturity, a remaining term to maturity no more than one year shorter than that Index Maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time;

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated;

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate calculated by the calculation agent shall be a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on that Interest Determination Date of three Reference Dealers selected by the calculation agent from five Reference Dealers selected by the calculation agent and eliminating the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for U.S. Treasury securities with an original maturity of the number of years that is the next highest to the Index Maturity specified in the applicable pricing supplement and a remaining term to maturity closest to that Index Maturity and in an amount that is representative for a single transaction in the securities in that market at that time;

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate calculated by the calculation agent based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of the quotations will be eliminated; or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on that Interest Determination Date or, if none, the initial interest rate.

If two U.S. Treasury securities with an original maturity greater than the Index Maturity specified in the applicable pricing supplement have remaining terms to maturity equally close to the particular Index Maturity, the quotes for the U.S. Treasury security with the shorter original remaining term to maturity will be used.

Commercial Paper Rate Notes

Each Commercial Paper Rate note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and any Spread and/or Spread Multiplier.

Unless we indicate otherwise in an applicable pricing supplement, the Commercial Paper Rate for any Interest Determination Date shall be the Money Market Yield on the particular Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable pricing supplement, as published in H.15 (519) under the caption Commercial Paper Nonfinancial.

The following procedures shall be followed if the Commercial Paper Rate cannot be determined as described above:

- In the event that rate is not published by 3:00 p.m., New York City time, on the related Calculation Date, then the Commercial Paper Rate shall be the Money Market Yield of the rate on the particular Interest Determination Date for commercial paper of the Index Maturity specified in the applicable pricing supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption Commercial Paper Nonfinancial (with an Index Maturity of one month or three months being deemed to be equivalent to an Index Maturity of 30 days or 90 days, respectively).
- If by 3:00 p.m., New York City time, on the related Calculation Date, such rate is not yet published in H.15 (519) or H.15 Daily Update, then the Commercial Paper Rate for the particular Interest Determination Date shall be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 a.m., New York City time, on that Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City (which may include the agents or their affiliates) selected by the calculation agent

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for commercial paper of the particular Index Maturity specified in the applicable pricing supplement placed for industrial issuers whose bond rating is AA, or the equivalent, from a nationally recognized statistical rating organization.

- If the dealers so selected by the calculation agent are not quoting as mentioned in the previous bullet point, the Commercial Paper Rate shall be the rate in effect on the particular Interest Determination Date or, if none, the initial interest rate.

Federal Funds Rate Notes

Each Federal Funds Rate note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and any Spread and/or Spread Multiplier.

Unless we indicate otherwise in an applicable pricing supplement, the Federal Funds Rate for any Interest Determination Date shall be the rate on that date for U.S. dollar federal funds as published in H.15 (519) under the caption Federal Funds (Effective) and displayed on Reuters (or any successor service) on page FEDFUNDS1 (or any other page as may replace the specified page on that service) (Reuters Page FEDFUNDS1).

The following procedures shall be followed if the Federal Funds Rate cannot be determined as described above:

- In the event that rate does not so appear on Reuters Page FEDFUNDS1 or is not so published by 3:00 p.m., New York City time, on the related Calculation Date, then the Federal Funds Rate shall be the rate on such Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption Federal Funds (Effective).
- If the rate is not published by 3:00 p.m., New York City time, in H.15 (519) or H.15 Daily Update on the related Calculation Date, then the Federal Funds Rate on such Interest Determination Date shall be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the agents or their affiliates), selected by the calculation agent prior to 9:00 a.m., New York City time, on that Interest Determination Date.
- If the brokers so selected by the calculation agent are not quoting as mentioned in previous bullet point, the Federal Funds Rate shall be the rate in effect on the particular Interest Determination Date, or, if none, the initial interest rate.

LIBOR Notes

Each LIBOR note will bear interest at a specified rate that will be reset periodically based on LIBOR and any Spread and/or Spread Multiplier. If LIBOR is indexed to the offered rates for deposits in a currency other than U.S. dollars, the method for determining such rate will be specified in the pricing supplement. If LIBOR is indexed to the offered rate for U.S. dollar deposits, LIBOR shall be determined by the calculation agent as described below.

LIBOR means:

- (1) the arithmetic mean of the offered rates (or the offered rate, if the Designated LIBOR Page by its terms provides only for a single rate), calculated by the calculation agent for deposits in the LIBOR Currency having the Index Maturity designated in the pricing supplement that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on the particular Interest Determination Date;
- (2) if fewer than two offered rates appear (or no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, except as provided in the clause (3)) on the particular Interest Determination Date on the Designated LIBOR Page as specified in clause (1), the arithmetic mean calculated by the calculation agent of at least two offered quotations obtained by the calculation agent after requesting the principal London offices of each of four major reference banks (which may include the agents or their respective affiliates), in the London interbank market to provide the calculation agent with its offered quotation for deposits in the LIBOR Currency for the period of the particular Index Maturity, commencing on the related Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in the LIBOR Currency in that market at that time; or
- (3) notwithstanding clause (2) above, if we or the calculation agent determine that LIBOR has been permanently discontinued, the calculation agent shall use, as a substitute for LIBOR (the Alternative Rate) and for each future interest determination date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice. As part of such substitution, the calculation agent shall, after consultation with us, make such adjustments (Adjustments) to the Alternative Rate or the spread thereon, as

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well as the business day convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations, such as floating rate debt securities. If the calculation agent determines, following consultation with us, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, we shall appoint, in our sole discretion, a new calculation agent to replace the then current calculation agent in respect of the relevant series of floating rate debt securities, to determine the Alternative Rate and make any Adjustments thereon, and whose determinations shall be binding on us, the trustee and the holders. If, however, the calculation agent determines that LIBOR has been discontinued, but for any reason an Alternative Rate has not been determined, LIBOR shall be equal to such rate on the interest determination date when LIBOR was last available on the Designated LIBOR Page, as determined by the calculation agent.

Prime Rate Notes

Each Prime Rate note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and any Spread and/or Spread Multiplier.

Unless we indicate otherwise in an applicable pricing supplement, the Prime Rate for any Interest Determination Date means the rate on that date as published in H.15 (519) under the caption Bank Prime Loan.

The following procedures shall be followed if the Prime Rate cannot be determined as described above:

- If the rate is not published by 3:00 p.m., New York City time, on the related Calculation Date, the Prime Rate shall be the rate on the particular Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption Bank Prime Loan.
- If the rate is not so published by 3:00 p.m., New York City time, in H.15 (519) or H.15 Daily Update on the related Calculation Date, then the calculation agent shall determine the Prime Rate as the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 Page as the applicable bank's prime rate or base lending rate as of 11:00 a.m., New York City time, for that Interest Determination Date as quoted on the particular Interest Determination Date.
- If fewer than four rates appear on Reuters Screen US PRIME 1 Page by 3:00 p.m., New York City time, on the related Calculation Date, the calculation agent shall determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on the particular Interest Determination Date by three major banks (which may include the agents or their affiliates) in New York City selected by the calculation agent.

- If the banks so selected by the calculation agent are not quoting as mentioned in the previous bullet point, the Prime Rate shall be the rate in effect on the particular Interest Determination Date or, if none, the initial interest rate.

Treasury Rate Notes

Each Treasury Rate note will bear interest at a specified rate that will be reset periodically based on the Treasury Rate and any Spread and/or Spread Multiplier.

Unless we indicate otherwise in an applicable pricing supplement, the Treasury Rate for any Interest Determination Date shall be the rate from the auction (the Auction) held on the Treasury Rate Determination Date of direct obligations of the U.S. (Treasury Bills) having the Index Maturity specified in the applicable pricing supplement, under the caption INVESTMENT RATE and displayed on Reuters (or any successor service) on page USAUCTION10 (or any other page as may replace the specified page on that service) (Reuters Page USAUCTION10) or page USAUCTION11 (or any other page as may replace the specified page on that service) (Reuters Page USAUCTION11).

The following procedures shall be followed if the Treasury Rate cannot be determined as described above:

- If the above rate is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the Treasury Rate shall be the Bond Equivalent Yield of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption U.S. Government Securities/Treasury Bills/Auction High.
- If the rate referred to in the previous bullet point is not so published by 3:00 p.m., New York City time, on the related Calculation Date, then the calculation agent shall determine the Treasury Rate to be the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the U.S. Department of the Treasury.
- If the rate referred to in the previous bullet point is not so announced by the U.S. Department of the Treasury, or if the Auction is not held, then the Treasury Rate shall be the Bond Equivalent Yield of the

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rate on the Treasury Rate Determination Date of the applicable Treasury Bills as published in H.15 (519) under the caption U.S. Government Securities/Treasury Bills/Secondary Market.

- If the rate referred to in the previous bullet point is not so published by 3:00 p.m., New York City time, on the related Calculation Date, then the Treasury Rate shall be the rate on the Treasury Rate Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption U.S. Government Securities/Treasury Bills/Secondary Market ;
- If the rate referred to in the previous bullet point is not so published by 3:00 p.m., New York City time, on the related Calculation Date, then the calculation agent shall calculate the Treasury Rate, which shall be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the Treasury Rate Determination Date, of three leading primary U.S. government securities dealers (which may include the agents or their affiliates) selected by the calculation agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable pricing supplement.
- If the dealers so selected by the calculation agent are not quoting as mentioned in the preceding bullet point, the Treasury Rate shall be the rate in effect on the Treasury Rate Determination Date, or if none, the initial interest rate.

European Monetary Union

Unless we specify otherwise in the applicable pricing supplement, to the extent legally permissible, neither the occurrence or non-occurrence of an EMU Event (as defined below), nor the entry into force of any law, regulation, directive or order that requires us to redenominate on terms different from those we describe below, will alter any term of, or discharge or excuse performance under, the Senior Indenture or the notes, nor would it permit the Trustee, the holders of the notes or us the right unilaterally to alter or terminate the Senior Indenture or the notes or give rise to any event of default or otherwise be the basis for any rescission or renegotiation of the Senior Indenture or the notes. To the extent legally permissible, the occurrence or non-occurrence of an EMU Event will be considered to occur automatically pursuant to the terms of the notes.

An EMU Event means any event associated with the European Monetary Union in the European Community, including:

- the fixing of exchange rates between the currency of a Participating Member State and the Euro or between the currencies of Participating Member States;

- the introduction of the Euro as the lawful currency in a Participating Member State;
- the withdrawal from legal tender of any currency that, before the introduction of the Euro, was the lawful currency in any of the Participating Member States;
- the disappearance or replacement of a relevant rate option or other price source for the currency of any Participating Member State or the failure of the agreed price or rate sponsor or screen provider to publish or display the required information; or
- any combination of the above.

Redenomination

If payments on the notes are to be made in a foreign currency and the issuing country of that currency becomes a Participating Member State, then we may, solely at our option and without the consent of holders or the need to amend the Senior Indenture or the notes, redenominate all of those notes into Euro (whether or not any other similar debt securities are so redenominated) on any interest payment date and after the date on which that country became a Participating Member State. We will give holders at least 30 days notice of the redenomination, including a description of the way we will implement it.

If we elect to redenominate a tranche of notes, the election to redenominate will have effect, as follows:

- each denomination will be deemed to be denominated in such amount of Euro as is equivalent to its denomination or the amount of interest so specified in the relevant foreign currency at the fixed conversion rate adopted by the Council of the European Union for the relevant foreign currency, rounded down to the nearest Euro 0.01;
- after the redenomination date, all payments in respect of those notes, other than payments of interest in respect of periods commencing before the redenomination date, will be made solely in Euro as though references in those notes to the relevant foreign currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee, or at the option of the payee, by a Euro cheque;

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- if those notes are notes which bear interest at a fixed rate and interest for any period ending on or after the redenomination date is required to be calculated for a period of less than one year, it will be calculated on the basis of the applicable fraction specified in the applicable pricing supplement;
- if those notes are notes which bear interest at a floating rate, the applicable pricing supplement will specify any relevant changes to the provisions relating to interest; and
- such other changes shall be made to the terms of those notes as we may decide, after consultation with the Trustee, and as may be specified in the notice, to conform them to conventions then applicable to debt securities denominated in Euro or to enable those notes to be consolidated with other notes, whether or not originally denominated in the relevant foreign currency or Euro. Any such other changes will not take effect until after they have been notified to the holders.

Indexed Notes

We may offer indexed notes under which principal or interest is determined by reference to an index related to:

- the rate of exchange between the specified currency for such note and another designated currency;
- the difference in the price of a specified commodity on specified dates;
- the difference in the level of a specified stock index, which may be based on U.S. or foreign stocks, on specified dates; or
- any other objective price or economic measures described in the pricing supplement.

We will describe the manner of determining principal and interest amounts in the pricing supplement. We will also include historical and other information regarding the index or indexes and information concerning tax consequences to holders of indexed notes.

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Interest payable on an indexed note will be based on the face amount of the note. The pricing supplement will describe whether the principal payable upon redemption or repayment prior to Maturity will be the face amount, the index principal amount at the time of redemption or repayment or some other amount.

Amortizing Notes

We may offer amortizing notes. Unless otherwise specified in the pricing supplement, interest on an amortizing note will be computed using a 360-day year of twelve 30-day months. Payments on amortizing notes will be applied first to interest due and payable and then to the unpaid principal amount. Further information about amortizing notes will be specified in the applicable pricing supplement.

Book-Entry System

Upon issuance, all notes having the same original issue date and otherwise identical terms will be represented by one or more global notes. Each global note representing book-entry notes will be deposited with DTC. This means that we will not issue certificates to each holder. DTC will keep a computerized record of its participants (for example, your broker) whose clients have purchased the notes. Unless it is exchanged in whole or in part for a certificated note, a global note may not be transferred, except that DTC, its nominees and their successors may transfer a global note as a whole to one another.

Beneficial interests in global notes will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that certain purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global note.

We will wire principal and interest payments to DTC or its nominee. We and the Trustee will treat DTC or its nominee as the owner of a global note for all purposes. Accordingly, we, the Trustee and any paying agent will have no direct responsibility or liability to pay amounts due on a global note to owners of beneficial interests in a global note.

It is DTC's current practice, upon receipt of any payment of principal or interest and corresponding detail information from us or the Trustee, to credit participants' accounts on the payment date according to their respective holdings of beneficial interests in the global note as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting rights to participants whose accounts are credited with notes on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interests in a global note, and voting by participants, will be governed by the customary practices between the participants and owners of beneficial interests, as is the case with notes held for the account of customers registered in street name. However, payments by participants to beneficial owners will be the responsibility of the participants and not our responsibility or that of DTC or the Trustee.

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Notes represented by a global note will be exchangeable for certificated notes with the same terms in authorized denominations only if:

- DTC notifies us that it is unwilling or unable to continue as depository or if DTC ceases to be a clearing agency registered under applicable law and a successor depository is not appointed by us within 90 days;
- we determine not to require all of the notes of a series to be represented by global notes and notify the Trustee of our decision; or
- there shall have occurred and be continuing an event of default with respect to the applicable notes of any series.

Information Relating to DTC

The descriptions of operations and procedures of DTC that follow are provided solely as a matter of convenience. These operations and procedures are solely within DTC's control and are subject to changes by DTC, from time to time. Neither we nor the agents take any responsibility for these operations and procedures and urge you to contact DTC or its participants directly to discuss these matters. DTC has advised us as follows:

- DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.
- DTC holds securities that its direct participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry transfers and pledges in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates.
- Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

- DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, or DTCC. DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the Financial Industry Regulatory Authority, Inc.
- Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, which are referred to as Indirect Participants and, together with the Direct Participants, the Participants.
- The rules applicable to DTC and its Participants are on file with the SEC.

DTC will act as securities depository for the book-entry notes. The book-entry notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered global note will be issued for each issue of book-entry notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500,000,000, then one global note will be issued with respect to each \$500,000,000 of principal amount, and an additional global note will be issued with respect to any remaining principal amount of such issue.

Purchases of book-entry notes under DTC's system must be made by or through Direct Participants, which will receive a credit for such book-entry notes on DTC's records. The ownership interest of each actual purchaser of each Book-Entry Note represented by a global note (Beneficial Owner) is in turn to be recorded on the records of Direct Participants and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in a global note representing book-entry notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of a global note representing book-entry notes will not receive certificated notes representing their ownership interests therein, except in the event that use of the book-entry system for such book-entry notes is discontinued.

To facilitate subsequent transfers, all global notes representing book-entry notes which are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of global notes with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the

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actual Beneficial Owners of the global notes representing the book-entry notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such book-entry notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect, from time to time. Beneficial Owners of global notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the global notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of global notes may wish to ascertain that the nominee holding the global notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners; in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

If the global notes are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the global notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the global notes representing the book-entry notes. Under its usual procedures, DTC mails an omnibus proxy to the Company as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the book-entry notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

Payments of principal, premium, if any, and/or interest, if any, on the global notes representing the book-entry notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee for such notes on the payable date in accordance with the respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, on any of the global notes representing book-entry notes to DTC is the responsibility of the Company and the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner will give notice of any option to elect to have its book-entry notes repaid by us, through its Participant, to the Trustee, and will effect delivery of the applicable book-entry notes by causing the Direct Participant to transfer the Participant's interest in the global note or notes representing such book-entry notes, on DTC's records, to the Trustee. The requirement for physical delivery of book-entry notes in connection with a demand for repayment will be deemed satisfied when the ownership rights in the global note or notes representing such book-entry notes are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the book-entry notes at any time by giving reasonable notice to us or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated notes are required to be printed and delivered.

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We may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificated notes will be printed and delivered.

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in global notes.

The information in this section concerning DTC and DTC's system has been obtained from sources that we believe to be reliable, but neither we nor any agent takes any responsibility for the accuracy thereof.

Clearstream Luxembourg and Euroclear Systems

Investors may elect to hold interests in book-entry notes through either DTC (in the U.S.) or Clearstream Banking S.A. (Clearstream Luxembourg) or Euroclear Bank S.A./N.V., or its successor, as operator of the Euroclear System (Euroclear) (in Europe) if they are participants of those systems, or indirectly, through organizations that are participants in such systems. Interests held through Clearstream Luxembourg and Euroclear

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will be recorded on DTC's books as being held by the U.S. depository for each of Clearstream Luxembourg and Euroclear, which U.S. depositories will in turn hold interests on behalf of their participants' securities accounts.

Clearstream Luxembourg has advised us that it was incorporated as a limited liability company under the laws of Luxembourg. Clearstream Luxembourg holds securities for its participating organizations (Clearstream Luxembourg Participants) and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream Luxembourg in many currencies, including U.S. dollars. Clearstream Luxembourg provides to Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg also deals with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream Luxembourg has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream Luxembourg is subject to regulation by the Luxembourg Commission de Surveillance du Secteur Financier (Commission for the Supervision of the Financial Sector). Clearstream Luxembourg Participants are financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the agents or their affiliates. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream Luxembourg Participant.

Distributions with respect to notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream Luxembourg.

Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear (Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear Operator), under contract with Euroclear plc, a United Kingdom corporation. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not Euroclear plc. Euroclear plc establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the agents or their affiliates. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear system, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of, or relationship with, persons holding through Euroclear Participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository of Euroclear.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between Participants will occur in the ordinary way in accordance with DTC's rules. Secondary market trading between Clearstream Luxembourg Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear, respectively, and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Luxembourg or Euroclear Participants, on the other, will be effected within DTC in accordance with DTC's rules on behalf of the relevant European international clearing system by its

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