

March 12, 2019

Charlie Strong
West Zone President

Mario Barbosa
East Zone President

Dear Charlie and Mario:

This letter is written on behalf of the National Black McDonald's Operators Association (NBMOA).

Thanks again for meeting with our leadership team on February 25, 2019. We write in response to your writing dated February 26, 2019.

We appreciate your continuing participation and interest in having a rational discourse with the NBMOA regarding some serious concerns we have regarding the status of African American Owners within McDonald's Corporation.

Overview

In general the trajectory of the treatment of African American Owners is moving backwards. Through no fault of our own we lag behind the general market in all measures. This is reflected in the loss of sales to African American consumers. We believe that the loss of sales is closely correlated to how African Americans are treated within the Company.

Finance

We do not have confidence that the field levels will fairly review African American finances. Until a fair process is in place the review should be done on the national level. Please note we met with the President of McDonald's USA and his team on February 14, 2018. It was not until

April 2018 that you presented a list of African American Owners in financial trouble to Lanny Sumpter. When we met in November of 2018 nothing essentially had been done to correct these issues. It was the field offices lack of action that has led to many African American Owners in "dire" financial straits. We understand your desire for review at the field and zone levels regarding individual situations. But that does not lessen the need for continuing national dialog of system wide issues relating to African Americans. The Company at its highest levels must set the tone and implement national action plans to achieve equitable outcomes and assure tangible progress going forward. We believe the Company has a fiduciary responsibility to insure fairness to African American Owners. Our leadership team receive calls almost daily from constituents who do not feel they have been treated fairly.

People

We appreciate the current and future efforts made by the Company. We need urgent progress now. The current state of affairs for African American Owners can only be described as hostile. We are very concerned that we see no one that look's like us in Senior Management at McDonald's.

Atlanta Plan

We agree that there must be a holistic plan. We have asked Vickie Chancellor to attend that meeting. African American Owners have unfairly suffered in Atlanta for many years. A permanent plan must be put in place that includes permanent rent reductions. You cannot "advertise" or "market" the problems away. Our constituents have suffered far too long.

Please be advised that there are other cities such as Detroit, Baltimore and others who need immediate support and action. We need to simultaneously move forward on these cities as well.

Franchising

We appreciate that you will not make our Owners not rewritable based

on voice scores or TV market guest counts alone. However, we do not believe that McDonald's Rewrite Policy is fair to African American Owners. We are concerned about the fairness of using TV Markets to determine the efficaciousness of our Owners.

The NBMOA request to see how TV markets are defined across the country. We request that our members be given the opportunity to provide their opinions on whether the boundaries are drawn fairly. For example, we need to know how street closures or new competition is added to the analysis.

We are also concerned that guest satisfaction is being used for decision making. These results are subject to much manipulation. Unfortunately, customers are conditioned to complain for free food. This is more prevalent in the communities we serve. We request more transparency and accountability in grading to guard against unfair evaluations by which we are vulnerable to being targeted. We are spending too much valuable time following up on "bogus" customer complaints. Some of the complaints we receive are completely racist. Our time is better served focusing on customer service.

Security

We disagree with the effectiveness of the current way the Company is determining the security status of our restaurants. It is virtually impossible to make a risk assessment without input from the store owner. To do so is quite frankly very difficult for us to understand or agree with. This is another area in which data alone is not sufficient for decision making. Familiarity with on the ground conditions are essential.

Conclusions

Continuing dialog and definite action from the Company's highest levels is necessary to change the negative trajectory of treatment of the NBMOA. We are a 47 year old advocacy association we need change now.

On behalf of the NBMOA.

Larry C. Tripplett,
Chairman and CEO