

## **STARBUCKS CORPORATION COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE CHARTER**

### **Purpose**

The Compensation and Management Development Committee (the “Committee”) is responsible for overseeing appropriate compensation practices for Starbucks Corporation (the “Company”) and determining the compensation and other benefits for Officers<sup>1</sup> of the Company. In addition, the Committee is responsible for overseeing the development and implementation of management development plans and succession planning practices to foster sufficient management depth at the Company to support its continued growth and the talent needed to execute long-term strategies.

### **Composition**

The Committee shall be comprised of at least three members of the Company's Board of Directors (the “Board of Directors”), each of whom (1) meet the independence requirements of The Nasdaq Stock Market, LLC and applicable law, (2) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code of 1986 (“Section 162(m)”), and (3) qualify as a “non-employee director” under Rule 16b-3 promulgated under the Exchange Act. Notwithstanding the foregoing sentence, the Committee may include one or more persons who do not qualify as outside directors under Section 162(m) if the Committee establishes a subcommittee that is comprised solely of two or more members that meet all of the requirements set forth above that will be responsible for determining performance-based compensation as such term is used in Section 162(m). A subsequent determination that any member of the Committee does not qualify as independent, or as a “non-employee director” will not invalidate any previous actions by the Committee except to the extent required by law or determined appropriate by the Committee.

Members of the Committee and a Chair shall be appointed, and may be removed, with or without cause, by the Board of Directors on the recommendation of the Nominating and Corporate Governance Committee. The Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three (3), or in the event that the Board of Directors determines that the number of members on the Committee should be increased.

### **Delegation**

In fulfilling its responsibilities, the Committee may form and delegate any or all of its responsibilities to a subcommittee or subcommittees of the Committee, as may be necessary or appropriate. While acting within the scope of the powers and responsibilities delegated to it, any subcommittee of the Committee shall have and may exercise all the powers and authority of the Committee.

Notwithstanding the foregoing paragraph, if at any time the Committee includes a member who is not an “outside director” under Section 162(m), then a subcommittee comprised entirely of at least two members of the Committee who are “outside directors” and meet all of the other criteria for membership on the Committee shall make any award intended to qualify for the “performance-based compensation” exception of Section 162(m), notwithstanding any other provision of this Charter.

### **Meetings**

The Committee shall meet at least four times each fiscal year, and may hold additional meetings in person or telephonically as often as may be necessary or appropriate, at the discretion of the Chair of the Committee. Prior to each meeting, the Chair of the Committee will circulate or discuss the agenda for

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<sup>1</sup> For purposes of this Charter, “Officers” shall have the same definition as “officer” as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as “senior officer” as designated by the Board of Directors.

the meeting with each member of the Committee. The Committee may meet in separate executive sessions as it determines appropriate with its advisors, management, partners (employees), general counsel, internal audit, and the independent auditor to discuss matters that the Committee or the Board determine warrant Committee attention.

Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Chair of the Committee may also request that members of management, legal counsel, or other advisors attend the meetings of the Committee.

Minutes of each meeting shall be prepared under the direction of the Chair of the Committee and circulated to each member of the Committee for review and approval. The Secretary of the Company shall archive the approved minutes.

### **Committee Authority and Responsibilities**

Subject to any applicable limitations set forth under "Delegation" above, the specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. Sole authority to retain, terminate and obtain the advice of, at the Company's expense, a compensation consultant, legal counsel or any other advisor to assist the Committee in the performance of its duties, but only after taking into consideration factors relevant to the advisor's independence from management specified in NASDAQ Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisor retained by the Committee, and shall have sole authority to approve the advisor's fees and the other terms and conditions of the advisor's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any advisor retained by the Committee.
2. Conduct an annual review of and recommend the Company's compensation package for both the executive chairman and the president & chief executive officer. Without limiting the foregoing, the Committee shall review and recommend (a) the annual base salary level, (b) the annual cash bonus opportunity level under the applicable annual incentive bonus plan, and (c) the long-term incentive opportunity level for the executive chairman and the president & chief executive officer. The Committee's recommendations shall be reviewed and approved by a panel consisting solely of the independent directors of the Board (and with respect to any performance-based compensation, such approval shall be by a panel consisting solely of two or more independent directors that are also "outside directors" under Section 162(m)). Directors who do not meet all of the applicable independence requirements may participate in such panel discussions (other than the executive chairman and the president & chief executive officer), but shall not vote on whether to approve the Committee's recommendations. Neither the executive chairman nor the president & chief executive officer may be present during any Committee deliberations or voting with respect to their compensation.
3. Based upon such discussions with the panel of independent directors of the Board, the Chair of the Committee, together with the Chair of the Nominating and Corporate Governance Committee, shall annually review the performance of the executive chairman and the president & chief executive officer and meet with such Officers to share the findings of such review.
4. Conduct an annual review of and approve the Company's compensation packages for Officers of the Company (other than the executive chairman and the president & chief executive officer). Without limiting the foregoing, the Committee shall review and approve (a) the annual base salary level, (b) the annual cash bonus opportunity level under the applicable annual incentive bonus plan, and (c) the long-term incentive opportunity level for each Officer (other than the executive chairman and the president & chief executive officer).
5. Annually review and approve the objective performance measures and the performance targets for Officers participating in the Company's annual incentive bonus plans and long-term incentive plans and certify the performance results under such measures and targets.

6. Review and approve the peer group companies used for purposes of assessing Officers' compensation and review market data.
7. Annually review and discuss with the panel of independent directors of the Board the performance of the Officers and the succession plans for each such Officer's position including recommendations and evaluations of potential successors to fill these positions.
8. Conduct an annual review of and approve the Company's management development and succession planning practices and strategies.
9. Review and approve employment terms and any agreements or arrangements for new Officers, any severance arrangements for Officers (other than the executive chairman and the president & chief executive officer), and any change of control, indemnification, or other employment or compensation-related agreements or arrangements to be entered into with or provided to Officers, provided that in each case, with respect to any such agreements or arrangements with or for the executive chairman and the president & chief executive officer the Committee shall recommend such for review and approval by the panel of independent directors of the Board.
10. Approve, modify, and administer partner (employee)-based equity plans, deferred stock plans, the Executive Management Bonus Plan, Internal Revenue Service tax-qualified plans, nonqualified benefit plans, and deferred compensation plans.
11. Review and discuss with management the Company's Compensation Discussion and Analysis (CD&A) and related disclosures, recommend to the Board of Directors based on this review and these discussions whether the CD&A should be included in the Company's annual report and proxy statement, and approve the compensation committee report that is also required to be included in the annual report and proxy statement.
12. Provide recommendations to the Board of Directors on compensation-related proposals to be considered at the Company's annual meeting, including the frequency of advisory votes on executive compensation.
13. Review and consider the results of any advisory vote on executive compensation and otherwise oversee the Company's engagement with shareholders on the subject of executive compensation.
14. Periodically review other human resources programs and initiatives, including healthcare and other benefits.
15. Determine management stock ownership guidelines and periodically review ownership levels for compliance.
16. Annually review a report from management assessing potential material risks, if any, created by the Company's compensation policies and practices (including compensation policies and practices for non-Officers), oversee the management of any such potential risks, and report to the Board on the results of its review.
17. Make regular reports to the full Board of Directors on the Committee's activities and such other topics related to compensation elements, programs and practices, management development and succession as the Committee determines appropriate.
18. Review and assess the adequacy of this Charter and the Timetable for Committee Activities annually or more often as circumstances dictate, and update or revise the Charter and Timetable as appropriate.
19. Periodically evaluate, and as appropriate take steps to address, the performance and

effectiveness of the Committee in meeting its responsibilities under this Charter.

**This Charter is intended to provide a set of flexible guidelines for the effective functioning of the Committee. The Committee may modify or amend this Charter and the authority and responsibilities of the Committee set forth herein at any time.**

Approved by the Committee on March 29, 2004  
(Revised March 21, 2017)