

**STARBUCKS CORPORATION  
CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES  
FOR THE BOARD OF DIRECTORS**

**Purpose**

The Board of Directors (the “Board”) of Starbucks Corporation (the “Company”) is responsible for overseeing the exercise of corporate powers and ensuring that the Company’s business and affairs are managed to meet its stated goals and objectives. The Board recognizes its responsibility to engage, and provide for the continuity of, executive management that possesses the character, skills and experience required to attain the Company’s goals and its responsibility to select nominees for the Board of Directors who possess appropriate qualifications and reflect a reasonable diversity of backgrounds and perspectives.

**Composition**

The Board shall be comprised of up to twelve (12) members, a majority of whom shall meet the independence requirements of The Nasdaq Stock Market, LLC then in effect. Upon receipt of the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Board that reduces the number of members below nine (9), or in the event that the Board determines that the number of members on the Board should be increased.

**Meetings**

The Board shall meet at least five (5) times each fiscal year, and may hold additional meetings in person or telephonically as often as may be necessary or appropriate, in the discretion of the chairman of the Board/chief executive officer. One meeting of the Board each fiscal year shall be dedicated primarily to strategic planning for the Company. Prior to each meeting, the chairman of the Board/chief executive officer of the Company or their designee will circulate the agenda for the meeting and appropriate preparatory materials to each member of the Board.

Members of the Board are expected to use all reasonable efforts to attend each meeting. The chairman of the Board/chief executive officer or their designee may also request that members of management, legal counsel, or other advisors attend the meetings of the Board.

Minutes of each meeting shall be prepared under the direction of the chairman of the Board/chief executive officer and circulated to each member of the Board for review and approval.

## **Authority and Responsibilities of the Board**

The fundamental responsibility of the Company's Board of Directors is to promote the best interests of the Company and its shareholders by overseeing the management of the Company's business and affairs. In doing so, Board members have two basic legal obligations to the Company and its shareholders: (1) the duty of care, which generally requires that Board members exercise appropriate diligence in making decisions and in overseeing management of the Company; and (2) the duty of loyalty, which generally requires that Board members make decisions based on the best interests of the Company and its shareholders, without regard to any personal interest.

The Board has the authority to retain, at the Company's expense, consultants, legal counsel or others to assist the Board in conducting its business and meeting its responsibilities to the Company and its shareholders, and authority to approve such consultant's, counsel's or other firm's or individual's fees and other retention terms.

## **Policies and Practices**

The Board is responsible for organizing its functions and conducting its business in the manner it deems most effective and efficient, consistent with its duties of good faith and due care. To meet that responsibility, the Board has adopted a set of flexible policies to guide its governance practices in the future. These practices, set forth below, will be regularly re-evaluated by the Nominating and Corporate Governance Committee in light of changing circumstances in order to continue serving the best interests of shareholders. Accordingly, the summary of current practices is not a fixed policy or resolution by the Board, but merely a statement of current practices that is subject to continuing assessment and change.

### Determination of Independence of Non-Employee Directors

No relationship between any non-employee director and the Company should be of a nature that could compromise the independence or judgment of any Board member in governing the affairs of the Company. The determination of what constitutes independence for a non-employee director in any individual situation shall be made by the Board in light of the totality of the facts and circumstances relating to such situation and in compliance with the requirements of The Nasdaq Stock Market, LLC's applicable listing standards and other applicable rules and regulations.

### Committees

The present Board Committees are the Audit and Compliance Committee, the Compensation and Management Development Committee and the Nominating and Corporate Governance Committee. All members of all committees shall be non-employee directors of the Company and meet the independence requirements applicable to membership on each committee of The Nasdaq Stock Market, LLC, applicable law, and the applicable rules and regulations of the Securities and Exchange Commission (including, with respect to audit committee membership, Section 10A(m)(3)

of the Securities Exchange Act of 1934, as amended), in each case as may be in effect from time to time. The Board considers its current committee structure to be appropriate but the number and scope of committees may be revised as appropriate to meet changing conditions and needs.

#### Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for, among other things, reviewing the appropriate skills and characteristics required of directors in the context of prevailing business conditions and for making recommendations regarding the size and composition of the Board. The objective is a Board that brings to the Company a variety of perspectives and skills derived from high quality business and professional experience.

#### Procedure for Selecting New Director Candidates

The Board is responsible for selecting its members, subject to shareholder approval, but delegates the screening and nomination process to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is expected to work closely with the chairman of the Board/chief executive officer in determining the qualifications desired in new Board members and making recommendations of candidates to the full Board.

#### Extending the Invitation to a Potential New Director to Join the Board

Upon concurrence of the members of the Board, invitations to join the Board will generally be extended on behalf of the Board by the chairman of the Board/chief executive officer and the chairman of the Nominating and Corporate Governance Committee. Other Board members may participate as appropriate.

#### Board Member Orientation

An orientation process will be implemented to acquaint new directors with the business, history, current circumstances, key issues and top managers of the Company.

#### Selection of Agenda Items for Board Meetings

The chairman of the Board/chief executive officer, together with appropriate members of management, shall develop the agenda for each Board meeting. The agenda is circulated in advance to the presiding independent director and Board members may suggest additional or alternative items for consideration.

#### Board Materials Distributed in Advance

As much information and data as practical relating to the meeting agenda items and the Company's financial performance shall be sent to Board members sufficiently in advance of meetings to permit the directors to review the materials.

## Executive Sessions of Independent Directors; Role of Presiding Independent Director

Each Board meeting agenda will include time for an executive session with only independent directors present. The independent members of the Board shall select a presiding independent director for a term of two years to assume the responsibility of chairing the scheduled executive sessions of independent directors and to assume such other responsibilities as the independent directors may designate from time to time. The presiding independent director shall serve in that capacity for not more than two consecutive two-year terms or until such person's successor shall have been duly selected by the independent members of the Board.

## Board Access to Senior Management

All Board members have access to senior management, with the expectation that such contact will be minimally disruptive to the business operations of the Company. The chairman of the Board/chief executive officer is encouraged to invite senior managers who can provide additional insight into business matters being discussed and those with high future potential who should be given personal exposure to members of the Board to the meetings.

## Committee Member Assignments

The Nominating and Corporate Governance Committee is responsible for reviewing and recommending to the Board the assignment of directors to various committees. The Nominating and Corporate Governance Committee will also recommend to the Board from time to time changes in committee assignments to ensure diversity of Board member experience and to vary the exposure of the members to the affairs of the Company.

No committee member shall serve as chair of a committee for more than two four-year terms.

## Frequency and Length of Committee Meetings

Generally, committees meet in conjunction with regular Board meetings. Committee chairs may also call meetings when they deem it necessary or appropriate. Committee meetings may be as frequent and as long as needed.

## Committee Meeting Agendas

The agenda for each committee meeting is developed by the chair of the committee in consultation with appropriate members of management. The agenda for each meeting shall be circulated or discussed in advance of the meeting and Committee members may suggest additional items for consideration.

## Board Compensation Review

Biennially, the Nominating and Corporate Governance Committee of the Board will review the compensation of the non-employee directors and committee members in relation to other comparable companies. Any changes in director or committee member compensation will be recommended by the Nominating and Corporate Governance Committee and approved by the Board.

## Stock Ownership

While the Board believes that it is important that each non-employee director owns shares of the Company's stock, the Board also believes the stock ownership requirement should not adversely affect the Board's ability to attract diverse candidates. Accordingly, each non-employee director is required to have invested at least \$240,000 to purchase shares of the Company's common stock as follows:

- Existing non-employee directors whose deadline for complying with the former \$200,000 investment requirement was October 1, 2007 or earlier shall have until October 1, 2009 to invest an additional \$40,000 in the Company's common stock. These directors remain obligated under the former requirement to have invested at least \$200,000 by the later of May 7, 2007 and four years from their election or appointment to the Board.
- Existing non-employee directors whose deadline for complying with the former \$200,000 investment requirement was after October 1, 2007 have an additional two years from their original deadline to achieve the additional \$40,000 investment. The original \$200,000 still must be invested by the original deadline and the additional \$40,000 within the following two years.
- Each newly appointed or elected non-employee director shall have four years after the date of election or appointment to the Board to invest at least \$240,000 to purchase shares of the Company's common stock. Shares acquired before election or appointment count toward meeting the requirement.

Each non-employee director must continue to hold the shares purchased as a result of this investment for so long as such director serves on the Board.

## Assessing the Board's Performance

The Board will conduct an annual evaluation of its overall effectiveness and the effectiveness of each of its committees, including the performance of the Board's and of each committee's governance responsibilities.

### Directors Who Change Their Job Responsibilities

A Board member who ceases to be actively employed in his or her principal business or profession, or experiences other changed circumstances, in each case that could diminish his or her effectiveness as a Board member, is expected to offer his or her resignation to the chairman of the Board. The Board in its discretion will determine whether to encourage such member to continue to serve as a director for any portion of his or her unexpired term.

### Outside Board Members Serving on Additional Boards

Board members who are full-time employees of a publicly traded company may serve on no more than one publicly-traded company's board in addition to the Company's Board and his or her own company board (when applicable). Non-employee directors who are not full-time employees of a publicly traded company may serve on no more than three publicly-traded companies' boards in addition to the Company's board.

Board members wishing to join the board of another publicly traded company shall first notify the Chair of the Nominating and Corporate Governance Committee, the chairman of the Board/chief executive officer, and the general counsel prior to joining the board. The Chair of the Nominating and Corporate Governance Committee and general counsel shall review the proposed board membership to ensure compliance with applicable laws and policies. Potential conflicts of interest, if any, shall be referred to the Chair of the Audit and Compliance Committee for review.

### Term Limits

There are no term limits for service on the Board of Directors. The absence of term limits allows the Company to retain Board members who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

### Mandatory Retirement

A Board member must retire immediately before the Company's annual meeting of shareholders during the calendar year in which he or she attains age 70. No Board member may be nominated to a new term if he or she would be age 70 or older at the end of the calendar year in which the election is held.

### Selection of the Chairman of the Board/Chief Executive Officer

The Board appoints the chairman of the Board/chief executive officer in the manner and based on the criteria that it deems appropriate and in the best interests of the Company given the circumstances at the time of such appointment.

### Evaluation of the Chairman of the Board/Chief Executive Officer

Each year the chair of the Nominating and Corporate Governance Committee (based on such committee's annual review) and the chair of the Compensation and Management Development Committee will conduct a formal evaluation of the performance of the chairman of the Board/chief executive officer based on appropriate quantitative and qualitative criteria. The Board believes that the compensation packages for the chairman of the Board/chief executive officer should consist of three components: (1) annual base salary; (2) incentive bonuses, the amount of which is dependent upon the Company's performance during the prior fiscal year; and (3) equity incentive awards designed to align their interests with those of the Company's shareholders. The independent members of the Board establish the objective performance measure upon which incentive bonuses are based, such as the achievement of an earnings per share target.

### Succession Planning

The chair of the Compensation and Management Development Committee, together with the chairman of the Board/chief executive officer, will annually review succession planning practices and procedures with the Board, and provide the Board with a recommendation as to succession in the event of each senior officer's termination of employment with the Company for any reason (including death or disability).

### Board Interaction with Institutional Investors, the Media and Customers

The Board believes that the responsibility lies with management for communications and relationships on behalf of the Company with institutional investors, the media, and customers. Therefore, the Board may participate occasionally in such interaction, but will generally do so only at the request of or with the prior knowledge of management.

### Board Attendance at Annual Shareholder Meetings

The Company's policy requires the attendance of all directors at the Annual Meeting of Shareholders, except for absences due to causes beyond the reasonable control of the director.

**These Corporate Governance Principles and Practices are intended to provide a set of flexible guidelines for the effective functioning of the Board of Directors. The Board may modify or amend these Corporate Governance Principles and Practices and the authority and responsibilities of the Board set forth herein at any time.**

Revision History

Approved by the Board of Directors on November 19/20, 2003  
(Revised March 26, 2004, September 21, 2004, May 4, 2005, May 3, 2006, October 1, 2007, May 6, 2008  
and June 9, 2009)