STARBUCKS CORP
Form DEF 14A
January 26, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

STARBUCKS CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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Letter to Our

Shareholders

Dear Shareholders:

You are cordially invited to attend the Starbucks Corporation 2018 Annual Meeting of Shareholders on March 21, 2018 at 10:00 a.m. (Pacific Time) (the Annual Meeting or the Annual Meeting of Shareholders). The meeting will be held at Marion Oliver McCaw Hall at the Seattle Center, located at 321 Mercer Street, in Seattle, Washington. More information appears on the back cover of this proxy statement.

As in prior years, we have elected to deliver our proxy materials to the majority of our shareholders over the Internet. This delivery process allows us to provide shareholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On January 26, 2018, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to:

- Access our proxy statement for our Annual Meeting and our fiscal 2017 Annual Report on Form 10-K for the fiscal year ended October 1, 2017, as filed with the Securities and Exchange Commission (the Annual Report);
- Vote by Internet, by telephone or by mail; and
- Receive a paper copy of the proxy materials by mail.

On January 26, 2018, we also first mailed this proxy statement and the enclosed proxy card to certain shareholders.

The matters to be acted upon are described in the notice of Annual Meeting of Shareholders and proxy statement. At the Annual Meeting of Shareholders, we will also report on our operations and respond to questions from shareholders.

Proof of share ownership will be required to enter the Starbucks Annual Meeting. In addition, each attendee must present a government-issued photo identification (such as a driver s license or passport). See the back cover of this proxy statement ADMISSION REQUIREMENTS AND TRANSPORTATION INFORMATION FOR THE STARBUCKS CORPORATION 2018 ANNUAL MEETING OF SHAREHOLDERS for details.

This year we are implementing a new seating process on the day of the event. Upon verification of proof of share ownership and identification, admitted attendees will be provided with a seat assignment. One seat will be given per name on the proof of share ownership. Attendees that wish to be seated together must be admitted at the same time. (Note: assigned seats may not be obtained before the day of the event.) As always, we anticipate a large number of attendees at the Annual Meeting of Shareholders. Seating will be on a first-come, first-served basis until venue capacity has been reached. We cannot guarantee seating for all shareholders.

As we have done before, we will also provide a live webcast of the meeting from the Investor Relations website at http://investor.starbucks.com. Presentations and a replay of the webcast will be available on the Investor Relations site on the Current and Past Events page under Events & Presentations. We hope this provides those unable to attend the meeting the opportunity to hear Starbucks leaders discuss our operating results and plans for the future. Our Investor Relations site is frequently updated, and includes additional information we believe our investors find useful.

Please also note that Starbucks is committed to providing an accessible experience. The event will be interpreted in American Sign Language and real-time captioning will be provided in the auditorium. Complimentary assistive listening devices and wheelchairs will be available. McCaw Hall is an accessible building with wheelchair seating, disability parking and accessible restrooms. If you have a disability accommodation request, please email us at *investorrelations@starbucks.com* or call us at (206) 318-7118 by March 2, 2018. Alternate formats of this proxy statement, the Annual Report and Letter to Shareholders are available at *http://investor.starbucks.com* or upon request by contacting *investorrelations@starbucks.com*.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the Annual Meeting, we urge you to please cast your vote as soon as possible by Internet, telephone or mail. We look forward to seeing you at the meeting.

Warm Regards,

Howard Schultz

executive chairman

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Starbucks Corporation

2401 Utah Avenue South

Seattle, Washington 98134

Notice of Annual Meeting

of Shareholders

The Annual Meeting of Shareholders of Starbucks Corporation will be held at Marion Oliver McCaw Hall at the Seattle Center, located at 321 Mercer Street, in Seattle, Washington, on March 21, 2018 at 10:00 a.m. (Pacific Time) for the following purposes:

1. To elect twelve directors nominated by the board of directors to serve until the 2019 Annual Meeting of Shareholders;
2. To approve an advisory resolution on our executive compensation;
3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2018;
4. To consider shareholder proposals described in the accompanying proxy statement, if properly presented at the Annual Meeting of Shareholders; and
5. To transact such other business as may properly come before the Annual Meeting of Shareholders.

Only shareholders of record at the close of business on January 11, 2018 will be entitled to notice of, and to vote at, the Annual Meeting of Shareholders and any adjournments or postponements thereof.

YOUR VOTE IS VERY IMPORTANT**.** Whether or not you plan to attend the Annual Meeting, we urge you to cast your vote and submit your proxy in advance of the meeting by one of the methods below. Make sure to have your proxy card or voting instruction form (VIF) in hand.

Submitting your proxy now will not prevent you from voting your shares at the meeting, as your proxy is revocable at your option. Shareholders may also vote in person at the Annual Meeting. If you are a registered shareholder (that is, you hold your shares in your name), you must present valid identification and proof of share ownership to vote at the meeting. If you are a beneficial shareholder (that is, your shares are held in the name of a broker, bank or other holder of record), you will also need to obtain a legal proxy from the registered shareholder to vote at the meeting.

As always, we anticipate a large number of attendees at the Annual Meeting of Shareholders. To provide shareholders with a better experience, we are implementing a ticketed seating process this year. When you present your proof of share ownership, you will receive a ticket with your designated seat. One ticket per name on the proof of share ownership. Seats will be given on a first-come, first-served basis until capacity has been reached.

By order of the board of directors,

Sophie Hager Hume

interim corporate secretary

Seattle, Washington

January 26, 2018

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on March 21, 2018. Our proxy statement follows. Financial and other information concerning Starbucks is contained in our Annual Report. The proxy statement and Annual Report are available on our Investor Relations website at http://investor.starbucks.com. Additionally, you may access our proxy materials at www.proxyvote.com, a site that does not have cookies that identify visitors to the site.

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Proxy Statement Summary

This summary highlights information contained elsewhere in this proxy statement. It does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting Information

Wednesday, March 21, 2018 at	Marion Oliver McCaw Hall at the Seattle Center
10:00 a.m. (Pacific Time)	321 Mercer Street
Doors open at 8:00 a.m. (Pacific Time)	Seattle, WA 98109

Voting:	Shareholders as of the record date, January 11, 2018, are entitled to vote.
	Your broker will not be able to vote your shares with respect to any of the matters presented at the meeting, other than the ratification of the selection of our independent registered public accounting firm, unless you give your broker specific voting instructions.
Attending the Annual Meeting:	*In Person.* To be admitted, you will be required to present a government-issued photo identification (such as a driver s license or passport) and proof of share ownership. More information can be found on the back cover of this proxy statement.
	Via Webcast. Shareholders may view and listen to a live webcast of the meeting. The webcast will start at 10:00 a.m. (Pacific Time). See our Investor Relations website at *http://investor.starbucks.com* for details.
	You do not need to attend the Annual Meeting of Shareholders to vote if you submitted your proxy in advance of the meeting.

Even if you plan to attend our Annual Meeting in person, please cast your vote as soon as possible. Make sure to have your proxy card or voting instruction form (VIF) in hand:

Annual Meeting Agenda and Voting Recommendations

Proposal	Board Voting Recommendation	Page Reference (for more detail)
Management proposals		
Election of 12 directors	FOR EACH DIRECTOR NOMINEE	7
Advisory resolution to approve our executive compensation	FOR	23
Ratification of selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2018	FOR	47
Shareholder proposals		
Proxy Access Bylaw Amendments	AGAINST	49

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PROXY STATEMENT SUMMARY

Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a majority of votes cast.

Director Tenure *Age Distribution* *Gender*

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships ACC	CMDC	NCGC
Howard Schultz	64	1985	executive chairman of Starbucks Corporation				
Rosalind G. Brewer*	55	2017	group president, Americas and chief operating officer of Starbucks Corporation				
Mary N. Dillon	56	2016	chief executive officer and director of Ulta Beauty, Inc.				
Mellody Hobson	48	2005			**C**		

			president and director of Ariel Investments			
Kevin R. Johnson	57	2009	president and chief executive officer of Starbucks Corporation			
Jørgen Vig Knudstorp	49	2017	executive chairman of LEGO Brand Group			
Satya Nadella	50	2017	chief executive officer and director of Microsoft Corporation			
Joshua Cooper Ramo	49	2011	co-chief executive officer and vice chairman of Kissinger Associates, Inc.			
Clara Shih	36	2011	chief executive officer and director of Hearsay Systems, Inc.			
Javier G. Teruel	67	2005	retired vice chairman of Colgate-Palmolive Company			
Myron E. Ullman, III	71	2003	retired executive chairman and ceo of J.C. Penney Company, Inc.	**, L**	**C**	
Craig E. Weatherup	72	1999				**C**

retired chief executive officer of
Pepsi-Cola

C Chair **L** Lead Independent Director

*Ms. Brewer was an independent member of the board of directors and a member of the CMDC and the NCGC prior to her appointment as group president, Americas and chief operating officer, after which time she continued to serve as a non-independent member of the board of directors.

ACC	Audit and Compliance Committee
CMDC	Compensation and Management Development Committee
NCGC	Nominating and Corporate Governance Committee

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Corporate Governance Highlights

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PROXY STATEMENT SUMMARY

Financial Highlights

The Company delivered strong results in its 52-week fiscal year 2017, increasing global comparable store sales by 3% driven by a 3% increase in ticket. Consolidated net revenue grew 7% when excluding $412.4 million for the extra week in fiscal 2016; consolidated Non-GAAP* operating income grew by 7.8% to $4.4 billion year over year; and Non-GAAP* earnings per share (EPS) grew 11.4% to $2.06 per share. Starbucks 3-year cumulative total shareholder return (TSR) was 49%. During the year, Starbucks also made significant investments to support the growth of our business and added 2,200 net new stores, to end the 2017 fiscal year with more than 27,000 stores globally.

Starbucks reported another year of strong performance, with each of our business units around the world contributing to record results. Starbucks delivered solid top and bottom line growth, despite a difficult operating environment during the year.

+7%** Revenues	**+7.8%*** Non-GAAP Operating Income	**49%** 3-Yr Cumulative TSR

* Annex A includes a reconciliation of Non-GAAP operating income and Non-GAAP EPS to operating income and diluted net earnings per share, respectively, the most directly comparable measures reported under accounting principles generally accepted in the United States.

** Excluding the extra week in fiscal 2016.

Executive Compensation Highlights

Our executive compensation program is designed to achieve the following key objectives:

- Enable the attraction and retention of top talent by competing effectively for the highest quality people who will shape our long-term success;
- Pay for performance through aligning compensation with the achievement of both short-term and long-term financial objectives that build shareholder value; and
- Be true to our values by supporting our mission statement and guiding principles.

Some of the compensation best practices we employ to achieve these objectives include:

What We Do

- Deliver a majority of executives target total direct compensation in the form of variable, at-risk, performance-based compensation
- Utilize performance-based restricted stock units (PRSUs) with vesting requirements
- Require our executives and directors to satisfy rigorous stock ownership guidelines
- Maintain a clawback policy
- Prohibit Starbucks partners (employees) from engaging in hedging transactions in Starbucks stock or pledging Starbucks stock
- Conduct annual say-on-pay advisory votes

What We Don t Do

- Have single-trigger change-in-control equity acceleration provisions
- Provide cash-based change-in-control benefits
- Provide excise tax gross-ups of perquisites
- Provide significant perquisites
- Maintain a supplemental executive retirement plan (SERP)

Auditors

As a matter of good corporate governance, the Audit and Compliance Committee is asking our shareholders to ratify the selection of Deloitte & Touche LLP to serve as our independent registered public accounting firm for fiscal 2018. The following table sets forth the aggregate fees billed by Deloitte for fiscal 2017 and fiscal 2016.

Type of Fees	Fiscal 2017	Fiscal 2016
Audit Fees	$ 6,374,000	$ 6,020,000
Audit-Related Fees	$ 402,000	$ 266,000
Tax Fees	$ 467,000	$ 332,000

All Other Fees	$ 16,000	$ 0
Total	$ 7,259,000	$ 6,618,000

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Proxy Statement

Starbucks Corporation

2401 Utah Avenue South

Seattle, Washington 98134

We are making this proxy statement available to you on January 26, 2018 in connection with the solicitation of proxies by our board of directors for the Starbucks Corporation 2018 Annual Meeting of Shareholders. At Starbucks and in this proxy statement, we refer to our employees as partners. Also in this proxy statement, we sometimes refer to Starbucks as the Company, we or us, and to the 2018 Annual Meeting of Shareholders as the Annual Meeting. Whe we

refer to the Company s fiscal year, we mean the annual period ending on the Sunday closest to September 30 of the stated year. Information in this proxy statement for 2017 generally refers to our 2017 fiscal year, which was from October 3, 2016 through October 1, 2017 (fiscal 2017). Fiscal years 2017 and 2015 each included 52 weeks. Fiscal 2016 included 53 weeks with the additional week falling in our fourth fiscal quarter.

Voting Information

Record Date. The record date for the Annual Meeting is January 11, 2018. On the record date, there were 1,405,314,293 shares of our common stock outstanding and there were no outstanding shares of any other class of stock.

Voting Your Proxy. Holders of shares of common stock are entitled to cast one vote per share on all matters. Proxies will be voted as instructed by the shareholder or shareholders granting the proxy. Unless contrary instructions are specified, if the proxy is completed and submitted (and not revoked) prior to the Annual Meeting, the shares of Starbucks common stock represented by the proxy will be voted: (i) **FOR** the election of each of the twelve director candidates nominated by the board of directors; (ii) **FOR** approval of the advisory resolution on our executive compensation; (iii) **FOR** ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2018 (fiscal 2018); (iv) **AGAINST** the shareholder proposal regarding proxy access bylaw amendments; (v) **AGAINST** the shareholder proposal regarding a report on sustainable packaging; (vi) **AGAINST** the shareholder proposal regarding a report on paid family leave; (vii) **AGAINST** the shareholder proposal regarding a diversity report and (viii) in accordance with the best judgment of the named proxies on any other matters properly brought before the Annual Meeting.

Revoking Your Proxy. If you are a registered shareholder (meaning, a shareholder who holds shares issued in his or her name and therefore appears on the share register) and have executed a proxy, you may revoke or change your proxy at any time before it is exercised by: (i) executing and delivering a later-dated proxy card to our corporate secretary prior to the Annual Meeting; (ii) delivering written notice of revocation of the proxy to our corporate secretary prior to the Annual Meeting; or (iii) attending and voting in person at the Annual Meeting. Attendance at the Annual Meeting, in and of itself, will not constitute a revocation of a proxy. If you voted by telephone or the Internet and wish to change your vote, you may call the toll-free number or go to the website, as may be applicable in the case of your earlier vote, and follow the directions for revoking or changing your vote. If your shares are held in the name of a broker, bank or other holder of record, you should follow the voting instructions you receive from the holder of record to revoke or change your vote.

Vote Required. The presence, in person or by proxy, of holders of a majority of the outstanding shares of Starbucks common stock is required to constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes (shares held by a broker or nominee that does not have discretionary authority to vote on a particular matter and has not received voting instructions from its client) are counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting.

We have majority voting procedures for the election of directors in uncontested elections. If a quorum is present, a nominee for election to a position on the board of directors will be elected as a director if the votes cast for the nominee exceed the votes cast against the nominee. The term of any incumbent director who does not receive a majority of votes cast in an election held under the majority voting standard terminates on the earliest to occur of: (i) 90 days from the date on which the voting results of the election are certified; (ii) the date the board of directors fills the position; or (iii) the date the director resigns. If a quorum is present, approval of the advisory resolution on executive compensation, ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm and approval of all shareholder proposals, and any other matters that properly come before the meeting, require that the votes cast in favor of such actions exceed the votes cast opposing such actions. The following will not be considered votes cast and will not count in determining the election of any director nominee or approval of the other proposals: (i) broker non-votes; (ii) a share whose ballot is marked as abstain; and (iii) a share otherwise present at the Annual Meeting but for which there is an abstention; and (iv) a share otherwise present at the Annual Meeting but which is not voted.

Unless you provide voting instructions to any broker holding shares on your behalf, your broker may not use discretionary authority to vote your shares on any of the matters to be considered at the Annual Meeting other than the ratification of our independent registered public accounting firm. Please vote your proxy so your vote can be counted. Proxies and ballots will be received and tabulated by Broadridge Financial Services, our inspector of elections for the Annual Meeting.

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VOTING INFORMATION

Even if you plan to attend our Annual Meeting in person, please cast your vote as soon as possible. Make sure to have your proxy card or voting instruction form (VIF) in hand:

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Proposal 1 Election of Directors

Our board of directors currently has fourteen members. William W. Bradley and Robert M. Gates will retire from the board of directors immediately prior to the 2018 Annual Meeting in accordance with our Corporate Governance Principles and Practices mandatory retirement age requirements, at which time the size of the board will be reduced to twelve members. The board of directors has nominated all of the remaining twelve directors for election at the Annual Meeting, to serve until the 2019 Annual Meeting of Shareholders and until their respective successors have been elected and qualified. All of the current directors were elected at the 2017 Annual Meeting.

Unless otherwise directed, the persons named in the proxy intend to vote all proxies **FOR** the election of the nominees, as listed below, each of whom has consented to serve as a director if elected. If, at the time of the Annual Meeting, any nominee is unable or declines to serve as a director, the discretionary authority provided in the enclosed proxy will be exercised to vote for a substitute candidate designated by the board of directors, unless the board chooses to reduce its own size. The board of directors has no reason to believe that any of the nominees will be unable or will decline to serve if elected. Proxies cannot be voted for more than twelve persons since that is the total number of nominees.

Set forth below is certain information furnished to us by the director nominees. There are no family relationships among any of our current directors or executive officers. None of the corporations or other organizations referenced in the biographical information below is a parent, subsidiary or other affiliate of Starbucks.

We believe that our directors should satisfy a number of qualifications, including demonstrated integrity, a record of personal accomplishments, a commitment to participation in board activities and other traits discussed below in Our Director Nominations Process. We also endeavor to have a board representing a range of skills and depth of experience in areas that are relevant to and contribute to the board s oversight of the Company s global activities. Following the biographical information for each director nominee, we describe the key experience, qualifications and skills the director nominees bring to the board that, for reasons discussed below, are important in light of Starbucks businesses and structure. The board considered these experiences, qualifications and skills and the nominees other qualifications in determining to recommend that they be nominated for election.

Experience / Qualification / Skill

Food and beverage industry experience	As the premier roaster, marketer and retailer of specialty coffee in the world, we seek directors who have knowledge of and experience in the food and beverage industry, which is useful in understanding our product development and retail and licensing operations.
Consumer products and foodservice experience	We seek directors with expertise in consumer products and foodservice as we continue to increase our focus on expanding our Channel Development business on a global scale.
Brand marketing experience	Brand marketing experience is important for our directors to have because of the importance of image and reputation in the specialty coffee business and our objective to maintain Starbucks standing as one of the most recognized and respected brands in the world.
International operations and distribution experience	Starbucks has a strong global presence. As of the end of fiscal 2017, the Company had operations in 75 countries around the world and had approximately 92,000 partners (employees) employed outside the United States. Accordingly, international operations and distribution experience is important for our directors to have, especially as we continue to expand globally and develop new channels of distribution.
Domestic and international public policy experience	We believe that it is important for our directors to have domestic and international public policy experience in order to help us address significant public policy issues, adapt to different business and regulatory environments and facilitate our work with governments all over the world.
Digital and social media experience	As a consumer retail company, it is important for our directors to have digital and social media experience which can provide insight and perspective with respect to our marketing, sales and customer service functions.
Public company	Directors who have served on other public company boards can offer advice and perspective with respect to board dynamics and operations, relations between the board and Starbucks

board experience	management and other matters, including corporate governance, executive compensation and oversight of strategic, operational compliance-related matters and relations with shareholders.
Senior leadership experience	We believe that it is important for our directors to have served in senior leadership roles at other organizations, which demonstrates strong abilities to motivate and manage others, to identify and develop leadership qualities in others and to manage organizations.

The Board of Directors Recommends that Shareholders vote FOR the election of each of the Nominees to the Board of Directors.

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PROPOSAL 1 ELECTION OF DIRECTORS

Nominees

HOWARD SCHULTZ

Age: 64

Director Since: 1985

Committees: None

Howard Schultz**,** 64, is the founder of Starbucks Corporation and has served as executive chairman since April 2017. Mr. Schultz has served as chairman of the board of directors since our inception in 1985, and in January 2008, he reassumed the role of president and chief executive officer. He served as chief executive officer until April 2017 and served as president until March 2015. From June 2000 to February 2005, Mr. Schultz also held the title of chief global strategist. From November 1985 to June 2000, he served as chairman of the board and chief executive officer. From November 1985 to June 1994, Mr. Schultz also served as president. From January 1986 to July 1987, Mr. Schultz was the chairman of the board, chief executive officer and president of Il Giornale Coffee Company, a predecessor to the Company. From September 1982 to December 1985, Mr. Schultz was the director of retail operations and marketing for Starbucks Coffee Company, a predecessor to the Company.

Director Qualifications:

As the founder of Starbucks, Mr. Schultz has demonstrated a record of innovation, achievement and leadership. This experience provides the board of directors with a unique perspective into the operations and vision for Starbucks. Through his experience as the chairman and chief executive officer, Mr. Schultz is also able to provide the board of directors with insight and information regarding Starbucks strategy, operations and business. In addition, Mr. Schultz brings to the board more than 30 years of experience with Starbucks and extensive experience in the food and beverage industry, brand marketing and international distribution and operations.

ROSALIND G. BREWER

Age: 55

Director Since: 2017

Committees: None

Rosalind G. Brewer**,** 55, has served as group president, Americas and chief operating officer since October 2017, and has been a director since March 2017. Ms. Brewer served as President and Chief Executive Officer of Sam s Club, a membership-only retail warehouse club and a division of Wal-Mart Stores, Inc., from February 2012 to February 2017. Previously, Ms. Brewer was Executive Vice President and President of Walmart s East Business Unit from February 2011 to January 2012; Executive Vice President and President of Walmart South from February 2010 to February 2011; Senior Vice President

and Division President of the Southeast Operating Division from March 2007 to January 2010; and Regional General Manager, Georgia Operations, from 2006 to February 2007. Prior to joining Walmart, Ms. Brewer was President of Global Nonwovens Division for Kimberly-Clark Corporation, a global health and hygiene products company, from 2004 to 2006 and held various management positions at Kimberly-Clark Corporation from 1984 to 2006. She serves as the Chair of the Board of Trustees for Spelman College and formerly served on the Board of Directors for Lockheed Martin Corporation and Molson Coors Brewing Company.

Director Qualifications:

Ms. Brewer brings to the board of directors extensive insight on large-scale operations and supply chain logistics based on her senior leadership positions as President and Chief Executive Officer of Sam s Club and as Executive Vice President for Walmart, as well as extensive experience in consumer products and distribution. Ms. Brewer also brings to the board her vast experience in product development, product management, leadership, digital technology and innovation, and international operations and distribution.

MARY N. DILLON

Age: 56

Director Since: 2016

Committees: CMDC, NCGC

Mary N. Dillon**,** 56, has been a Starbucks director since January 2016. Since July 2013, Ms. Dillon has served as Chief Executive Officer and a member of the Board of Directors of Ulta Beauty, Inc., a beauty products retailer. Prior to joining Ulta Beauty, she served as President and Chief Executive Officer and a member of the Board of Directors of United States Cellular Corporation, a provider of wireless telecommunications services, beginning in June 2010. Prior to joining U.S. Cellular, Ms. Dillon served as Global Chief Marketing Officer and Executive Vice President of McDonald s Corporation from 2005 to 2010, where she led the company s worldwide marketing efforts and global brand strategy. Prior to joining McDonald s, Ms. Dillon held several positions of increasing responsibility at PepsiCo Corporation, including as President of the Quaker Foods division from 2004 to 2005 and as Vice President of Marketing for Gatorade and Quaker Foods from 2002 to 2004. Ms. Dillon previously served as a director of Target Corporation.

Director Qualifications:

As CEO of a large publicly-traded company and with her prior executive leadership experience, Ms. Dillon is able to provide the board with top-level leadership perspective in organizational management and operations. With 33 years of experience with large consumer-driven businesses, Ms. Dillon brings to the board her unique insights into the management of complex organizations in today s challenging retail environment. She also possesses valuable knowledge and expertise in brand marketing and strategy.

MELLODY HOBSON

Age: 48

Director Since: 2005

Committees: ACC (Chair)

Mellody Hobson**,** 48, has been a Starbucks director since February 2005. Ms. Hobson has served as the President and a Director of Ariel Investments, LLC, a Chicago-based investment management firm since 2000, and as the Chairman since 2006 and a Trustee since 1993 of the mutual funds it manages. She previously served as Senior Vice President and Director of Marketing at Ariel Capital Management, Inc. from 1994 to 2000, and as Vice President of Marketing at Ariel Capital Management, Inc. from 1991 to 1994. Ms. Hobson works with a variety of civic and professional institutions, including serving as a Governance Board Member of the Chicago Public Education Fund and as Chairman of After School Matters, which provides Chicago teens with high quality out-of-school time programs. Ms. Hobson also serves on the Board of Directors of The Estée Lauder Companies Inc. Additionally, she is on the Board of Governors of the Investment Company Institute. Ms. Hobson formerly served on the Board of Directors of Groupon, Inc. and DreamWorks Animation SKG, Inc.

Director Qualifications:

As the president and a director of a large investment company, Ms. Hobson brings significant leadership, operational, investment and financial expertise to the board of directors. Ms. Hobson s experience as an on-air CBS news contributor and analyst on finance and the economy provides insight into media and communications and public relations considerations. Ms. Hobson also brings to the board of directors valuable knowledge of corporate governance and similar issues from her service on other publicly traded companies boards of directors as well as her service on the Securities and Exchange Commission (SEC) Investment Advisory Committee, which advises the SEC on matters of concern to investors in the securities markets. In addition, Ms. Hobson has brand marketing experience through her service on the Board of Directors of The Estée Lauder Companies and her past service on the DreamWorks Animation SKG Board prior to its acquisition by Comcast Corporation.

KEVIN R. JOHNSON

Age: 57

Director Since: 2009

Committees: None

Kevin R. Johnson**,** 57, has served as president and chief executive officer since April 2017, and has been a Starbucks director since March 2009. Mr. Johnson served as president and chief operating officer from March 2015 to April 2017. Mr. Johnson served as Chief

Executive Officer of Juniper Networks, Inc., a leading provider of high-performance networking products and services, from September 2008 to December 2013. He also served on the Board of Directors of Juniper Networks from September 2008 through February 2014. Prior to joining Juniper Networks, Mr. Johnson served as President, Platforms and Services Division for Microsoft Corporation, a worldwide provider of software, services and solutions. Mr. Johnson was a member of Microsoft s Senior Leadership Team and held a number of senior executive positions over the course of his 16 years at Microsoft. Prior to joining Microsoft in 1992, Mr. Johnson worked in International Business Machine Corp. s systems integration and consulting business.

Director Qualifications:

Mr. Johnson has extensive experience in the technology industry and is able to provide the board of directors with his unique insights into platforms for global integration of information systems as well as the use of technology in our brand marketing and media and communications efforts. Through his various senior leadership positions, including his experience as Chief Executive Officer of Juniper Networks and extensive senior executive experience with a large, multinational company, Mr. Johnson also has experience with the challenges inherent in managing a complex organization, leading global businesses focused on both consumer and business needs and utilizing technology to drive business productivity and experience.

JØRGEN VIG KNUDSTORP

Age: 49

Director Since: 2017

Committees: ACC, NCGC

Jørgen Vig Knudstorp, 49, has been a director since March 2017. Since January 2017, Mr. Knudstorp has served as Executive Chairman LEGO Brand Group, owner of the LEGO brand and controlling company of the LEGO Group, a leading manufacturer of construction toys. From October 2004 to December 2016, he served as President and Chief Executive Officer of the LEGO Group. He previously held various leadership positions at the LEGO Group from 2001 to 2004, including Senior Vice President, Corporate Affairs from 2003 to 2004; Vice President, Strategic Development in 2003; Senior Director, Global Strategic Development & Alliance Management from 2002 to 2003; and Director, Strategic Development from 2001 to 2002. Prior to joining the LEGO Group, Mr. Knudstorp served as a Management Consultant at McKinsey & Company from 1998 to 2001.

Director Qualifications:

Mr. Knudstorp s top executive leadership experience at one of the world s most renowned toy manufacturers, as well as recognizable brand, brings to the board of directors a record of innovation and senior leadership. Mr. Knudstorp brings to the board extensive global leadership experience and his unique insight and knowledge of brand and digital marketing, strategy, consumer products, and international operations and distribution.

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PROPOSAL 1 ELECTION OF DIRECTORS

SATYA NADELLA

Age: 50

Director Since: 2017

Committees: CMDC

Satya Nadella**,** 50, has been a director since March 2017. Mr. Nadella has served as Chief Executive Officer and a member of the Board of Directors of Microsoft Corporation, a worldwide provider of software, since February 2014. He has held various leadership positions at Microsoft since joining Microsoft in 1992, including Executive Vice President, Cloud and Enterprise from July 2013 to February 2014; President, Server and Tools from 2011 to 2013; Senior Vice President, Online Services Division from 2009 to 2011; and Senior Vice President, Search, Portal, and Advertising from 2008 to 2009. Mr. Nadella s roles also included Vice President of the Microsoft Business Division. Prior to joining Microsoft, Mr. Nadella was a member of the technology staff at Sun Microsystems, Inc. Mr. Nadella currently serves on the Board of Trustees of Fred Hutchinson Cancer Research Center. Mr. Nadella was formerly on the Board of Directors of Riverbed Technology, Inc.

Director Qualifications:

Mr. Nadella brings to the board of directors extensive experience in the technology industry and an understanding of how technology will be used and experienced around the world. He also provides the board with invaluable insight as we continue our focus on innovative ways to use technology to elevate our brand and grow our business. Mr. Nadella also brings insight and knowledge in international operations and distribution gained from his service as CEO and other senior leadership positions at one of the world s largest public technology companies.

JOSHUA COOPER RAMO

Age: 49

Director Since: 2011

Committees: ACC, NCGC

Joshua Cooper Ramo**,** 49, has been a Starbucks director since May 2011. Since July 2015, Mr. Ramo has served as Co-Chief Executive Officer and Vice Chairman of Kissinger Associates, Inc. an advisory firm where he has served as Vice Chairman since 2011 and been employed since 2005. He was previously the Managing Partner for the Office of John L. Thornton, a corporate advisory specialist and an advisor to Goldman Sachs, from 2003 to 2005. Mr. Ramo spent his early career as a journalist, most recently with *Time Magazine*, from 1996 to 2003 serving as Senior Editor and Foreign Editor. He is a leading China scholar and has written several papers on China s

development that have been distributed in China and abroad. In 2008, Mr. Ramo served as China Analyst for NBC during the Summer Olympics in Beijing. He is the author of two New York Times best-selling books, The Age of the Unthinkable (2009) and The Seventh Sense (2016). Mr. Ramo has been a term member of the Council on Foreign Relations, Asia 21 Leaders Program, World Economic Forum s Young Global Leaders and Global Leaders for Tomorrow, and co-founder of the U.S.-China Young Leaders Forum. He also serves on the Board of Directors of FedEx Corporation.

Director Qualifications:

Mr. Ramo s broad international experience provides the board of directors with his unique insights related to Starbucks strategy, operations and business as a global company. Mr. Ramo brings to the board significant commercial transaction experience from his Kissinger Associates role, as well as domestic and international public policy experience. Mr. Ramo has extensive knowledge in a number of important areas, including innovative problem-solving related to global risks and opportunities, particularly with regard to China.

CLARA SHIH

Age: 36

Director Since: 2011

Committees: CMDC, NCGC

Clara Shih, 36, has been a Starbucks director since December 2011. Ms. Shih is Chief Executive Officer and a Board Member of Hearsay Systems, Inc., an enterprise software company serving Fortune 500 brands that she co-founded in August 2009. From June 2006 to June 2009, she served as Product Management Director, AppExchange of salesforce.com, inc., an enterprise software company. From 2004 to 2006, she served as Associate, Strategy and Business Operations for Google, Inc. Previously, Ms. Shih was a software engineer at Microsoft Corporation.
Ms. Shih, the creator of the first business application on Facebook, is the author of The Facebook Era (2009) and The Social Business Imperative (2016). She has been named one of *Businessweek* s Top Young Entrepreneurs, one of *Fortune* s Most Powerful Women Entrepreneurs, and one of CNN Money s 40 under 40: Ones to Watch. She was also named a Young Global Leader by the World Economic Forum.

Director Qualifications:

Ms. Shih brings to the board social media, digital, and mobile expertise, brand marketing, innovation and entrepreneurial experience from her position with Hearsay, as well as her prior experience at other technology companies. She provides unique insights to Starbucks related to technology innovation and growth of business on social networking sites across marketing, sales, customer service, recruiting and R&D functions.

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PROPOSAL 1 ELECTION OF DIRECTORS

JAVIER G. TERUEL

Age: 67

Director Since: 2005

Committees: ACC, CMDC

Javier G. Teruel**,** 67, has been a Starbucks director since September 2005. Mr. Teruel served as Vice Chairman of Colgate-Palmolive Company, a consumer products company, from July 2004 to April 2007, when he retired. Prior to being appointed Vice Chairman, Mr. Teruel served as Colgate-Palmolive s Executive Vice President responsible for Asia, Central Europe, Africa and Hill s Pet Nutrition. After joining Colgate in Mexico in 1971, Mr. Teruel served as Vice President of Body Care in Global Business Development in New York and President and General Manager of Colgate-Mexico. He also served as President of Colgate-Europe, and as Chief Growth Officer responsible for the company s growth functions. Mr. Teruel currently serves as a Partner of Spectron Desarrollo, SC, an impact investment and consulting firm and as Chairman of Alta Growth Capital, a private equity firm. He previously served on the Board of Directors of The Pepsi Bottling Group, Inc. and Corporaciòn Geo S.A.B. de C.V. He currently serves on the Board of Directors of J.C. Penney Company, Inc. and Nielsen Holdings plc.

Director Qualifications:

Mr. Teruel brings to the board extensive brand marketing experience and international distribution and operations experience from his various executive roles at a large, multinational consumer products company, including considerable product development, merchandising and marketing skills and perspectives. His international background provides unique insights relevant to Starbucks strategy, operations and business as a global company. Through his senior leadership and public company board experience, Mr. Teruel also possesses extensive knowledge in a number of important areas, including leadership, finance and risk assessment.

MYRON E. ULLMAN, III

Age: 71

Director Since: 2003

Committees: CMDC (Chair)

Myron E. Ullman, III, 71, has been a Starbucks director since January 2003. Mr. Ullman served as Executive Chairman of J.C. Penney Company, Inc., a chain of retail department stores, from August 2015 to August 2016, when he retired. From April 2013 to August 2015, Mr. Ullman served as Chief Executive Officer and a member of the Board of Directors of J.C. Penney Company, Inc. Mr. Ullman had previously served as Executive Chairman of J.C. Penney Company, Inc., from November 2011 to January 2012, and as the Chairman of the Board of Directors and Chief Executive Officer from December 2004 to November 2011. Mr. Ullman served as Directeur General,

Group Managing Director of LVMH Möet Hennessy Louis Vuitton, a luxury goods manufacturer and retailer, from July 1999 to January 2002. From January 1995 to June 1999, he served as Chairman and Chief Executive Officer of DFS Group Limited, a retailer of luxury branded merchandise. From 1992 to 1995, Mr. Ullman served as Chairman and Chief Executive Officer of R.H. Macy & Co., Inc. Mr. Ullman previously served on the Board of Directors for Ralph Lauren Corporation, Saks, Inc. and Pzena Investment Management, Inc. He served as the Chairman of the Federal Reserve Bank of Dallas through the end of 2014. He currently serves on the Board of Directors of Taubman Centers, Inc.

Director Qualifications:

Through Mr. Ullman s senior leadership and public company board experience with U.S. and international retailers, he brings to the board of directors extensive knowledge in important areas, including leadership of global businesses, finance, executive compensation, risk assessment and compliance. He also brings to the board brand marketing experience and international distribution and operations experience from his roles at major U.S. and international retailers, as well as insights and perspectives from positions he has held in the technology and real estate industries and the public sector. Mr. Ullman s experiences as chairman and chief executive officer of various entities during his career provide the board of directors with insight into the challenges inherent in managing a complex organization.

CRAIG E. WEATHERUP

Age: 72

Director Since: 1999

Committees: NCGC (Chair), ACC

Craig E. Weatherup, 72, has been a Starbucks director since February 1999. Mr. Weatherup worked for PepsiCo, Inc. for 24 years and served as Chief Executive Officer of its worldwide Pepsi-Cola business and President of PepsiCo, Inc., retiring in 1999. He also led the initial public offering of The Pepsi Bottling Group, Inc., where he served as Chairman and Chief Executive Officer from March 1999 to January 2003. Mr. Weatherup previously served on the Board of Directors of Macy s, Inc.

Director Qualifications:

Through Mr. Weatherup s public company board experience from his service on the Board of Directors of Macy s, as well as his prior senior leadership experience as a chairman and chief executive officer, he is able to bring to the board of directors extensive knowledge in important areas, including finance, leadership, executive compensation, corporate governance, risk assessment and compliance. In addition, Mr. Weatherup brings to the board food and beverage industry experience, as well as brand marketing experience and international distribution and operations experience from his prior role as chief executive officer of a large, global food and beverage business. Mr. Weatherup also possesses valuable knowledge of and insight into Starbucks business and operations from his 18 years of service as a member of our board of directors.

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Corporate Governance

Shareholder Engagement

We have a long-standing history of actively engaging with our shareholders.

We believe that strong corporate governance should include year-round engagement with our shareholders. We have a long-standing, robust shareholder outreach program led by a cross-functional team including partners from our Investor Relations, Total Rewards, Law & Corporate Affairs and Global Social Impact departments. Through this outreach, we solicit feedback on our executive compensation program, corporate governance and disclosure practices and respond to questions regarding our Global Social Impact programs and goals. We share feedback we receive with our board of directors and Compensation and Management Development Committee (the Compensation Committee) as demonstrated below.

Corporate Governance Cycle

Publish Annual Report and proxy statement

Active outreach with top investors to discuss important items to be considered at Annual Meeting of Shareholders

Annual Meeting of Shareholders

Review results from our most recent Annual Meeting

Share investor feedback with board of directors and Compensation Committee

Evaluate proxy season trends, corporate governance best practices, regulatory developments and our current

Active outreach with top investors to understand their priorities for corporate governance, executive compensation and environmental and social matters

Share investor feedback with board of directors and Compensation Committee practices | Board of directors considers investor feedback received throughout the year

As part of our normal outreach, during 2017 we reached out to our top shareholders and had conversations with corporate governance contacts representing approximately 30% of our shares outstanding. Additionally, our senior management team, including our president and ceo, and our cfo, regularly engage in meaningful dialogue with our shareholders through our quarterly earnings calls and other channels for communication.

In recent years, shareholder feedback has influenced our implementation of Proxy Access and the specific terms adopted as well as certain of our compensation design and philosophy changes, including most recently minimizing the use of special equity grants. In prior years shareholder feedback has influenced replacing EPS as a performance measure under our Executive Management Bonus Plan (EMBP) with adjusted net revenue (recognizing that EPS remains a performance measure under our PRSUs) and lengthening the performance period under our PRSU design from one year to two years.

Shareholder Feedback on Proxy Access

At our 2016 Annual Meeting, a shareholder proposal to adopt a proxy access bylaw was supported by a majority of the shares that voted on the proposal. In our subsequent discussions with shareholders, who collectively held more than 30% of our shares outstanding, regarding the form of proxy access to be adopted, we sought and received the following feedback:

- While shareholders were not unanimous in their view, they generally supported the concept of proxy access;
- Shareholder views on specific terms under which proxy access should be adopted varied, but most shareholders we spoke with supported the core terms that we adopted (3% ownership threshold for 3 years, a nomination right of the greater of 2 or 20% of the board and a limit of 20 shareholders who may aggregate their holdings to meet the 3% ownership threshold); and
- Most shareholders also generally supported the secondary proxy access bylaw terms and limitations that were discussed and that our board ultimately adopted, including counting multiple investment funds under common management as one shareholder, counting shares on loan toward satisfying the ownership threshold if the shareholder has the right to recall the shares within five business days notice and prohibiting third party compensation for director services.

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Upon the recommendation of our Nominating and Corporate Governance Committee (the Nominating/Governance Committee) and management s recommendations based on various factors including the results of the shareholder outreach summarized above, our board amended our Bylaws in September of 2016 to implement proxy access. As amended, our Bylaws permit a shareholder, or a group of up to 20 shareholders, owning three percent or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials director nominees constituting up to two individuals or 20% of the board, whichever is greater, provided that the shareholder(s) and the nominee(s) satisfy the requirements specified in our Bylaws.

Board Leadership

The board of directors is responsible for overseeing the exercise of corporate power and seeing that Starbucks business and affairs are managed to meet the Company s stated goals and objectives and that the long-term interests of the shareholders are served.

Howard Schultz, executive chairman of Starbucks, currently serves as the chairman of the board. Myron E. Ullman, III, a non-employee independent director, was elected the lead independent director pursuant to our Corporate Governance Principles and Practices, effective March 23, 2016. Mr. Ullman s term as lead independent director expires at the board meeting immediately following the 2018 Annual Meeting of Shareholders. Directors are limited to serving two consecutive two-year terms in that role.

Our board leadership structure supports the independence of our non-management directors. The independent directors meet in an executive session at each board meeting, and each of the standing board committees (discussed below) is comprised solely of and led by independent directors. The lead independent director presides at the scheduled executive sessions of independent directors as well as all meetings of the board at which the chairman is not present. The lead independent director and the chairman each has the authority to call meetings of the independent directors and of the entire board. Pursuant to our Corporate Governance Principles and Practices, the duties of the lead independent director also include:

- serving as a liaison between the independent directors and the chairman of the board;
- approving the scheduling of board meetings, as well as the agenda and materials for each board meeting and executive session of the independent directors;
- approving and coordinating the retention of advisors and consultants to the board; and
- such other responsibilities as the independent directors may designate from time to time.

The board of directors believes that it should maintain flexibility to select Starbucks chairman and board leadership structures from time to time, and our policies do not preclude the chief executive officer from also serving as chairman of the board. Mr. Schultz served in both positions prior to April 3, 2017. On that date, the roles of chairman and ceo were separated as Mr. Schultz became executive chairman of the Company and Mr. Johnson assumed the role of president and ceo. Mr. Schultz continues to serve as chairman of the board.

The board of directors believes that Mr. Schultz continuing to serve as chairman of the board, while Mr. Ullman maintains his role as the lead independent director, allows the board to continue to benefit from Mr. Schultz s in-depth knowledge of Starbucks business and industry as well as his leadership in formulating and implementing strategic initiatives that will focus on innovation, design and development of Starbucks Reserve® Roasteries around the world, expansion of the Starbucks Reserve® retail store format and the Company s social impact initiatives, while the role given to our lead independent director will maintain a strong, independent and active board.

Risk Oversight

The board of directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives management of risks relevant to the Company. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the board of directors in reviewing Starbucks business strategy is an integral aspect of the board s assessment of management s tolerance for risk and also its determination of what constitutes an appropriate level of risk for the Company.

While the full board has overall responsibility for risk oversight, the board has delegated oversight responsibility related to certain risks to the Audit and Compliance Committee (the Audit Committee) and the Compensation Committee. The Audit Committee is responsible for reviewing and discussing with management the Company s major and emerging risk exposures, including financial, operational, technology, privacy, data and physical security, disaster recovery and ethics and compliance, food safety, legal and regulatory risks; the steps the Company has taken to monitor and control such exposures; and the Company s risk assessment and risk management policies. The chair of the Audit Committee regularly reports to the board the substance of such reviews and discussions. Further, in 2016, the Company established the Risk Management Committee which is co-managed by Starbucks chief financial officer and general counsel. The Risk Management Committee is focused on risks facing the Company, including strategic risks, market risks, internal control risks and operational risks and provides information to the Audit Committee at its regularly scheduled meetings.

The Audit Committee also receives regular reports from management including our chief ethics and compliance officer, vice president and controller and vice president of Internal Audit on risks facing the Company at its regularly scheduled meetings and other reports as requested by the Audit Committee from time to time. The Compensation Committee is responsible for reviewing and overseeing the management of any potential material risks related to Starbucks compensation policies and practices. The Compensation Committee reviews a summary and assessment of such risks annually and in connection with discussions of various compensation elements and benefits throughout the year.

The board s role in risk oversight has not resulted in any additional changes to the board s leadership structure.

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CORPORATE GOVERNANCE

Affirmative Determinations Regarding Director Independence and Other Matters

Our board of directors has determined that each of the following directors and director nominees is an independent director as such term is defined under NASDAQ rules:

William W. Bradley*	Joshua Cooper Ramo
Mary N. Dillon	Clara Shih
Robert M. Gates*	Javier G. Teruel
Mellody Hobson	Myron E. Ullman, III
Jørgen Vig Knudstorp	Craig E. Weatherup
Satya Nadella	

* retiring immediately prior to the 2018 annual meeting

In determining that Mr. Nadella is independent, the board considered payments in the ordinary course of business in fiscal 2017 between Starbucks and the public company in which he serves as an executive officer and as a director, which were for amounts representing less than 2% of the annual revenues of the company receiving the payments and did not constitute a related party transaction under SEC rules. The board determined that these transactions would not interfere with Mr. Nadella s exercise of independent judgment in carrying out his

responsibilities as a director. The board also determined that Mr. James G. Shennan, Jr., qualified as an independent director under NASDAQ rules during his term of service as a director for part of fiscal 2017. In addition, prior to her appointment as group president, Americas and chief operating officer, Ms. Brewer qualified as an independent director under NASDAQ rules and was a member of Compensation Committee and the Nominating/Governance Committee. After her appointment, she continued to serve as a non-independent member of the board.

Board Committees and Related Matters

During fiscal 2017, our board of directors had three standing committees: the Audit Committee, the Compensation Committee and the Nominating/Governance Committee. The board of directors, upon recommendation of the Nominating/Governance Committee, makes committee and committee chair assignments annually at its meeting immediately preceding the annual meeting of shareholders, although further changes to committee assignments are made from time to time as deemed appropriate by the board. The committees operate pursuant to written charters, which are available on our website at *www.starbucks.com/about-us/company-information/corporate-governance*.

The current composition of each board committee is set forth below. As stated above, Messrs. Bradley and Gates will not stand for re-election at the 2018 Annual Meeting.

Director	Audit and Compliance Committee (ACC)	Compensation and Management Development Committee (CMDC)	Nominating and Corporate Governance Committee (NCGC)	Board of Directors
Howard Schultz				**C**
William W. Bradley				
Rosalind G. Brewer*				
Mary N. Dillon				
Robert M. Gates				
Mellody Hobson	**C**			
Kevin R. Johnson				

Jørgen Vig Knudstorp				
Satya Nadella				
Joshua Cooper Ramo				
James G. Shennan, Jr.**				
Clara Shih				
Javier G. Teruel				
Myron E. Ullman, III		**C**		
Craig E. Weatherup			**C**	
Fiscal 2017 Meetings	**9**	**8**	**6**	**8**

C Chair Member

*Ms. Brewer was an independent member of the board of directors and a member of the Compensation Committee and the Nominating/Governance Committee prior to her appointment as group president, Americas and chief operating officer, after which time she continued to serve as a non-independent member of the board of directors.

**Mr. Shennan retired from the board on March 22, 2017.

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Attendance at Board and Committee Meetings, Annual Meeting

During fiscal 2017, each director attended at least 75% of all meetings of the board and board committees on which he or she served (held during the period that such director served). Our Corporate

Governance Principles and Practices require each board member to attend our annual meeting of shareholders except for absences due to causes beyond the reasonable control of the director. All 14 of the directors who then served on the board attended our 2017 Annual Meeting of Shareholders.

Audit and Compliance Committee

Committee Members

Mellody Hobson (Chair)

Robert M. Gates

Jørgen Vig Knudstorp

Joshua Cooper Ramo

Javier G. Teruel

Craig E. Weatherup

Number of meetings in fiscal 2017: 9

The Audit Committee annually reviews and reassesses the adequacy of its charter. As more fully described in its charter, the primary responsibilities of the Audit Committee are to:

- overseeour accounting and financial reporting processes, including the review of the Company s quarterly and annual financial results;
- appointthe Company s independent registered public accounting firm and oversee the relationship, including monitoring the auditor s independence and reviewing the scope of the auditor s work, including pre-approval of audit and non-audit services;
- reviewthe annual audit and quarterly review processes with management and the independent registered public accounting firm;
- reviewmanagement s assessment of the effectiveness of the Company s internal controls over financial reporting and the independent registered public accounting firm s related attestation;
- overseethe Company s internal audit function, including review of internal audit staffing and review of the internal audit plan;

review and approve or ratify all transactions with related persons and potential conflicts of interests that are required to be disclosed in the proxy statement; and

review periodically and discuss with management the Company s major and emerging risk exposures, including financial, operational, privacy, security, disaster recovery and business continuity, ethics and compliance, food safety and legal and regulatory risks, the steps the Company has taken to monitor and control such exposures, and the Company s risk assessment and risk management policies; and regularly report to the board the substance of such reviews and discussions.

Audit Committee Financial Expert

Each of Ms. Hobson and Messrs. Gates, Knudstorp, Ramo, Teruel and Weatherup

currently: (i) meets the independence criteria prescribed by applicable law and the rules of the SEC for audit committee membership and is an independent director as defined by NASDAQ rules; and (ii) meets NASDAQ s financial knowledge and sophistication requirements. Each of Ms. Hobson and Messrs. Teruel and Weatherup have been determined by the board of directors to be an audit committee financial expert under SEC rules. The Audit and Compliance Committee Report describes in more detail the Audit Committee s responsibilities with regard to our financial statements and its interactions with our independent auditor, Deloitte & Touche LLP.

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CORPORATE GOVERNANCE

Compensation and Management Development Committee

Committee Members

Myron E. Ullman, III (Chair)

Rosalind G. Brewer*

Mary N. Dillon

Satya Nadella

James G. Shennan, Jr.**

Clara Shih

Javier G. Teruel

Number of meetings in fiscal 2017: 8

The Compensation Committee annually reviews and reassesses the adequacy of its charter. As more fully described in its charter, the primary responsibilities of the Compensation Committee are to:

- conductan annual review of and recommend to the independent directors of the board for their review and approval the compensation package for both the executive chairman and the president and chief executive officer;

- conductan annual review and approve the compensation package for the Company s executive officers and senior officers (as defined in its charter);

- annuallyreview and approve objective performance measures and performance targets for all executive officers and senior officers participating in the annual incentive bonus plan and long-term incentive plans, and certify achievement of performance measures after the measurement period;

- approve,modify and administer partner-based equity plans, the Executive Management Bonus Plan and deferred compensation plans;

- afterconsulting with the independent directors, together with the chair of the Nominating/Governance Committee, the chair of the Compensation Committee annually reviews the performance of our executive chairman and president and chief executive officer and meets with them to share the findings of the review;

- annuallyreview and approve our management development and succession planning practices and strategies;

- annuallyreview and approve the Company s peer group companies and review market data;

- providerecommendations to the board of directors on compensation-related proposals to be considered at the Company s annual meeting, including Say-on-Pay and any related shareholder feedback;

- determinemanagement stock ownership guidelines and periodically review ownership levels for compliance; and annuallyreview a report from management regarding potential material risks, if any, created by the Company s compensation policies and practices and inform the board of any necessary actions.

The charter allows the Compensation Committee to form and delegate any or all of its responsibilities to a subcommittee or subcommittees of the Compensation Committee, as may be necessary or appropriate, and within certain limits.

Messrs. Nadella, Shennan, Teruel, Ullman and Ms. Brewer, Ms. Dillon and Ms. Shih served on the Compensation Committee during fiscal 2017. Mr. Shennan ceased membership on the Compensation Committee upon his retirement from the board in March 2017. Ms. Brewer ceased membership on the Committee prior to her appointment as group president, Americas and chief operating officer of the Company. At least annually, the Compensation Committee reviews and approves our executive compensation strategy and principles to confirm that they are aligned with our business strategy and objectives, shareholder interests, desired behaviors and corporate culture.

* Ms. Brewer ceased membership on the Committee prior to her appointment as an executive officer of the Company

** Mr. Shennan retired from the board on March 22, 2017

Management s Role in the Executive Compensation Process

Mr. Johnson, our president and ceo, Lucy Helm, our chief partner officer, and other key members of our human resources function (Partner Resources) and our Law & Corporate Affairs Department each help support the Compensation Committee s executive compensation process and regularly attend portions of committee meetings. As part of the executive compensation process, Mr. Johnson provides his perspective to the Compensation Committee regarding the performance of his Senior Leadership Team, which includes all of our executive officers and certain other senior officers of the Company. Members of the Partner Resources team present recommendations to the Compensation Committee on the full range of annual executive compensation decisions, including (i) annual and long-term incentive compensation programs; (ii) target competitive positioning of executive compensation; and (iii) target total direct compensation for each executive officer. These recommendations are developed in consultation with Mr. Johnson and are accompanied by market data.

In accordance with NASDAQ rules, Messrs. Johnson and Schultz, were not present when their compensation was being discussed or approved and did not vote on executive compensation matters, and neither they nor other members of management attended executive sessions of the Compensation Committee.

The Role of Consultants in the Executive Compensation Process

For fiscal 2017, the Compensation Committee engaged Frederic W. Cook & Co., Inc. (F.W. Cook) as its outside independent compensation consultant. The Compensation Committee s consultant regularly attends committee meetings and attends executive sessions as requested by the Compensation Committee s chair. Without the Compensation Committee s prior approval, F.W. Cook will not perform any services for Starbucks management, although the Compensation Committee has directed that F.W. Cook work in cooperation with management as required to gather and review information necessary to carry out its obligations. During fiscal 2017, F.W. Cook did not perform any services for Starbucks other than making recommendations with respect to executive compensation under its engagement by the Compensation Committee. Its tasks also included reviewing, validating and providing input on information, programs and recommendations made by management.

For more information about the Compensation Committee s activities, see Compensation Discussion and Analysis and Compensation Committee Report.

Compensation Consultant Independence

In furtherance of maintaining the independence of the Compensation Committee s compensation consultant, the Committee has the sole authority to retain, terminate and obtain the advice of F.W. Cook (at the Company s expense). Further, as discussed above, the Compensation Committee s compensation consultant will not perform any services for Starbucks management unless approved in advance by the Committee.

In connection with its engagement of F.W. Cook, the Compensation Committee considered various factors bearing upon F.W. Cook s independence including, but not limited to, the amount of fees received by F.W. Cook from Starbucks as a percentage of F.W. Cook s total revenue, F.W. Cook s policies and procedures designed to prevent conflicts of interest, and the existence of any business or personal relationship that could impact F.W. Cook s independence. After reviewing these and other factors, the Compensation Committee determined that F.W. Cook was independent and that its engagement did not present any conflicts of interest. F.W. Cook also determined that it was independent from management and confirmed this in a written statement delivered to the chair of the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

Messrs. Nadella, Shennan, Teruel, Ullman and Ms. Brewer, Ms. Dillon, and Ms. Shih served on the Compensation Committee during fiscal 2017. As stated above Mr. Shennan ceased membership on the Compensation Committee upon his retirement from the board and Ms. Brewer ceased membership on the Compensation Committee prior to her appointment as group president, Americas and chief operating officer. During fiscal 2017, none of our executive officers served on the Compensation Committee (or its equivalent) or board of directors of another entity where one of our Compensation Committee members was an executive officer.

Succession Planning

Senior Management Succession Planning

In light of the critical importance of executive leadership to Starbucks success, we have an annual succession planning process. This process is enterprise wide for managers up to and including our chief executive officer.

Our board of directors involvement in our annual succession planning process is outlined in our Corporate Governance Principles and Practices (the Principles). The Principles provide that each year, the chair of the Compensation Committee, together with the president and chief executive officer, will review succession plans 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 Starbucks for any reason (including death or disability).

Our Compensation Committee, pursuant to its charter, annually reviews and discusses with the panel of independent directors of the board the performance of the executive officers and senior officers of the Company and the succession plans for each such officer s position including recommendations and evaluations of potential successors to fill these positions. The Compensation Committee also conducts an annual review of, and provides approval for, our management development and succession planning practices and strategies.

ceo Succession Planning

Our ceo provides an annual review to the board of directors assessing the members of the Senior Leadership Team and their potential to succeed him. This review, which is developed in consultation with our chief partner officer, and the chair of our Compensation Committee, includes a discussion about development plans for the Company s executive officers and senior officers to help prepare them for future succession and contingency plans in the event of our ceo s termination of employment with Starbucks for any reason (including death or disability) as well as our ceo s recommendation as to his successor. The full board has the primary responsibility to develop succession plans for the ceo position.

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CORPORATE GOVERNANCE

Nominating and Corporate Governance Committee

Committee Members

Craig E. Weatherup (Chair)

William W. Bradley

Rosalind G. Brewer*

Mary N. Dillon

Robert M. Gates

Jørgen Vig Knudstorp

Joshua Cooper Ramo

James G. Shennan, Jr.**

Clara Shih

Number of meetings in fiscal 2017: 6

The Nominating/Governance Committee annually reviews and reassesses the adequacy of its charter. As described more fully in its charter, the Nominating/Governance Committee is responsible for providing leadership with respect to the corporate governance of Starbucks and advising and making recommendations to the board of directors regarding candidates for election as directors of the Company. Among its specific duties, the Nominating/Governance Committee:

- makes recommendations to the board about our corporate governance processes;
- assists in identifying and screening board candidates;
- administers the Director Nominations Policy;
- considers shareholder nominations to the board;
- makes recommendations to the board regarding membership and chairs of the board s committees;
- oversees the annual evaluation of the effectiveness of the board and each of its committees;
- biennially recommends the board s lead independent director;
- biennially reviews the type and amount of board compensation for independent directors;
- annually reviews the Company s corporate political contributions and expenditures to confirm alignment with Company policies and values; and
- annually reviews and assesses the effectiveness of the Company s environmental and social responsibility policies, goals and programs through the annual Global Responsibility Report, and makes recommendations as deemed appropriate based on such review and assessment.

The Nominating/Governance Committee also annually assists the board of directors with its affirmative independence and expertise determinations. After consulting with the independent directors of the board, the chair of the Nominating/Governance Committee and the chair of the Compensation Committee annually review the performance of the executive chairman and the president and chief executive officer and meet with them to share the findings of the review.

* Ms. Brewer ceased membership on the Committee prior to her appointment as an executive officer of the Company

** Mr. Shennan retired from the board on March 22, 2017

Messrs. Bradley, Gates, Knudstorp, Ramo, Shennan and Weatherup and Ms. Brewer, Ms. Dillon and Ms. Shih served on the Nominating/Governance Committee during fiscal 2017. Mr. Shennan ceased membership on the Nominating/Governance Committee upon his retirement from the board in March 2017. Ms. Brewer ceased membership on the Committee prior to her appointment as group president, Americas and chief operating officer of the Company.

Our Director Nominations Process

Our Policy on Director Nominations is available at *www.starbucks.com/about-us/company-information/corporate-governance*. The purpose of the nominations policy is to describe the process by which candidates are identified and assessed for possible inclusion in our recommended slate of director nominees (the candidates). The nominations policy was approved by the full board of directors and is administered by the Nominating/Governance Committee.

Minimum Criteria for Board Members

Each candidate must possess at least the following specific minimum qualifications:

- each candidate shall be prepared to represent the best interests of all shareholders and not just one particular constituency;
- each candidate shall be an individual who has demonstrated integrity and ethics in his or her personal and professional life and has established a record of professional accomplishment in his or her chosen field;
- no candidate, or family member (as defined in NASDAQ rules) or affiliate or associate (as defined in federal securities laws) of a candidate, shall have any material personal, financial or professional interest in any present or potential competitor of Starbucks;
- each candidate shall be prepared to participate fully in board activities, including active membership on at least one board committee and attendance at, and active participation in, meetings of the board and the committee(s) of which he or she is a member, and not have other personal or professional commitments that would, in the Nominating/Governance Committee s sole judgment, interfere with or limit his or her ability to do so; and
- each candidate shall be willing to make, and financially capable of making, the required investment in our stock in the amount and within the time frame specified in the director stock ownership guidelines described in this proxy statement.

Desirable Qualities and Skills

In addition, the Nominating/Governance Committee also considers it desirable that candidates possess the following qualities or skills:

- each candidate should contribute to the board of directors overall diversity - diversity being broadly construed to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as gender, race and ethnicity differences, as well as other differentiating characteristics;
- each candidate should contribute positively to the existing chemistry and collaborative culture among board members; and
- each candidate should possess professional and personal experiences and expertise relevant to our goal of being one of the world s leading consumer brands. At this stage of our development, relevant experiences might include, among other things, sitting CEO of a large global company, large-company CEO experience, international CEO experience, senior-level international experience, senior-level multi-unit small box retail or restaurant experience and relevant senior-level expertise in one or more of the following areas: finance, accounting, sales and marketing, organizational development, information technology, social media and public relations.

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CORPORATE GOVERNANCE

The Nominating/Governance Committee is responsible for reviewing the appropriate skills and characteristics required of directors in the context of prevailing business conditions and existing competencies on the board, and for making recommendations regarding the size and composition of the board, with the objective of having a board that brings to Starbucks a variety of perspectives and skills derived from high quality business and professional experience. The Nominating/Governance Committee s review of the skills and experience it seeks in the board as a whole, and in individual directors, in connection with its review of the board s composition, enables it to assess the effectiveness of its goal of achieving a board with a diversity of experiences. The Nominating/Governance Committee considers these criteria when evaluating director nominees in accordance with the procedures set forth below.

Internal Process for Identifying Candidates

The Nominating/Governance Committee has two primary methods for identifying candidates (other than those proposed by shareholders, as discussed below). First, on a periodic basis, the Nominating/Governance Committee solicits ideas for possible candidates from a number of sources: members of the board; senior-level Starbucks executives; individuals personally known to the members of the board; and research, including database and Internet searches.

Second, the Nominating/Governance Committee may from time to time use its authority under its charter to retain at our expense one or more search firms to identify candidates (and to approve such firms fees and other retention terms). If the Nominating/Governance Committee retains one or more search firms, they may be asked to identify possible candidates who meet the minimum and desired qualifications expressed in the nominations policy, to interview and screen such candidates (including conducting appropriate background and reference checks), to act as a liaison among the board of directors, the Nominating/Governance Committee and each candidate during the screening and evaluation process, and thereafter to be available for consultation as needed by the Nominating/Governance Committee.

The nominations policy divides the process for candidates proposed by shareholders into the general nomination right of all shareholders and proposals by qualified shareholders (as described below).

General Nomination Right of All Shareholders

Any registered shareholder may nominate one or more persons for election as a director at an annual meeting of shareholders if the shareholder complies with the advance notice, information and consent provisions contained in our bylaws. See Proposals of Shareholders below for more information.

The procedures described in the following two paragraphs are meant to establish an additional means by which certain shareholders can contribute to our process for identifying and evaluating candidates and is not meant to replace or limit shareholders general nomination rights in any way.

Director Recommendations by Qualified Shareholders

In addition to those candidates identified through its own internal processes, in accordance with the nominations policy, the Nominating/Governance Committee will evaluate a candidate proposed by any single shareholder or group of shareholders that has beneficially owned more than 5% of our common stock for at least one year (and will hold the required number of shares through the annual meeting of shareholders) and that satisfies the notice, information and consent

provisions in the nominations policy (a qualified shareholder). Any candidate proposed by a qualified shareholder must be independent of the qualified shareholder in all respects as determined by the Nominating/Governance Committee or by applicable law. Any candidate submitted by a qualified shareholder must also meet the definition of an independent director under NASDAQ rules.

In order to be considered by the Nominating/Governance Committee for an upcoming annual meeting of shareholders, notice from a qualified shareholder regarding a potential candidate must be received by the Nominating/Governance Committee not less than 120 calendar days before the anniversary of the date of our proxy statement released to shareholders in connection with the previous year s annual meeting.

Evaluation of Candidates

The Nominating/Governance Committee will consider and evaluate all candidates identified through the processes described above, including incumbents and candidates proposed by qualified shareholders, based on the same criteria.

Future Revisions to the Nominations Policy

The nominations policy is intended to provide a set of flexible guidelines for the effective functioning of our director nominations process. The Nominating/Governance Committee intends to review the nominations policy at least annually and anticipates that modifications will be necessary from time to time as our needs and circumstances evolve, and as applicable legal or listing standards change. The Nominating/Governance Committee may amend the nominations policy at any time, in which case the most current version will be available on our website.

Proxy Access

In addition, our bylaws permit a shareholder, or a group of up to 20 shareholders, owning at least 3% of the Company s outstanding shares of common stock continuously for at least three years, to nominate and include in our annual meeting proxy materials director nominees constituting up to the greater of two nominees or 20% of the board, subject to the requirements specified in our bylaws.

Corporate Governance Materials Available on the Starbucks Website

Our Corporate Governance Principles and Practices are intended to provide a set of flexible guidelines for the effective functioning of the board of directors and are reviewed regularly and revised as necessary or appropriate in response to changing regulatory requirements, evolving best practices and other considerations. They are posted on the Corporate Governance section of our website at *www.starbucks.com/about-us/company-information/corporate-governance*.

In addition to our Corporate Governance Principles and Practices, other information relating to corporate governance at Starbucks is available on the Corporate Governance section of our website, including:

- Restated Articles of Incorporation
- Amended and Restated Bylaws

Audit and Compliance Committee Charter
Compensation and Management Development Committee Charter

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CORPORATE GOVERNANCE

- Nominating and Corporate Governance Committee Charter
- Policy on Director Nominations
- Standards of Business Conduct (applicable to directors, officers and partners)
- Code of Ethics for CEO, COO, CFO and Finance Leaders
- Procedure for Communicating Complaints and Concerns
- Audit and Compliance Committee Policy for Pre-Approval of Independent Auditor Services

You may obtain copies of these materials, free of charge, by sending a written request to: executive vice president, general counsel and secretary, Starbucks Corporation, 2401 Utah Avenue South, Mail Stop S-LA1, Seattle, Washington 98134. Please specify which documents you would like to receive.

Contacting the Board of Directors

The Procedure for Communicating Complaints and Concerns describes the manner in which interested persons can send communications to our board of directors, the committees of the board and to individual directors and describes our process for determining which communications will be relayed to board members. Interested persons may telephone their feedback by calling the Starbucks Audit line at 1-800-300-3205 or sending written communications to the board, committees of the board and individual directors by mailing those communications to our third-party service provider for receiving these communications at:

Starbucks Corporation

P.O. Box 34507

Seattle, Washington 98124

Shareholders may address their communication to an individual director, to the Board of Directors, or to one of our board committees.

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Compensation of Directors

Fiscal 2017 Compensation Program for Non-Employee Directors

The annual compensation program for non-employee directors provided for a total of $260,000 per year comprised of one or more of the following (as selected by the director each year): (i) cash (up to 50%); (ii) stock options; and (iii) time-based restricted stock units (RSUs). The program remained unchanged from fiscal 2016 in both amount and design. New non-employee directors are entitled to payment of a pro-rated portion of the annual non-employee director compensation based on the number of days remaining in the fiscal year from the date the director joins the board. Such compensation may be in the form of stock options, time-based RSUs or a combination thereof (as selected by the director). Our non-employee directors are expected to satisfy stock ownership guidelines of $480,000, as discussed below under the caption Director Stock Ownership Guidelines.

Stock options have an exercise price equal to the closing market price of our common stock on the grant date. Annual stock option and RSU grants vest one year after date of grant. Stock options and RSUs granted to non-employee directors generally cease vesting as of the date he or she no longer serves on the board of directors. However, unvested stock options and unvested RSUs will vest in full upon a non-employee director s death, disability or retirement (defined as ceasing to be a director (i) pursuant to election by the Company s shareholders, (ii) by voluntary resignation with the approval of the

board s chair, after attaining age 55 and at least six years of continuous board service, or (iii) due to mandatory retirement immediately before the Company s annual meeting of shareholders during the calendar year in which he or she attains age 75) or upon a change in control of Starbucks. Five of the board s eleven current non-employee directors meet the retirement criteria.

The type and amount of compensation paid to our non-employee directors is recommended to the board by the Nominating/Governance Committee. In considering and ultimately recommending the compensation for our non-employee directors, the Nominating/Governance Committee reviews competitive market data for the same comparator group used to benchmark executive compensation and uses this data in determining what the board believes is an appropriate level of compensation to attract and retain top board candidates. Under its charter, the Nominating/Governance Committee reviews and recommends the type and amount of board compensation for non-employee directors at least every two years.

Ms. Brewer participated in the compensation program for non-employee directors in fiscal 2017, but beginning in fiscal 2018, is compensated only as an executive officer. Mr. Schultz and Mr. Johnson do not participate in the compensation program for non-employee directors, but rather are compensated as executive officers. Information on compensation paid to Mr. Schultz and Mr. Johnson in fiscal 2017 is described in the Compensation Discussion and Analysis section of the proxy statement.

Fiscal 2017 Non-Employee Director Compensation

The following table shows fiscal 2017 compensation for non-employee directors.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1][2]	Option Awards ($)[3][4]	Total ($)
William W. Bradley		259,967		259,967
Rosalind G. Brewer[5]		137,383		137,383
Mary N. Dillon		255,356		255,356
Robert M. Gates		255,356		255,356
Mellody Hobson		255,356		255,356
Jørgen Vig Knudstorp			87,692	87,692
Satya Nadella		137,383		137,383

Joshua Cooper Ramo	130,000	127,678		257,678
James G. Shennan, Jr.[6]		259,967		259,967
Clara Shih	130,000	127,678		257,678
Javier G. Teruel			167,883	167,883
Myron E. Ullman, III			167,883	167,883
Craig E. Weatherup			167,883	167,883

(1) The amounts shown in this column represent the grant date fair values of the RSU awards granted to each of the non-employee directors on November 21, 2016 (and in the case of Ms. Brewer and Mr. Nadella, who each received a prorated award on May 1, 2017). The grant date fair values have been determined based on the assumptions and methodologies set forth in the Company s 2017 Form 10-K (Note 12: Employee Stock and Benefit Plans).

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COMPENSATION OF DIRECTORS

(2) As of October 1, 2017, the aggregate number of shares of Starbucks common stock underlying outstanding unvested RSU awards for each non-employee director were: Sen. Bradley 4,634; Ms. Brewer 2,302; Ms. Dillon 4,634; Sec. Gates 4,634; Ms. Hobson 4,634; Mr. Knudstorp 0; Mr. Nadella 2,302; Mr. Ramo 2,317; Mr. Shennan 0; Ms. Shih 2,317; Mr. Teruel 0; Mr. Ullman 0; and Mr. Weatherup 0.

(3) The amounts shown in this column represent the grant date fair values of the stock option awards granted to each of the non-employee directors on November 21, 2016 (and in the case of Mr. Knudstorp, who received a prorated award on May 1, 2017). The grant date fair values have been determined based on the assumptions and methodologies set forth in the Company s 2017 Form 10-K (Note 12: Employee Stock and Benefit Plans).

(4) As of October 1, 2017, the aggregate number of shares of Starbucks common stock underlying outstanding option awards for each non-employee director were: Sen. Bradley 6,426; Ms. Brewer 0; Ms. Dillon 3,480; Sec. Gates 0; Ms. Hobson 179,548; Mr. Knudstorp 6,906; Mr. Nadella 0; Mr. Ramo 60,000; Mr. Shennan 0; Ms. Shih 13,122; Mr. Teruel 381,500; Mr. Ullman 398,256; and Mr. Weatherup 288,256.

(5) Ms. Brewer was an independent member of the board of directors and a member of the Compensation Committee and the Nominating/Governance Committee prior to her appointment as group president, Americas and chief operating officer, after which time she continued to serve as a non-independent member of the board of directors.

(6) Mr. Shennan retired from the board effective March 22, 2017, due to having attained the board mandatory retirement age.

Deferred Compensation Plans

In fiscal 2011, the board adopted a Deferred Compensation Plan for Non-Employee Directors under which non-employee directors may, for any fiscal year starting in fiscal 2012, irrevocably elect to defer receipt of shares of common stock the director would have received upon vesting of RSUs. The purpose of the plan is to enhance the Company s ability to attract and retain non-employee directors with training, experience and ability who will promote the interests of the Company and to directly align the interests of such non-employee directors with the interests of the Company s shareholders. Prior to 2006, non-employee directors could defer all or a portion of their compensation in the form of unfunded deferred stock units under the Directors Deferred Compensation Plan.

Director Stock Ownership Guidelines

Our long-standing stock ownership guidelines for non-employee directors require our directors to own at least $480,000 in Company stock to align the interests of our non-employee directors to those of our shareholders. Directors appointed or elected after June 5, 2012

have four years from their date of appointment or election to meet the guidelines. Stock options and unvested RSUs do not count toward meeting the guidelines, but deferred stock units resulting from deferrals under the deferred compensation plans for directors described above do count toward meeting the guidelines. Each director is expected to continue to meet the ownership requirement for as long as he or she serves as a non-employee director of the board. Except for Ms. Dillon, who joined the board in January 2016, and Mr. Nadella, who joined the board in March 2017, all current non-employee directors have met these guidelines as of the date of this proxy statement. Ms. Brewer, who joined the board in March 2017, is no longer a non-employee director due to her position as an executive officer of the

Company and is therefore no longer subject to the non-employee director stock ownership guidelines. She is now subject to the stock ownership guidelines for executive officers discussed in the Executive Compensation section of this proxy statement.

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Proposal 2 Advisory Resolution to Approve Our Executive Compensation

We are asking shareholders to approve an advisory resolution (commonly referred to as a say-on-pay resolution) on the Company s executive compensation as reported in this proxy statement.

We urge shareholders to read the Compensation Discussion and Analysis section of this proxy statement, which describes how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, which provide detailed information on the compensation of our named executive officers. The Compensation Committee and the board of directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has contributed to the Company s recent and long-term success.

The board has adopted a policy providing for an annual say-on-pay advisory vote. In accordance with this policy and Section 14A of the Securities Exchange Act of 1934, as amended, (the Exchange Act)

and as a matter of good corporate governance, we are asking shareholders to approve the following advisory resolution at the Annual Meeting of Shareholders:

RESOLVED, that the shareholders of Starbucks Corporation (the Company) approve, on an advisory basis, the compensation of the Company s named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company s Annual Meeting of Shareholders.

This advisory say-on-pay resolution is non-binding on the board of directors. Although non-binding, the board and the Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program. Unless the board modifies its policy on the frequency of future say-on-pay advisory votes, the next say-on-pay advisory vote will be held at the 2019 Annual Meeting of Shareholders.

The Board of Directors Recommends a Vote FOR the Approval of the Advisory Resolution on Executive Compensation.

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Executive Compensation

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information on our executive compensation program and the amounts shown in the executive compensation tables that follow. In this proxy statement, the term NEOs means Named Executive Officers. These seven executive officers are named in the compensation tables of this proxy statement.

Compensation Committee or **Committee** refers to the Compensation and Management Development Committee of the board of directors.

We refer to all of our employees as **partners,** *due to the significant role that they all play in the success of the Company and because all employees are eligible for equity based awards.*

Named Executive Officers (NEOs)

Howard Schultz, executive chairman

Kevin Johnson, president and ceo

Scott Maw, evp and cfo

Clifford Burrows, group president Siren Retail
John Culver, group president International and Channels (formerly group president Starbucks Global Retail)

Paul Mutty, svp and interim general counsel

Lucy Lee Helm, evp and chief partner officer (formerly evp and general counsel)

Executive Summary

Financial Highlights

The Company delivered strong results in its 52-week fiscal year 2017, increasing global comparable store sales by 3% driven by a 3% increase in ticket. Consolidated net revenue grew 7% when excluding $412.4 million for the extra week in fiscal 2016; consolidated Non-GAAP* operating income grew by 7.8% to $4.4 billion year over year; and Non-GAAP* earnings per share (EPS) grew 11.4% to $2.06 per share. Starbucks 3-year cumulative total shareholder return (TSR) was 49%. During the year, Starbucks also made significant investments to support the growth of our business and added 2,200 net new stores, to end the 2017 fiscal year with more than 27,000 stores globally.

Starbucks reported another year of strong performance, with each of our business units around the world contributing to record results. Starbucks delivered solid top and bottom line growth, despite a difficult operating environment during the year.

+7%**	**+7.8%***	**49%**
Revenues	Non-GAAP Operating Income	3-Yr Cumulative TSR

* Annex A includes a reconciliation of Non-GAAP operating income and Non-GAAP EPS to operating income and diluted net earnings per share, respectively, the most directly comparable measures reported under accounting principles generally accepted in the United States.

** Excluding the extra week in fiscal 2016.

Financial Results Under Incentive Plans

The charts below compare fiscal 2017, 2016 and 2015 results [(1)] under financial performance metrics that are used in determining (i) payouts under our EMBP, and (ii) the number of PRSUs earned. Note that these financial measures may differ from the comparable GAAP and Non-GAAP measures reported above and in our financial statements, as the measures below are adjusted to exclude the impact of certain non-routine and other items, as described in the footnotes to the charts below in accordance with the terms of our EMBP and our 2005 Long-Term Equity Incentive Plan.

Dollar amounts below, except per share data, are in millions.

(1) Our fiscal year ends on the Sunday closest to September 30. Fiscal years 2017 and 2015 each included 52 weeks. Fiscal year 2016 included 53 weeks with the additional week falling in our fourth fiscal quarter. The objective performance goals under our EMBP for fiscal 2016 were set on a comparable 52-week fiscal year. The impact of the 53rd week was excluded from our fiscal 2016 EPS results for purposes of our PRSUs.

(2) The fiscal 2017 consolidated adjusted net revenue result excludes the impact of foreign currency fluctuations and ownership changes in Singapore. The fiscal 2016 consolidated adjusted net revenue result excludes the impact of foreign currency fluctuations and the sale of our German market retail operations. The fiscal 2015 consolidated adjusted net revenue result excludes the impact of the acquisition of Starbucks Japan and foreign currency fluctuations.

(3) The fiscal 2017 consolidated operating income result excludes the impact of foreign currency fluctuations, ownership changes in Japan and Singapore, Greater China transaction costs, restructuring and impairment charges associated with our restructuring efforts, a donation to The Starbucks Foundation, and other items. The fiscal 2016 consolidated operating income result excludes the impact of foreign currency fluctuations, mark to market adjustments of our Management Deferred Compensation Plan (MDCP) liability, an accrual for a multi-year tax audit, the sale of our German market retail operations, the sale of our ownership interest in our Spanish joint venture and an accounting change and costs associated with the Starbucks Japan transaction and integration. The fiscal 2015 consolidated adjusted operating income result excludes the impact of the acquisition of Starbucks Japan, mark to market adjustments of our MDCP liability and foreign currency fluctuations.

(4) Return on Invested Capital (ROIC) is calculated as adjusted net operating profit after taxes (adjusted for implied interest expense on operating leases), divided by average invested capital. Invested capital is calculated on a five-point average and includes shareholder s equity, short- and long-term debt, all other long-term liabilities, and capitalized operating leases, less cash, cash equivalents and short- and long-term investments. The fiscal 2017 ROIC result excludes the impact of certain impairment charges associated with our restructuring efforts. The fiscal 2016 ROIC result excludes the impact of the sale of our German market retail operations and the reclassification of deferred income taxes on our balance sheet associated with the adoption of new accounting guidance. The fiscal 2015 ROIC result excludes the impact of the acquisition of Starbucks Japan.

(5) On April 9, 2015, the Company effected a 2-for-1 stock split. The amounts shown above are adjusted to reflect the stock split. The fiscal 2017 adjusted earnings per share result excludes the impact of foreign currency fluctuations, ownership changes in Japan, Germany and Singapore, Greater China transaction costs, restructuring and impairment charges associated with our restructuring efforts, a donation to The Starbucks Foundation, and unbudgeted share repurchases. The fiscal 2016 adjusted earnings per share result excludes the impact of foreign currency fluctuations, incremental benefits from additional manufacturing deductions, the Starbucks Japan transaction and integration, the sale of our German market retail operations, the 53rd week of fiscal 2016 and unbudgeted share repurchases. The fiscal 2015 adjusted earnings per share result excludes the impact of foreign currency fluctuations, unbudgeted share repurchases, certain Starbucks Japan acquisition-related items and certain

other items.

Pay for Performance

Our executive compensation program reflects a strong pay-for-performance alignment tied to overall company and business-unit performance.

In line with our emphasis on pay-for-performance and our performance relative to our peers, compensation awarded to our NEOs for fiscal 2017 reflected Starbucks financial results.

Annual Incentive Plan:

Messrs. Schultz, Johnson, Maw, Burrows and Mutty and Ms. Helm all earned EMBP awards at 22.5% of target, reflecting our performance against challenging overall Company goals based on adjusted operating income and adjusted net revenue. Mr. Culver earned an EMBP award of 24% of target primarily reflecting the performance of the Starbucks Global Retail business which he oversaw in fiscal 2017 against these goals.

Long-Term Incentive Awards:

Our Long-Term Incentive Awards are granted in the form of: (1) PRSUs, where the number of shares earned is dependent on the achievement of two-year EPS and ROIC goals; and (2) stock options, where the realizable value is dependent on future share price appreciation.

The value of the Long-Term Incentive Awards granted to our NEOs in fiscal 2017 recognized the performance of our NEOs and each NEO s scope of responsibility.

Investing in Our Partners

We believe that investing in our partners results in increased engagement, satisfaction and retention, which ultimately leads to an elevated Starbucks Experience for our customers.

Below is a summary of our broad-based benefits.

Broad-Based Equity Program (Bean Stock): A long-term incentive grant of time-based RSUs was made in November 2017 to approximately 176,000 eligible non-executive partners in 23 markets around the world, including qualified part-time partners. We refer to this broad-based equity program as our Bean Stock program. Bean Stock participants include those partners who work in our stores and serve our customers directly.

In fiscal 2017, Bean Stock participants realized approximately $138.6 million in pre-tax gains from previously-granted Bean Stock awards.

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EXECUTIVE COMPENSATION

- *Future Roast 401(k) Starbucks Match:* Starbucks matches 100% of the first 5% of eligible compensation deferred. The Starbucks Match is immediately 100% vested and is contributed to each participant s 401(k) account each pay period along with the participant s contributions.
- *Health Insurance Coverage for Partners:* For more than 20 years, Starbucks has provided health insurance coverage for partners working 20 hours or more a week.
- *College Achievement Plan:* The Starbucks College Achievement Plan was launched in fiscal 2014. It provides eligible partners in the U.S. with the opportunity to earn a bachelor s degree online from Arizona State University with full tuition coverage. Additionally, our military service member and veteran partners can extend an additional Starbucks College Achievement Plan benefit to their spouse, domestic partner, or child. As of the end of fiscal 2017, more than 9,050 partners were participating in Starbucks College Achievement Plan, including 939 graduates.
- *Enhancing the Partner Experience:* In addition to our long-time benefits of a pound of coffee each week and beverages while on work breaks, U.S. store partners can choose one food item, per shift, from the pastry or ready-to-eat case.

Performance versus Peer Companies

Through the end of fiscal 2017, we continued our strong revenue, operating income and EPS growth rates, placing us in the top quartile of our peer group in three-year revenue growth.*

In fiscal 2016, we changed our compensation peer group for purposes of fiscal 2017 compensation decisions to include additional global companies with complex management needs and strong brand profiles as well as certain technology companies. The Compensation Committee determined that this change was appropriate in light of the recent growth of the Company and the landscape of the companies with whom we compete for talent. See Peer Group Companies and Benchmarking for further discussion on how we use peer company data in our compensation-setting process.

The following Three-Year Performance table shows where we ranked among 17 of our 18 compensation peers as of the end of fiscal 2017, and where we ranked among 16 of our 18 current peers as of the end of fiscal 2016. The fiscal 2016 and 2017 rankings do not include Kraft Heinz for which certain results are not comparable due to the timing of the Kraft and Heinz merger. The 2016 rankings and the 2017 TSR ranking do not include PayPal, which results are not comparable due to the timing of the PayPal spinoff as an independent public company.

	Ranking	
Three-Year Performance	2017 (rank out of 18)	2016 (rank out of 17)

Revenue growth	4th	1st
Operating Income growth	6th	1st
EPS growth	5th	2nd
TSR (Cumulative)	7th	6th

*All results used for purposes of this comparison are reported GAAP results. Starbucks fiscal 2015 GAAP results include a gain of $390.6 million, or $0.26 per share, associated with the fair value adjustment of our preexisting 39.5% ownership interest in Starbucks Japan upon acquisition.

Our Total Rewards Philosophy

Our Total Rewards philosophy is designed to recognize and reward the contributions of all partners, including executives. We offer a comprehensive benefits package to all eligible full- and part-time partners in the U.S. and locally competitive benefit packages in other countries. In addition to our equity incentive plans discussed above, we offer an employee stock purchase plan to partners in the U.S. and Canada that allows participants to purchase Starbucks stock at a 5% discount to the fair market value at the end of each offering period under the plan. We believe our Total Rewards practices motivate our executives to build long-term shareholder value and reward the partners who take care of our customers.

Elements of Our Executive Compensation Program

The following table provides information regarding the elements of our fiscal 2017 executive compensation program.

Element	Form	Objectives and Basis
Base Salary	Cash	Attract and retain highly qualified executives to drive our success
	Cash	Drive Company and business unit results

Annual Incentive Bonus (EMBP)		Target bonus amount set as a percentage of base salary Actual payout based on Total Company and business unit financial performance against pre-established net revenue and operating income targets
Long-Term Incentive	PRSUs, stock options	Drive Company performance; align interests of executives with those of shareholders; retain executives through long-term vesting; and provide potential wealth accumulation Delivered 60% in PRSUs and 40% in stock options PRSUs vest based on two-year EPS performance against pre-established targets, subject to downward adjustment based on ROIC
Perquisites and Other Executive Benefits	Limited (See Other Compensation Perquisites and Other Executive Benefits)	Provide for the safety and wellness of our executives, and other purposes as discussed below
Deferred Compensation	401(k) plan, non-qualified Management Deferred Compensation Plan	Provide tax-deferred methods for general savings including for retirement
General Benefits	Health and welfare plans, stock purchase plan and other broad-based partner benefits	Offer competitive benefits package that generally includes benefits offered to all partners

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Our Executive Compensation Process

Target total direct compensation for our NEOs is composed of base salary, target bonus, and target value of long-term equity incentives. Target total direct compensation is designed to be competitive with peer companies and market data, as explained below under Peer Group Companies and Benchmarking.

The Compensation Committee reviews target total direct compensation and approves target bonuses (as a percentage of base salary) annually at its September meeting. Base salaries, bonus payments (for performance in the prior fiscal year) and long-term equity incentives are approved after the end of each fiscal year at the November meeting. This process allows the Compensation Committee to consider comprehensive information, including the performance of each NEO during the prior fiscal year, when making final compensation decisions.

Analysis of Executive Compensation Decisions

The vast majority of compensation value we deliver to our executives is in the form of compensation that is variable and at-risk.

A core principle of our executive compensation program is that a significant percentage of compensation awarded to our NEOs, especially to our executive chairman and our president and ceo, be variable, performance-based compensation and at-risk. This type of compensation is dependent on the financial success of our Company and our business units, and the performance of Starbucks common stock. This means that our executives are rewarded when they produce value for our shareholders and our partners. Elements of our program that fall within this category include our annual incentive bonus program (EMBP) and the stock options and PRSUs that are granted under our long-term incentive program.

The charts below show the significant percentage of performance-based compensation reported for fiscal 2017 in the Summary Compensation Table for Mr. Johnson, our president and ceo, and for our other NEOs as a group.

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EXECUTIVE COMPENSATION

Base Salary

The Compensation Committee generally reviews and adjusts base salaries annually at its November meeting with new salaries effective in late November or early December and also makes periodic adjustments in connection with promotion or changes in position. For fiscal 2017, the Committee reviewed and increased base salaries at its November 2016 meeting (and with respect to Messers. Schultz and Johnson, the Committee recommended and the independent directors approved), the base salaries shown below. The annual increases were made in recognition of personal performance. In addition, in March 2017, the independent directors approved a salary increase for Mr. Johnson upon his promotion to chief executive officer and the annual salary for Mr. Schultz was reduced to $1, effective April 3, 2017.

	Base Salary (Annualized Rate)		
Named Executive Officer	Fiscal 2017	Fiscal 2016	% Change
Howard Schultz	$ 1[(1)]	$ 1,500,000	(99.9)%
Kevin Johnson	$ 1,300,000[(2)]	$ 1,000,000	30.0%
Scott Maw	$ 800,000	$ 750,000	6.7%

Clifford Burrows	$ 825,000	$ 815,000	1.2%
John Culver	$ 825,000	$ 750,000	10.0%
Paul Mutty (3)	$ 389,781	$ 348,274	11.9%
Lucy Lee Helm (3)	$ 600,000	$ 515,000	16.5%

(1) Mr. Schultz was named executive chairman and ceased serving as chief executive officer effective April 3, 2017. In connection with this change in role, Mr. Schultz s annualized salary was reduced to $1 from $1,500,000.
(2) Mr. Johnson was named president and chief executive officer effective April 3, 2017. In connection with this change in role, Mr. Johnson s annualized salary was increased to $1,300,000 from $1,000,000.
(3) On August 1, 2017, Ms. Helm assumed the role of chief partner officer, a non-executive officer role, at which time Mr. Mutty assumed the general counsel role on an interim basis.

Annual Incentive Bonus

The target annual incentive bonus opportunity for our NEOs is shown below. The target annual incentive bonus for Mr. Johnson as a percentage of base salary was 150% during the portion of fiscal 2017 he served as president and chief operating officer. Upon assuming the role of president and chief executive officer on April 3, 2017, Mr. Johnson s target annual incentive bonus opportunity increased to 200%. Effective for fiscal 2017, target annual incentive opportunities for Messrs. Burrows and Culver increased to 120% from their previous fiscal 2016 targets of 100% and Mr. Mutty s target annual incentive opportunity increased to 45% from 40%. Target annual incentive opportunities did not change in fiscal 2017 for the remaining NEOs, including Mr. Schultz s target of $3,750,000, which is now stated as a dollar amount due to his reduction in base salary to $1 in fiscal 2017.

Named Executive Officer	Bonus Targets Percentage of Base Salary		
	Fiscal 2017	Fiscal 2016	% Change
Howard Schultz	$ 3,750,000	250%	
Kevin Johnson	200%	120%	66.7%
Scott Maw	100%	100%	
Clifford Burrows	120%	100%	20.0%
John Culver	120%	100%	20.0%
Paul Mutty	45%	40%	12.5%
Lucy Helm	75%	75%	

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The total EMBP award actually delivered to each executive for fiscal 2017 was determined based on the extent to which the objective performance goals under the EMBP were achieved based on fiscal 2017 performance. The possible payouts for each NEO based on achievement of threshold, target and maximum performance levels are disclosed in the Fiscal 2017 Grants of Plan-Based Awards Table.

The graphic below illustrates the weighting of the performance goals and the calculation of the annual incentive for each NEO (other than for Mr. Culver, whose revenue and operating income weighting was 40% and 60%, as further explained below).

Objective Performance Goals

For fiscal 2017, annual incentive bonuses were based on the achievement of the following objective performance goals:

- adjusted net revenue, and
- adjusted operating income.

We chose these measures because we believe they motivate our executives to drive Company and business unit growth and profitability.

To reflect performance above or below targets, adjusted net revenue and adjusted operating income have sliding scales that provide for annual incentive bonus payouts greater than the target bonus if results are greater than target (up to a maximum 200% payout) or less than the target bonus if results are lower than the target (down to a threshold of 20% of target payout, below which the payout would be $0).

In November 2016, the Committee established the corporate and business unit performance goals under the EMBP. In setting the objective performance scales, the Committee considered target Company performance under the challenging board-approved annual operating and long-term strategic plans, the potential payouts based on achievement at different levels on the sliding scale and whether the portion of incremental earnings paid as bonuses rather than returned to shareholders was appropriate.

The targets were designed to be challenging while recognizing economic uncertainties existing at the time the goals were established, including continued global macroeconomic, retail and consumer headwinds.

Adjusted Net Revenue. For Messrs. Schultz, Johnson, Maw, Burrows and Mutty and Ms. Helm, 50% of their EMBP award was based on a consolidated adjusted net revenue goal. For Mr. Culver, 40% of his EMBP award was based on adjusted net revenue goals of Global Retail for which he had responsibility during fiscal 2017.

The fiscal 2017 performance targets were set at levels above fiscal 2016 performance based upon our challenging business growth plans. Those targets and actual results for Adjusted Net Revenue are as follows:

Adjusted Net Revenue (1)	Threshold (Millions US $)	Target (Millions US $)	Maximum (Millions (US $)	Adjusted Actual Performance (Millions US $)	Payout
Consolidated (Schultz, Johnson, Maw, Burrows, Mutty, Helm)	22,364.6	23,056.3	23,748.0	22,611.4	45%
Global Retail (Culver)	19,819.6	20,432.6	21,045.6	20,127.3	60%

(1) The performance plan measures under the EMBP that were approved at the beginning of the performance period provided for certain non-GAAP adjustments so that the performance measures would more consistently reflect underlying business operations than the comparable GAAP measures. The fiscal 2017 consolidated adjusted net revenue result excludes the impact of foreign currency fluctuations and ownership changes in Singapore.

Adjusted Operating Income. For Messrs. Schultz, Johnson, Maw, Burrows, Mutty and Ms. Helm, 50% of their total EMBP award was based on a consolidated adjusted operating income goal. For Mr. Culver, 30% of his total EMBP award was based on the consolidated adjusted operating income goal and 30% was based on adjusted operating income goals of Global Retail for which he had responsibility during fiscal 2017. In fiscal 2017, consolidated adjusted

operating income equaled the total of all business units operating income less total unallocated corporate expenses; and business unit operating income equaled the revenues of the business unit less the business unit s operating expenses. Consolidated results and the results of each business unit were adjusted to more consistently reflect underlying business operations; these adjustments are further described in the Adjusted Operating Income table below.

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The fiscal 2017 performance targets were set at levels above fiscal 2016 performance based upon our challenging business growth plans.

Those targets and actual results for Adjusted Operating Income are as follows:

Adjusted Operating Income[1]	Threshold (Millions US$)	Target (Millions US $)	Maximum (Millions US $)	Adjusted Actual Performance (Millions US $)	Payout
Consolidated (All NEOs)	4,400.5	4,633.1	5,057.0	4,394.1	0
Global Retail (Culver)	4,697.9	4,946.3	5,398.8	4,621.4	0

(1) The performance plan measures under the EMBP that were approved at the beginning of the performance period provided for certain non-GAAP adjustments so that the performance measures would more consistently reflect underlying business operations than the comparable GAAP measures. The fiscal 2017 consolidated operating income result excludes the impact of foreign currency fluctuations, ownership changes in Japan and Singapore, Greater China transaction costs, restructuring and impairment charges associated with our restructuring efforts, a donation to The Starbucks Foundation, and other items.

EMBP Payouts

Payouts under the EMBP are aligned with Starbucks fiscal 2017 performance.

After the end of fiscal 2017, the Compensation Committee determined the extent to which the performance goals were achieved, and subsequently approved and certified the amount of the EMBP award to be paid to each NEO, other than Mr. Schultz and Mr. Johnson whose awards were recommended by the Committee and approved by all of our independent directors.

The table below shows the fiscal 2017 actual payout levels for each component of the EMBP, based on achievement of the performance metrics, and the aggregate fiscal 2017 annual incentive payouts, which are also disclosed in the Non-Equity Incentive Compensation Plan column of the Summary Compensation Table. The EMBP payouts to Messrs. Schultz, Johnson, Maw, Burrows, Mutty and Ms. Helm which were based on our challenging Company revenue and operating income growth targets, reflected the fiscal 2017 financial performance achieved by the Company. The EMBP payout to Mr. Culver reflected Starbucks overall performance and the relative performance of Global Retail against our challenging operating plan.

Fiscal 2017 Executive Management Bonus Plan Payout

Named Executive Officer	Payout on Consolidated Adjusted Operating Income (50% or 30% Weighting)	Payout on Business Unit Adjusted Operating Income (30% Weighting)	Payout on Business Unit/ Consolidated Adjusted Net Revenue (50% or 40% Weighting)	EMBP Bonus Payout (%) of Target	EMBP Bonus Payout ($)
Howard Schultz	0	NA	45%	22.5%	$ 843,750
Kevin Johnson	0	NA	45%	22.5%	$ 469,688
Scott Maw	0	NA	45%	22.5%	$ 180,000

Clifford Burrows	0	NA	45%	22.5%	$ 222,750
John Culver	0	0	60%	24.0%	$ 237,600
Paul Mutty	0	NA	45%	22.5%	$ 39,465
Lucy Helm	0	NA	45%	22.5%	$ 101,250

Long-Term Incentive Compensation

Overview of Annual Long-Term Incentive Awards. We grant our executives long-term performance-based compensation in the form of stock options and PRSUs. The Compensation Committee believes stock options and PRSUs incentivize executives to drive long-term company performance, thereby aligning our executives interests with the long-term interests of shareholders. Under our current annual grant program, 60% of the total annual long-term incentive award value is delivered in PRSUs and 40% in stock options.

Both types of equity awards we grant as part of our long-term incentive compensation program are performance-based. Stock options provide value only if our stock price increases over time. PRSUs are earned only to the extent pre-established performance goals are met and, if earned, are subject to additional time-based vesting requirements. Although the value of PRSUs is impacted by our stock price during the vesting period, PRSUs serve to retain executives as they are generally perceived by recipients as being more valuable than stock options during periods of higher stock price volatility.

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The table below reflects the value of annual long-term incentive awards approved by the Committee for each of the last two fiscal years. We determined the number of PRSUs to be delivered by dividing 60% of the value approved by the Committee by the closing price of our stock on the grant date. For options, we divided 40% of the value by a closing price multiplier. This multiplier was calculated by multiplying the closing price of our common stock on the grant date by a Black-Scholes factor. Because the value approved by the Committee is approved in advance of the awards being granted and may use different assumptions than are applied to the awards for accounting

purposes, the value of awards approved by the Committee may be different than the grant date fair value of equity awards as disclosed in the Summary Compensation Table.

The values of the long-term incentive awards approved by the Committee and reflected in the table below were designed to be competitive to market, recognize personal performance of each executive in the fiscal year prior to the November grant date, and to further increase the percentage of total pay that is at-risk incentive-based compensation.

Value of Annual Long-Term Incentive Compensation Awards

Named Executive Officer	Granted in Fiscal 2017	Granted in Fiscal 2016	% Change
Howard Schultz	$ 13,750,000	$ 13,000,000	5.8%
Kevin Johnson	$ 10,300,000		