Triodos Investment Management

STARBUCKS CORPORATION AGM Date: 19 March 2014

1a Elect Howard Schultz **Oppose**

Chairman, Chief Executive and President. Combined roles at the top of the company which does not meet Triodos guidelines. It is not considered to be best practice for these positions to be re-combined, and there should be separate positions with a Chief Executive responsible for the running of the business and the Chairman responsible for the functioning of the Board.

1b Elect William W. Bradley **Oppose**

Non-Executive Director. Independent by company but not independent as he has been on the Board for more than nine years. There is insufficient independence on the Board.

1c Elect Robert M. Gates **For**

Independent Non-Executive Director.

1d Elect Mellody Hobson **Oppose**

Non-Executive Director. Independent by company, not considered to be independent as she has been on the Board for more than nine years. There is insufficient independence on the Board.

1e Elect Kevin R. Johnson **For**

Independent Non-Executive Director.

1f Elect Olden Lee **Oppose**

Non-Executive Director. Independent by company, but not considered independent as he is former interim executive (Vice President) of the Company. There are also concerns that a former executive is on the Compensation Committee. Additionally, he has served the Board for more than nine years. There is insufficient independence on the Board.

1g Elect Joshua Cooper Ramo **For**

Independent Non-Executive Director.

1h Elect James G. Shennan, Jr. **Oppose**

Non-Executive Director. Independent by company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.

1i Elect Clara Shih **For**

Independent Non-Executive Director.

1j Elect Javier G. Teruel **For**

Independent Non-Executive Director.

1k Elect Myron E. Ullman, III **Oppose**
Non-Executive Director. Independent by Company but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.

1l Elect Craig E. Weatherup **Oppose**
Non-Executive Director, independent by Company but not considered independent as he has served on the Board for over nine years. There is insufficient independence on the Board.

2 Approve Executive Compensation Structure **Oppose**
Disclosure: Disclosure of potential awards and performance targets is adequate.
Balance: The performance period of the company's Restricted Stock Units was extended from one year to two years but primarily because performance targets are not disclosed. Net earnings have fallen from USD 2.059m for 2012 to negative USD 229.9m for 2013 but the total CEO compensation still amounts to USD 17.24m even though Earnings per Share is USD 0.01.
Contracts: The company does not provide any special change-in-control benefits and change-in-control arrangement with regards to acceleration of stock options issued under the 2005 Key Employee Plan.
Based on our concerns, lack of disclosure of performance targets, and excessive pay considering the company’s performance, we oppose.

3 Appoint the auditors **For**
Deloitte & Touche LLP proposed. Non-audit fees were approximately 7.6% of audit and audit related fees during the year under review. Nonaudit fees over a three-year basis were approximately 9.9% of audit and audit related fees. Acceptable proposal.

4 Shareholder Proposal: Prohibit political spending. **For**
Proponent: Mr. John Harrington
The shareholders request that the board of directors adopt a policy prohibiting the use of corporate funds for any political election or campaign, including direct or indirect contributions or to candidates, and corporate expenditures for electioneering communications, as well as prohibiting the establishment of a Starbucks political action committee.
The company argues that the shareholder proposal would severely impede Starbucks from fulfilling this responsibility by: negatively impacting its ability to educate elected and public officials about its business and the positive role it plays in helping communities thrive; significantly restricting its ability to promote public policies critical to delivering long-term value for its shareholders; severely limiting its ability to address public policy proposals that could threaten the health of its business; and potentially putting the Company at a marked disadvantage relative to its competitors who are able to participate in the political process to further their interests when it could not.
The Company's explanation does not appear justified as political donations are believed to be an improper use of shareholder's money. It is considered that the prohibiting of political donations will not be strenuous if the company does not make significant contributions at present.

5 Shareholder Proposal: Independent Board Chairman. **For**

Proposed by James McRitchie and Myra K. Young.

The proponents request that the Board adopts a policy, and amend other governing documents as necessary to reflect that policy, to require the Chair of the Board to be an independent member of the Board. This independence requirement shall apply prospectively if necessary so as not to violate any contractual obligation at the time this resolution is adopted. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. The policy should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

The supporting statement outlines that there is an issue with executives' pay and that annual CEO pay can be considered to be extreme compared to the company's peers.

The Board responds that the current board leadership structure, with a combined chairman and chief executive positions, best serves shareholders and is currently the most effective leadership structure for Starbucks given Mr. Schultz's in-depth knowledge of Starbucks business and industry and his ability to formulate and implement strategic initiatives.

The separation of roles by adopting a policy to have an independent Chairman is viewed as being best practice in corporate governance. It is considered that combined roles may be mitigated by a high degree of board independence and a strong lead independent director, however, these conditions are not thought to be in place as the Lead Director is not considered to be independent due to length of tenure and there are insufficient independent directors on the Board.