

Approved by the Committee
March 29, 2004
(revised September 20, 2005)

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

Purpose

The Compensation and Management Development Committee (the “Committee”) is responsible for working with management to establish appropriate compensation practices for Starbucks Corporation (the “Company”) and determining the compensation and other benefits for “officers” of the Company (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (such officers, the “Executive Officers”). In addition, the Committee is responsible for overseeing the development and implementation of management development plans and succession planning practices to ensure that the Company has sufficient management depth to support its continued growth and the talent needed to execute long-term strategies even in the event that one or more members of senior management retire or otherwise leave the Company.

Composition

The Committee shall be comprised of at least three (3) members, each of whom shall (1) be a member of the Company's Board of Directors (the “Board of Directors”), (2) meet the independence requirements of The Nasdaq Stock Market, Inc., (3) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code, and (4) qualify as a “non-employee director” under Rule 16b-3 promulgated under the Exchange Act. Members of the Committee and a Chair shall be appointed, and may be removed, with or without cause, by the Board of Directors on the recommendation of the Nominating and Corporate Governance Committee. The Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three (3), or in the event that the Board of Directors determines that the number of members on the Committee should be increased.

Meetings

The Committee shall meet at least four times each fiscal year, and may hold additional meetings in person or telephonically as often as may be necessary or appropriate, at the discretion of the Chair of the Committee. Prior to each meeting, the Chair of the Committee will circulate or discuss the agenda for the meeting with each member of the Committee. When appropriate, the Committee may meet in separate executive sessions with management, employees, general counsel, internal audit, and the

independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention.

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

Minutes of each meeting shall be prepared under the direction of the Chair of the Committee and circulated to each member of the Committee for review and approval, and then circulated to the members of the Board of Directors who are not members of the Committee. The Secretary of the Company shall archive the approved minutes.

Committee Authority and Responsibilities

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. Sole authority to retain or terminate, at the Company's expense, a compensation consultant or firm to be used to assist the Committee in benchmarking and setting appropriate compensation levels and policies and to approve such consultant's or firm's fees and other retention terms.
2. Retain, at the Company's expense, legal counsel, accounting or other advisors as appropriate to assist in the performance of its duties hereunder, and approve the fees and other retention terms of such advisors.
3. Form and delegate responsibilities to subcommittees of the Committee, as may be necessary or appropriate.
4. Conduct an annual review of and recommend the Company's compensation packages for Executive Officers of the Company, including the chief global strategist and the chief executive officer. In connection therewith, the Committee shall review and recommend (a) the annual base salary level, (b) the annual cash bonus opportunity level under the Executive Management Bonus Plan, and (c) the long-term incentive opportunity level for each Executive Officer. The Committee's recommendations shall be reviewed and approved by a panel consisting of the independent directors of the Board. Directors who do not meet all of the independence requirements for Committee membership may participate in such panel discussions, but shall not be present or vote on whether to approve the Committee's recommendations.
5. Annually review and recommend the objective performance measures and the performance targets for executive officers participating in the Executive Management Bonus Plan (whether or not such executive officers are Executive Officers) for approval by the panel of independent directors of the Board and for certifying the performance of such executive officers at the end of each fiscal year.

6. Annually review the performance of the Executive Officers and the succession plans for each such officer's position.
7. Together with the Chair of the Nominating and Corporate Governance Committee, the Chair of the Committee shall annually review the performance of the chief executive officer and the chief global strategist and meet with each such officer to share the findings of such review.
8. Conduct an annual review of and approve the Company's management development and succession planning practices and strategies.
9. Review and approve employment terms and agreements for new Executive Officers, any severance arrangements for Executive Officers, and any change of control, indemnification, or other employment or compensation-related agreements to be entered into with Executive Officers.
10. Approve, modify, and administer partner (employee)-based equity plans, deferred stock plans, and the Executive Management Bonus Plan.
11. Prepare, review, and approve the Committee's report regarding executive compensation and other compensation information that is required in the Company's Proxy Statement for its annual meeting of shareholders.
12. Periodically review other human resources programs and initiatives, such as Diversity.
13. Make regular reports to the full Board of Directors.
14. Review and assess the adequacy of this Charter and the Timetable for Committee Activities annually, or more often as circumstances dictate, and update or revise the Charter and Timetable as appropriate.
15. Periodically evaluate and take steps to improve the effectiveness of the Committee in meeting its responsibilities under this Charter.

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