



Starbucks College Achievement Plan for Veteran & Military Families Program Document

Purpose of Program

The Starbucks College Achievement Plan for Veteran & Military Families (“CAP” or the “Program”) provides the opportunity for a family member of a Starbucks partner, who is a current or former member of the United States Armed Forces (the “Eligible Partner”), to receive the opportunity for a high quality undergraduate education. This Program was developed in conjunction with Arizona State University (“ASU”) to provide an Eligible Family Member (the “Participant”) the ability to choose from any of the online-only bachelor’s degree programs offered through ASU Online.

This document describes the components of the Program, which consists of

- a CAP Scholarship, along with the opportunity to work with ASU to determine eligibility for additional grants, loans and other sources of funding; and
- a CAP Reimbursement Grant provided to the Eligible Partner to pay for the educational expenses of the Participant.

Benefits under the Program are available only with ASU Online courses and online academic programs leading to a bachelor's degree.

Effective Date: The Starbucks College Achievement Plan for Veteran & Military Families is effective as of November 8th, 2015.

Eligibility and Participation

Program Eligibility

In addition to designating a Participant for the Program, the Eligible Partner may also concurrently enroll in a bachelor’s degree program under the Starbucks College Achievement Plan.

The “Eligible Partner” must satisfy each of the following requirements:

1. Is employed within the U.S. by Starbucks or one of its U.S. subsidiaries, including Teavana, Evolution Fresh, Coffee House Holdings, and Seattle’s Best Coffee (collectively “Starbucks”);
2. Meets Starbucks eligibility rules for benefits;
3. Is a veteran with other than bad conduct or dishonorable discharge, a Reservist or National Guard member, or an active duty member in good standing of the U.S. armed forces;
4. Completes the required Program Application Process as described below.

To participate in the Program, the “Participant” must satisfy each of the following requirements:

1. Is a child, spouse or domestic partner of the Eligible Partner;
2. Is not an employee of Starbucks Coffee Company or its subsidiaries;
3. Has not previously attained a bachelor’s degree from a nationally-accredited or regionally-accredited college or university;
4. Completes the required Program Application Process; and
5. For ongoing eligibility, satisfies ASU’s requirement of a student in “academic good standing” (as defined by ASU at http://catalog.asu.edu/retention_standing).



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- “Child” is the Eligible Partner’s biological child, stepchild, adopted child (including a child placed for adoption), or foster child; grandchild; or any child for whom the Eligible Partner is legal guardian.
- “Spouse” is the Eligible Partner’s lawful spouse, or common-law spouse if the Eligible Partner lives in a state that recognizes common-law marriage. A spouse who is legally separated or divorced from the Eligible Partner is not eligible for this Program.
- “Domestic Partner” is the Eligible Partner’s same- or opposite-sex partner who is registered as a domestic partner in a state which recognizes such relationships. In any other state, the Eligible Partner and Domestic Partner must satisfy each of the following requirements:
 - Are age 18 or older;
 - Are not in another domestic partnership, civil union or marriage;
 - Are not blood-related;
 - Are committed to one another;
 - Live together permanently; and
 - Are jointly responsible for fiscal and legal matters.

Designation of the Participant

The Eligible Partner must designate one Participant to receive the benefit of participation in Starbucks College Achievement Plan for Veteran & Military Families. This designation is made one time only and cannot be changed unless the designated Participant withdraws from enrollment prior to the add/drop date of the initial educational session.

Starbucks Benefits Eligibility

Additional information about Starbucks benefits eligibility is described in the *U.S. Benefits Plan Description*, Eligibility and Enrollment chapter. Partners are notified of the *U.S. Benefits Plan Description* after 90 days of employment, and it is available online at mysbuxben.com.

Loss of Benefits Eligibility

If an Eligible Partner loses benefits eligibility, neither the Eligible Partner nor the Participant will be required to repay a previous receipt of the CAP Scholarship or a CAP Reimbursement Grant. The Participant may continue participation in the Program if and when the partner once again satisfies eligibility requirements.

Approved Leave of Absence

If the Eligible Partner is on an approved leave of absence from Starbucks, the Participant may continue to participate in the program so long as the Eligible Partner maintains Starbucks benefits eligibility.

Separation from Employment

To receive the CAP Reimbursement Grant, an Eligible Partner must be actively employed on the date payment is made.

If the Eligible Partner separates from employment mid-semester, the CAP Scholarship for the Participant will remain in place for that education term. However, the CAP Scholarship will no longer be available for any courses that begin after the date of separation.

If the Eligible Partner separates from employment, the Participant will not be required to pay



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back receipt of the CAP Scholarship and the Eligible Partner will not be required to pay back any previous CAP Reimbursement Grant.

Separation Due to Death or Disability

If the Eligible Partner's employment ends due to death or total and permanent disability, the requirement that the Eligible Partner be actively employed as of the date of payment of the final CAP Reimbursement Grant will be waived.

For the purposes of this Program, an Eligible Partner separates due to "total and permanent disability" if the partner 1) has a medically determined physical or mental impairment that is expected to result in death within 24 months or last 24 or more consecutive months; 2) is incapable of continuing his/her usual and customary employment with Starbucks; and 3) is receiving income replacement benefits for a period of not less than three months from Starbucks or a Long-Term Disability plan, or if not eligible for benefits under such a plan, is unable to engage in any substantial gainful activity by reason of such impairment.

The Program Administrator shall determine in its discretion whether the Eligible Partner is totally and permanently disabled under the terms of the Program.

Program Description

Program Application Process

Eligible Partner:

The Program application process requires the following:

1. Must provide evidence of a valid DD-214/DD-215 (Member-2 or Member- 4 Copy) displaying proof of veteran status excluding bad conduct or dishonorable discharge, or letter from his/her commanding officer confirming active/reserve/guard status in good standing.
2. Must complete program application documents including a digitally signed acknowledgement form that confirms designation of the benefit.

Participant (Eligible Family Member):

The Program application process requires the following:

1. The Participant submits and applies to any of ASU's online bachelor's degree programs;
2. ASU offers the Participant admission to an online bachelor's degree;
3. The Participant submits a complete Free Application for Federal Student Aid (FAFSA) and any documents requested to complete the participants financial aid file each school year, available at the ASU web site;
4. The Participant completes all online Program application documents requested by Starbucks, including a signed acknowledgement form; and
5. Prior to starting classes, the Participant completes the Program-specific preparation tutorial, orientation, ASU 10; enrollment available through the participants ASU account after admission.

CAP Credit Maximums

The Participant's academic level at the time participation in the Program commences determines the maximum number of credits available for the CAP Scholarship and CAP Reimbursement Grant. The Participant's academic level is determined by the number of credits earned and



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accepted as transferred prior to admission at ASU. Credits earned prior to admission at ASU and transferred to ASU will count toward the Participant's academic level. If a new academic level is achieved, the Participant's credit maximum will be adjusted. Credits earned and transferred after admission to the Program will not be counted toward the credit maximum.

Academic Level	Based on Credit Range	Credit Maximum
Freshman	24 or fewer semester hours earned	135
Sophomore	25 to 55 semester hours earned	105
Junior	56 to 86 semester hours earned	75
Senior	87 or more semester hours earned	75

The CAP Scholarship

Participants receive a CAP Scholarship in the amount of 42% of tuition. The CAP Scholarship is automatically applied to the Participant's ASU account each semester.

The CAP Reimbursement Grant

The CAP Reimbursement covers Eligible Expenses, including tuition, ASU's Financial Aid Trust Fee and Technology Fee (net of the CAP Scholarship received at time of enrollment), any federal or military student aid, and any need-based aid from ASU. Merit-based academic scholarships and private scholarships applied to tuition and fees do not reduce the reimbursement of Eligible Expenses.

To be eligible for CAP Reimbursement, the Eligible Expenses must meet the following criteria:

- The course was subject to tuition and/or fees by ASU;
- ASU has billed the Participant for the credit hours, net of any refund or adjustment; and
- The credit hours were earned by the Participant for the purpose of completing an ASU Online bachelor's degree.

Excluded Expenses

Except as specified above, no other expenses are eligible for the CAP Reimbursement under the Program or by Starbucks. Ineligible expenses include but are not limited to class fees; textbooks; meals, lodging or transportation expenses; student loan interest; late registration fees; purchase of a personal computer or other general school supplies; expenses related to professional meetings, workshops, conventions, licensures, insurance costs, and preparation for tests; expenses related to graduate degrees or on-campus bachelor's degree programs or classes; and individual courses for sports, recreation or hobbies, unless part of an approved online bachelor's degree program at ASU.

Dropped, Withdrawn or Failed Courses

The CAP Reimbursement Grant will be provided for courses the Participant has dropped, withdrawn from, or failed in the semester in which the Participant is enrolled.

Credits from dropped, withdrawn or failed courses will count toward the maximum number of credit hours available for reimbursement under the Program.

Reimbursement Limitations

The CAP Reimbursement Grant is subject to a lifetime maximum. The lifetime maximum is



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established based on the Participant’s class level at the time of admission. The CAP Reimbursement Grant is capped at 135 credit hours for a Freshman; 105 credit hours for a Sophomore; and 75 credit hours for a Junior or Senior.

CAP Reimbursement Grant Payments

CAP Reimbursement Grants are paid upon completion of an academic semester. Reimbursement Grant payments will be included in the Eligible Partner’s paycheck, approximately six weeks following the end of the education term.

To receive CAP Reimbursement, the Eligible Partner must be actively employed on the date payment is made.

No education expense incurred by a Participant following separation from employment will be reimbursed.

Taxation of CAP Reimbursement Grants

The CAP Reimbursement payment under this Program is a taxable fringe benefit to the Eligible Partner. Therefore, the Eligible Partner shall be responsible for any payroll tax liability arising from any CAP Reimbursement payment received under this Program, whether or not Starbucks withheld tax on those benefits.

Starbucks will include the value of the benefit in the Eligible Partner's wages, subject to all applicable federal, state and local payroll taxes, and report it as additional income on Annual Form W-2. For example,

The Participant (Eligible Family Member) completes the 2016 Spring Semester and has Eligible Expenses of \$4,000. The Eligible Partner will receive a CAP Reimbursement Grant of \$4,000. The Eligible Partner will receive a payment of \$2,694 in his or her paycheck determined as follows:

<i>CAP Reimbursement Grant:</i>	<i>\$4,000.00</i>
<i>less</i>	
<i>Federal Income Tax Withholding (25% in this example)</i>	<i>\$1,000.00</i>
<i>Social Security Tax (6.2%)</i>	<i>\$248.00</i>
<i>Medicare Tax (1.45%)</i>	<i>\$58.00</i>
<i>Net Payment:</i>	<i>\$2,694.00</i>

This example is based on current income tax withholding, social security tax, and Medicare tax rates and certain assumptions about the Eligible Partner’s income. The CAP Reimbursement payment received by an Eligible Partner may vary from the example above based on the Eligible Partner’s specific tax situation.



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Program Administration

Administrator

The Program will be administered by Starbucks, acting through its Board of Directors or the Board's delegate.

Administrator's Authority

The Administrator will have sole authority, in its absolute discretion, to: manage and administer the Program, including the authority to delegate daily administrative functions; construe and interpret the Program; define the terms used in this document; prescribe, amend, and rescind the rules and regulations relating to the Program; correct any defect, supply any omission, or reconcile any inconsistency in this document; approve or deny benefits under the Program; determine the individuals or class of individuals who are eligible to receive benefits under the Program; determine the times and terms under which benefits are provided under the Program; and make all other determinations and interpretations necessary and advisable for the administration of the Program. All decisions, determinations, and interpretations made by the Administrator will be binding and conclusive on all partners and on their legal representatives, heirs, and beneficiaries.

Partner Notice

The Administrator will give reasonable notice of the availability and terms of the Program to Eligible Partners.

Program Records

The Administrator will keep accurate and complete records of all benefits paid to Eligible Partners under the Program.

Miscellaneous

Amendment and Termination

Starbucks may amend or terminate the Program at any time in its discretion. The Program will terminate automatically upon the termination of the definitive agreement between Starbucks and ASU with respect to ASU's online bachelor's degree Programs.

Overpayment

Partners must repay Starbucks the full amount of any CAP Reimbursements overpayment, regardless of the reason for the overpayment. By accepting payment, any such partner authorizes Starbucks to withhold from other compensation due the partner, to the maximum extent permitted by applicable law.

Claims Procedures

If a partner believes eligibility for or benefits under the Program were denied inappropriately, he or she may request an appeal review for reconsideration. The appeal must:

- Be submitted to CAP Reimbursement Center in writing via mail or fax at 206-318-1393 within 60 days of the semester end date in which they were negatively affected: and



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- o Please mail to CAP Reimbursement Center/Starbucks Benefits, Suite 800, Seattle WA 98134
- Include appropriate supporting documentation

Partners will be sent a written letter of receipt for the appeal statement once received by the CAP Reimbursement Center. The Program administrator will provide the partner with a written notice of its decision within 60 days of the date it receives the appeal. If more time is needed to review the appeal, partners will be notified of the extension within the initial 60-day review period.

If the application or request denial is upheld, partners will be provided an explanation of the reason(s), as well as reference to the plan provisions on which the decision is based. The decision of the Program administrator is final and is not subject to further review or appeal. The appeal request must be submitted within 60 days of when the partner was negatively affected otherwise it will be withdrawn. A final decision will be mailed to the partner's home address, generally within 60 days of receipt for review.

If employment with Starbucks is terminated, any open appeal will no longer be eligible for review.

If the partner has questions regarding the decision they may email StarbucksCollegePlan@starbucks.com

No Contract

The Program will not be deemed to constitute a contract between Starbucks and any partner, or to be a consideration or an inducement for the employment of any partner. Nothing contained in this document shall be deemed to give any partner the right to be retained in the service of Starbucks or to interfere with the right of Starbucks to discharge any partner at any time regardless of the effect that such discharge shall have upon him or her under the Program.

Governing Law

The Program will be construed and enforced according to the laws of the State of Washington, other than its laws respecting choice of law, to the extent not preempted by any federal law.