This program is offered as a test. Starbucks reserves the right to terminate or extend the program, with or without notice.

Purpose of Program

Starbucks College Achievement Plan Direct (“SCAP Direct” or the “Program”) has been developed to provide Starbucks partners with an opportunity for high quality undergraduate education. This Program was developed in conjunction with Arizona State University (“ASU”) to provide Eligible Partners 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) a CAP Scholarship
(b) Starbucks Tuition Benefit
(c) highlights of the Starbucks Educational Assistance Plan; which, subject to statutory limitations, provides tax-free educational assistance benefits under section 127 of the Internal Revenue Code (“Code”).

Benefits under the Program, as described below, are available only with respect to ASU Online courses and online academic programs leading to a bachelor’s degree.

Benefits provided to Eligible Partners under the Program are subject to all terms and conditions set forth in this document and, in the case of the Starbucks Tuition Benefit, the terms and conditions set forth in the Starbucks Educational Assistance Plan.

Effective Date

This Starbucks College Achievement Plan Direct (Test) is effective October 5, 2017. Starbucks reserves the right to end or extend the program at any time with or without notice.

Eligibility and Participation

Program Eligibility

A partner must satisfy each of the following requirements in order to be eligible for and participate in the Program. The “Eligible Partner”:

1. Is employed in the U.S. by Starbucks or one of its wholly owned U.S. subsidiaries, (collectively, “Starbucks” unless the context clearly indicates otherwise);
2. Is eligible for Starbucks benefits;
3. Is not a recipient of a prior bachelor’s degree from a nationally-accredited or regionally-accredited college or university;
4. Has completed the required Program Application Process; and
5. Completed the Free Application for Federal Student Aid (FAFSA) and provided any additional documentation required by ASU Financial Aid and Scholarship Services (FASS).
6. Satisfies ASU’s requirement of a student in “academic good standing” (as defined by ASU
at http://catalog.asu.edu/retention_standing) and is maintaining Satisfactory Academic Progress (SAP)
7. Must have enrolled in at least one ASU Online class in Spring 2018 and be in Area 137 at that time.
8. Must be employed on the 7th day of the ASU academic session.

**Starbucks Benefits Eligibility**
Additional information about Starbucks benefits eligibility is described in the *U.S. Benefits Plan Description, Eligibility and Enrollment* chapter. *A U.S. Benefits Plan Description* is mailed to partners when they enroll in a Starbucks benefits plan or program and it is available online at http://www.mysbuxben.com

**Approved Leave of Absence**
An Eligible Partner on an approved leave of absence may continue to participate in the Program so long as he or she continues to maintain Starbucks benefits eligibility.

**Loss of Benefits Eligibility**
An Eligible Partner who receives the CAP Scholarship and Starbucks Tuition Benefit, but thereafter loses Starbucks benefits eligibility, will not be required to pay back any previous CAP Scholarship or Starbucks Tuition Benefit. A partner may regain eligibility for Program Test upon subsequent satisfaction of all eligibility requirements.

**Separation from Employment**
Separation from employment mid-semester will not impact an Eligible Partner’s receipt of the CAP scholarship or Starbucks Tuition Benefit for the current education term. However, the CAP scholarship and Starbucks Tuition Benefit will no longer be available for any courses that begin after the date of separation.

To be eligible for receipt of the Starbucks Tuition Benefit an Eligible Partner must be actively employed on the 7th day of the first ASU academic session of the semester of enrollment.

Separated partners will not be required to pay back receipt of the CAP Scholarship or Starbucks Tuition Benefit.

**Separation Due to Death or Disability**
If the partner’s employment ends due to death or total and permanent disability, the requirement that the partner be actively employed as of the 7th day of the ASU academic session 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 a partner is totally and permanently disabled under the terms of the Program.
The Program Description

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

CAP Credit Maximums
Eligible Partners may receive the CAP Scholarship and Starbucks Tuition Benefit for up to 135 credits within the Program. The 135 credit maximum will not include credits transferred to ASU earned prior to being admitted to the Program, regardless of when they are transferred.

The CAP Scholarship
All Eligible Partners receive a CAP Scholarship in the amount of 42% of tuition. The CAP Scholarship is automatically applied to the Eligible Partner’s ASU account each semester.

The Starbucks Tuition Benefit
The Starbucks Tuition Benefit covers the expense of Tuition, ASU’s Financial Aid Trust Fee and ASU’s 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 Starbucks Tuition Benefit Eligible Expenses.

The Starbucks Tuition Benefit is paid directly from Starbucks to ASU on behalf of the partner.

To be eligible for Starbucks Tuition Benefit, the expenses must meet the following criteria:
• The course was subject to tuition and/or fees by ASU;
• ASU has billed Starbucks for the credit hours, net of any refund or adjustment; and
• The credit hours are being attempted by the Eligible Partner for the purpose of completing an ASU Online bachelor’s degree.

Career Support Services are available for all program participants to support them in their development and career progression.

Excluded Expenses
Except as specified above, no other expenses are eligible for the Starbucks Tuition Benefit 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 Starbucks Tuition Benefit will be provided for courses the Eligible Partner has dropped, withdrawn from, or failed in the semester in which an Eligible Partner is enrolled.

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

**Starbucks Tuition Benefit Limitations**
The Starbucks Tuition Benefit is subject to the following limitation:

- Lifetime credit maximum - the Starbucks Tuition Benefit will be capped at 135 credit hours for all academic levels.

**Taxation of Starbucks Tuition Benefit**

To the extent required by applicable law, the amount of any Starbucks Tuition Benefit will be included in an Eligible Partner's ordinary income and subject to all applicable payroll and withholding taxes. Each Starbucks Tuition Benefit paid on behalf of an Eligible Partner must be evaluated to determine the amount that can be excluded from the Eligible Partner's ordinary taxable income as a payment under this Starbucks Education Assistance Plan (described below). Starbucks may include the amount of any Starbucks Tuition Benefit in an Eligible Partner's ordinary income if Starbucks reasonably determines that it is required by applicable law. The Eligible Partner shall be responsible for any income tax liability arising from any Starbucks Tuition Benefit payment made under this Plan, whether or not Starbucks withheld tax on those benefits.

With respect to any benefit provided by Starbucks that does not qualify for exclusion under section 127 of the Code (or under applicable state law), Starbucks will include the value of the benefit in the partner's wages, apply the appropriate payroll taxes (e.g., federal and state income tax withholding, and FICA taxation), and report it as additional income on Form W-2 and the relevant state employee wage statement.

**Education Assistance Plan Overview**

In conjunction with this Program, Starbucks has developed an Education Assistance Plan (“The Plan”) pursuant to Section 127(b) of the Internal Revenue Code of 1986, as amended. Partners may request a copy of The Plan by sending a request to starbuckscollegeplan@starbucks.com. In the event of a conflict between this overview and The Plan, the written terms of The Plan will govern.

Under Code Section 127, an Eligible Partner may receive educational assistance on a tax-free basis, for federal payroll tax purposes, provided that the aggregate payments or reimbursements do not exceed $5,250 per calendar year. Applicable state law may or may not
be consistent with the exclusion provided under federal law. Highlights of The Plan are listed below.

4) Eligibility: The eligibility requirements under The Plan are consistent with eligibility requirements of this Program, including the Reimbursement Payment Conditions of the Starbucks Tuition Benefit.

2) Benefits: The benefit covered by the Education Assistance Plan is consistent with all Program rules related to the Starbucks Tuition Benefit with the following exceptions:
   a. The total of this Education Assistance Plan benefit and any benefits received under any other Sec 127 education assistance plan is limited to $5,250 per calendar year. If the Starbucks Tuition Benefit payment(s) in a calendar year exceeds this aggregate $5,250 limit, only the amount above the $5,250 limitation will be excluded from the Education Assistance Plan benefit and that amount will be subject to payroll and income tax withholding.
   b. The Education Assistance Plan benefit does not include any portion of Starbucks Tuition Benefit payment which includes for reimbursement of Merit-based academic scholarships and private scholarships.
   c. Starbucks has the discretion to may consider include the amount of any Starbucks Tuition Benefit in an Eligible Partner’s ordinary income if deemed necessary in the discretion of Starbucks to ensure that the Program meets the requirements of Code Section 127.
   d. If the Starbucks Tuition Benefit to (a) officers of Starbucks, (b) highly compensated employees of Starbucks (as defined by Code Section 414(q)), or (c) Partners who are spouses or dependents of those listed in (a) and (b) of this paragraph results in prohibited discrimination or exceeds benefit limitations under Treasury Regulation Sections 1.127-2(e) and (f), the such Eligible Partners will receive Starbucks Tuition Benefit as taxable ordinary income.

3) Limitations: Limitations under the Education Assistance Plan are consistent with Reimbursement Limitations associated with the Starbucks Tuition Benefit.

4) Funding: Starbucks shall contribute the amount required to pay Benefits under The Plan out of the general assets of the Employer at the time such Benefits are to be paid.

5) Administration and Claims Procedure: The Administration and Claims Procedure of The Plan are consistent with this Program.

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**

**Career Planning**
Support for career planning is a part of the plan provision.

**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.

**Nonduplication**
Benefits under the Program cannot duplicate or be combined with another Starbucks tuition reimbursement Program, including Starbucks U, covering the same semester or period of time.

**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 Starbucks College Achievement Plan 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
  - Please mail to CAP 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 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.