

# FAQ: Stock Split

United States and Canada

## 1. What is a stock split?

On March 18, 2015, Starbucks announced a 2-for-1 forward stock split. This means that each Starbucks shareholder will receive two shares of Starbucks stock for every one share that he or she holds as of the record date, March 30, 2015. As a result, the number of shares is doubled, and the stock price is cut in half. The underlying value of the shares will remain the same.

## 2. Why is Starbucks splitting its stock?

Starbucks Board of Directors has evaluated the stock price and decided that in order to make a share of Starbucks stock more affordable to the average investor, we would split our stock at this time.

## 3. What are the important dates I should know?

- **March 30, 2015** is the **Record Date**, or the date used to determine who is eligible to receive split shares.
- **April 6 – 8, 2015** is the **Blackout Period**. During this period, partners **will be prohibited** from exercising any stock options. This prohibition is limited to the exercise of stock options and does not prohibit partners from otherwise trading Starbucks stock if they are not already subject to the recurring trading blackouts.
- **April 8, 2015** is the **Payable Date**, or date when the split is effective.
- **April 9, 2015** is the **Ex-Date**, which is the first day that the stock will trade at its new, split-adjusted price.
- **April 10, 2015** is the date that your Fidelity account will be fully updated to reflect the split.

## 4. Will the stock split affect my stock grants or Stock Investment Plan (S.I.P.) shares?

Yes. Here are some examples of how the split impacts restricted stock units (RSUs), stock options or other Starbucks shares that you may have acquired through the S.I.P. or from vested RSUs. You'll notice that even though the number of shares and stock price changes AFTER the stock split, the underlying value remains the same.

*The share price, number of RSUs, stock options and shares following are for the purpose of the examples only.*

## RSUs

Let's say that you have 10 RSUs and the stock price closes at \$90 per share on the payable date.

	Before the Split	After the Split
Number of RSUs	10	20
Fair Market Value	\$90	\$45
Value	$10 \times \$90 = \mathbf{\$900}$	$20 \times \$45 = \mathbf{\$900}$

## Stock Options

Let's say that you have 100 stock options with a grant price of \$50 and the stock price closes at \$90 per share on the payable date.

	Before the Split	After the Split
Number of Stock Options	100	200
Fair Market Value	\$90	\$45
Grant Price	\$50	\$25
Value	$100 \times (\$90 - 50) = \mathbf{\$4,000}$	$200 \times (\$45 - 25) = \mathbf{\$4,000}$

## Other Starbucks Shares

You may also own Starbucks shares that you received when your RSUs vested or when you purchased shares through the S.I.P. For this example, let's say that you purchased 10 shares through the S.I.P for \$50 per share and the stock price closes at \$90 per share on the payable date.

	Before the Split	After the Split
Number of Shares	10	20
Fair Market Value	\$90	\$45
Purchase Price	\$50	\$25
Value	$10 \times \$90 = \mathbf{\$900}$	$20 \times \$45 = \mathbf{\$900}$

### 5. When will my account at Fidelity be updated?

Beginning on April 9, 2015, the first day on which the stock will trade at its split-adjusted price, you will be able to log-in to your account at Fidelity to see your split adjusted grants or shares. These updates include any RSUs, stock options, or shares purchased through the S.I.P., including history of past transactions.

However, until the Fidelity NetBenefits® system is fully updated on April 10, 2015, it may appear that the total value of your account is doubled on April 9; this will be updated and corrected as of **Friday, April 10, 2015**.

If you have received any Bean Stock or Key Employee grants, but have not activated your Fidelity account or accepted your grant yet, this is a great time to do it! Go to [netbenefits.com](http://netbenefits.com). Detailed account activation and grant acceptance instructions are available on [starbucksbeanstock.com](http://starbucksbeanstock.com).

**6. If I currently participate in the S.I.P., how will the stock split impact the purchase on March 31, 2015?**

Shares purchased through the S.I.P. on March 31 will be purchased as pre-split shares using the March 31 closing price and automatically split adjusted by Fidelity on April 8, the Payable Date.

**7. What happens if I buy or sell stock between the Record Date of March 30 and the Payable Date of April 8?**

If you purchase Starbucks stock after the Record Date (March 30), but on or before the Payable Date (April 8), whomever you buy the stock from will owe you the shares to be issued in the stock split. If you sell Starbucks stock after the Record Date (March 30), but on or before the Payable Date (April 8), you will owe the shares to be issued in the stock split to whomever you sell it. The brokerage community tracks these trades and will coordinate these adjustments through their depository agent on your behalf.

**8. How will I receive my split shares after the Payable Date of April 8, 2015?**

If you hold shares at Fidelity or through any other brokerage account, Fidelity or the broker will automatically receive the split shares and your account will be credited appropriately.

**9. What is the tax impact of the stock split?**

The stock split itself is not a taxable event. However, if you sell your shares after April 8, 2015, you will need to adjust your tax basis to determine a gain or loss. After the split, the tax basis will be half of the share's original cost basis.

**10. Who should I contact if I have other questions?**

You may contact a Fidelity Representative toll-free:

- United States: dial (866) 697-1048
- Canada: dial (800) 544-0275

For additional questions, call Starbucks Partner Contact Center at (866) 504-7368.

More information on the stock split is available through [Starbucks Investor Relations](#).