

BEST BUY CO INC
Form PRER14A
May 12, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRELIMINARY SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

BEST BUY CO., INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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 - o Fee paid previously with preliminary materials.
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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

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BEST BUY CO., INC.
7601 Penn Avenue South
Richfield, Minnesota 55423

NOTICE OF 2011 REGULAR MEETING OF SHAREHOLDERS

Time: 9:30 a.m., Central Time, on Tuesday, June 21, 2011

Place: Best Buy Corporate Campus Theater
7601 Penn Avenue South
Richfield, Minnesota 55423

Internet: Attend the Regular Meeting of Shareholders online, including submitting questions, at www.proxyvote.com or www.virtualshareholdermeeting.com/bby.

Items of 1. To elect six Class 2 directors to serve on our Board of Directors for a term of two years.

Business: 2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending March 3, 2012.

3. To approve an amendment and restatement of our Amended and Restated By-Laws to remove the maximum for the number of directors serving on the Board of Directors and to authorize the Board of Directors to determine the number of directors serving from time to time.

4. To approve amendments to the Best Buy Co., Inc. 2004 Omnibus Stock and Incentive Plan, as amended.

5. To approve the Executive Short-Term Incentive Plan.

6. To conduct an advisory vote on our executive compensation.

7. To conduct an advisory vote on the frequency of shareholder advisory votes on our executive compensation.

8. To vote on a shareholder proposal regarding declassification of our Board of Directors, if properly presented at the meeting.

9. To transact such other business as may properly come before the meeting.

Record Date: You may vote if you were a shareholder of record of Best Buy Co., Inc. as of the close of business on Monday, April 25, 2011.

Proxy Voting: Your vote is important. You may vote via proxy:

1. By visiting www.proxyvote.com on the Internet;
2. By calling (within the U.S. or Canada) toll-free at **1-800-690-6903**; or
3. By signing and returning the enclosed proxy card.

Regardless of whether you expect to attend the meeting in person, please vote your shares in one of the three ways outlined above.

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By Order of the Board of Directors

Minneapolis, Minnesota
[May 26, 2011]

Elliot S. Kaplan
Secretary

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ATTENDING THE REGULAR MEETING OF SHAREHOLDERS

Attending in person

Doors open at 9:00 a.m. Central Time

Meeting starts at 9:30 a.m. Central Time

You do not need to attend the meeting to vote if you submitted your proxy in advance of the meeting

Security measures may include bag search, bag scan, metal detector and hand-wand search

The use of cameras and recording devices is prohibited

Attending and participating via the Internet

Webcast starts at 9:30 a.m. Central Time

Shareholders may vote and submit questions while attending the meeting via the Internet

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at www.proxyvote.com

You may directly link to the virtual shareholder forum and virtual shareholder meeting at www.virtualshareholdermeeting.com/bby

Anyone can view the meeting live via the Internet at www.bby.com

Webcast replay will be available until June 28, 2011

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**BEST BUY CO., INC.
7601 Penn Avenue South
Richfield, Minnesota 55423**

PROXY STATEMENT

REGULAR MEETING OF SHAREHOLDERS JUNE 21, 2011

GENERAL INFORMATION

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors ("Board") of Best Buy Co., Inc. ("Best Buy," "we," "us," or "our") to be voted at our 2011 Regular Meeting of Shareholders ("Meeting") to be held on Tuesday, June 21, 2011, at 9:30 a.m., Central Time, at the Best Buy Corporate Campus Theater, 7601 Penn Avenue South, Richfield, Minnesota, 55423 and on the Internet at www.proxyvote.com or www.virtualshareholdermeeting.com/bby, or at any postponement or adjournment of the Meeting. The proxy materials were either made available to you over the Internet or mailed to you beginning on or about May 26, 2011.

Background

What is the purpose of the Meeting?

At the Meeting, shareholders will vote on the items of business outlined in the Notice of 2011 Regular Meeting of Shareholders ("Meeting Notice"), included as the cover page to this proxy statement. In addition, management will report on our business and respond to questions from shareholders.

Why did I receive this proxy statement and a proxy card?

You received this proxy statement and a proxy card because you owned shares of Best Buy common stock as of April 25, 2011, the record date for the Meeting, and are entitled to vote on the items of business at the Meeting. This proxy statement describes the items of business that will be voted on at the Meeting and provides information on these items so that you can make an informed decision.

Who may vote?

In order to vote at the Meeting, you must be a shareholder of record of Best Buy as of April 25, 2011, which is the record date for the Meeting. If your shares are held in "street name" (that is, through a bank, broker or other nominee), you will receive instructions from the shareholder of record that you must follow in order for your shares to be voted as you choose.

When is the record date?

The Board has established April 25, 2011, as the record date for the Meeting.

How many shares of Best Buy common stock are outstanding?

As of the record date, there were 388,717,822 shares of Best Buy common stock outstanding. There are no other classes of capital stock outstanding.

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Voting Procedure

On what items of business am I voting?

You are being asked to vote on the following items of business:

1. The election of six Class 2 directors for a term of two years;
2. The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending March 3, 2012;
3. The approval of an amendment to and restatement of our Amended and Restated By-Laws regarding the number of directors;
4. The approval of amendments to our 2004 Omnibus Stock and Incentive Plan, as amended ("Omnibus Plan");
5. The approval of our Executive Short-Term Incentive Plan;
6. The advisory vote on our executive compensation;
7. The advisory vote on the frequency of the shareholder advisory vote on our executive compensation;
8. The shareholder proposal regarding declassification of our Board, if properly presented at the Meeting; and
9. Such other business as may properly come before the Meeting.

How do I vote?

If you are a shareholder of record (that is, if your shares are owned in your name and not in "street name"), you may vote:

Via the Internet at www.proxyvote.com;

By telephone (within the U.S. or Canada) toll-free at **1-800-690-6903**;

By signing and returning the enclosed proxy card; or

By attending the Meeting and voting in person.

If you wish to vote by telephone, you must do so before 11:59 p.m., Eastern Time, on Monday, June 20, 2011. After that time, telephone voting will not be permitted, and a shareholder wishing to vote, or revoke an earlier proxy, must submit a signed proxy card or vote in person. Shareholders can vote in person or via the Internet during the Meeting. Shareholders of record will be on a list held by the inspector of elections. "Street name" shareholders, also known as beneficial holders, must obtain a proxy from the institution that holds their shares, whether it is their brokerage firm, a bank or other shareholder of record, and present it to the inspector of elections with their ballot. Shareholders attending via the

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Internet will need to follow the instructions at www.proxyvote.com or www.virtualshareholdermeeting.com/bby in order to vote or submit questions at the Meeting. Voting in person or via the Internet by a shareholder will replace any previous votes submitted by proxy.

We encourage you to take advantage of the option to vote your shares electronically through the Internet or by telephone. Doing so will result in cost savings for us.

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How are my voting instructions carried out?

When you vote via proxy, you appoint Richard M. Schulze and Elliot S. Kaplan (collectively, "Proxy Agents") as your representatives at the Meeting. The Proxy Agents will vote your shares at the Meeting, or at any postponement or adjournment of the Meeting, as you have instructed them on the proxy card. If you return a properly executed proxy card without specific voting instructions, the Proxy Agents will vote your shares in accordance with the Board's recommendations. With proxy voting, your shares will be voted regardless of whether you attend the Meeting. Even if you plan to attend the Meeting, it is advisable to vote your shares via proxy in advance of the Meeting in case your plans change.

If an item properly comes up for vote at the Meeting, or at any postponement or adjournment of the Meeting, that is not described in the Meeting Notice, the Proxy Agents will vote the shares subject to your proxy at their discretion.

How many votes do I have?

You have one vote for each share you own, and you can vote those shares for each item of business to be addressed at the Meeting.

How many shares must be present to hold a valid Meeting?

For us to hold a valid Meeting, we must have a quorum, which means that a majority of the outstanding shares of our common stock that are entitled to vote are present at the Meeting. Your shares will be counted as present at the Meeting if you:

Vote via the Internet or by telephone;

Properly submit a proxy card (even if you do not provide voting instructions); or

Attend the Meeting and vote in person.

How many votes are required to approve an item of business?

Pursuant to our Amended and Restated Articles of Incorporation and our Amended and Restated By-laws, each item of business to be voted on by the shareholders requires the affirmative vote of the holders of a majority of the shares of Best Buy common stock present at a meeting and entitled to vote.

The rules of the New York Stock Exchange ("NYSE") allow brokerage firms to vote their clients' shares on routine matters if the clients do not provide voting instructions at least ten days prior to the shareholder meeting. The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm is considered a routine matter under NYSE rules. The election of directors, the approval of (including approval of amendments to) our by-laws and incentive plans, the advisory votes related to executive compensation and the vote on a shareholder proposal are not considered routine matters under NYSE rules. The NYSE rules do not allow brokerage firms to vote their clients' shares on non-routine matters in the absence of affirmative voting instructions.

If your brokerage firm votes your shares on routine matters because you do not provide voting instructions, your shares will be counted for purposes of establishing a quorum to conduct business at the Meeting and in determining the number of shares voted for or against the routine matter. If your brokerage firm lacks discretionary voting power with respect to an item that is not a routine matter and you do not provide voting instructions (a "broker non-vote"), your shares will be counted for purposes of establishing a quorum to conduct business at the Meeting, but will not be counted in determining the number of shares voted for or against the non-routine matter. Abstentions are counted as

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present and entitled to vote for purposes of determining a quorum and will have the same effect as votes against a proposal.

What if I change my mind after I vote via proxy?

You may revoke your proxy at any time before your shares are voted by:

Submitting a later-dated proxy prior to the Meeting (by mail, Internet or telephone);

Voting in person at the Meeting; or

Providing written notice to Best Buy's Secretary at our principal office.

Where can I find the voting results of the Meeting?

We will announce preliminary voting results at the Meeting. We plan to publish the final voting results in a Current Report on Form 8-K ("Form 8-K") filed within four business days of the Meeting. If final voting results are not available within the four business day timeframe, we plan to file a Form 8-K disclosing preliminary voting results within the required four business days, to be followed as soon as practicable by an amendment to the Form 8-K containing final voting results.

Proxy Solicitation

How are proxies solicited?

We will request that brokerage firms, banks, other custodians, nominees, fiduciaries and other representatives of shareholders forward the proxy materials and annual reports themselves, to the beneficial owners of our common stock. We expect to solicit proxies primarily by mail, but our directors, officers, other employees and agents may also solicit proxies in person, by telephone, through electronic transmission and by facsimile transmission. Our directors and employees do not receive additional compensation for soliciting shareholder proxies.

Who will pay for the cost of soliciting proxies?

We pay all of the costs of preparing, printing and distributing proxy materials. We will reimburse brokerage firms, banks and other representatives of shareholders for reasonable expenses incurred as defined in the NYSE schedule of charges.

How can multiple shareholders sharing the same address request to receive only one set of proxy materials and other investor communications?

If you opt to continue to receive paper copies of our proxy materials, you may elect to receive future proxy materials, as well as other investor communications, in a single package per address. This practice, known as "householding," is designed to reduce our paper use, and printing and postage costs. To make the election, please indicate on your proxy card under "Householding Election" your consent to receive such communications in a single package per address. Once we receive your consent, we will send a single package per household until you revoke your consent by notifying our Investor Relations Department at 7601 Penn Avenue South, Richfield, MN 55423, or by telephone at (612) 291-6147. We will start sending you individual copies of proxy materials and other investor communications within 30 days of your revocation.

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Can I receive the proxy materials electronically?

Yes. We are pleased to offer shareholders the choice to receive our proxy materials electronically over the Internet instead of receiving paper copies through the mail. Choosing electronic delivery saves us the costs of printing and mailing these materials. Our fiscal 2011 annual report and proxy statement are being mailed to all shareholders who have not already elected to receive these materials electronically. If you are a shareholder of record and would like to receive these materials electronically in the future, you may enroll for this service on the Internet after you vote your shares in accordance with the instructions for Internet voting set forth on the enclosed proxy card. We encourage our shareholders to access our proxy materials via the Internet because it reduces the expenses for, and the environmental impact of, our shareholder meetings.

An electronic version of this proxy statement is posted on our Web site at www.bby.com select the "Investor Relations" link and then either the "SEC Filings" link or the "Corporate Governance" link.

Additional Information

Where can I find additional information about Best Buy?

Our reports on Forms 10-K, 10-Q and 8-K, and other publicly available information should be consulted for other important information about Best Buy. You can also find additional information about us on our Web site at www.bby.com.

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CORPORATE GOVERNANCE AT BEST BUY

Our Board is elected by our shareholders to oversee our business and affairs. In addition, the Board counsels, advises and oversees management in the long-term interests of our company and our shareholders regarding a broad range of subjects including:

Selecting and evaluating the performance of our Chief Executive Officer ("CEO") and other senior executives;

Planning for succession with respect to the position of CEO and monitoring management's succession planning for other senior executives;

Reviewing and approving major financial, strategic and operating decisions and other significant actions;

Overseeing the conduct of our business and the assessment of our business risks to evaluate whether our business is being properly managed; and

Overseeing the processes for maintaining integrity with regard to our financial statements and other public disclosures, and compliance with law and ethical standards.

Members of the Board monitor and evaluate our business performance through regular communication with our CEO and other members of management, and by attending Board meetings and Board committee meetings.

The Board values effective corporate governance and adherence to high ethical standards. As such, the Board has adopted Corporate Governance Principles for our directors and a Code of Business Ethics, both of which are posted on our Web site at www.bby.com select the "Investor Relations" link and then the "Corporate Governance" link.

Board Structure

Our Board is committed to having a sound governance structure that promotes the best interests of our shareholders. To that end, our Board has evaluated and actively continues to examine emerging corporate governance trends and best practices. Shareholder perspectives play an important role in that process. Some key points regarding our Board's governance structure and practices are as follows:

We believe that two-year terms allow our directors to have a longer-term orientation to our business and encourage long-term, strategic thinking. At the same time, this structure holds the directors accountable to our shareholders, as the entire Board is subject to re-election as early as 53 weeks from any regular meeting of shareholders. Moreover, we believe that two-year terms promote continuity and foster an appropriate "institutional memory" among directors. To balance this institutional memory with accountability to shareholders, we have implemented a director resignation policy which requires any director not receiving a majority of the vote cast in favor of his or her election to tender their resignation.

Our Board is predominantly independent. Of our twelve directors, only two are Best Buy employees (including our Chairman of the Board, who is a founder of Best Buy and a major shareholder). Further, the Board has affirmatively determined that nine of our twelve directors are independent under SEC and NYSE corporate governance rules, as applicable.

Our Board is very active and engaged. Our directors attended, on average, over 98% of fiscal 2011 Board and Board committee meetings.

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Board Composition

To ensure a diversity of perspectives, the Board seeks a balance of internal experience and external independent expertise. This combination of perspectives also helps to ensure that we sustain our corporate culture, which is a cornerstone of our business legacy and a key competitive advantage.

In accordance with these interests and the principles of effective corporate governance, the Board set and has achieved its goal to have at least 75% of our directors be independent. In addition, the Board carefully plans for the director skill sets required today and in the future, and for an orderly succession and transition of directors.

Director Independence

Pursuant to its Corporate Governance Principles, the Board has established independence standards consistent with the requirements of the SEC and NYSE corporate governance rules, as applicable. To be considered independent under the NYSE rules, the Board must affirmatively determine that a director or director nominee does not have a material relationship with us (directly, or as a partner, shareholder or officer of an organization that has a relationship with us). In addition, NYSE rules provide that no director or director nominee may be deemed independent if the director or director nominee

has in the past three years:

Received (or whose immediate family member has received as a result of service as an executive officer) more than \$120,000 during any 12-month period in direct compensation from Best Buy, other than director and committee fees and certain pension payments and other deferred compensation;

Been an employee of Best Buy;

Had an immediate family member who was an executive officer of Best Buy;

Worked on (or whose immediate family member has worked on) our audit as a partner or an employee of our internal auditors or independent registered public accounting firm; or

Been (or whose immediate family member has been) employed as an executive officer of another company whose compensation committee at that time included a present executive officer of Best Buy; or

is:

A partner of our independent registered public accounting firm, or an employee of our independent registered public accounting firm personally working on our audit (or whose immediate family member is a partner of such firm or is employed by such firm to personally work on our audit); or

An employee (or has an immediate family member who is an executive officer) of another company that makes payments to Best Buy, or receives payments from Best Buy, for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

Under our director independence standards described above, the Board has determined that each continuing director, with the exception of Brian J. Dunn and Messrs. Kaplan and Schulze, is independent. The Board based these determinations primarily on a review of the responses of the directors to questions regarding employment and compensation history, affiliations, family and other relationships, and on discussions with our

directors. The Board also reviewed our relationships with companies with which our directors are affiliated and determined that the relationships

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with affiliates of directors Lisa M. Caputo and George L. Mikan III are not material and do not impair such directors' independence.

Ms. Caputo, a director since December 2009, is managing director and senior banker of the Public Sector Group within the Institutional Client's Group at Citigroup, Inc. Citigroup, Inc. and/or its subsidiaries ("Citi") provide financial services to us, including participating as a lender under our Revolving Credit Agreement ("Revolver"). We do not make direct payments to or receive direct loan proceeds from Citi under the Revolver, but Citi does receive interest payments through our lending agent from this relationship to the extent the agent has drawn down funds from Citi, as well as, fees for providing us access to funds through the Revolver. Ms. Caputo did not play any role in the negotiation of our transactions with Citi.

Mr. Mikan, a director since April 2008, is executive vice president of UnitedHealth Group Incorporated ("UnitedHealth") and chief executive officer of OptumHealth, an affiliate of UnitedHealth. Since 2003, we have had a health benefit services agreement with UnitedHealth. The amounts we have paid to UnitedHealth, most of which are for employee medical and pharmaceutical costs administered on our behalf by UnitedHealth, were an insignificant portion of the annual consolidated revenue of Best Buy and UnitedHealth for each of the past three fiscal years. In addition, Mr. Mikan did not influence or participate in negotiating our agreement with UnitedHealth.

Board Leadership

We separate the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. Our CEO is responsible for setting our strategic priorities, in collaboration with the Board, and focuses on the development and execution of our strategies. He is also responsible for our ongoing leadership and performance. The Chairman of the Board provides guidance to the CEO, and sets the agenda for and presides over meetings of the full Board. He focuses on Board oversight responsibilities, strategic planning and mentoring company officers. Our Chairman also periodically represents our company at public functions and actively engages with our employees at designated company functions.

Our Board has established the position of Lead Independent Director to preside at all executive sessions of independent directors, as defined under the rules of the NYSE. The Nominating, Corporate Governance and Public Policy Committee ("Nominating Committee") nominates an independent director to serve as the Lead Independent Director, the selection of whom is subject to ratification by the vote of a majority of the independent directors of the Board. In addition to presiding over executive sessions of the independent directors, the Lead Independent Director is responsible for calling meetings of the independent directors as appropriate, serving as a stakeholder liaison on behalf of the independent directors and performing such other duties as may be requested from time to time by the Board, the independent directors, the CEO or the Chairman of the Board.

Executive Sessions of Independent Directors

In order to promote open discussion among independent directors, the Board has a policy of conducting executive sessions of independent directors during each regularly scheduled Board meeting. These executive sessions are chaired by the Lead Independent Director. Matthew H. Paull has served as the Lead Independent Director since June 2010.

Board Meetings and Attendance

The Board held four regular meetings during the fiscal year ended February 26, 2011. Each incumbent director attended, in person or by telephone, at least 75% of the meetings of both the Board and Board committees on which he or she served. In fiscal 2011, the average attendance by our incumbent directors at Board and Board committee

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meetings exceeded 95%. Our Board requires director attendance at our regular meetings of shareholders and 100% of the then-serving directors attended the 2010 Meeting, including one member attending virtually.

Committees of the Board

The Board has the following five committees:

Audit Committee;

Compensation and Human Resources Committee ("Compensation Committee");

Nominating, Corporate Governance and Public Policy Committee;

Finance and Investment Policy Committee; and

Global Strategy Committee.

The charters for each of the Board committees are posted on our Web site at www.bby.com select the "Investor Relations" link and then the "Corporate Governance" link. The charters include information regarding each committee's composition, purpose and responsibilities.

The Board has determined that all members of the Audit Committee, Compensation Committee, Nominating Committee and Global Strategy Committee are independent directors as defined under the SEC and NYSE corporate governance rules, as applicable. The Board has further determined that all members of the Audit Committee qualify as financial experts under SEC rules.

The Board committees have responsibilities as follows:

Audit Committee. This committee discharges the Board's oversight responsibility to our shareholders and the investment community regarding: (i) the integrity of our financial statements and financial reporting processes; (ii) our internal accounting systems and financial and operational controls; (iii) the qualifications and independence of our independent registered public accounting firm; (iv) the performance of our internal audit function and our independent registered public accounting firm; and (v) our compliance with ethics programs, including our Code of Business Ethics, and legal, regulatory and risk oversight requirements.

Compensation and Human Resources Committee. This committee discharges the Board's responsibilities related to executive officer and director compensation, including the establishment of our executive officer and director compensation philosophies, and evaluation of our CEO. Oversight responsibilities of this committee include succession planning and compensation-related risk oversight. This committee also oversees the development and evaluation of, and approves, equity-based and other incentive compensation and other employee benefit plans of a compensatory nature, and oversees our human capital policies and programs.

Nominating, Corporate Governance and Public Policy Committee. This committee discharges the Board's responsibilities related to general corporate governance, including Board organization, membership, training and evaluation. It also reviews and recommends to the Board corporate governance principles, presents qualified individuals for election to the Board, and oversees the evaluation of the performance of the Board and its committees. Finally, this committee oversees matters of public policy and social responsibility that affect us domestically and internationally. For additional information regarding our director nomination process, see *Director Nomination Process* beginning on page 17.

Finance and Investment Policy Committee. This committee advises the Board regarding our financial policies and financial condition to help enable us to achieve our long-range goals. It evaluates and monitors the: (i) protection and

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safety of our cash and investments; (ii) achievement of reasonable returns on financial assets within acceptable risk tolerance; (iii) maintenance of adequate liquidity to support our activities; (iv) assessment of the cost and availability of capital; and (v) alignment of our strategic goals and financial resources.

Global Strategy Committee. This committee provides insight, advice and counsel with respect to our strategic plans regarding connectivity, marketing, branding, customer centricity, and related enterprise initiatives. The committee also conducts an ongoing critical evaluation of, and provides accountability for performance within, our strategic plans and vision.

The following table shows the date each committee was established, the number of meetings held in fiscal 2011 and the names of the directors serving on each committee as of February 26, 2011:

Committee	Date Established	Number of Meetings During Fiscal 2011	Members
Audit	June 1, 1984	10	Hatim A. Tyabji* George L. Mikan III Matthew H. Paull Gérard R. Vittecoq
Compensation and Human Resources	February 13, 1997	7	Ronald James* Kathy J. Higgins Victor George L. Mikan III Hatim A. Tyabji
Nominating, Corporate Governance and Public Policy	February 13, 1997	5	Kathy J. Higgins Victor* Sanjay Khosla Rogelio M. Rebolledo
Finance and Investment Policy	September 13, 2006	4	Elliot S. Kaplan* Ronald James Matthew H. Paull Gérard R. Vittecoq
Global Strategy	January 13, 2010	1	Sanjay Khosla* Lisa M. Caputo Rogelio M. Rebolledo

*
Chairman

Designated as an "audit committee financial expert" per SEC rules.

**
Following the Annual Meeting of Shareholders, Matthew H. Paull will replace retiring director Elliot S. Kaplan as Chairman of the Finance and Investment Policy Committee.

Board Risk Oversight

Our Board is responsible for oversight of enterprise risk. The Board considers enterprise risk factors as a critical in its review of business strategy and performance and ensures that there is an appropriate balance of risk and opportunity. Management is responsible for the day-to-day risk management processes, including assessing and taking actions necessary to manage risk incurred in connection with the operation of our

business. Management reviews significant enterprise risks and our general risk management strategy with the Board. We believe this division of responsibilities is

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the most effective approach for addressing the risks we face and that our Board leadership structure supports this approach.

In connection with the Board's oversight function, the Board committees have responsibility for reviewing and discussing with management those risk exposures (i) specified in their charters, or (ii) identified from time to time by the committees themselves, as follows:

Our Audit Committee is responsible for oversight of risk associated with our financial controls and compliance activities. The Audit Committee also oversees management's processes to identify and quantify the material risks facing us. In connection with its risk oversight role, the Audit Committee meets privately with representatives of our independent registered public accounting firm, our internal audit staff and the legal staff. Our internal audit staff, who report directly to the Audit Committee at least quarterly, assists us in identifying, evaluating and implementing risk management controls and procedures to address identified risks.

Our Compensation Committee is responsible for oversight of risk associated with our compensation plans.

Our Finance and Investment Policy Committee is responsible for oversight of risk associated with our investment portfolio and liquidity risks.

Our Nominating Committee is responsible for oversight of Board processes and corporate governance-related risk, as well as, our activities in the public policy and social responsibility arenas.

Our Global Strategy Committee is responsible for oversight of risks associated with the Company's global strategy and execution, including changes in the global economy and environment, technological risks and market segmentation vulnerabilities.

In connection with their oversight of compensation-related risks, Compensation Committee members periodically review the most important enterprise risks to ensure that compensation programs do not encourage risk-taking that is reasonably likely to have a material adverse effect on us. In 2011, Towers Watson and the Compensation Committee reviewed our compensation policies and practices for all employees, including executive officers. The review process identified our existing risk management framework and the key business risks that may materially affect us; reviewed all compensation plans and identified those plans that are most likely to impact these risks or introduce new risks; and balanced these risks against our existing processes and compensation program safeguards. The review process also took into account mitigating features contained within our compensation plan design which includes elements such as:

metric-based pay,

time matching,

payment for outputs,

goal diversification,

payment caps, and

clawbacks.

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The Compensation Committee also considered additional controls outside of compensation plan design which contribute to risk mitigation, including the weight placed on values in our performance management process, the independence of our performance measurement teams, and our internal control environment.

Based upon the process we employed, we determined that our compensation programs do not encourage risk-taking that is reasonably likely to result in a material adverse effect on us.

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Communications with the Board

Shareholders and interested parties who wish to contact the Board, the Lead Independent Director, any other individual director, or the non-management or independent directors as a group, are welcome to do so in writing, addressed to such person(s) in care of:

Mr. Joseph M. Joyce
Senior Vice President, General Counsel and Assistant Secretary
Best Buy Co., Inc.
7601 Penn Avenue South
Richfield, Minnesota 55423

Mr. Joyce will forward all written shareholder correspondence to the appropriate director(s), except for spam, junk mail, mass mailings, customer complaints or inquiries, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate material. Mr. Joyce may, at his discretion, forward certain correspondence, such as customer-related inquiries, elsewhere within our company for review and possible response. Comments or questions regarding our accounting, internal controls or auditing matters will be referred to the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to the Nominating Committee. Comments or questions regarding executive compensation will be referred to the Compensation Committee.

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ITEM OF BUSINESS NO. 1 ELECTION OF DIRECTORS

General Information

Our Amended and Restated By-laws provide that the Board consist of a maximum of 15 directors, eight of whom are designated as Class 1 directors and seven of whom are designated as Class 2 directors. Directors are elected for a term of two years, and the terms are staggered so that Class 1 directors are elected in even-numbered years and Class 2 directors are elected in odd-numbered years.

Our Board adopted, and recommends to the shareholders for approval at the Meeting, an amendment to and restatement of our Amended and Restated By-Laws to remove the maximum for the number of directors serving on our Board of Directors and to provide a manner by which the number of directors will be determined from time to time. The amendment to and restatement of our Amended and Restated By-Laws is more fully described below under "*Item of Business No. 3 Approval of an Amendment to and Restatement of our Amended and Restated By-Laws.*" If such amendment and restatement is adopted by the shareholders at the Meeting, our by-laws would provide that we will have one or more directors, which number of directors may be increased or decreased from time to time by the affirmative vote of a majority of the directors serving at the time the action is taken, and that each class of directors will consist, as nearly as possible, of one-half of the total number of directors constituting the entire Board.

Director Qualification Standards

We only consider director candidates who embody the highest standards of personal and professional integrity and ethics and are committed to a culture of transparency and open communication at the Board level and throughout our company. Successful candidates are dedicated to accountability and continuous improvement with a belief in innovation as a key business success factor. They are also actively engaged, and have an innate intellectual curiosity and entrepreneurial spirit. Commitment to enhancing shareholder value and representing the interests of all shareholders is also required.

In evaluating candidates for nomination as a director, the Nominating Committee considers other criteria, including a history of achievement and superior standards, ability to think strategically, a willingness to share examples based upon experience, policy-making experience, and an ability to articulate a point of view, take tough positions, and constructively challenge management. In addition, the Nominating Committee may also consider gender, ethnic and geographical diversity; independence; and general criteria such as an ability to provide informed and thoughtful counsel, mature judgment, and listening skills.

Directors must also be committed to actively engaging in his or her Board roles, with sufficient time to carry out the duties of Board and Board committee membership.

Finally, one or more of our directors must possess the education or experience required to qualify as an "audit committee financial expert" pursuant to SEC rules.

Director Nomination Process

The Nominating Committee is responsible for screening and recommending to the full Board director candidates for nomination. The Nominating Committee often engages a third-party search firm to assist in identifying appropriate candidates to consider as additions to our Board. When the Board is seeking to fill an open director position, the

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Nominating Committee will also consider nominations received from our shareholders, provided that proposed candidates meet the requisite director qualification standards discussed above.

When the Board elects to fill a vacancy on the Board, the Nominating Committee will announce the open position and post any additional search criteria on our Web site at www.bby.com select the "Investor Relations" link and then the "Corporate Governance" link. Candidates recommended by shareholders, if qualified, will be considered in the same manner as any other candidate.

The Nominating Committee will then evaluate the resumes of any qualified candidates recommended by a search firm or shareholders, as well as by members of the Board.

All candidates are evaluated based on the qualification standards discussed above and the needs of the Board at the time or in the future.

Shareholder nominations must be accompanied by a candidate resume which addresses the extent to which the nominee meets the director qualification standards and any additional search criteria posted on our Web site. Nominations will be considered only if we are then seeking to fill an open director position. All nominations by shareholders should be submitted as follows:

Chairman, Nominating, Corporate Governance and Public Policy Committee
c/o Mr. Joseph M. Joyce
Senior Vice President, General Counsel and Assistant Secretary
Best Buy Co., Inc.
7601 Penn Avenue South
Richfield, Minnesota 55423

Board Diversity

Our Corporate Governance Principles specify that diversity on the Board be considered by the Nominating Committee in the director identification and nomination process. When considering candidates, the Nominating Committee seeks nominees with a broad range of experience from a variety of industries and professional disciplines, such as finance, academia, law and government, along with a diversity of gender, ethnicity, age and geographic location. The Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applied to all prospective nominees. The Board believes that diversity in the backgrounds and qualifications of Board members provides a significant mix of experience, knowledge and abilities that allows the Board to fulfill its responsibilities.

Director Orientation and Continuing Education

Our Nominating Committee oversees the orientation and continuing education of our directors. Director orientation familiarizes directors with our strategic plans, significant financial, accounting and risk management issues, compliance programs and other controls, policies, principal officers and internal auditors, and our independent registered public accounting firm. The orientation also addresses Board procedures, directors' responsibilities, our Corporate Governance Principles, and our Board committee charters.

We also offer continuing education programs and provide opportunities to attend commercial director education seminars to assist our directors in maintaining their expertise in areas related to the work of the Board of the directors' committee assignments.

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Voting Information

You may vote for all, some or none of the nominees for election to the Board. However, you may not vote for more individuals than the number nominated. Each of the nominees has agreed to continue serving as a director if elected. However, if any nominee becomes unwilling or unable to serve and the Board elects to fill the vacancy, the Proxy Agents named in the proxy will vote for an alternative person nominated by the Board. Our Amended and Restated Articles of Incorporation prohibit cumulative voting, which means you can vote only once for any nominee. The affirmative vote of a majority of the voting power of the shares present and entitled to vote at the Meeting is required to elect each director nominee.

PROXY CARDS THAT ARE PROPERLY SIGNED AND RETURNED WILL BE VOTED FOR THE ELECTION OF ALL OF THE NOMINEES UNLESS OTHERWISE SPECIFIED.

Board Voting Recommendation

Management and the Board recommend that shareholders vote **FOR** the re-election of Ronald James, Sanjay Khosla, George L. Mikan III, Matthew H. Paull, Richard M. Schulze, and Hatim A. Tyabji as Class 2 directors. If elected, each Class 2 director will hold office until the election of directors at our 2013 Regular Meeting of Shareholders and until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or removal.

All of the nominees are currently members of the Board.

Nominees and Directors

The biographies of each of the nominees and continuing directors below contains information regarding the person's service as a director, business experience, public company director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings during the last ten years if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating Committee and the Board to determine that the person should serve as a director.

There are no family relationships among the nominees or between any nominees and any of our other directors.

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ITEM OF BUSINESS NO. 1

*Class 2 Director Nominees:
(ages as of February 26, 2011)*

Ronald James, 60, has been a director since May 2004. Since 2000, he has served as president and chief executive officer of the Center for Ethical Business Cultures in Minneapolis, Minnesota, which assists business leaders in building ethical and profitable business cultures at the enterprise, community and global levels. From 1996 to 1998, he was president and chief executive officer of the Human Resources Group, a division of Ceridian Corporation, a business services company located in Minneapolis, Minnesota. From 1971 to 1996, he was with US West Communications, Inc. (now Qwest Communications), most recently serving as Minnesota's top executive officer. He gained investment fund knowledge through his service on the boards

of RBC Funds, an investment fund of the Royal Bank of Canada, and Bremer Financial Corporation, a regional community banking company. Having served on an advisory group to the United States Sentencing Commission, Mr. James speaks regularly at conferences on the subject of the board's role in creating and sustaining ethical cultures. He also serves on the boards of The Travelers Foundation, Speak the Word Church International, and the Guthrie Theater in Minneapolis, Minnesota and on a board committee for the Center for Healthcare Innovation, Allina Hospitals and Clinics in Minneapolis, Minnesota. He previously served as a director of St. Paul Companies (now The Travelers Companies, Inc.), Ceridian Corporation, and Automotive Industries, and on the boards of Allina Hospitals and Clinics and the Greater Twin Cities United Way. Mr. James brings governance expertise; large company leadership; telecommunications experience; a commitment to integrity, ethics and culture; and executive wisdom to the Board. In addition, his active participation as a consultant and educator in business ethics in academic settings, as well as for national and global organizations, provides valuable insight to the Board.

Sanjay Khosla, 59, has been a director since October 2008. In January 2007, he joined Kraft Foods, Inc., an international food and beverage company. He currently serves as executive vice president and president for Kraft developing markets. From 2004 to 2006, Mr. Khosla was with Fonterra Co-operative Group Ltd., a multi-national dairy company based in New Zealand, where he served as managing director of its consumer and food service business. Before joining Fonterra in 2004, he had a 27-year career with Unilever PLC in India, the U.K. and Europe, culminating as senior vice president, global beverages, and chairman of Unilever's beverages category. Mr. Khosla also serves on the boards of NIIT Ltd., an IT-enabled education company in India, and

its subsidiary in the United States, Element K Corporation, as well as the Goodman Theatre in Chicago, Illinois. His many years in the consumer products industry provide Mr. Khosla with an extensive background in consumer marketing, branding, global expansion and multi-national operations. His background in these areas, along with his international perspective and history of transformational leadership, is valuable as the Board continues to focus on our global expansion and transformation.

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George L. Mikan III, 39, has been a director since April 2008. In January 2011, Mr. Mikan was appointed executive vice president of UnitedHealth Group Incorporated, a diversified health and well-being company, and chief executive officer of OptumHealth, a health care management company and affiliate of UnitedHealth. From November 2006 to January 2011, he served as the executive vice president and chief financial officer of UnitedHealth Group. From February 2006 to November 2006, Mr. Mikan served as senior vice president of finance of UnitedHealth. From 2004 to 2006, Mr. Mikan was chief financial officer of UnitedHealthcare and president of UnitedHealth Networks, both affiliates of UnitedHealth. Mr. Mikan joined UnitedHealthGroup

in 1998 and has served in finance-related roles of increasing responsibility from 1998 the present, including an executive role on the corporate development group responsible for merger and acquisition activities. From 1994 to 1998, he was employed at Arthur Andersen LLP. From his years at UnitedHealth and Arthur Andersen, Mr. Mikan gained solid financial and merger and acquisitions expertise, as well as public company leadership experience. This knowledge and experience is a valuable asset to the Board as we continue to explore expansion opportunities, provide benefits for thousands of employees and position our company for financial growth.

Matthew H. Paull, 59, has been a director since September 2003. Since June 2010, he has also served as our first Lead Independent Director. From 2001 until he retired in 2008, Mr. Paull served as corporate senior executive vice president and chief financial officer for McDonald's Corporation, which develops, operates, franchises and services a worldwide system of McDonald's restaurants. At McDonald's, Mr. Paull acquired a background in strong branding and consumer trends, knowledge that is highly relatable to our company. Prior to joining McDonald's Corporation in 1993, he was a partner at Ernst & Young LLP, specializing in international tax. He also serves on the advisory boards of Pershing Square Capital Management, a New York-based hedge fund, and

on the board of KapStone Paper and Packaging Corporation, a paper, packaging, and forest products company, as well as on the advisory board of the One Acre Fund, a non-profit organization that helps East African farmers. Mr. Paull previously served as a trustee of the Ravinia Festival Association, which offers concerts and other entertainment in suburban Chicago, Illinois, and as an advisory council member for the Federal Reserve Bank of Chicago. As a former executive professor in residence at the University of San Diego, Mr. Paull also possesses an understanding of the academic world. Due to his professional experience, Mr. Paull has significant financial acumen, knowledge of hedge funds and investments, broad understanding in global operations and extensive experience in tax matters, all of which enable Mr. Paull to make valuable contributions to our Board.

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Richard M. Schulze, 70, is a founder of Best Buy. He has been an officer and director from our inception in 1966 and currently serves as our Chairman of the Board. Effective in June 2002, he relinquished the duties of CEO, having served as our principal executive officer for more than 30 years. He is on the board of trustees of the University of St. Thomas, chairman of its Executive and Institutional Advancement Committee, and a member of its Board Affairs Committee. Mr. Schulze is also chairman of the board of governors of the University of St. Thomas Business School and serves on the board of the Richard M. Schulze Family Foundation. He previously served on the boards of Pentair, Inc., a diversified industrial manufacturing company, and

The Best Buy Children's Foundation. Mr. Schulze holds an honorary doctorate of laws degree from the University of St. Thomas. As a founder of our company with over 40 years experience in the retail industry, and having built our company from a single store and three employees to a multi-national organization with over 4,100 locations and over 180,000 employees, he has an in-depth historical view of our business and branding. In addition, Mr. Schulze's deep knowledge of our culture and commitment to preserving our entrepreneurial environment provide continuity and long-term thinking to the Board.

Hatim A. Tyabji, 66, has been a director since April 1998. Since July 2001, he has been executive chairman of Bytemobile, Inc., a wireless Internet infrastructure provider in Santa Clara, California. From 1998 to 2000, he served as chairman and chief executive officer of Saraide, Inc., a provider of Internet and wireless data services; and from 1986 to 1998, as president and chief executive officer (and as chairman from 1992 until 1998) of VeriFone, Inc., a global transaction automation enterprise. He is also chairman of Jasper Wireless, a global networking device company. Mr. Tyabji also serves on the boards of Merchant eSolutions, Inc.; Sierra Atlantic, Inc.; Touch Networks (Australia); and the Missile Defense Advocacy Alliance, and as an ambassador

at large for Benchmark Capital. He previously served on the boards of Ariba Inc.; Bank of America Merchant Services; Deluxe Corporation; eFunds Corporation; Novatel Wireless, Inc.; PubliCard Inc.; SmartDisk Corporation; Datacard Group; Depotpoint, Inc.; Impresse Corporation and Norand Corporation, as well as on the boards of the Carnegie Institute, the Dean's Council of the Leavey School of Business at Santa Clara University and the Dean's Council of the School of Engineering at the State University of New York at Buffalo. In 2007, Mr. Tyabji published "Husband, Wife & Company: An Honest Perspective on Success in Life and Work," a book on the interrelationships between family and career. Mr. Tyabji brings a wealth of experience in broadband and wireless technologies and is a significant contributor to the development of our technological growth and connected world strategy. His financial acumen and background as an entrepreneurial business leader are valuable assets to the Board.

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Kathy J. Higgins Victor, 54, has been a director since November 1999. Since 1994, she has been president of Centera Corporation, an executive development and leadership coaching firm that she founded, located in Minneapolis, Minnesota. From 1991 to 1994, she was senior vice president of human resources at Northwest Airlines, Inc. (now Delta Air Lines), a commercial airline, and prior to that held senior executive positions at The Pillsbury Company (subsequently acquired by General Mills, Inc.), a producer of grain and other foodstuffs, and Burger King Corporation, which operates and franchises a worldwide system of Burger King restaurants. She is also on the board of trustees of the University of St. Thomas. Ms. Higgins Victor's roles

with these highly branded public companies and academic institution give her extensive experience in the areas of established company cultures, executive compensation and human resources. Through her professional background, Ms. Higgins Victor brings to the Board large company leadership expertise, a dedication to continuous improvement and entrepreneurial experience. In addition, her experience in executive development, succession planning and leadership coaching continues to be a valuable asset to the Board, particularly in her role as Chairwoman of the Nominating Committee.

Rogelio M. Rebolledo, 66, has been a director since August 2006. In 2007, Mr. Rebolledo retired from his position as chairman of PBG Mexico, the Mexican operations of The Pepsi Bottling Group, Inc., a manufacturer and distributor of Pepsi-Cola beverages. He also served as president and chief executive officer of The Pepsi Bottling Group's Mexico operations from January 2004 until being named chairman. From 2001 to 2003, he was president and chief executive officer of Frito-Lay International, a producer of snack foods and subsidiary of PepsiCo. He began his 30-year career with PepsiCo in 1976 at Sabritas, the salty snack food unit of Frito-Lay International in Mexico, where he was responsible for the development of the international Frito-Lay business,

first in Latin America and then in Asia. Mr. Rebolledo serves on the board of Kellogg Company, a manufacturer and marketer of ready-to-eat cereal and convenience foods. He previously served on the boards of The Pepsi Bottling Group; Applebee's International, Inc., a restaurant chain (now DineEquity, Inc.); and ALFA Corporation, a manufacturer of high-tech aluminum engine heads and blocks based in Mexico. His experience in oversight responsibility for multi-national operations and international expansion at Pepsi and Frito-Lay is highly valuable to the Board as it makes decisions about our international expansion. Through his time with these companies, in addition to his board service at Kellogg, Applebee's and ALFA, he brings a wealth of knowledge and experience in large company leadership, marketing, branding, international business and global market entry key elements of our strategic priorities.

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- (13) The figure represents: (a) 2,000 outstanding shares owned by Mr. Mikan; and (b) options to purchase 25,000 shares, which he could exercise within 60 days of February 26, 2011.
- (14) The figure represents: (a) 10,169 outstanding shares owned by Mr. Paull; and (b) options to purchase 62,500 shares, which he could exercise within 60 days of February 26, 2011.
- (15) The figure represents: (a) 1,850 outstanding shares owned by Mr. Rebolledo; and (b) options to purchase 37,500 shares, which he could exercise within 60 days of February 26, 2011.
-

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- (16) The figure represents: (a) 70,500 outstanding shares owned by Mr. Tyabji; and (b) options to purchase 73,750 shares, which he could exercise within 60 days of February 26, 2011.
- (17) The figure represents: (a) 4,687 outstanding shares owned by Mr. Vittecoq; and (b) options to purchase 21,250 shares, which he could exercise within 60 days of February 26, 2011.
- (18) The figure represents: (a) outstanding shares and options described in the preceding footnotes; (b) 66,989 outstanding shares owned by other executive officers; (c) 35,620 outstanding shares registered in the name of the Trustee, and held by the Trustee in connection with the Retirement Savings Plan for the benefit of other executive officers; and (d) options granted to other executive officers to purchase 664,978 shares, which they could exercise within 60 days of February 26, 2011.
- (19) As reported on the owner's most recent Schedule 13G that reported beneficial ownership as of December 31, 2010. FMR LLC has sole voting power over 3,120,369 shares and sole dispositive power over 21,975,749 shares.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that our directors, executive officers and shareholders who own more than 10% of our common stock file initial reports of ownership with the SEC and the NYSE. They must also file reports of changes in ownership with the SEC and the NYSE. In addition, they are required by SEC regulations to provide us copies of all Section 16(a) reports that they file with the SEC. Based solely on a review of such Section 16(a) reports, management and the Board believe our directors, executive officers and shareholders who own more than 10% of our outstanding equity securities complied with the reporting requirements during the fiscal year ended February 26, 2011, except that due to administrative delay (i) a report was not filed in a timely manner for a withholding of shares for tax purposes in connection with an exercise of stock options on March 1, 2010, by Carol A. Surface, Executive Vice President and Chief Human Resources Officer; (ii) reports were not filed in a timely manner for an award of equity-based incentive awards on April 7, 2010, by Joseph M. Joyce, Senior Vice President, General Counsel and Assistant Secretary; James L. Muehlbauer, Executive Vice President and Chief Financial Officer; and Kalendu Patel, Executive Vice President and President, Asia; (iii) a report was not filed in a timely manner for the sale of our common stock on April 21, 2010, by Frank D. Trestman, a former director; and (iv) a report was not filed in a timely manner for a withholding of shares for tax purposes in connection with an exercise of stock options on July 7, 2008, by Michael A. Vitelli, Executive Vice President, President Americas.

4.

Elements of Our Compensation and Benefit Programs This section provides an overview of our compensation program, shows the pay mix, and provides a deeper look into each compensation element (base salary, short-term incentive, long-term incentive, restricted stock and other compensation and benefits and perquisites). In addition, it includes our executive stock ownership guidelines, tax considerations, information about our clawback rights and an overview of other relevant policies.

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Philosophy, Objectives and Principles

Total Rewards Philosophy. We believe our success depends on employees at all levels using their unique strengths, experiences and ideas to foster innovation and build strong customer relationships. While our compensation and benefit programs are important tools in attracting and retaining talented employees, we also believe that non-monetary factors such as work environment, learning and development opportunities, and relationships between employees and managers are critical to provide a rewarding employee experience. Collectively, these elements comprise our "Total Rewards" philosophy.

Objectives. Our Total Rewards philosophy seeks to meet the following compensation objectives:

Provide employees a wide array of rewards;

Differentiate rewards to individuals, based on their contributions;

Encourage and recognize experimentation, entrepreneurship and innovation;

Reward employee contributions toward achieving desired financial and non-financial results; and

Maintain a flexible compensation structure that allows employees to share in our success.

We implement these objectives by employing broad-based programs that are designed to align employee interests with company goals and create a common vision of success.

Principles of Executive Compensation. The Compensation Committee uses the following Principles of Executive Compensation as a means to assess our executive compensation program and to provide guidance to management on the Compensation Committee's expectations for our overall executive compensation structure.

Principles of Executive Compensation

Yahoo! Inc.

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further detail in *Short-Term Incentive*) and long-term incentive awards (identified in the table below as "LTI" and discussed in further detail in *Long-Term Incentive*) vary based on factors in the Executive Compensation Framework.

CEO

Other NEOs on average

Each element in the target pay mix is discussed below and shown in the *Summary Compensation Table* on page 50.

Base Salary

The Compensation Committee generally determines base salary levels for the NEOs and other executive officers during the second quarter of each fiscal year, with changes becoming effective during that quarter. The base salaries for the NEOs that became effective in the second quarter of fiscal 2011 ("Fiscal 2011 Base Salary") were established based on an assessment of each officer under our Executive Compensation Framework. The Fiscal 2011 Base Salary and the comparable Fiscal 2010 Base Salary for each of the NEOs, as well as the key factors the Compensation Committee considered, were as follows:

Name	Fiscal 2011 Base Salary	Fiscal 2010 Base Salary	Percent Change	Key Factors
Mr. Dunn	\$1,100,000	\$1,000,000	10%	<p><i>Internal Factors:</i> Highest ranking officer in our company Highly complex position responsible for balancing short- and long-term strategic and operational decisions Increased accountability for driving company growth in the connected world Strong motivator and leader; established record of building markets while living and teaching company values Maturity in role</p> <p><i>External Factors:</i> Salary and total direct compensation below median of Fortune 100 and salary at median and total compensation below median of our peer group, in each case as compared to other chief executive officers</p>

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Short-Term Incentive

We believe that it is important that a higher percentage of total cash compensation for higher ranking positions be linked to our performance. For fiscal 2011, the NEOs were eligible for performance-based, short-term incentive awards pursuant to our fiscal 2011 Short-Term Incentive Program ("STI"). Fiscal 2011 STI awards were payable in cash and were expressed as a target payout percentage of salary. The NEOs' fiscal 2011 STI payments were made after the end of the fiscal year.

The fiscal 2011 STI is comprised of several different plans that have unique performance criteria to align with the varying responsibilities and geographic areas served by the group of employees eligible for each plan. For fiscal 2011, Messrs. Dunn and Muehlbauer and Ms. Surface were eligible for the Enterprise Executive STI Plan and Ms. Ballard and Mr. Vitelli were eligible for the Americas Regional STI Plan.

Fiscal 2011 STI Performance Criteria. In May 2010, the Compensation Committee approved the performance criteria, in the form of metrics, and the target performance levels for each metric for each of the fiscal 2011 STI plans. The performance metrics were designed to support our fiscal 2011 business priorities, specifically centering on profitable growth and margin. Net operating profit was included as a key metric because it reflects the decisions and actions of a short-term environment while still taking sales, general and administrative expenses into account. The Americas Regional STI Plan metrics were designed to provide consistency with the Enterprise Executive STI Plan metrics, but focus more directly on the performance of our businesses in the United States, Canada and Mexico. Since Ms. Ballard and Mr. Vitelli's roles specifically involve the management of the businesses in these regions, these metrics are more appropriate for their scope of responsibility, while Messrs. Dunn and Muehlbauer and Ms. Surface's responsibilities apply to the entire enterprise, regardless of region.

In establishing the target performance levels, the Compensation Committee considered our historical performance and target setting practices, as well as investor and market expectations.

external market data factors for equivalent roles.

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and Consumer Protection Act, with final policy language to be determined after the SEC adopts related rules. We also expanded our 2007 Clawback Policy to cover all executive officer incentive award agreements. In addition to the clawback provisions, we include confidentiality, non-compete, non-solicitation and in select situations, non-disparagement provisions.

Re-pricing of Stock Options. Under the terms of our Omnibus Plan, a stock option may not, without the approval of our shareholders, be: (1) amended to reduce its initial exercise price, except in the case of a stock split or similar event; or (ii) canceled and replaced by a stock option having a lower exercise price.

Accounting Treatment. We account for equity-based awards based on their grant date fair value. Compensation expense for these awards is recognized over the requisite service period of the award (or to an employee's eligible retirement date, if earlier). However, if an award is subject to a performance condition, the recognized expense will vary based on our estimate of the number of shares that will ultimately vest.

Transactions in Company Securities. All employees and non-employee directors are prohibited from purchasing or selling options of our common stock and from short selling our securities. Pursuant to our Securities Trading Policy, trading in put or call options, straddles, equity swaps, or other derivative securities related to our common stock are also prohibited.

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**Towers Watson U.S. CDB Retail/Wholesale Executive Database 2010 Report
Number of Participants: 40**

Aeropostale	Hannaford	Phillips-Van Heusen
Ann Taylor Stores	Harry Winston	School Specialty
A&P	Home Shopping Network	7-Eleven
Best Buy	J.C. Penney Company	Starbucks
Big Lots	J. Crew	Stop & Shop
BJ's Wholesale Club	Kohl's	Target
Blockbuster	Levi Strauss	United Rentals
COACH	L.L. Bean	Valero Energy
Columbia Sportswear	Mary Kay	VF
Cracker Barrel	Nash-Finch	Warnaco
Old Country Stores	NIKE	Wendy's/Arby's Group
CVS Caremark	Office Depot	Whole Foods Market
Denny's	Pep Boys	Zale
Gap	PetSmart	
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Compensation and Human Resources Committee Report on Executive Compensation

The Compensation Committee has reviewed and discussed the "*Compensation Discussion and Analysis*," above, with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the "*Compensation Discussion and Analysis*" be included in our Annual Report on Form 10-K for the fiscal year ended February 26, 2011, and in this proxy statement.

COMPENSATION AND HUMAN RESOURCES COMMITTEE

Ronald James (Chair)
Kathy J. Higgins Victor
George L. Mikan, III
Hatim A. Tyabji

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- (2) Our NEOs were not entitled to receive any payments that would be categorized as a "Bonus" payment for fiscal 2011, fiscal 2010 and fiscal 2009, except for Ms. Surface who received a signing bonus when she joined us in March 2010.
- (3) These amounts reflect the aggregate grant date fair value for stock-based incentive awards granted under our LTI for each of fiscal 2011 and 2009. No applicable awards were made in fiscal 2010. The amounts reported have not been adjusted to eliminate service-based forfeiture assumptions. Any performance-based awards included in these amounts have been valued based on the probable outcome of the performance condition(s) as of the grant date.
- (4) These amounts reflect the aggregate grant date fair value for equity-based incentive awards granted under our LTI for each of fiscal 2011, fiscal 2010 and fiscal 2009. The amounts reported have not been adjusted to eliminate service-based forfeiture assumptions.
- (5) These amounts reflect STI payments made for fiscal 2011 and fiscal 2010. No STI payments were made for fiscal 2009. The respective short-term incentive plans are described in *Short-Term Incentive* beginning on page 39.
- (6) We do not provide guaranteed, above-market or preferential earnings on compensation deferred under the Deferred Compensation Plan. The investment options available for notional investment of deferred compensation are similar to those available under the Retirement Savings Plan and are described in *Non-Qualified Deferred Compensation* on page 55.

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0 50,000 125,000 5,148,750

Targets for this award, which require material company growth, were previously disclosed on our Current Report on Form 8-K filed with the SEC on August 8, 2008.

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The amount reflects a time-based restricted stock award which vested 25% on the grant date, and will vest an additional 25% on each of the next three anniversaries of the grant date, provided Ms. Surface has been continually employed with us through those dates.

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Vanguard VIF Equity Index	10.69%
MFS VIT Growth Series	12.57%
Franklin VIPT Small Cap Value Securities	17.67%
Wells Fargo Advantage VT Small Cap Growth	18.21%
Vanguard VIF International	7.34%

(1) Rate of return is net of investment management fees, fund expenses or administrative charges, as applicable.

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exercisable for a 60-day period beginning on the termination date and (iii) stock-based awards with performance-based vesting criteria may vest, depending on the termination date. Upon involuntary termination for cause, all unvested stock options and unvested stock awards are immediately and irrevocably forfeited.

- (2) Upon voluntary termination: (i) stock options that are vested as of the date of termination are exercisable for a 60-day period beginning on the termination date and (ii) all unvested stock options and stock awards are immediately and irrevocably forfeited as of the date of termination.
- (3) Upon involuntary termination or termination for good reason within twelve months following a change-in-control: (i) payment under the severance plan is triggered, (ii) stock options vest 100% and are generally exercisable until their natural dates of expiration and (iii) stock awards with performance-based vesting criteria generally vest as if 100% of the target shares had been earned.
- (4) Upon death or disability: (i) stock options vest 100% and are generally exercisable for a one-year period and (ii) stock awards with performance-based vesting criteria generally vest as if 100% of the target shares had been earned.
- (5) Upon qualified retirement: (i) stock options vest 100% and are generally exercisable for a one-year period; (ii) stock awards with performance-based vesting criteria will generally vest as if 100% of the target shares had been earned, except that in some cases, stock awards with performance-based vesting criteria are earned at the end of the performance measurement period, based on the level of performance achieved; and (iii) stock awards with time-based vesting criteria either vest 100% or are irrevocably forfeited, depending on the terms and conditions of the respective award agreement.

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responsibility, it is the policy of the Audit Committee to pre-approve all permissible services provided by our independent registered public accounting firm except for minor audit-related engagements which in the aggregate do not exceed 5% of the fees we pay to our independent registered public accounting firm during a fiscal year.

Each year, prior to engaging our independent registered public accounting firm, management submits to the Audit Committee for approval a list of services expected to be provided during that fiscal year within each of the three categories of services described below, as well as related estimated fees, which are generally based on time and materials.

1. **Audit** services include audit work performed on the financial statements, as well as work that generally only the independent registered public accounting firm can reasonably be expected to provide, including comfort letters and discussions surrounding the proper application of financial accounting and/or reporting standards.
2. **Audit-Related** services include assurance and related services that are traditionally performed by the independent registered public accounting firm, including due diligence related to mergers and acquisitions, statutory audits, employee benefit plan audits and special procedures required to meet certain regulatory requirements.
3. **Tax** services include compliance and other non-advisory services performed by the independent registered public accounting firm when it is most efficient and effective to use such firm as the tax service provider.

As appropriate, the Audit Committee then pre-approves the services and the related estimated fees. The Audit Committee requires our independent registered public accounting firm and management to report actual fees versus the estimate periodically throughout the year by category of service. During the year, circumstances may arise when it becomes necessary to engage our independent registered public accounting firm for additional services not contemplated in the initial annual proposal. In those instances, the Audit Committee pre-approves the additional services and related fees before engaging our independent registered public accounting firm to provide the additional services.

AUDIT COMMITTEE

Hatim A. Tyabji (Chair)
George L. Mikan III
Matthew H. Paull
G rard R. Vittecoq

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Without the approval of our shareholders, no option or SAR may be amended to reduce its initial exercise or grant price, and no option or SAR may be canceled and replaced with an option, SAR or other award having a lower exercise price, except in connection with a stock dividend or other distribution, including a stock split, merger or other similar corporate transaction or event, in order to prevent dilution or enlargement of the benefits, or potential benefits intended to be provided under the amended Omnibus Plan.

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ITEM OF BUSINESS NO. 5 APPROVAL OF BEST BUY CO., INC. EXECUTIVE SHORT-TERM INCENTIVE PLAN

In accordance with Section 162(m) of the Internal Revenue Code and the corresponding regulations, we are seeking shareholder approval of the new Best Buy Co., Inc. Short-Term Incentive Plan, or STIP, as it applies to our CEO and each of our four other most highly compensated executive officers other than the CEO and CFO (collectively, the "Covered Employees"). The STIP, if approved by our shareholders, will replace the short-term incentive, as described above in our CD&A. A copy of the STIP, as adopted by the Board on April 7, 2011, is included with this proxy statement as Appendix D-1. A copy of the STIP may also be obtained from us free of charge upon written request and is also available on our Web site at www.bby.com select "Investor Relations" link and then the "Corporate Governance" link.

Purpose of the Plan

Section 162(m) of the Code has the effect of eliminating a federal income tax deduction for annual compensation in excess of \$1 million paid by us (or our affiliates) to any Covered Employee each year unless that compensation is paid on account of attainment of one or more "performance-based" goals. One requirement for compensation to be performance-based is that compensation is paid or distributed pursuant to a plan that has been approved by the shareholders. The purpose of the STIP is to set the performance goals and the maximum award payable under the STIP and to preserve for us the federal income tax deductibility of incentive compensation earned by Covered Employees.

The STIP is consistent with our emphasis on performance-based compensation and our current compensation philosophy. Moreover, the STIP is intended to:

- (a) align the interests of the participants and our shareholders and motivate participants to put forth maximum efforts for the success of our business;
- (b) provide cash incentives based on short-term results that are key to the success of our business;
- (c) attract and retain the services of the employees capable of assuring our future success; and
- (d) preserve, to the extent possible, the tax deductibility of executive compensation.

Summary of the Plan

The principle features of the STIP are summarized below, but the summary is qualified in its entirety by reference to the STIP itself.

The Compensation Committee, which is composed solely of independent directors, will administer and have the authority to interpret the STIP as it applies to Covered Employees and other officer-level participants who are designated as participants in the STIP by the Compensation Committee at the beginning of the applicable performance period. Prior to the beginning of each performance period, or within the first 90 days of each performance period that is at least twelve months in duration, or with respect to performance periods that are less than twelve months in duration, before 25% of the performance period has elapsed, the Compensation Committee will establish an individual target award for each STIP participant designated by the Compensation Committee, including the Covered Employees. Each individual target award is expressed as a percentage of an award pool. The maximum award pool is 5% of our adjusted net earnings for each performance period that is at least twelve months in duration. The award pool is adjusted up or down in accordance with the STIP if the performance period is more than twelve months or less than twelve months, respectively, in duration. The maximum dollar amount that may be paid to any Covered Employee is

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\$10,000,000 for each performance period that is at least twelve months in duration. The maximum dollar amount is adjusted up or down in accordance with the STIP if the performance period is more than twelve months or less than twelve months, respectively, in duration. Subject to the foregoing maximum, actual awards may be paid at target, above target or below target depending on our financial performance. The Compensation Committee may designate performance periods that are longer or shorter than our fiscal year.

The Compensation Committee reserves discretion under the STIP to adjust individual target awards upward or downward based on individual performance during the performance period. Notwithstanding the foregoing, the exercise of negative discretion by the Compensation Committee with respect to a participant shall not result in an increase in the amount payable to any other participant.

At the end of each performance period and before any STIP award is paid to a Covered Employee, the Compensation Committee will be responsible for certifying performance with respect to the target awards and corresponding performance criteria and making final determinations of incentive payments for Covered Employees.

STIP participants must be employed through the last day of the performance period in order to receive a STIP award payment. In the case of a participant on an approved leave of absence during the performance period, the participant will receive a prorated award. Awards under the STIP may be paid in cash or restricted stock. Cash awards paid under the STIP are eligible for deferral under, and in accordance with the terms and conditions of, the Deferred Compensation Plan. Restricted stock awards paid under the STIP are issued pursuant to the Omnibus Plan.

At any time, the Board may suspend or terminate the STIP and the Compensation Committee may amend the STIP, subject to shareholder approval to the extent required under Section 162(m) of the Code.

Board Voting Recommendation

Upon the recommendation of management, the Board adopted the Best Buy Co., Inc. Short-Term Incentive Plan. The Board recommends to the shareholders that they vote **FOR** the approval of the STIP.

The affirmative vote of the holders of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote (excluding broker non-votes), is required to approve the Best Buy Co., Inc. Short-Term Incentive Plan.

IT IS INTENDED THAT, UNLESS OTHERWISE INSTRUCTED, THE SHARES REPRESENTED BY THE PROXY (OTHER THAN BROKER NON-VOTES) WILL BE VOTED "FOR" APPROVAL OF THE BEST BUY CO., INC. SHORT TERM INCENTIVE PLAN.

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ITEM OF BUSINESS NO. 6 ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our Board is committed to promoting the best interests of our shareholders through excellence in governance. As part of that commitment and as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act, we are providing our shareholders with an opportunity to cast an advisory vote, a "Say on Pay," regarding the fiscal 2011 compensation of our NEOs, as described in the "*Executive and Director Compensation*" section of this proxy statement.

Information about the Advisory Vote on Executive Compensation

The Compensation Committee establishes, recommends and governs all of the compensation and benefits policies and actions for the Company's NEOs, as defined in the "*Executive Summary*" of our CD&A on page 30. While the advisory vote on executive compensation is not binding on us, it will provide useful information to our Board and the Compensation Committee regarding our shareholders' view of our executive compensation philosophy, policies and practices. The Board is not required by law to take any action in response to our shareholders' advisory vote on executive compensation; however, the Compensation Committee values our shareholders' opinions and will take the results of the advisory vote into consideration when determining the future compensation arrangements for our NEOs. To the extent there are significant negative "Say on Pay" advisory votes, we plan to consult directly with shareholders to better understand the concerns that influenced the vote and consider constructive feedback in making future decisions about our executive compensation program.

We believe our fiscal 2011 executive compensation program reflects best practices and balances risk and reward in relation to our overall business strategy. It is focused on pay for performance and seeks to mitigate risks related to compensation in order to further align management's interests with shareholders' interests in long-term value creation. Our executive compensation program reflects the following risk mitigation practices: pay for performance; time matching; balancing inputs to value certain and observed outcomes; goal diversification; payment caps; and clawbacks. Our executive compensation program does not provide guaranteed employment, compensation, or bonuses for NEOs. In addition, we have no employment or golden parachute agreements with any of our NEOs and therefore, no excise tax gross-ups.

Accordingly, we ask that our shareholders cast an advisory vote to approve the following resolution:

RESOLVED, that the shareholders of this corporation approve, on an advisory basis, the compensation of the named executive officers for the fiscal year ended February 26, 2011, as described in the "*Compensation Discussion and Analysis*" section of and the compensation tables and related material disclosed in the corporation's proxy statement for its 2011 Regular Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

Board Voting Recommendation

Our Board recommends an advisory vote **FOR** approval of the fiscal 2011 compensation of our NEOs as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules.

The affirmative vote of at least a majority of the voting power of the shares present, in person or by proxy, and entitled to vote (excluding broker non-votes) is required for advisory approval of our executive compensation. **IT IS INTENDED THAT, UNLESS OTHERWISE INSTRUCTED, THE SHARES REPRESENTED BY PROXY (OTHER THAN BROKER NON-VOTES) WILL BE VOTED "FOR" THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.**

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The most recent internal quality control review, reviews performed by the Public Company Accounting Oversight Board ("PCAOB") or SEC, or any other peer review of the firm,

- (ii) Any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and
- (iii) Any steps taken to deal with any such issues.

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- c. All relationships between the independent auditor and the Company to assess the auditor's independence under Rule 3526 of the PCAOB.

- 5. The Committee will establish for the Company clear hiring policies for employees or former employees of the independent auditor that meet applicable listing standards as well as federal rules and regulations.

B.

Audit Processes and Reporting

- 1. The Committee will meet with the internal auditors, the independent auditors and appropriate management of the Company to review the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. The Committee will also meet with these groups to discuss the adequacy and effectiveness of the Company's accounting, financial and other internal controls. Further, the Committee will meet separately with management, its internal auditors and the independent auditor periodically, to discuss the results of their examinations and whether there were any audit problems or difficulties encountered during their work or with management's responses.
- 2. The Committee will review:
 - a. Reports from the independent auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.
 - b. Management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year.
 - c. All required communications between the independent auditor and the Company, such as the management letter or accounting adjustments that were noted or proposed by the independent auditor, but were not adopted or reflected.
 - d. At their discretion, any material communications between the independent auditor's audit team and the independent auditor's national office regarding auditing or accounting issues presented by the engagement.
 - e. The Internal Audit function including; the Internal Audit charter, significant audit results, budgeting and staffing.
- 3. The Committee will discuss with the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures that may have a material impact on the Company's financial statements.
- 4. The Committee will review the interim financial statements with management and the independent auditor prior to the filing of the Company's Quarterly Reports on Form 10-Q. Also, the Committee will discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards. Further, the Committee will review and discuss with management and the independent auditor earnings press releases, including the use, if any, of "pro-forma" or "adjusted" non-GAAP information, as well as earnings guidance provided to analysts and rating agencies. The Chairperson or a designee of the Committee may represent the entire Committee for purposes of these reviews.
- 5. The Committee will review with management and the independent auditor the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, to be included in the Company's Annual Reports on Form 10-K. The Committee will also review with

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management and the independent auditor their judgments about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. Additionally, the Committee will discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards. Following completion of the annual audit, the Committee will review the independent auditor's recommendations to management as well as the results of procedures performed.

6. The Committee will prepare its report to be included in the Company's annual proxy statements, as required by SEC regulations.

7. The Committee will review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during the Forms 10-K and 10-Q certification processes about significant deficiencies, if any, in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

C. *Legal and Ethical Compliance*

1. The Committee will establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. In addition, if appropriate, the Committee will periodically receive Company attorneys' reports of evidence of material violations of securities laws, or breaches of fiduciary duty.

2. The Committee will evaluate the Company's policies and procedures to assess, monitor and manage legal and ethical compliance programs, including the Company's Code of Business Ethics and Related Party Transactions Policy. The Committee will also review material related party transactions.

3. The Committee will also discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles or by-laws or directive of the Board.

The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval and cause the Charter to be approved at least once every three years in accordance with the regulations of the SEC.

The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

The primary responsibility of the Committee is to oversee the Company's financial reporting process and report the results of its activities to the Board. Management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and with the objective of assessing whether the Company's accounting and financial reporting practices are in accordance with all requirements and are of the highest quality.

**AMENDED AND RESTATED BY-LAWS
OF
BEST BUY CO., INC.**

**ARTICLE I
OFFICES**

The corporation may have offices and places of business at such locations as the Board of Directors may from time to time designate, or as the business of the corporation may require.

**ARTICLE II
SHAREHOLDERS' MEETINGS**

Section 1. Place.

All meetings of the shareholders shall be held at such place as may be fixed by the Chief Executive Officer or the Board of Directors, except as may otherwise be required in this Article.

Section 2. Regular Meetings.

A. Frequency. The regular meetings, if any, of the shareholders shall be held at such times as shall be determined by the Board of Directors of this corporation; provided that, if the Board shall not have taken action with respect to the holding of a regular meeting, the Chief Executive Officer may convene a regular meeting.

B. Shareholder Demand. If a regular meeting of shareholders has not been held during the immediately preceding fifteen (15) months, a shareholder or shareholders holding three percent (3%) or more of all voting shares may demand a regular meeting of shareholders in accordance with Chapter 302A, Minnesota Statutes, as amended from time to time (hereinafter "Chapter 302A").

C. Notice. Written notice of a regular meeting stating the date, time and place of the meeting shall be mailed at least three (3) calendar days prior to the meeting and not more than sixty (60) calendar days before the date of the meeting to each shareholder entitled to vote thereat, to the last known address of such shareholder as the same appears upon the books of the corporation. Notice need not be given where the meeting is an adjourned meeting and the date, time and place of the meeting were announced at the time of adjournment.

Section 3. Special Meetings.

A. Call. Special meetings of the shareholders may be called for any purpose or purposes at any time, by:

- (a) The Chief Executive Officer;
- (b) The Chief Financial Officer;
- (c) Two or more directors; or

(d)

A shareholder or shareholders holding ten percent (10%) or more of the voting shares of the corporation.

B. Shareholder Demand. Special meetings of the shareholders for any purpose or purposes shall be called by the Chief Executive Officer or Chief Financial Officer at the demand of a shareholder or shareholders holding ten percent (10%) or more of the voting stock of the corporation in accordance with Chapter 302A.

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C. Notice. Written notice of a special meeting of the shareholders stating the date, time, place, and purpose thereof shall be given at least three (3) calendar days prior to the meeting and not more than sixty (60) calendar days before the date of the meeting to each shareholder entitled to vote thereat to the last known address of such shareholder as the same appears upon the books of the corporation. Notice need not be given where the meeting is an adjourned meeting and the date, time and place of the meeting were announced at the time of adjournment.

Section 4. Waiver of Notice.

Notice of the time, place and purpose of any meeting of shareholders, whether required by Chapter 302A, the corporation's Articles of Incorporation or these By-laws may be waived by any shareholder. Such waiver may be given at, before or after the meeting, and may be given in writing, orally or by attendance. Attendance by a shareholder at a meeting shall constitute a waiver of notice of that meeting, except where the shareholder objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at the meeting and does not participate in consideration of the item at the meeting.

Section 5. Action Without a Meeting.

Any action which may be taken at a meeting of the shareholders may be taken without a meeting, if authorized in a writing or writings signed by all shareholders who would be entitled to vote on that action. The written action is effective when it has been signed by all of those shareholders, unless a different effective time is provided in the written action.

Section 6. Quorum.

The presence at any meeting, in person or by proxy, of the holders of a majority of the voting power of the shares entitled to vote at a meeting, shall constitute a quorum for the transaction of business. If, however, a quorum shall not be present in person or by proxy at any meeting of the shareholders, those present shall have the power to adjourn the meeting from time to time, without notice other than by announcement at the meeting of the date, time and location of the reconvening of the adjourned meeting, until the requisite amount of voting shares shall be represented. At any such adjourned meeting at which the required number of voting shares shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If a quorum is present when a duly called or held meeting is convened the shareholders present may continue to transact business until adjournment, even though the withdrawal of a number of shareholders originally present leaves less than the proportion or number otherwise required for a quorum.

Section 7. Record Date.

The Board of Directors may fix a time not exceeding sixty (60) days preceding the date of any meeting of the shareholders as a record date for the determination of the shareholders entitled to notice of and to vote at such meeting, notwithstanding any transfer of any shares on the books of the corporation after any record date so fixed.

Section 8. Voting.

At all meetings of the shareholders, the holder of each share having the power to vote shall be entitled to vote in person or by proxy, duly appointed by an instrument in writing which conforms to the requirements of Chapter 302A. Each shareholder shall have one (1) vote for each share having voting power standing in his/her name on the books

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of the corporation. Shares owned by two or more shareholders may be voted by any one of them unless the corporation receives written notice, addressed to the Board of Directors at the address of the principal executive office, from any one of them denying the authority of that person to vote those shares. Upon the demand of any shareholder, the vote for directors or the vote upon any question before the meeting shall be by ballot. All elections shall be had and all questions decided by a majority vote of those present except as otherwise required by Chapter 302A or the corporation's Articles of Incorporation.

Section 9. Advance Notice of Shareholder Proposals.

- A. The business conducted at a meeting of shareholders is limited to only such business as is appropriate for consideration at the meeting and as shall have been brought before the meeting (i) by or at the direction of the Board of Directors or (ii) by a shareholder who complies with the procedures set forth in this Section 9.
- B. For business, including director nominations, to be properly brought before a meeting of shareholders by a shareholder, the shareholder must have given timely notice in writing to the Secretary of the corporation. To be timely, the shareholder's notice must be submitted to the Secretary of the corporation no more than 150 days and no less than 120 days before the anniversary of the prior year's regular meeting of shareholders (or no more than the 10th day following announcement of any special meeting of shareholders). Notice shall only be deemed to have been submitted on the date on which all of the following written information has been received by the Secretary of the corporation:
- (a) a complete description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting;
 - (b) the name and address of the shareholder proposing such business;
 - (c) appropriate evidence that the person submitting the proposal is a shareholder of the corporation;
 - (d) a description of all securities of the corporation, or other securities or contracts with a value derived in whole or in part from the value of any securities of the corporation, held or beneficially owned by the shareholder or to which the shareholder is a party;
 - (e) any material interest of the shareholder in such business;
 - (f) a representation that the shareholder is a holder of record or beneficial owner of shares of the corporation entitled to vote at the meeting, intends to continue to hold or beneficially own such shares through the date of the meeting, and intends to appear in person or by proxy at the meeting to propose such business;
 - (g) such other information as would be required to be included in a proxy statement or other filings required to be filed with the Securities and Exchange Commission if, with respect to any such item of business, such shareholder were in a solicitation subject to the Regulation 14A under the Securities Exchange Act of 1934, as amended; and
 - (h) a representation that the shareholder will update and supplement the notice to the Secretary of the corporation in writing so that the notice is true and correct, in all material respects, as of the record date for the meeting.

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**ARTICLE III
BOARD OF DIRECTORS**

Section 1. Election of Directors.

The business and affairs of this corporation shall be managed by or under the direction of its Board of Directors which shall be comprised of one or more members, and the number of directors may be increased or decreased from time to time, but no less often than annually, by the affirmative vote of a majority of directors serving at the time the action is taken; provided, however, that no decrease in the number of directors shall result in the removal of a director except a director named by the Board of Directors to fill a vacancy. Each director shall be elected to serve for a term of two (2) years and until his/her successor shall have been duly elected and qualified. The directors shall be divided into two classes, designated Class 1 and Class 2. Each class shall consist, as nearly as possible, of one-half of the total number of directors constituting the entire Board of Directors. Class 1 directors shall be elected in even numbered years and Class 2 directors shall be elected in odd numbered years. Except as to the year in which elected, the powers, privileges, duties and responsibilities of each Class 1 and Class 2 director shall be alike in every respect.

Section 2. Shareholder Management.

Any action that the Articles of Incorporation or By-laws of this corporation or Chapter 302A require or permit the Board of Directors to take or the shareholders to take after action or approval of the Board, may be taken by the holders of the voting shares of the corporation by unanimous affirmative vote.

Section 3. Meetings.

A. Time and Place. Meetings of the Board of Directors shall be held at such time and place as determined by the Board.

B. Notice. Meetings of the Board of Directors may be called at any time by a director by giving five (5) days notice to all directors of the date, time and place of the meeting. The notice need not state the purpose of the meeting. Notice of an adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

C. Waiver of Notice. A director may waive notice of a meeting of the Board of Directors. A waiver of notice by a director entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a director at a meeting is a waiver of notice of that meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

D. Electronic Communications. The Board of Directors may meet by means of electronic communication in accordance with Chapter 302A.

E. Quorum. At all meetings of the Board of Directors, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business.

F. Advance Written Consent. A director may give advance written consent or opposition to a proposal to be acted on at a meeting of the Board of Directors. If the director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as the vote of a director present at the meeting in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is

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substantially the same or has substantially the same effect as the proposal to which the director has consented or objected.

Section 4. Vacancies.

A. Death, Resignation, Removal or Disqualification. Vacancies on the Board of Directors resulting from the death, resignation, removal, or disqualification of a director may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum.

B. Newly Created Directorships. Vacancies on the Board of Directors resulting from newly created directorships may be filled by the affirmative vote of a majority of the directors serving at the time of the increase.

C. Duration of Term. A director elected under this section to fill a vacancy holds office until a qualified successor is elected by the shareholders at the next meeting of the shareholders.

Section 5. Committees.

The Board of Directors, by resolution approved by the affirmative vote of a majority of the Board, may establish committees having the authority of the Board in the management of the business of the corporation to the extent provided in the resolution. A committee member need not be a director.

Section 6. Authorization Without Meeting.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if authorized by a writing or writings signed by a majority of the directors. The written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action.

**ARTICLE IV
OFFICERS**

Section 1. Election, Term; Number.

The officers of the corporation shall be elected or appointed by the Board of Directors; provided, however, that the Board may delegate to one or more of its committees its authority to elect or appoint officers other than the Chairman of the Board and the Chief Executive Officer. Officers of the corporation shall consist of officers having responsibilities with respect to the corporation and all of its subsidiaries, as well as officers having responsibility only with respect to one or more designated operating units or functions within the corporation. The officers of the corporation shall consist of a Chairman of the Board, a Chief Executive Officer; a Chief Financial Officer; a Treasurer; a Secretary and such other officer or officers as are elected or appointed by the Board. A person may hold more than one office. The officers shall perform such duties and have such responsibilities as provided for in these By-laws or as otherwise determined by the Board. The terms of office with respect to each officer shall be prescribed by the Board at the time of election of the officers, and absent the specifications of a term, the term shall be determined to be at the pleasure of the Board.

Section 2. Chairman of the Board.

The Chairman of the Board shall preside at all meetings of shareholders and directors and represent the corporation as an official spokesperson.

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Section 3. Vice Chairman.

One or more Vice Chairmen, if any, shall perform the duties and exercise the powers of the Chairman of the Board in his/her absence or upon his/her incapacity.

Section 4. Chief Executive Officer.

The Chief Executive Officer shall be responsible for the strategic management and planning of the business of the corporation, in addition to the duties and powers prescribed by the Board of Directors or by Chapter 302A.

Section 5. President and Chief Operating Officer.

The President and Chief Operating Officer, if any, shall perform the duties and exercise the powers of the Chief Executive Officer in his/her absence or upon his/her incapacity and shall have responsibility for managing the day-to-day operations of the business of the corporation, in addition to such duties and powers prescribed by the Board of Directors.

Section 6. Operating Unit or Function Presidents.

Presidents of the corporation's operating units or functions, if any, as designated by the Board of Directors, shall have responsibility for managing the day-to-day operations of the business of their respective operating units or functional areas of responsibility and shall perform such other duties as the Board may from time to time prescribe or as may be delegated by the Chief Executive Officer or the President and Chief Operating Officer.

Section 7. Chief Financial Officer.

The Chief Financial Officer of the corporation shall be responsible for the strategic management and planning of the corporation's finances, in addition to the duties and powers prescribed by the Board of Directors or by Chapter 302A.

Section 8. Treasurer.

The Treasurer of the corporation shall have responsibility for managing the day-to-day finances of the corporation, in addition to such other duties and powers prescribed by the Board of Directors.

Section 9. Secretary.

The Secretary and, in his/her absence, the Assistant Secretary, if any, shall attend all meetings of the Board of Directors, committees thereof, if any, and all meetings of the shareholders and record all votes and minutes of all proceedings in a book kept for that purpose. The Secretary and, in his/her absence, the Assistant Secretary, shall give or cause to be given notice of all meetings of the shareholders and of the Board and of committees, if any, and shall perform such other duties as may be prescribed by the Board or delegated to such officer by the Chief Executive Officer, the President and Chief Operating Officer or the Chief Financial Officer. The Secretary and, in his/her absence, the Assistant Secretary, shall affix the seal of the corporation, to the extent the corporation shall have one, to any instrument requiring the same.

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Section 10. Vice Presidents.

The Vice Presidents, if any, in the order designated by the Board of Directors, shall perform the duties as the Board may from time to time prescribe or as may be delegated by the Chief Executive Officer or the President and Chief Operating Officer.

Section 11. Vacancies.

If any office becomes vacant by reason of death, resignation, retirement, disqualification, removal or other cause, the directors then in office, although less than a quorum, or any committee of the Board of Directors to which authority to appoint such former officer had been delegated, may by a majority vote, choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred.

Section 12. Delegation.

Unless prohibited by a resolution approved by the affirmative vote of the Board of Directors, an officer of the corporation may delegate some or all of the duties and powers of an office to other persons, provided that such delegation is in writing.

**ARTICLE VI
SHARES**

Section 1. Type of Certificate.

Certificates of shares, if any, of the corporation shall be in such form as approved by the Board of Directors. Each certificate shall be signed by the Chief Executive Officer or the Chief Financial Officer. Such signature and the corporate seal, if any, may be facsimiles, engraved or printed, if authorized by the Board.

Section 2. Transfer of Shares.

Transfer of certificated shares shall be made on the records of the corporation only by the shareholder named in the certificate or certificates or by the duly authorized attorney in fact, and upon surrender of the certificate or certificates therefore properly endorsed. The transfer of uncertificated shares, if any, shall be made by the means determined by the Board of Directors.

Section 3. Lost Certificates.

Any shareholder claiming a certificate of certificated shares to be lost, stolen or destroyed shall make an affidavit or affirmation of that fact in such form as the Board of Directors may require, and shall, if the Board so requires, give the corporation a bond of indemnity in form and with one (1) or more sureties satisfactory to the Board in an amount at least double the value of the stock represented by said certificate, whereupon a new certificate may be issued for the same number of shares as the one alleged to have been lost, stolen or destroyed.

Section 4. Uncertificated Shares.

Some or all of any or all classes and series of the shares of stock of this corporation, upon a resolution approved by the Board of Directors may be uncertificated shares. Within twenty (20) calendar days after the issuance or transfer of uncertificated shares, the Chief Executive Officer shall send to the shareholder such notice as required by Chapter 302A.

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**ARTICLE VII
MISCELLANEOUS**

Section 1. Corporate Seal.

The corporation may use a corporate seal, but the failure to use such seal shall not affect the validity of any documents executed on behalf of the corporation. The seal need only include the word "seal", but it may also include, at the discretion of the Board of Directors, such additional wording as is permitted by Chapter 302A.

Section 2. Fiscal Year.

The fiscal year of this corporation shall be as determined by resolution of the Board of Directors.

Section 3. Computation of Time.

Whenever notice is required to be given pursuant to these By-laws, the day upon which notice is personally served, deposited in the mail, given by telegram, telex, telecopied or otherwise delivered, shall not be counted for the purpose of computing the time period of the notice. All notice periods shall be computed in calendar days.

Section 4. Amendments to By-laws.

These By-laws may be amended or altered by the Board of Directors at any meeting. Such authority of the Board of Directors is subject to the power of the shareholders to change or repeal such By-laws.

THESE AMENDED AND RESTATED BY-LAWS WERE ADOPTED ON
THE 21ST DAY OF JUNE, 2011
BY RESOLUTION OF THE BOARD OF DIRECTORS OF
BEST BUY CO., INC.

**BEST BUY CO., INC.
2004 OMNIBUS STOCK AND INCENTIVE PLAN
(As amended June [], 2011)
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BEST BUY CO., INC.

2004 OMNIBUS STOCK AND INCENTIVE PLAN

Section 1. Purpose and Background

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various stock-based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

Section 2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) "Affiliate" shall mean (i) any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in each case as determined by the Committee.
- (b) "Award" shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award, Dividend Equivalent or Other Stock Grant granted under the Plan.
- (c) "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.
- (d) "Board" shall mean the Board of Directors of the Company.
- (e) "Change in Control" shall have the meaning ascribed to such term in an Award Agreement, or any other applicable employment or change in control agreement between the Participant and the Company. The Board shall not use its discretion to trigger a Change in Control.
- (f) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.
- (g) "Committee" shall mean the Compensation and Human Resources Committee of the Board or any other committee of the Board designated by the Board to administer the Plan. The Committee shall be comprised of not less than such number of Directors as shall be required to permit Awards granted under the Plan to qualify under Rule 16b-3 and Section 162(m), and each member of the Committee shall be a "Non-Employee Director."
- (h) "Company" shall mean Best Buy Co., Inc., a Minnesota corporation, and any successor corporation.
- (i) "Director" shall mean a member of the Board, including any Non-Employee Director.
- (j)

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"Dividend Equivalent" shall mean any right granted under Section 6(e) of the Plan.

(k)

"Eligible Person" shall mean any employee, officer, consultant, advisor or director providing services to the Company or any Affiliate who the Committee determines to be an Eligible Person. An Eligible Person must be a natural person.

(l)

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

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- (m) "Fair Market Value" shall mean, with respect to any property (including, without limitation, any Shares or other securities), the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee. Notwithstanding the foregoing and unless otherwise determined by the Committee, the Fair Market Value of a Share as of a given date shall be, if the Shares are then listed on the New York Stock Exchange, the closing price of one Share as reported on the New York Stock Exchange on such date or, if the New York Stock Exchange is not open for trading on such date, on the most recent preceding date when it is open for trading.
- (n) "Incentive Stock Option" shall mean an option granted under Section 6(a) of the Plan that is intended to qualify as an "incentive stock option" in accordance with the terms of Section 422 of the Code or any successor provision.
- (o) "Non-Employee Director" shall mean any Director who is a "non-employee director" as defined under subparagraph (b)(3) of Rule 16b-3 and is an "outside director" within the meaning of Section 162(m).
- (p) "Non-Qualified Stock Option" shall mean an option granted under Section 6(a) of the Plan that is not an Incentive Stock Option.
- (q) "Option" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.
- (r) "Other Stock Grant" shall mean any right granted under Section 6(f) of the Plan.
- (s) "Participant" shall mean an Eligible Person designated to be granted an Award under the Plan.
- (t) "Performance Award" shall mean any right granted under Section 6(d) of the Plan.
- (u) "Performance Goal" shall mean one or more of the following performance goals, either individually, alternatively or in any combination, applied on a corporate, subsidiary or business unit basis: revenue, cash flow, gross profit, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, and net earnings, earnings per share, margins (including one or more of gross, operating and net income margins), returns (including one or more of return on assets, equity, investment, capital and revenue and total stockholder return), stock price, economic value added, working capital, market share, cost reductions, workforce satisfaction and diversity goals, employee retention, customer satisfaction, completion of key projects, and strategic plan development and implementation. Such goals may reflect an absolute standard of entity or business unit performance or a relative comparison to the performance of a peer group of entities or other external measure of the selected performance criteria. Pursuant to rules and conditions adopted by the Committee on or before the 90th day of the applicable performance period for which Performance Goals are established, the Committee may appropriately adjust any evaluation of performance under such goals to exclude the effect of certain events, including any of the following events: asset write-downs; litigation or claim judgments or settlements; changes in tax law, accounting principles or other such laws or provisions affecting reported results; severance, contract termination and other costs related to exiting certain business activities; and gains or losses from the disposition of businesses or assets or from the early extinguishment of debt.
- (v) "Person" shall mean any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.
- (w) "Plan" shall mean the Best Buy Co., Inc. 2004 Omnibus Stock and Incentive Plan, as amended from time to time, the provisions of which are set forth herein.
- (x) "Restricted Stock" shall mean any Share granted under Section 6(c) of the Plan.

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- (y) "Restricted Stock Unit" shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the Fair Market Value of a Share) at some future date.
- (z) "Rule 16b-3" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, or any successor rule or regulation.
- (aa) "Section 162(m)" shall mean Section 162(m) of the Code and the applicable Treasury Regulations promulgated thereunder.
- (bb) "Share" or "Shares" shall mean a share or shares of common stock, \$.10 par value per share, of the Company or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan.
- (cc) "Specified Employee" shall mean a specified employee as defined in Section 409A(a)(2)(B) of the Code.
- (dd) "Stock Appreciation Right" shall mean any right granted under Section 6(b) of the Plan.

Section 3. Administration

- (a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or the method by which payments or other rights are to be determined in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement; (v) amend the terms and conditions of any Award or Award Agreement and accelerate the exercisability of any Option or waive any restrictions relating to any Award; (vi) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended; (vii) determine whether, to what extent and under what circumstances cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee; (viii) interpret and administer the Plan and any instrument or agreement, including any Award Agreement, relating to the Plan; (ix) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Eligible Person and any holder or beneficiary of any Award.
- (b) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, (i) the Board may, at any time and from time to time, exercise the powers and duties of the Committee under the Plan without any further action of the Committee, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of Section 162(m); and (ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of the New York Stock Exchange or any other securities exchange applicable to the Company) may grant Awards to Directors who are not also employees of the Company or an Affiliate.

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Section 4. Shares Available for Awards

- (a) Shares Available. Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under the Plan shall be 64,500,000.
- (b) Accounting for Awards. For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan. If an Award terminates or is forfeited or cancelled without the issuance of any Shares, or if any Shares covered by an Award or to which an Award relates are not issued for any other reason, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such termination, forfeiture, cancellation or other event, shall again be available for granting Awards under the Plan. If Shares of Restricted Stock are forfeited or otherwise reacquired by the Company prior to vesting, whether or not dividends have been paid on such Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award of Restricted Stock, to the extent of any such forfeiture or reacquisition by the Company, shall again be available for granting Awards under the Plan. Shares that are withheld in full or partial payment to the Company of the purchase or exercise price relating to an Award or in connection with the satisfaction of tax obligations relating to an Award (other than an Incentive Stock Option) shall again be available for granting Awards under the Plan. Any previously issued Shares that are used by a Participant as full or partial payment to the Company of the purchase or exercise price relating to an Award or in connection with the satisfaction of tax obligations relating to an Award shall again be available for granting Awards under the Plan.
- (c) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards, (iii) the purchase price or exercise price with respect to any Award and (iv) the limitations contained in Section 4(d) of the Plan.
- (d) Award Limitations Under the Plan.
- (i) Section 162(m) Limitation for Certain Types of Awards. No Eligible Person may be granted Options, Stock Appreciation Rights or any other Award or Awards under the Plan, the value of which Award or Awards is based solely on an increase in the value of the Shares after the date of grant of such Award or Awards, for more than 1,500,000 Shares (subject to adjustment as provided in Section 4(c) of the Plan) in the aggregate in any taxable year.
- (ii) Section 162(m) Limitation for Performance Awards. If a Participant is a "covered employee" as defined under Section 162(m) (a "Covered Employee") for any taxable year of the Participant in which a Performance Award (or portion thereof) is payable to the Participant, the maximum amount payable in the aggregate to the Participant during that year pursuant to all Performance Awards, shall be \$5,000,000 in value, whether payable in cash, Shares or other property; and such amount shall be increased annually (as of each January 1st after the date of the Plan amendment in 2009) at a fixed percentage rate of 5% (the "Annual

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Performance Award Limit"). The Annual Performance Award Limit does not apply to any Award subject to the limitation contained in Section 4(d)(i) of the Plan. Further, the Annual Performance Award Limit applies only to Performance Awards granted under this Plan; and shall apply to any Performance Award that was granted under this Plan before the effective date of this Section 4(d)(ii), as amended in 2009, only to the extent provided in the Award Agreement evidencing that Performance Award. Any limitations on awards granted to the Participant under any other executive incentive plan maintained by the Company (a "Non-Plan Award") will be governed solely by the terms of such other plan; provided, however, that, if any amount is payable to the Participant during a given year under a Non-Plan Award that is subject to Code Section 409A, and the terms of the Non-Plan Award permit or require the Company or any Affiliate (or its delegate) to delay beyond that year the payment of any portion of such Non-Plan Award to comply with Section 162(m), the Company shall cause payment of such portion to be delayed for that purpose.

If the Committee reasonably anticipates, on or before any date on which a Performance Award (or portion thereof) is payable to a Participant, that the Participant will be a Covered Employee for the taxable year in which that amount is payable, the Committee will apply the Annual Performance Award Limit to that amount and any other Performance Award amount otherwise payable to the Participant during that year; provided, however, that if the Committee determines at any later time during the year that the Participant is not a Covered Employee for that year, due to a termination of employment or for any other reason, the Committee will direct payment to the Participant of any portion of a Performance Award or Performance Awards that would have been payable during that year or any prior year, but was deferred to comply with the Annual Performance Award Limit, as set forth in this Section 4(d)(ii); and such payment of deferred Performance Award amounts shall be made no later than the last day of the Participant's first taxable year for which the Participant is not a Covered Employee, unless that payment is delayed beyond that year under Section 7(b) of this Plan, to the extent permitted by or as required to comply with Code Section 409A.

(iii)

Plan Limitation on Restricted Stock, Restricted Stock Units, Dividend Equivalents and Other Stock Grants. No more than 26,300,000 Shares, subject to adjustment as provided in Section 4(c) of the Plan, shall be available under the Plan for issuance pursuant to grants of Restricted Stock, Restricted Stock Units, Dividend Equivalents paid in Shares and Other Stock Grants; provided, however, that if any Awards of Restricted Stock Units terminate or are forfeited or cancelled without the issuance of any Shares or if Shares of Restricted Stock are forfeited or otherwise reacquired by the Company prior to vesting, whether or not dividends have been paid on such Shares, then the Shares subject to such termination, forfeiture, cancellation or reacquisition by the Company shall again be available for grants of Restricted Stock, Restricted Stock Units and Other Stock Grants for purposes of this limitation on grants of such Awards.

(iv)

Limitation on Awards Granted to Non-Employee Directors. Directors who are not also employees of the Company or an Affiliate may not be granted Awards in the aggregate for more than 5% of the Shares available for Awards under the Plan, subject to adjustment as provided in Section 4(c) of the Plan. No Award may be made to any Director who is not also an employee of the Company or an Affiliate unless all such Directors receive an Award with the same terms and conditions; provided, however, that (i) an Award may be made to a Director who is not also an employee of the Company or an Affiliate as compensation for service on a committee of the Board, if all members of such committee receive an Award with the same terms and conditions; and (ii) an Award may be made to a Director who is not also an employee of the Company or an Affiliate upon such Director's initial appointment to the Board.

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(v)

Limitation on Incentive Stock Options. The number of Shares available for granting Incentive Stock Options under the Plan shall not exceed 64,500,000, subject to adjustment as provided in Section 4(c) of the Plan and subject to the provisions of Section 422 or 424 of the Code or any successor provision.

Section 5. Eligibility

Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company or such other factors as the Committee, in its discretion, shall deem relevant.

Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full-time or part-time employees (which term as used herein includes, without limitation, officers and Directors who are also employees), and an Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code or any successor provision.

Section 6. Awards

(a)

Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i)

Exercise Price. The purchase price per Share purchasable under an Option shall be determined by the Committee; provided, however, that such purchase price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option, except that the Committee may designate a per-share exercise price below Fair Market Value on the date of grant (A) to the extent necessary or appropriate, as determined by the Committee, to satisfy applicable legal or regulatory requirements of a foreign jurisdiction; or (B) if the Option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Except as otherwise provided in Section 6(g)(viii), any Award Agreement granting an Option with a per-share exercise price below Fair Market Value shall contain provisions that are intended to allow the Option to satisfy the requirements of (or be exempt from) Code Section 409A and any applicable provisions of Section 6(g)(viii) of this Plan.

(ii)

Option Term. The term of each Option shall be fixed by the Committee at the time of grant, but shall not be longer than 10 years from the date of grant.

(iii)

Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms (which may include, without limitation, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price) in which, payment of the exercise price with respect thereto may be made or deemed to have been made. Unless otherwise provided in the agreement evidencing the Option, any Non-Qualified Option may be exercised by instructing the Company to withhold from the Shares issuable upon exercise of the Option Shares in payment of all or any part of the exercise price and/or any related withholding obligations consistent with Section 8, which Shares shall be valued for this purpose at their Fair Market Value or in such other manner as may be authorized from time to time by the Committee.

(b)

Stock Appreciation Rights. The Committee is hereby authorized to grant Stock Appreciation Rights to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Stock Appreciation Right granted

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under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise (or, if the Committee shall so determine, at any time during a specified period before or after the date of exercise) over (ii) the grant price of the Stock Appreciation Right as determined by the Committee, which grant price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right; provided, however, that the Committee may designate a per-share grant price below Fair Market Value on the date of grant (A) to the extent necessary or appropriate, as determined by the Committee, to satisfy applicable legal or regulatory requirements of a foreign jurisdiction; or (B) if the Stock Appreciation Right is granted in substitution for a stock appreciation right previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Except as otherwise provided in Section 6(g)(viii), any Award Agreement granting Stock Appreciation Rights with a per-share grant price below Fair Market Value shall contain provisions that are intended to allow the Stock Appreciation Rights to satisfy the requirements of (or be exempt from) Code Section 409A and any applicable provisions of Section 6(g)(viii) of this Plan. Subject to the terms of the Plan, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions (including conditions or restrictions on the exercise thereof) of any Stock Appreciation Right shall be as determined by the Committee.

(c) Restricted Stock and Restricted Stock Units. The Committee is hereby authorized to grant Restricted Stock and Restricted Stock Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) Restrictions. Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Committee may deem appropriate. The minimum vesting period of such Awards shall be three years from the date of grant, unless the Award is conditioned on performance of the Company or an Affiliate or on personal performance (other than continued service with the Company or an Affiliate), in which case the Award may vest over a period of at least one year from the date of grant. Notwithstanding the foregoing, the Committee may permit acceleration of vesting of such Awards in the event of the Participant's death, disability or retirement or a change in control of the Company.

(ii) Issuance and Delivery of Shares. Any Restricted Stock granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Stock. Shares representing Restricted Stock that is no longer subject to restrictions shall be delivered to the Participant promptly after the applicable restrictions lapse or are waived. In the case of Restricted Stock Units, no Shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Stock Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holder of the Restricted Stock Units.

(iii) Forfeiture. Except as otherwise determined by the Committee, upon a Participant's termination of employment or resignation or removal as a Director (in either case, as determined under criteria established by the Committee) during the applicable restriction period, all Shares of Restricted Stock and Restricted Stock Units held by the Participant at such time subject to restriction shall be forfeited and reacquired by the Company; provided, however, that the Committee may, when it finds that a waiver would be in the best interest of the

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Company, waive in whole or in part any or all remaining restrictions with respect to Shares of Restricted Stock or Restricted Stock Units.

(iv)

Except as otherwise provided in Section 6(g)(viii), any Award Agreement granting Restricted Stock Units shall contain provisions that are intended to allow the Restricted Stock Units to satisfy the requirements of (or be exempt from) Code Section 409A and any applicable provisions of Section 6(g)(viii) of this Plan.

(d)

Performance Awards. The Committee is hereby authorized to grant to Eligible Persons Performance Awards which are intended to be "qualified performance-based compensation" within the meaning of Section 162(m). A Performance Award granted under the Plan may be payable in cash or in Shares (including, without limitation, Restricted Stock). Performance Awards shall, to the extent required by Section 162(m), be conditioned solely on the achievement of one or more objective Performance Goals, and such Performance Goals shall be established by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Section 162(m). Subject to the terms of the Plan and any applicable Award Agreement, the Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Committee. The Committee shall also certify in writing that such Performance Goals have been met prior to payment of the Performance Awards to the extent required by Section 162(m). Except as otherwise provided in Section 6(g)(viii), any Award Agreement granting a Performance Award shall contain provisions that are intended to allow the Performance Award to satisfy the requirements of (or be exempt from) Code Section 409A and any applicable provisions of Section 6(g)(viii) of this Plan.

(e)

Dividend Equivalents. Except as limited below, the Committee is hereby authorized to grant Dividend Equivalents to Eligible Persons under which the Participant shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Dividend Equivalents will not be permitted on appreciation awards (e.g., Stock Appreciation Rights and Options), and will not be paid out on unearned performance awards. Subject to the terms of the Plan, such Dividend Equivalents may have such terms and conditions as the Committee shall determine.

(f)

Other Stock Grants. The Committee is hereby authorized, subject to the terms of the Plan, to grant to Eligible Persons Shares without restrictions thereon as are deemed by the Committee to be consistent with the purpose of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, such Other Stock Grant may have such terms and conditions as the Committee shall determine.

(g)

General.

(i)

Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as determined by the Committee or required by applicable law.

(ii)

Awards May Be Granted Separately or Together. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(iii)

Forms of Payment under Awards. Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise or payment of an

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Award may be made in such form or forms as the Committee shall determine (including, without limitation, cash, Shares, other securities, other Awards or other property or any combination thereof); and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents with respect to installment or deferred payments. Except as otherwise provided in Section 6(g)(viii), any change in the timing of payment of an Award shall satisfy the requirements of (or be exempt from) Code Section 409A and any applicable provisions of Section 6(g)(viii) of this Plan.

(iv)

Limits on Transfer of Awards. Except as otherwise provided by the Committee or the terms of this Plan, no Award (other than Shares that are not Restricted Stock), and no right under any such Award, shall be transferable by a Participant either (A) for any consideration or (B) without consideration other than by will or by the laws of descent and distribution. The Committee may establish procedures as it deems appropriate for a Participant to designate a Person or Persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death. The Committee, in its discretion and subject to such additional terms and conditions as it determines, may permit a Participant to transfer a Non-Qualified Stock Option to any "family member" (as such term is defined in the General Instructions to Form S-8 (or any successor to such Instructions or such Form) under the Securities Act of 1933, as amended) at any time that such Participant holds such Option; provided, however, that such transfers may not be for value (as defined in the General Instructions to Form S-8, or any successor to such Instructions or such Form) and the family member may not make any subsequent transfers other than by will or by the laws of descent and distribution. Each Option, Stock Appreciation Right or right under any other Award shall be exercisable during the Participant's lifetime only by the Participant (except as provided herein or in an Award Agreement or amendment thereto relating to a Non-Qualified Stock Option) or, if permissible under applicable law, by the Participant's guardian or legal representative. No Award or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate; provided, however, that this sentence shall apply to an Other Stock Grant only to the extent provided under the terms of the Award Agreement for the Other Stock Grant.

(v)

Term of Awards. The term of each Award shall be for a period not longer than 10 years from the date of grant.

(vi)

Restrictions; Securities Exchange Listing. All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares or other securities to reflect such restrictions. If the Shares or other securities are traded on a securities exchange, the Company shall not be required to deliver any Shares or other securities covered by an Award unless and until such Shares or other securities have been and continue to be admitted for trading on such securities exchange.

(vii)

Prohibition on Repricing. Except as provided in Section 4(c) of the Plan, no Option or Stock Appreciation Right may be amended to reduce its initial exercise or grant price and no Option or Stock Appreciation Right shall be canceled and replaced with Options or Stock Appreciation Rights or other Awards having a lower exercise or grant price, without the approval of the shareholders of the Company.

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(viii)

Code Section 409A Provisions. Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A of the Code and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a Change in Control or due to the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (A) the circumstances giving rise to such Change in Control, disability or separation from service meet the definition of a change in ownership or control, disability or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code; or (B) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a Specified Employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six (6) months after the date of the Specified Employee's separation from service unless the payment or distribution is exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. Notwithstanding the foregoing provisions of this Section 6(g)(viii), Award Agreements may be written or amended in a manner that does not satisfy the requirements of Code Section 409A (or any exemption therefrom), but only if and to the extent that the Committee specifically provides in written resolutions that the Award Agreement or amendment is not intended to comply with Code Section 409A.

Section 7. Amendment and Termination; Adjustments

(a)

Amendments to the Plan. The Board may amend, alter, suspend, discontinue or terminate the Plan at any time; *provided, however*, that, notwithstanding any other provision of the Plan or any Award Agreement, without the approval of the shareholders of the Company, no amendment shall be made that, absent such approval:

(i)

violates the rules or regulations of the New York Stock Exchange or any other securities exchange applicable to the Company;

(ii)

increases the number of shares authorized under the Plan as specified in Section 4(a) of the Plan;

(iii)

increases the number of shares subject to the limitations contained in Section 4(d) of the Plan;

(iv)

permits the award of Options or Stock Appreciation Rights at a price less than 100% of the Fair Market Value of a Share on the date of grant of such Option or Stock Appreciation Right, as prohibited by Sections 6(a)(i) and 6(b)(ii) of the Plan or the repricing of Options or Stock Appreciation Rights, as prohibited by Section 6(g)(vii) of the Plan;

(v)

expands the classes or categories of persons eligible to receive Awards under the Plan; or

(vi)

would cause Section 162(m) to become unavailable with respect to the Plan.

(b)

Amendments to Awards. The Committee may waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively. Except as otherwise provided by the terms of the Plan or an Award Agreement, the Committee may not amend, alter, suspend, discontinue or terminate any outstanding Award, prospectively or retroactively, if such action would adversely affect the rights of the holder of such Award, without the consent of the Participant or holder or beneficiary thereof. The Company intends that Awards under the Plan shall satisfy the requirements of Section 409A of the Code to avoid any adverse tax results thereunder and the Committee shall administer and interpret the Plan and all Award Agreements in a manner consistent with that intent. In this regard, if any provision of the Plan or an Award Agreement would result in adverse tax

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consequences under Section 409A of the Code, the Committee may amend that provision (or take any other action reasonably necessary) to avoid any adverse tax results and no action taken to comply with Section 409A of the Code shall be deemed to impair or otherwise adversely affect the rights of any holder of an Award or beneficiary thereof.

- (c) Correction of Defects, Omissions and Inconsistencies. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

Section 8. Income Tax Withholding

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. In order to assist a Participant in paying all or a portion of applicable taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (i) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes or (ii) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes.

Section 9. General Provisions

- (a) No Rights to Awards. No Eligible Person or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.
- (b) Award Agreements. No Participant will have rights under an Award granted to such Participant unless and until an Award Agreement shall have been duly executed on behalf of the Company and, if requested by the Company, signed by the Participant.
- (c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.
- (d) No Rights of Shareholders. Except with respect to Shares of Restricted Stock as to which the Participant has been granted the right to vote, neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable to such Participant upon the exercise or payment of any Award, in whole or in part, unless and until such Shares have been issued.
- (e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (f) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, or a Director to be retained as a Director, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment

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free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement.

- (g) **Governing Law.** The validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Minnesota.
- (h) **Severability.** If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.
- (i) **No Trust or Fund Created.** Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and an Eligible Person or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.
- (j) **No Fractional Shares.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.
- (k) **Headings.** Headings are given to the Sections and subsections of the Plan or any Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 10. Effective Date of the Plan

The Plan became effective on April 19, 2004, upon its adoption by the Board, and was approved by the shareholders of the Company at the annual meeting of shareholders of the Company held on June 24, 2004.

Section 11. Term of the Plan

The Plan shall terminate at midnight on June 23, 2014, unless terminated before then by the Board. Awards may be granted under the Plan until the Plan terminates or until all Shares available for Awards under the Plan have been purchased or acquired; provided, however, that Incentive Stock Options may not be granted following the 10-year anniversary of the Board's adoption of the Plan on April 19, 2004. The Plan shall remain in effect as long as any Awards are outstanding.

Adopted by the Board of Directors on April 19, 2004, and approved by the shareholders of the Company on June 24, 2004.

Amended by the Board of Directors on May 1, 2007, and approved by the shareholders of the Company on June 25, 2007.

Amended by the Board of Directors on April 8, 2009, and approved by the shareholders of the Company on June 24, 2009.

Amended by the Board of Directors on April 7, 2011, and approved by the shareholders of the Company on June [], 2011.

BEST BUY CO., INC.
SHORT-TERM INCENTIVE PLAN
(Adopted by the Board of Directors April 7, 2011)
(Approved by Stockholders June , 2011)

1. Purpose; Term of Plan

1.1 **Purpose.** The purpose of the Plan is to align the interests of Participants and Company shareholders and to motivate Participants to put forth maximum efforts for the success of the Company's business. The Plan is intended to provide cash incentives based on short term results that are key to the successful operation of the Company. The Plan also is intended to enable the Company to attract and retain the services of employees capable of assuring the future success of the Company.

1.2 **Term of Plan.** The Plan will become effective upon approval by the shareholders of the Company. No Awards may be paid to any Participant prior to the date of such approval. The approval of the Plan by the shareholders of the Company does not limit the power of the Company, the Board or the Compensation Committee to adopt other compensation plans or arrangements for any or all of the Employees, including plans or arrangements which provide for payments that do not qualify as performance-based compensation under section 162(m) of the Code. The Plan shall continue until terminated in connection with Section 15 hereof.

2. Definitions and Construction

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

- (a) "**Adjusted Net Earnings**" shall be computed in accordance with generally accepted accounting principles starting with net earnings as reported in the Company's consolidated financial statements for the applicable Performance Period, adjusted to eliminate certain items, at the discretion of the Compensation and Human Resources Committee of the Board, including but not limited to (1) the cumulative effect of changes in generally accepted accounting principles; (2) gains and losses from discontinued operations; (3) extraordinary gains or losses; and (4) any other unusual or nonrecurring gains or losses which are separately identified and quantified, including merger related charges.
- (b) "**Affiliate**" means (i) any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in each case as determined by the Committee.
- (c) "**Award Pool**" means five percent of Adjusted Net Earnings.
- (d) "**Board**" means the Board of Directors of the Company.
- (e) "**Cause**" means the occurrence of any of the following:
 - (i) the Participant is convicted of, or enters a plea of guilty or nolo contendere to: (A) a felony, (B) a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or (C) any crime involving the business of the Company Group;
 - (ii) in the performance of the Participant's duties for the Company Group or otherwise to the detriment of the Company Group, the Participant engages in: (A) dishonesty that is harmful to the Company Group,

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monetarily or otherwise, (B) willful or gross misconduct, (C) willful or gross neglect, (D) fraud, (E) misappropriation, (F) embezzlement, or (G) theft;

- (iii) the Participant willfully disobeys the directions of the Board acting within the scope of its authority;
- (iv) the Participant willfully fails to comply with the policies and practices of the Company Group;
- (v) the Participant fails to devote substantially all of his or her business time and effort to the Company Group;
- (vi) the Participant is adjudicated in any civil suit, or acknowledges in writing in any agreement or stipulation, to have committed any theft, embezzlement, fraud, or other intentional act of dishonesty involving any other person;
- (vii) the Participant is determined, in the sole judgment of the Board or any individual or individuals the Board authorizes to act on its behalf, to have engaged in a pattern of poor performance;
- (viii) the Participant is determined, in the sole judgment of the Board or any individual or individuals the Board authorizes to act on its behalf, to have willfully engaged in conduct that is harmful to the Company Group, monetarily or otherwise;
- (ix) the Participant breaches any material provision of the Participant's award agreement under the Plan (including but not limited to Section 7.1 of the Participant's award agreement, concerning Confidential Information) or any other agreement between the Participant and any member of the Company Group; or
- (x) the Participant engages in any activity intended to benefit any entity at the expense of the Company Group or intended to benefit any competitor of the Company Group.

All determinations and other decisions relating to a termination for Cause (as defined above) shall be within the sole discretion of the Board or any individual or individuals the Board authorizes to act on its behalf; and shall be final, conclusive and binding upon the Participant. In the event that there exists Cause (as defined above) for termination of your employment, the member of the Company Group that employs the Participant may terminate the Participant's employment and the Award Agreement immediately, upon written notification of such termination for Cause, given to the Participant by the Board or any individual or individuals the Board authorizes to act on its behalf.

- (f) "**Code**" means the Internal Revenue Code of 1986, as amended.
- (g) "**Committee**" means the Compensation Committee of the Board; provided, however, that the Committee shall consist solely of two or more "outside directors", in conformance with Section 162(m) of the Code.
- (h) "**Company**" means Best Buy Co., Inc., a Minnesota corporation and each present or future parent and subsidiary corporation or other business entity thereof.
- (i) "**Company Group**" means, collectively, the Company and its Affiliates.
- (j) "**Confidential Information**" means any and all information in whatever form, whether written, electronically stored, orally transmitted or memorized pertaining to: trade secrets; customer lists, records and other information regarding customers; price lists and pricing policies, financial plans, records, ledgers and information; purchase orders, agreements and related data; business development plans; products and technologies; product tests; manufacturing costs; product or service pricing; sales and marketing plans; research

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and development plans; personnel and employment records, files, data and policies (regardless of whether the information pertains to you or other employees of the Company Group); tax or financial information; business and sales methods and

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operations; business correspondence, memoranda and other records; inventions, improvements and discoveries; processes and methods; and business operations and related data formulae; computer records and related data; know-how, research and development; trademark, technology, technical information, copyrighted material; and any other confidential or proprietary data and information which you encounter during employment, all of which are held, possessed and/or owned by the Company Group and all of which are used in the operations and business of the Company Group. Confidential Information does not include information which is or becomes generally known within the Company Group's industry through no act or omission by you; provided, however, that the compilation, manipulation or other exploitation of generally known information may constitute Confidential Information.

- (k) "**Covered Employee**" means an eligible Participant designated by the Committee who is, or is expected to be, a "covered employee" within the meaning of Section 162(m) for the Performance Period for which an award is payable hereunder.
- (l) "**Individual Target Award**" means the target award established for each Participant under Section 7, which shall be a percentage of Award Pool and also may be expressed as a percentage of the Participant's base salary or a fixed dollar amount, as determined by the Committee.
- (m) "**Participant**" means an employee specifically designated as a Participant for a Performance Period under Section 4.
- (n) "**Payment Date**" means the date following the conclusion of a Performance Period on which the Committee certifies that applicable Performance Goals have been satisfied and authorizes payment of corresponding awards.
- (o) "**Performance Goals**" has the meaning set forth in Section 7.1 hereof.
- (p) "**Performance Period**" means the fiscal year of the Company or such other period as determined by the Committee.
- (q) "**Plan**" means the Best Buy Co., Inc. Short-Term Incentive Plan.
- (r) "**Section 162(m)**" means Section 162(m) of the Code and regulations promulgated thereunder, as may be amended from time to time.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, words in the masculine gender, when used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. Administration

3.1 The Committee shall have full power and authority, subject to the provisions of the Plan, (i) to designate employees as Participants, (ii) to add and delete employees from the list of designated Participants, (iii) to establish Individual Target Awards for Participants, (iv) to establish performance goals upon achievement of which the Individual Target Awards will be based, and (v) to take all action in connection with the foregoing or in relation to the Plan as it deems necessary or advisable. Decisions and selections of the Committee shall be made by a majority of its members and, if made pursuant to the provisions of the Plan, shall be final.

3.2 Notwithstanding the foregoing, the Committee may delegate to the Chief Executive Officer (the "CEO") the power and authority, subject to the provisions of the Plan, (i) to designate employees who are not Covered Employees as

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Participants, (ii) to recommend Covered Employees to the Committee for designation as Participants; provided that the Committee shall review and approve Covered Employees as Plan Participants recommended by the CEO, (iii) to add and delete employees who are not Covered Employees from the list of designated Participants, (iv) to establish Individual Target Awards and performance goals upon achievement of which such Individual Target Awards will be based for Participants who are not Covered Employees, and (v) to review and approve, modify or disapprove, or otherwise adjust or determine the amount, if any, to be paid to Participants who are not Covered Employees for the applicable Performance Period based on such Participants' performance goals and individual performance. In addition to the forgoing, the CEO may further delegate his authority to other executive officers of the Company, except that the CEO may not delegate his authority to recommend Covered Employees to the Committee for designation as Participants. References to the Committee herein shall include references to the CEO and his designees to the extent that the Committee has delegated power and authority under the Plan to the CEO and to the extent that the CEO has further delegated power and authority under the Plan to other executive officers of the Company.

3.3 The Committee may promulgate such rules and regulations as it deems necessary for the proper administration of the Plan and the CEO (but not his designees) may promulgate rules and regulations as he deems necessary for the proper administration of the Plan with respect to Participants who are not Covered Employees. The Committee may interpret the provisions and supervise the administration of the Plan, and take all action in connection therewith or in relation to the Plan as it deems necessary or advisable. The interpretation and construction by the Committee of any provision of the Plan or of any award shall be final.

4. Participation

Only employees of the Company designated as Participants by the Committee are eligible under the Plan. Participation in the Plan in one Performance Period is not a guarantee of participation in a future Performance Period.

5. Award Pool

The Award Pool is the maximum aggregate dollar value of awards paid to all Plan Participants in a fiscal year. If a Performance Period is less than twelve months in duration, the Award Pool shall be prorated on the basis of the ratio the numerator of which is the number of fiscal months in the Performance Period and the denominator of which is twelve. If a Performance Period is more than 12 months in duration, the Award Pool shall be increased by prorating the number of fiscal months in the Performance Period in excess of twelve.

6. Individual Target Awards for Participants

At the beginning of each Performance Period, the Committee shall establish an Individual Target Award for each Participant which shall be a percentage of the Award Pool and also may be expressed as a percentage of the Participant's base salary or a fixed dollar amount, as determined by the Committee. An Individual Target Award shall only be a target and the amount of the target may or may not be paid to the Participant. Establishment of an Individual Target Award for an employee for any Performance Period shall not imply or require that an Individual Target Award or an Individual Target Award at any specified level will be set for any subsequent Performance Period. The amount of any actual award paid to any Participant may be greater or less than this target. As set forth in Section 8.4 below (but subject to the limitations applicable to Covered Employees contained in Section 9), the actual award may be increased or decreased, including to zero, as determined by the Committee in its discretion for any Performance Period.

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7. Basis of Awards

7.1 Performance Goals. The Committee shall establish measures, which may include financial and non-financial objectives ("Performance Goals") for the Company. These Performance Goals shall be determined by the Committee in advance of each Performance Period or within such period as may be permitted by the regulations issued under Section 162(m). Performance Goals may reflect an absolute standard of entity or business unit performance or a relative comparison to the performance of a peer group of entities or other external measure of the selected performance criteria. Pursuant to rules and conditions adopted by the Committee with respect to Performance Periods that are at least twelve months in duration, on or before the 90th day of the applicable Performance Period for which Performance Goals are established, or with respect to Performance Periods that are less than twelve months in duration, before 25 percent of the Performance Period has elapsed, the Committee may appropriately adjust any evaluation of performance under such goals to exclude the effect of certain events, including any of the following events: asset write-downs; litigation or claim judgments or settlements; changes in tax law, accounting principles or other such laws or provisions affecting reported results; severance, contract termination and other costs related to exiting certain business activities; and gains or losses from the disposition of businesses or assets or from the early extinguishment of debt.

7.2 Adjustment of Performance Goals. Performance Goals may be determined on an absolute basis or relative to internal goals or relative to levels attained in prior periods or related to other companies or indices or as ratios expressing relationships between two or more Performance Goals. In addition, Performance Goals may be based upon the attainment of specified levels of Company performance under one or more of the measures described above relative to the performance of other corporations. The Committee shall specify the manner of adjustment of any Performance Goal to the extent necessary to prevent dilution or enlargement of any award as a result of extraordinary events or circumstances, as determined by the Committee, or to exclude the effects of extraordinary, unusual, or non-recurring items; changes in applicable laws, regulations, or accounting principles; currency fluctuations; discontinued operations; non-cash items, such as amortization, depreciation, or reserves; asset impairment; or any recapitalization, restructuring, reorganization, merger, acquisition, divestiture, consolidation, spin-off, split-up, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction, but only to the extent such adjustments would be permitted under Section 162(m).

7.3 Performance Goals related to More than One Operating Unit of the Company. Awards may be based on performance against objectives for more than one business or operating unit of the Company. For example, awards for corporate management may be based on overall corporate performance against objectives, but awards for a business unit's management may be based on a combination of corporate, business unit and sub-unit performance against objectives.

7.4 Individual Performance. Subject to the limitations set forth in Section 9 below, individual performance of each Participant may be measured and used in determining awards under the Plan.

8. Award Determination

8.1 Award Determined by Committee. After any Performance Period for which an Individual Target Award is established for a Participant under the Plan, the Committee shall review and approve, modify or disapprove the amount, if any, to be paid to the Participant for the Performance Period. The amount paid shall be the Individual Target Award adjusted to reflect both the results against the Participant's Performance Goals and the Participant's individual performance. All awards are subject to adjustment at the sole discretion of the Committee.

8.2 Financial and Non-Financial Performance. Individual Target Award amounts may be modified based on the achievement of financial and non-financial objectives by the Company and relevant business or operating units and/or

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sub-units of the Company. Performance results against objectives shall be reviewed and approved by the Committee in accordance with Section 7.2 above, as applicable.

8.3 Individual Performance. Any Individual Target Award, adjusted to reflect financial performance, may be further adjusted with the review and approval of the Committee to give full weight to the Participant's individual performance during the Performance Period.

8.4 Overall Effect. The combination of any financial performance adjustment and individual performance adjustment may increase the amount paid under the Plan to a Participant for any Performance Period as determined by the Committee, and may reduce any amount payable including to zero, subject to Section 9. Notwithstanding the foregoing, the exercise of negative discretion by the Committee with respect to a Participant shall not result in an increase in the amount payable to any other Participant.

9. Procedures Applicable to Covered Employees

9.1 Awards under the Plan to Participants who are Covered Employees shall be subject to preestablished Performance Goals as set forth in this Section 9. Notwithstanding the provisions of Section 8.3 above, the Committee shall not have discretion to modify the terms of awards to such Participants except as specifically set forth in this Section 9.

9.2 At the beginning of a Performance Period, the Committee shall establish Individual Target Awards for such of the Participants who may be Covered Employees, payment of which shall be conditioned upon satisfaction of specific Performance Goals for the Performance Period established by the Committee in writing in advance of the Performance Period, or within such period as may be permitted by regulations issued under Section 162(m). The extent, if any, to which an award will be payable will be based upon the degree of achievement of the Performance Goals in accordance with a pre-established objective formula or standard as determined by the Committee. The application of the objective formula or standard to the Individual Target Award will determine whether the Covered Employee's award for the Performance Period is greater than, equal to or less than the Participant's Individual Target Award. To the extent that the minimum Performance Goals are satisfied or surpassed, and upon written certification by the Committee that the Performance Goals have been satisfied to a particular extent, payment of the award shall be made as soon as reasonably practicable after the Payment Date in accordance with the objective formula or standard applied to the Individual Target Award unless the Committee determines, in its sole discretion, to reduce or eliminate the payment to be made.

9.3 Notwithstanding any other provision of the Plan, the maximum award payable to any Participant who is a Covered Employee for a Performance Period that is twelve months in duration shall not exceed \$10,000,000. If a Performance Period is less than 12 months in duration, the maximum award amount shall be prorated on the basis of the ratio the numerator of which is the number of fiscal months in the Performance Period and the denominator of which is twelve. If a Performance Period is more than 12 months in duration, the maximum award shall be increased by prorating the number of fiscal months in the Performance Period in excess of twelve.

10. Payment of Awards

10.1 Restrictive Covenants and Forfeiture. Prior to the payment of any award under the Plan, a Participant must execute a participation agreement. Such participation agreement shall include, among other provisions, restrictive covenants and forfeiture provisions, including but not limited to Section 7.1 of the Participant's award agreement, concerning Confidential Information.

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10.2 Payment. An award under the Plan may be paid in cash or in restricted stock. Awards paid in cash shall be paid in a single sum to the Participant as soon as reasonably practicable after Payment Date, unless the Participant elects to defer his or her award pursuant to the terms and conditions of the Company's Amended and Restated Deferred Compensation Plan, as amended (the "DCP") and in compliance with Section 409A of the Code. To the extent that an award is not deferred under the DCP, such award shall be paid no later than two and one-half months following the end of the Performance Period. Awards paid in restricted stock shall be paid as soon as reasonably practicable after Payment Date but no later than two and one-half months following the end of the Performance Period and such restricted stock shall be issued pursuant to the Company's 2004 Omnibus Stock and Incentive Plan, as amended.

11. Employment on Last Day of Performance Period

11.1 Termination without Cause; Voluntary Termination; Death; Disability. The Participant must be an active employee of the Company Group through the last day of the applicable Performance Period to be eligible to receive an award, if any, on the Payment Date. If the Participant's employment with the company is terminated for any reason or no reason prior to the end of the applicable Performance Period (including, termination without Cause, voluntarily termination, death or disability), the Participant will not be eligible to receive an award with respect to that Performance Period.

11.2 Termination for Cause. If the Participant's employment with the Company Group is terminated for Cause, the Participant will no longer be eligible to receive an award under the Plan regardless of performance.

11.3 Leave of Absence. If the applicable Performance Period is at least twelve months in duration, the Participant's award will be prorated if the Participant is on approved leave of absence status during a portion of the Performance Period. The award shall be prorated on the basis of the ratio the numerator of which is the number of months the Participant is not on an approved leave of absence during the Performance Period measured as of the fiscal 15th day of the fiscal month and the denominator of which is twelve.

12. Withholding Taxes

Whenever the payment of an award is made, such payment shall be net of an amount sufficient to satisfy federal, state and local income and employment tax withholding requirements and authorized deductions.

13. Employment Rights

Neither the Plan nor designation as a Plan Participant shall be deemed to give any individual a right to remain employed by the Company Group. The Company Group reserves the right to terminate the employment of any employee at any time, with or without cause or for no cause, subject only to a written employment contract (if any).

14. Nonassignment; Participants are General Creditors

14.1 The interest of any Participant under the Plan shall not be assignable either by voluntary or involuntary assignment or by operation of law (except by designation of a beneficiary or beneficiaries to the extent allowed under the DCP with respect to amounts deferred under Section 10) and any attempted assignment shall be null, void and of no effect.

14.2 Amounts paid under the Plan shall be paid from the general funds of the Company, and each Participant shall be no more than an unsecured general creditor of the Company with no special or prior right to any assets of the

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Company for payment of any obligations hereunder. Nothing contained in the Plan shall be deemed to create a trust of any kind for the benefit of any Participant, or create any fiduciary relationship between the Company and any Participant with respect to any assets of the Company.

15. Amendment or Termination

The Board may terminate or suspend the Plan at any time. The Committee may amend the Plan at any time; provided that (i) to extent required under Section 162(m), the Plan will not be amended without prior approval of the Company's stockholders, and (ii) no amendment shall retroactively and adversely affect the payment of any award previously made.

16. Successors and Assigns

This Plan shall be binding on the Company and its successors or assigns.

17. Interpretation and Severability

The Plan is intended to comply with Section 162(m), and all provisions contained herein shall be construed and interpreted in a manner to so comply. In case any one or more of the provisions contained in the Plan shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Plan, but the Plan shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

IN WITNESS WHEREOF, the undersigned officer of the Company certifies that the foregoing sets forth the Best Buy Co., Inc. Short-Term Incentive Plan as duly adopted by the Board on April 7, 2011.

BEST BUY CO., INC.

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By: _____

Title: _____

