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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o Definitive Additional Materials

o 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):

ý No fee required.

o 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:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(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 Business:

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

By Order of the Board of Directors

Minneapolis, Minnesota	Elliot S. Kaplan
[May 26, 2011]	*Secretary*

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

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*.

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.

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.

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 Saraïde, 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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Class 1 Directors Terms expire in 2012
(ages as of February 26, 2011)

Lisa M. Caputo, 47, has been a director since December 2009. Ms. Caputo is managing director and senior banker of the Public Sector Group of Citigroup's Institutional Clients Group. Citigroup, Inc. is a leading financial services company. In 2000, Ms. Caputo founded Citi's Women & Co. business, a membership service that provides financial education and services for women, and is currently its chairman after serving as its chief executive officer from 2000 to 2010. As such, she is a driving force for women in leadership, an area of focus for us. Since joining Citi in 2000, Ms. Caputo has held other leadership positions within the Company. Prior to her current role, Ms. Caputo oversaw Citigroup's global marketing and corporate affairs in her role as global chief marketing officer and executive vice president from 2007 to 2010. From 2005 to 2007, Ms. Caputo acted as chief marketing and community relations officer of Citi's Global Consumer Group. Prior to that, she acted as senior managing director of business operations and planning of Citi's Global Consumer Group and also served as chief of staff to Citi's Global Consumer Group's chief executive officer. From 1998 to 1999, Ms. Caputo was vice president, global communications and synergy for Disney Publishing Worldwide, the world's largest publisher of children's books and magazines. From 1996 to 1998, she was vice president of corporate communications for CBS Corporation, a mass media company. From 1992 to 1996, Ms. Caputo served in President Bill Clinton's administration, both as press secretary for First Lady Hillary Rodham Clinton, and as deputy assistant to the President. Ms. Caputo also serves on the boards of WNET Channel 13, The Sesame Workshop, New Visions for Public Schools, the J. William Fulbright Foreign Scholarship Board and The Creative Coalition. She is a member of the International Steering Committee for FINCA International, the Advisory Council on Media Relations for Brown University, The New York Presbyterian Sloane Hospital Advisory Committee, the Women@NBCU Advisory Board, the Council on Foreign Relations and the Financial Women's Association. With her broad background with various for-profit companies and non-profit organizations, Ms. Caputo brings to the Board extensive marketing expertise, global and corporate communications experience and political savvy. She is also a highly respected, well-connected leader and is credited for her comprehensive approach, intelligence and tenacity.

Brian J. Dunn, 50, has been a director since June 2009 when he was also named our CEO. A 26-year veteran of our company, Mr. Dunn began his career with us as a store associate in 1985 when we operated only a dozen stores. From 2006 until being named to his current position, Mr. Dunn served as President and Chief Operating Officer. From 2004 to 2006, Mr. Dunn was President Retail, North America. From 2002 to 2004, he served as, Executive Vice President Best Buy U.S. Retail. Prior to that, he served as, Senior Vice President, Regional Vice President, Regional Manager, District Manager and Store Manager. During his time with us, Mr. Dunn has made significant contributions to our market share growth, employee retention, vendor relationships and customer satisfaction scores. Mr. Dunn also serves on the board of The Best Buy Children's Foundation. He previously served on the boards of Dick's Sporting Goods, a full-line sporting goods retailer, and the Greater Twin Cities United Way. Mr. Dunn has established himself as a powerful representative of our brand, an advocate for our unique culture, and a decisive architect of organizational transformation. His personal involvement in the site selection and opening process of over five hundred stores provides him with valuable commercial real estate experience. In addition, Mr. Dunn's day-to-day leadership provides him with intimate knowledge of our operations. His reputation as a leader and success in retail, branding and market expansion are valuable assets to the Board as it looks to move forward in an ever-changing retail environment.

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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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Gérard R. Vittecoq, 62, has been a director since September 2008. Since 2004, he has been a group president and executive office member of Caterpillar, Inc., a manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines based in Peoria, Illinois. He is responsible for the company's Energy and Power Systems Group, which includes its Industrial Power Systems & Growth Markets division, Large Power Systems and Growth Markets division, Marine and Petroleum Power division, Electrical Power division, Progress Rail division / EMD and solar division. He is also responsible for driving enterprise profit and loss accountability for Caterpillar's Europe-Africa-Middle East ("EAME") region. He joined Caterpillar in 1975 and has served in various accounting- and finance-related roles within the company. From 1987 to 1990, he was in charge of strategy projects and was appointed director of strategy & planning in 1990, where he served until 1995. From 1995 to 1997, he was managing director of Caterpillar France S.A. In 1997, he became managing director of Caterpillar Belgium S.A. He was elected a vice president in January 2001, overseeing the EAME Product Development & Operations division. He is a member of the IMD (International Institute for Management Development) Foundation board, a member of the Evian Group: Free Trade Think Tank, an executive member of the World Business Council for Sustainable Development, a vice president of the board of the Swiss-American Chamber of Commerce, and a board member of the Arteres Foundation, a non-profit organization that supports public medicine and healthcare in Geneva, Switzerland. Through Mr. Vittecoq's extensive tenure with Caterpillar, he has gained international management experience, branding knowledge and financial expertise. Mr. Vittecoq's background as an accomplished business leader and his financial acumen, in addition to his political savvy, are valuable assets to the Board as it focuses on our further expansion in the global marketplace.

Director Not standing for re-election at the Meeting
(age as of February 26, 2011)

Elliot S. Kaplan, 74, has been a director and Secretary since January 1971. Since 1961, he has been an attorney with the law firm of Robins, Kaplan, Miller & Ciresi L.L.P., Minneapolis, Minnesota, which serves as our primary external general counsel. He is also an owner and director of the Bank of Naples in Naples, Florida. In addition, he serves on the executive board of the Minnesota Historical Society and the board of the Robins, Kaplan, Miller & Ciresi Foundation for Children, and is a trustee of the University of Minnesota Foundation. He also previously served on the boards of *info*USA, Inc, a direct marketing company; The Minneapolis Institute of Arts; and PACER Center, an organization that seeks to expand opportunities for children and young adults with disabilities. His years of legal practice provide Mr. Kaplan with a deep understanding of business litigation, intellectual property litigation and licensing, antitrust and trade regulation, and corporate governance, all of which help Mr. Kaplan provide an experienced legal perspective to our Board. Mr. Kaplan also brings historical knowledge of our culture to the Board. On April 6, 2011, Mr. Kaplan notified us that he would be retiring as a director of the Board and Secretary at the end of his term on June 21, 2011 and would not stand for re-election at the Meeting.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information about the number of shares of our common stock beneficially owned at February 26, 2011, by our Chairman of the Board, our CEO, our Chief Financial Officer and each of our three other most highly compensated executive officers during the most recent fiscal year. The table provides similar information for each director including the director nominees, all directors and executive officers as a group, and each person or institution that we know who beneficially owns more than 5% of the outstanding shares of our common stock.

Name and Address[1]	Number of Shares Beneficially Owned	Percent of Shares Beneficially Owned
Richard M. Schulze Founder and Chairman of the Board	70,011,003[2]	17.80%
Brian J. Dunn Chief Executive Officer and Director	832,602[3]	*
James L. Muehlbauer Executive Vice President Finance and Chief Financial Officer	245,960[4]	*
Shari L. Ballard Executive Vice President, President Americas	298,535[5]	*
Michael A. Vitelli Executive Vice President, President Americas	131,847[6]	*
Carol Surface Executive Vice President and Chief Human Resources Officer	31,427[7]	*
Lisa M. Caputo Director	14,512[8]	*
Kathy J. Higgins Victor Director	57,980[9]	*
Ronald James Director	70,531[10]	*
Elliot S. Kaplan Secretary and Director	132,061[11]	*
Sanjay Khosla Director	23,250[12]	*
George L. Mikan III Director	27,000[13]	*
Matthew H. Paull Director	72,669[14]	*
Rogelio M. Rebolledo Director	39,350[15]	*
Hatim A. Tyabji Director	144,250[16]	*
Gérard R. Vittecoq Director	25,937[17]	*
All directors and executive officers, as a group (23 individuals)	72,918,133[18]	18.42%
Fidelity (FMR LLC) 82 Devonshire Street Boston, MA 02109	21,975,749[19]	5.52%

* Less than 1%.

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(1)
The business address for all directors and executive officers is 7601 Penn Avenue South, Richfield, Minnesota 55423.

(2)
The figure represents: (a) 1,147,500 outstanding shares owned by Mr. Schulze; (b) 59,006,043 outstanding shares registered in the name of Mr. Schulze and a co-trustee, and held by them as trustees of a trust for the benefit of Mr. Schulze, of which up to $150 million aggregate amount of shares have been pledged by the trust as collateral to secure a line of credit; (c) 4,429,231 outstanding shares registered in the name of Mr. Schulze and co-trustees, and held by them as trustees of trusts for the benefit of Mr. Schulze and his family; (d) 1,143,043 outstanding shares registered in the name of Mr. Schulze and a co-trustee, and held by them as trustees of the Sandra Schulze Revocable Trust dated June 14, 2001; (e) 950,169 outstanding shares held by a limited partnership of which Mr. Schulze is the sole general partner (Mr. Schulze has disclaimed beneficial ownership of these shares except to the extent of his monetary interest therein); (f) 252,312 outstanding shares held by a limited partnership of which a limited liability company owned by Mr. Schulze as the sole general partner; (g) 31,672 outstanding shares held by a limited partnership of which a limited liability company owned by Mr. Schulze is the sole general partner; (h) 28,626 outstanding shares registered in the name of Mr. Schulze and held by him as trustee of trusts for the benefit of the children of Mr. Schulze's spouse (Mr. Schulze has disclaimed beneficial ownership of these shares); (i) 10,728 outstanding shares registered in the name of Mr. Schulze's spouse and co-trustees, and held by them as trustees of trusts for the benefit of Mr. Schulze's spouse (Mr. Schulze has disclaimed beneficial ownership of these shares); (j) 183,726 outstanding shares registered in the name of Mr. Schulze and a co-trustee, and held by them as trustees of the Sandra Schulze Revocable Trust dated June 14, 2001 (Mr. Schulze has disclaimed beneficial ownership of these shares); (k) 2,061 outstanding shares held in Mr. Schulze's individual retirement account; (l) 1,928,409 outstanding shares owned by The Richard M. Schulze Family Foundation, of which Mr. Schulze is the sole director; (m) 79,983 outstanding shares registered in the name of JPMorgan Chase Bank ("Trustee"), and held by the Trustee in connection with the Best Buy Retirement Savings Plan ("Retirement Savings Plan") for the benefit of Mr. Schulze; and (n) options to purchase 817,500 shares, which he could exercise within 60 days of February 26, 2011.

(3)
The figure represents: (a) 44,207 outstanding shares owned by Mr. Dunn; (b) 16,869 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 Mr. Dunn; and (c) options to purchase 771,526 shares, which he could exercise within 60 days of February 26, 2011.

(4)
The figure represents: (a) 24,739 outstanding shares owned by Mr. Muehlbauer; (b) 1,514 outstanding shares held in Mr. Muehlbauer's individual retirement account; (c) 952 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 Mr. Muehlbauer; and (d) options to purchase 218,755 shares, which he could exercise within 60 days of February 26, 2011.

(5)
The figure represents: (a) 33,714 outstanding shares owned by Ms. Ballard; (b) 13,464 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 Ms. Ballard; and (c) options to purchase 251,356 shares, which she could exercise within 60 days of February 26, 2011.

(6)
The figure represents: (a) 21,870 outstanding shares owned by Mr. Vitelli; (b) 796 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 Mr. Vitelli; and (c) options to purchase 109,181 shares, which he could exercise within 60 days of February 26, 2011.

(7)
The figure represents: (a) 27,144 outstanding shares owned by Ms. Surface; (b) 143 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 Ms. Surface; and (c) options to purchase 4,140 shares, which she could exercise within 60 days of February 26, 2011.

(8)
The figure represents: (a) 2,012 outstanding shares owned by Ms. Caputo; (b) options to purchase 12,500 shares, which she could exercise within 60 days of February 26, 2011.

(9)
The figure represents: (a) 6,730 outstanding shares owned by Ms. Higgins Victor; and (b) options to purchase 51,250 shares, which she could exercise within 60 days of February 26, 2011.

(10)
The figure represents: (a) 8031 outstanding shares owned by Mr. James; and (b) options to purchase 62,500 shares, which he could exercise within 60 days of February 26, 2011.

(11)
The figure represents: (a) 58,311 outstanding shares owned by Mr. Kaplan; and (b) options to purchase 73,750 shares, which he could exercise within 60 days of February 26, 2011.

(12)
The figure represents: (a) 2,000 outstanding shares owned by Mr. Khosla; and (b) options to purchase 21,250 shares, which he could exercise within 60 days of February 26, 2011.

(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.

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EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Our Compensation Discussion and Analysis ("CD&A") describes our executive compensation programs for fiscal 2011, and explains how the Compensation Committee made its compensation decisions for our named executive officers ("NEOs") for fiscal 2011. The NEOs are our CEO, Brian J. Dunn; our Executive Vice President Finance and Chief Financial Officer ("CFO"), James L. Muehlbauer; and our three other most highly compensated officers: Shari L. Ballard, Executive Vice President, President Americas; Michael A. Vitelli, Executive Vice President, President Americas; and Carol A. Surface, Executive Vice President and Chief Human Resources Officer.

As described in this CD&A, we designed an executive compensation program for fiscal 2011 to attract and retain highly qualified executives and establish a strong relationship between executive pay and our performance based on achievement of the enterprise-wide goals and benchmarks described below.

Our key compensation decisions for fiscal 2011, as explained in further detail below, are:

Base Salaries. The CEO's salary increased by 10% in recognition of his maturity in the chief executive role. The other NEOs', aside from Ms. Surface who joined us in March 2010, salaries also increased by an average of 10%, due to increased scope, scale and responsibility for our largest business unit.

Short-term incentives. We made no change to the short-term incentive target payout percentages, however, lower-than-expected enterprise performance resulted in lower payouts for our NEOs.

Long-term incentives. We increased the long-term incentive awards for the NEOs to reflect tenure, external market conditions and significant expansions of role. The CEO's long-term incentive award increased by 75%. The other NEOs' awards increased by an average of approximately 30%.

Special awards. To replace foregone equity-based awards from her former employer, we gave our new Executive Vice President and Chief Human Resources Officer a signing bonus and restricted stock. No other NEO received a special award.

Other compensation. The CEO and our other NEOs are generally offered the same employee benefits, perquisites and other rewards offered to all of our U.S.-based employees.

For ease of use, this CD&A is divided into four sections:

1. *Philosophy, Objectives and Principles* This section describes the guiding principles that support our executive compensation programs, including our Total Rewards Philosophy and our Principles of Executive Compensation.

2. *Governance* This section details the roles and responsibilities of the parties involved in the development of our executive compensation programs, as well as the individual performance assessments and determinations of compensation for the NEOs.

3. *Factors in Decision-Making* This section describes our "Executive Compensation Framework," which is a set of internal and external factors that allow for a comprehensive, multi-faceted evaluation of total compensation. It also identifies our peer group of companies.

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

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Governance

The following table summarizes the roles of each of the key participants in the executive compensation decision-making process.

Key Participant	Member(s)	Role in Decision-Making Process
Compensation Committee	Ronald James (Chair) Kathy J. Higgins Victor George L. Mikan, III Hatim A. Tyabji	Established our Total Rewards philosophy and our compensation objectives. Determines, approves and oversees executive compensation, including the design, competitiveness and effectiveness of our compensation programs. Also oversees the development, evaluation and approval of incentive compensation, equity-based pay and other material employee benefit plans for all employees, including the NEOs. Certain matters that do not materially impact our NEOs have been delegated by the Compensation Committee to members of management in order to ensure timely decision-making, maintain compliance with legal or regulatory obligations or for administrative reasons. For example, such delegations include: to our CEO, the authority to appoint officers at the vice president level; to our Executive Vice President and Chief Human Resources Officer, the authority to modify officer titles, provided that the modification does not impact the officer's compensation or role; and to our Executive Vice President and Chief Human Resources Officer, the authority to amend our benefit plans for limited and immaterial purposes, such as to comply with applicable laws and regulations. The Compensation Committee's charter is available on our Web site at *www.bby.com* select the "Investor Relations" link and then the "Corporate Governance" link.
Compensation Committee's Independent Compensation Consultant	Don Delves of The Delves Group	Reports directly to the Compensation Committee and participates in its meetings, but provides no other consulting or other services to us. Reviews the recommendations of management with the Compensation Committee to ensure that the recommendations are aligned with our stated objectives and are reasonable when compared to our peer market for executive and director talent.
CEO	Brian J. Dunn	Generally attends when management presents compensation recommendations to the Compensation Committee for our other executive officers and provides his perspective. Does not participate in or otherwise influence management's recommendations for himself.

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Key Participant	Member(s)	Role in Decision-Making Process
Human Resources ("HR")		As led by Ms. Surface, during the first quarter of each fiscal year, provides the Compensation Committee with compensation recommendations for our executive officers. HR's presentation includes a summary of the application of several internal and external factors to each of our executive officers, which we refer to as our "Executive Compensation Framework." HR generally applies and analyzes the internal factors and works with Towers Watson to apply and analyze the external factors. Our other NEOs do not participate in the development of compensation recommendations or the approval process, although they may provide perspective on recommendations for their direct reports.
HR's Compensation Consultant	Towers Watson	Assists HR in the development and analysis of external compensation data that management uses to facilitate its executive and director compensation recommendations to the Compensation Committee. Attends Compensation Committee meetings to address matters directly related to its engagement, including questions regarding external market data and related analyses. It also assisted the Compensation Committee in reviewing compensation relative to risk. Reports directly to HR and does not engage with the Compensation Committee, except with regard to the aforementioned matters and at the request and under the direction of HR. Provides non-executive compensation consulting and other services expressly at the direction of HR and without the direct engagement of the Compensation Committee.

Factors in Decision-Making

Executive Compensation Framework. For fiscal 2011, each element of compensation and the level of total direct compensation for each of our NEOs was determined by referencing our Executive Compensation Framework. Our Executive Compensation Framework consists of a set of internal and external factors that allow for a comprehensive, multi-faceted evaluation of total compensation based on each individual's personal attributes and talents, the internal "value" of their role, and objective external market data. The factors are not required to carry equal weight and not all of the factors are considered in determining the compensation recommendation for each individual. We believe that the diversity of the factors included in our Executive Compensation Framework and our flexibility in their application enhances our ability to develop compensation packages that (i) further our compensation objectives, (ii) further one or more of our strategic initiatives, and (iii) produce the highest return on our compensation investment.

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For fiscal 2011, the internal and external factors that comprised our Executive Compensation Framework were as follows:

We applied the external factors to each NEO based on a review of publicly available compensation data for our peer group of companies and the Fortune 100, and in some instances, we also consulted survey data.[1] We used available information and monitored actions taken by our peers to evaluate market trends and to assess the overall competitiveness of our executive compensation levels. We did not, however, seek to establish total direct compensation that falls within a prescribed range relative to our peer group of companies or the Fortune 100. In addition, the Compensation Committee may at times use our peer group of companies to evaluate:

(1) The surveys we consulted, as well as the companies they surveyed, are listed in Schedule A to this CD&A, beginning on page 47.

- The cost of the total direct compensation paid to our NEOs;
- The relationship between our financial performance and the compensation paid to our NEOs; and
- The relative difficulty of our incentive performance targets.

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Peer Group. The criteria we used to determine our peer group of companies in fiscal 2011 was unchanged from the criteria we used in fiscal 2010. Our peer group has remained stable since fiscal 2008, with few exceptions. We continue to use the same factors to select our peers: predominantly retail or wholesale companies with more than $5 billion in revenue and significant revenue generated outside of the U.S. Our peer group at the time compensation was determined for our NEOs in fiscal 2011 was comprised of the following companies:

Amazon.com, Inc.

Apple Inc.

Costco Wholesale Corporation

Dell Inc.

eBay Inc.

FedEx Corporation

Harley-Davidson, Inc.

Lowe's Companies, Inc.

Nordstrom, Inc.

Staples, Inc.

Starbucks Corporation

Target Corporation

The TJX Companies, Inc.

Wal-Mart Stores, Inc.

Walgreen Co.

The Walt Disney Company

Whole Foods Market, Inc.

Yahoo! Inc.

Elements of Our Compensation and Benefit Programs

Overview. The fiscal 2011 compensation for our NEOs included the following elements:

Element	**Form(s) of Compensation**	**Purpose**	**Performance Metric(s)**
Base Salary	Cash	Provide competitive, fixed compensation to attract and retain exceptional executive talent	Not performance-based
Short-Term Incentive	Cash	Create a strong financial incentive for achieving or exceeding company goals	Net operating profit, revenue, gross profit rate
Long-Term Incentive	Stock options	Create a strong financial incentive for increasing shareholder value and encourage a significant equity stake in our company	Best Buy common stock price
Individual Recognition Restricted Stock Award	Restricted stock	Recognize superior performance rendered and attract and retain exceptional executive talent	Performance-and not performance-based
Signing Bonus	Cash	Provide compensation to attract exceptional executive talent	Not performance-based
Health, Retirement and Other Benefits	Eligibility to participate in benefit plans generally available to our employees, including health, retirement, stock purchase, severance, life insurance and disability plans	Plans are part of our broad-based employee benefits program	Not performance-based
Executive Benefits and Perquisites	Annual executive physical exam, supplemental long-term disability insurance, four weeks of paid vacation, expanded employee discount, stock ownership target planning and tax planning/preparation services	Provide competitive benefits to promote the health, well-being and financial security of our executive officers	Not performance-based

Fiscal 2011 Pay Mix. The Compensation Committee does not establish a set pay mix for our executive officers. However, our executive compensation program does emphasize long-term compensation versus short-term compensation. The resulting target pay mix for fiscal year 2011 for our CEO and our other NEOs, on average, is shown below. Actual salary levels, short-term incentive awards (identified in the table below as "STI" and discussed in

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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%	*Internal Factors:* Highest ranking officer in our company