

BEST BUY CO INC
Form DEF 14A
May 09, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

BEST BUY CO., INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(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:

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(3) Filing Party:

(4) Date Filed:

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

NOTICE OF 2012 REGULAR MEETING OF SHAREHOLDERS

- Time: 9:30 a.m., Central Time, on Thursday, June 21, 2012
Best Buy Corporate Campus — Theater
- Place: 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 the three Class 1 directors listed herein 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 February 2, 2013.
 3. To conduct an advisory vote to approve our named executive officer compensation.
 4. To approve an increase in the available number of shares under the Best Buy Co., Inc. 2008 Employee Stock Purchase Plan.
 5. To vote on a shareholder proposal recommending declassification of our Board of Directors, if properly presented at the meeting.
 6. 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 23, 2012.
- 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, if you have received paper materials.

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
May 9, 2012

Keith J. Nelsen
Secretary

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE REGULAR MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 21, 2012:

This Notice of 2012 Regular Meeting of Shareholders and Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended March 3, 2012, are available at www.proxyvote.com.

Help us make a difference by eliminating paper proxy mailings to your home or business. As permitted by rules adopted by the U.S. Securities and Exchange Commission ("SEC"), we are furnishing proxy materials to our shareholders primarily via the Internet. On or about May 9, 2012, we mailed to our shareholders a Notice of Internet Availability containing instructions on how to access our proxy materials, including our proxy statement and our annual report. The Notice of Internet Availability also includes instructions to access your proxy card to vote via the Internet or by telephone. Other shareholders, in accordance with their prior requests, have received e-mail notification of how to access our proxy materials and vote via the Internet, or have been mailed paper copies of our proxy materials and proxy card.

Internet distribution of our proxy materials is designed to expedite receipt by our shareholders, lower the cost of the Regular Meeting of Shareholders and conserve precious natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive emails with instructions to access these materials via the Internet unless you elect otherwise.

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, 2012

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

PROXY STATEMENT

REGULAR MEETING OF SHAREHOLDERS — JUNE 21, 2012

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," "our" or the "Company") to be voted at our 2012 Regular Meeting of Shareholders (the "Meeting") to be held on Thursday, June 21, 2012, 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, including the proxy statement and form of proxy, were either made available to you over the Internet or mailed to you beginning on or about May 9, 2012.

Background

What is the purpose of the Meeting?

At the Meeting, shareholders will vote on the items of business outlined in the Notice of 2012 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 or the Notice of Internet Availability?

You received this proxy statement and a proxy card or the Notice of Internet Availability because you owned shares of Best Buy common stock as of April 23, 2012, 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 23, 2012, 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 23, 2012, as the record date for the Meeting.

How many shares of Best Buy common stock are outstanding?

As of the record date, there were 342,138,443 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 the three Class 1 directors listed herein 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 February 2, 2013;
3. The advisory vote to approve our named executive officer compensation;
4. The approval of an increase in the available number of shares under the Best Buy Co., Inc. 2008 Employee Stock Purchase Plan;
5. The shareholder proposal recommending declassification of our Board, if properly presented at the Meeting; and
6. 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 if you have received paper materials; 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 Wednesday, June 20, 2012. 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 owners, 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 during the Meeting will replace any previous votes submitted by proxy.

In accordance with the rules of the SEC, we are sending all shareholders who have not affirmatively opted to receive paper materials, all of their proxy materials via the Internet. However, you may opt to receive paper copies of proxy materials, at no cost to you, by following the instructions contained in the Notice of Internet Availability. 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 the Company.

How are my voting instructions carried out?

When you vote via proxy, you appoint the Chairman of the Board, Richard M. Schulze, and the Secretary of the Company, Keith J. Nelsen, (collectively, the "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, if a recommendation was provided. For Item 5, the Proxy Agents will count uninstructed proxy cards as "abstain" votes. 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.

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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 in 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 or represented by proxy 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 at the meeting 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 advisory vote related to executive compensation, the vote to increase the available number of shares under the Best Buy Co., Inc. 2008 Employee Stock Purchase Plan and the advisory vote on a shareholder proposal to declassify the board of directors are not considered routine matters under NYSE rules. 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 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 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.

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Proxy Solicitation

How are proxies solicited?

We will request that brokerage firms, banks, other custodians, nominees, fiduciaries and other representatives of shareholders forward the Notice of Internet Availability and, as applicable, the proxy materials and annual reports themselves, to the beneficial owners of our common stock. We expect to solicit proxies primarily by Internet and 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 our 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?

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 or request separate copies of our proxy materials by notifying our Investor Relations Department in writing 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 promptly upon receipt of your revocation.

Can I receive the proxy materials electronically?

Yes. All shareholders may access our proxy materials electronically via the Internet. 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. You may opt to receive paper copies of proxy materials, including our Annual Report and proxy statement, at no cost to you, by following the instructions on your Notice of Internet Availability.

An electronic version of this proxy statement is posted on our Web site at www.investors.bestbuy.com — select the "SEC Filings" link or the "Corporate Governance" link.

Additional Information

Where can I find additional information about Best Buy?

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

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EXECUTIVE SUMMARY

The following is a summary of the key elements of our proxy statement. Please review the Company's Annual Report on Form 10-K and the complete proxy statement for more information.

COMPENSATION OVERVIEW

Our key compensation decisions for fiscal 2012, as explained in detail in the Executive and Director Compensation — Compensation Discussion and Analysis are:

Base Salaries. We made no change to the named executive officers' ("NEOs") base salaries. They remained at their fiscal 2011 levels.

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

Long-term incentives. We made no changes to the level of the long-term incentive grants for the NEOs, but we changed the mix of the NEOs' awards from 100% stock options to 75% stock options and 25% time-based restricted stock.

Retention awards. We gave restricted stock awards to key leaders within the enterprise, including our NEOs, to ensure continuity of critical leaders in a time of enterprise transformation.

Other compensation. The NEOs continue to receive the same employee benefits, perquisites and other rewards generally offered to our U.S.-based officers.

SHAREHOLDER ACTIONS

Item 1: Election of Directors

We have three director nominees standing for election by our shareholders this year. You will find information about all of our directors' qualifications and experience within Item 1. All of our director nominees have proven leadership, sound judgment, integrity, and a commitment to the Company.

Item 2: Ratification of Appointment of our Accounting Firm

We are asking our shareholders to ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for our fiscal year 2013.

Item 3: Advisory Vote on Executive Compensation

For the second year, our shareholders have the opportunity to cast a non-binding, advisory vote on our executive compensation program, the "say on pay" vote, as set forth in Item 3. We were pleased that last year shareholders overwhelmingly supported the design of our compensation program. In evaluating the say on pay proposal, we recommend that you review the Executive and Director Compensation — Compensation Discussion and Analysis, which explains how and why the Compensation and Human Resources Committee arrived at its executive compensation decisions for fiscal 2012.

Item 4: Approval of Increase in Available Shares under the Best Buy Co., Inc. 2008 Employee Stock Purchase Plan

We are seeking shareholder approval to increase the shares available under the Best Buy Co., Inc. 2008 Employee Stock Purchase Plan by an additional five million shares. We previously requested the approval of shares in 2008, and approximately 1.3 million shares remain available of the five million shares that were then approved. We anticipate

that additional shares are necessary to maintain purchases beyond the 2013 fiscal year.

Item 5: Shareholder Proposal

Finally, you are being asked to consider one shareholder proposal contained in this proxy statement that pertains to the declassification of our Board of Directors. The Board has considered the shareholder proposal, and has determined to neither oppose nor support the shareholder proposal, nor to provide a voting recommendation to shareholders. More information regarding the shareholder proposal can be found in Item 5.

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EXECUTIVE LEADERSHIP CHANGES

Chief Executive Officer. As announced on April 10, 2012, Brian J. Dunn resigned from his position as Chief Executive Officer and Director of the Company effective April 9, 2012. Director George L. Mikan III has been named Chief Executive Officer (Interim) while a search for a new Chief Executive Officer is conducted. Additional details regarding compensation terms or contingencies for Mr. Dunn and Mr. Mikan will be disclosed on a Current Report on Form 8-K once they become available.

The Board has created a committee to run a global search process to identify a Chief Executive Officer who will bring strong leadership to the Company. The committee, headed by Kathy J. Higgins Victor in her role as Chairwoman of the Nominating, Corporate Governance and Public Policy Committee, will oversee a thorough search process to identify internal and external candidates, including Mr. Mikan, our current Chief Executive Officer (Interim).

Additional search committee members are:

• Lisa Caputo, member of the Nominating, Corporate Governance and Public Policy Committee and the Global Strategy Committee;

• Ronald James, chair of the Compensation and Human Resources Committee and member of the Finance and Investment Policy Committee; and

• Sanjay Khosla, chair of the Global Strategy Committee and member of the Nominating, Corporate Governance and Public Policy Committee.

The search is expected to take six to nine months to complete.

The Board is committed to running an open and transparent process, and has publicly announced the search committee members. The Board will publicly announce the selected search firm and will post the job description on the Company's Web site, as it does with director searches.

Executive Vice Presidents. In January 2012, as part of our organizational transformation, Shari L. Ballard's role changed from Executive Vice President, President - Americas to Executive Vice President and President, International and Michael A. Vitelli's role changed from Executive Vice President, President - Americas to Executive Vice President and President, U.S. In her new role, Ms. Ballard has responsibility for our businesses in China, Canada and Mexico, as well as overseeing management of our interests in the Best Buy Europe venture. In his new role, Mr. Vitelli assumed full responsibility for our domestic business groups and channels.

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CORPORATE GOVERNANCE AT BEST BUY

Our Board is elected by our shareholders to oversee our business and affairs. In addition, the Board counsels, advises and oversees management in the long-term interests of the 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.investors.bestbuy.com — select 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 overwhelmingly independent. Of our 10 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 eight of our 10 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 95% of fiscal 2012 Board and Board committee meetings.

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.

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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 also focuses on Board oversight responsibilities, strategic planning and mentoring Company officers. Our Chairman also periodically represents the 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 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 and one special meeting during the fiscal year ended March 3, 2012. 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 2012, the average attendance by our incumbent directors at Board and Board committee meetings exceeded 95%. Our Board requires director attendance at our regular meetings of shareholders, and 100% of the then-serving directors attended the 2011 Meeting.

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 ("Nominating 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.investors.bestbuy.com — select 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, Finance and Investment Policy Committee, Nominating Committee and Global Strategy Committee are independent directors as defined under the SEC and NYSE corporate governance rules for such committees, and are "outside directors" for purposes of Internal Revenue Code section 162(m), as applicable. The Board has further determined that all members of the Audit Committee qualify as financial experts under SEC rules.

Among other duties, the Board committees have the following responsibilities:

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

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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 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 approves and oversees the development and evaluation of equity-based and other incentive compensation and certain other employee benefit plans of a compensatory nature.

Nominating 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 corporate governance principles to the Board, 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 Item of Business No. 1 – Election of Directors – Director Nomination Process.

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 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 2012 and the names of the directors serving on each committee as of March 3, 2012:

Committee	Date Established	Number of Meetings During Fiscal 2012	Members
Audit	June 1, 1984	10	Hatim A. Tyabji*† George L. Mikan III ⁽¹⁾ † Matthew H. Paull† Gérard R. Vittecoq† Ronald James*
Compensation and Human Resources	February 13, 1997	10	Kathy J. Higgins Victor George L. Mikan III ⁽¹⁾ Hatim A. Tyabji
Nominating, Corporate Governance and Public Policy	February 13, 1997	4	Kathy J. Higgins Victor* Lisa M. Caputo Sanjay Khosla Rogelio M. Rebolledo ⁽²⁾ Matthew H. Paull*
Finance and Investment Policy	September 13, 2006	8	Ronald James Gérard R. Vittecoq

Global Strategy	January 13, 2010	4	Sanjay Khosla* Lisa M. Caputo Rogelio M. Rebolledo ⁽²⁾
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*Chair

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

(1) Mr. Mikan stepped down from his roles on the Audit Committee and Compensation and Human Resources Committee on April 10, 2012 upon being named CEO (Interim) of the Company.

(2) Mr. Rebolledo is retiring from the Board and not standing for re-election at the 2012 Regular Meeting of Shareholders on June 21, 2012.

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Board Risk Oversight

Our Board is responsible for oversight of enterprise risk. The Board considers enterprise risk factors as 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 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 that we face. 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 management 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 fiscal 2012, the Compensation Committee, Don Delves, the compensation consultant engaged by the Compensation Committee, and Towers Watson, the compensation consultant engaged by management, 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, the Compensation Committee 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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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 and the directors' committee assignments.

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 generally 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;

Personally worked on (or whose immediate family member has personally 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 or employee of our independent registered public accounting firm, or a director whose immediate family member is a partner of such firm or is employed by such firm and personally works on our audit; or

An employee (or has an immediate family member who is an executive officer) of another company that has made payments to Best Buy, or received 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 director who served during any part of the last fiscal year is independent, with the exception of Brian J