

## BEST BUY CO., INC.

### CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors (the “Board”) of Best Buy Co., Inc., (the “Company”) has adopted these principles as a general framework to assist the Board in carrying out its responsibility for the oversight of the business and affairs of the Company. The Board is committed to good corporate governance practices and a sound governance structure that promotes the interests of all shareholders. The Nominating, Corporate Governance and Public Policy Committee of the Board reviews these Corporate Governance Principles annually, and changes are recommended to the Board for approval, as appropriate. These principles are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws or regulations or modify the Company’s Amended and Restated Articles of Incorporation or Amended and Restated By-laws.

#### A. Board Responsibilities

1. *Strategy & Performance.* Each year, the Board reviews and discusses the Company’s strategic plans and the Company’s management development and succession plans. In addition, focused discussions of key issues are held periodically for in-depth reviews of certain matters.
2. *Representation of Shareholder Interests.* Each director is expected to represent the interests of all shareholders and not those of any particular shareholder or any single interest group. Senior management meets regularly with investors and shareholders and reports to the Board on analyst and shareholder views of the Company.
3. *Risk Oversight.* The Board oversees enterprise risk as a critical component of its review of business strategy and performance to ensure there is an appropriate balance of risk and opportunity and helps develop strategies to address such risks. The Board may delegate risk oversight responsibility of certain matters to its committees, as appropriate.
4. *CEO Evaluation, Compensation & Succession Planning.* The Board evaluates the performance of the Chief Executive Officer (“CEO”) and reviews the CEO’s compensation, based on findings and recommendations of the Compensation & Human Resources Committee. The CEO shall develop a management succession plan and discuss the plan with the full Board. The succession plan shall address, among other things, succession in the event of an emergency or retirement of the CEO. The review of CEO performance, compensation and succession should occur at least once annually.
5. *Committee Responsibilities.* The Board delegates oversight responsibilities of various matters to its committees, with such committee responsibilities set forth in each committee’s charter or otherwise noted herein. Reports of committee meetings, including recommended actions, are given to the full Board, which acts on the recommendations, as appropriate.

6. *Management Responsibilities.* Management, under the direction of the CEO, is responsible for: developing and executing the Company's strategic plans; managing the Company's day-to-day operations; implementing the strategic, financial, and management policies of the Company; identifying, assessing and managing Company risk; preparing the financial statements and other reports of the Company; and providing reports to the Board about the foregoing matters.

## **B. Board Composition**

1. *Director Independence.* A majority of the members of the Board shall qualify as "independent" under the listing standards of the New York Stock Exchange. A director who is deemed "independent" must disclose the principal employment and affiliations of him or herself, and those of his or her spouse and children living at home. The Board will affirmatively determine annually and at other times required by the listing standards that the directors designated as independent have no material relationships to the Company (either directly or indirectly) that may interfere with the exercise of their independence from management and the Company.
2. *Board Size.* The Board will periodically, but no less often than annually, review the appropriate size of the Board. The Company's Amended and Restated By-laws currently provide that the Board consist of one or more directors and that the 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.
3. *Committee Composition.* The Audit Committee; the Compensation and Human Resources Committee; and the Nominating, Corporate Governance and Public Policy Committee shall be composed entirely of independent directors, as defined in the applicable listing standards, laws and regulations. Committee and chair assignments are reviewed regularly to ensure that each committee has an appropriate mix of tenure and experience.
4. *Director Terms.* Directors shall be elected for a one-year term, with all directors to stand for election annually at the regular meeting of shareholders.

## **C. Selection, Service and Retirement of Directors**

1. *Director Experience, Qualifications & Skills.* Directors are identified and nominated based on broad criteria, with the objective of identifying and retaining directors that can effectively develop the Company's strategy and oversee management's execution of that strategy. In the director identification and nomination process, the Board seeks a breadth of experience from a variety of industries and from professional disciplines, such as finance, professional services and technology, along with a diversity of gender, ethnicity, age and geographic location.
2. *Selection of Director Nominees.* Well-defined selection criteria for individual directors stress independence, integrity, experience and sound judgment in areas relevant to the Company's business strategy and risk oversight obligations, a proven record of accomplishment and leadership, a desire to be actively engaged with sufficient time to devote to the Board, and the ability to challenge and stimulate management. Final approval of director nominees is

determined by the entire Board based on recommendations of the Nominating, Corporate Governance and Public Policy Committee. However, any director appointed by the Board must stand for election or ratification at the next regular meeting of shareholders.

3. *Business Conduct and Ethics.* Directors are expected to act ethically and in compliance with these principles, applicable laws and regulations, and the Company's Code of Ethics.
4. *Other Company Board Service.* The number of other for-profit company boards on which an individual director may serve shall be subject to a case-by-case review by the Nominating, Corporate Governance and Public Policy Committee, in order to ensure that each individual director is able to devote sufficient time to perform his or her duties as a director. In no case shall the number of public company boards on which an individual director serves exceed four (including the Company's Board), with the exception that on a limited transitional basis as determined by the Nominating, Corporate Governance and Public Policy Committee, a director may temporarily serve on more than four public company boards. Directors employed full-time by the Company and directors who serve as CEOs or in equivalent positions may not serve on more than two public company boards (e.g. the Company's Board and their employer's board). Any director intending to join another for-profit board of directors, whether public or private, shall pre-clear such service with the Nominating, Corporate Governance and Public Policy Committee prior to joining. The Nominating, Corporate Governance and Public Policy Committee shall make a determination on whether to permit or deny the additional service, considering the time commitments related to the director's other boards, necessary time commitments to the Company's Board, the potential for any conflicts with the Director's duties to the Company, and any other relevant factors.
5. *Change in Director Status & Director Retirement.* Non-executive directors shall retire at the expiration of the term during which they reach the age of 72. In addition, non-executive directors are expected to tender a letter of resignation (i) at the expiration of their term five years after having ceased to pursue the primary career they were pursuing at the time they were first appointed to the Board or (ii) whenever their principal employment, public company board membership or other material affiliation(s) changes after joining the Board. Upon any tender of resignation, the Nominating, Corporate Governance and Public Policy Committee will consider and recommend to the Board whether the director should continue to serve.
6. *Majority Votes for Directors.* In any election of directors, any director nominee who does not receive a majority of the votes cast for his or her election, shall immediately tender her or her resignation, and the Board will decide through a process managed by the Nominating, Corporate Governance and Public Policy Committee and excluding the nominee in question, whether to accept the resignation at its next regularly scheduled Board meeting. Absent a compelling reason for the Director to remain on the Board, the Board shall accept the resignation.
7. *Notice of Director Resignation or Retirement.* Notice of a director's resignation or retirement from, or refusal to stand for re-election to, the Board shall be deemed to have been given only upon the receipt by either the Chairperson of the Board or the Chairperson of the Nominating, Corporate Governance and Public Policy Committee of such notice in writing. Acceptance by

the Board of such notice shall trigger preparation of the necessary disclosures as required by the applicable rules and regulations of the Securities and Exchange Commission.

#### **D. Board Leadership & Operations**

1. *Board Chairperson.* The Board will periodically appoint a Chairperson of the Board. Both independent and management directors, including the CEO, are eligible for appointment as the Chairperson.
2. *Lead Independent Director.* In circumstances where the Chairperson of the Board of Directors is not independent, the Board of Directors considers it to be useful and appropriate to designate a Lead Independent Director to coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board of Directors may determine.
  - a. The Nominating, Corporate Governance and Public Policy Committee shall nominate an independent director to serve as the Lead Independent Director, the selection of whom shall be subject to ratification by the vote of a majority of the independent directors of the Board of Directors.
  - b. The Lead Independent Director shall serve for an annual term beginning at the first Board meeting following a regular meeting of shareholders at which directors are elected.
  - c. The Lead Independent Director's duties include: presiding over executive sessions of the independent directors; serving as a stakeholder liaison on behalf of the independent directors by making himself or herself available for direct consultation and communication with interested parties pursuant to New York Stock Exchange rules, as appropriate; calling meetings of the independent directors as appropriate; and performing such other duties as may be requested from time to time by the Board as a whole, by the independent directors, by the Chief Executive Officer or by the Chairperson of the Board.
3. *Number of Meetings.* The Board will meet at least four times a year, with authority to convene additional meetings, as circumstances require.
4. *Director Attendance.* Directors are expected to attend all meetings of the Board and of committees on which they serve, and to spend the time needed to properly discharge their responsibilities. Directors are also expected to attend the regular meeting of shareholders.
5. *Pre-read Materials.* Board meetings and background material sent to directors shall focus on the Company's key strategic leadership and performance issues. Directors are expected to review all background materials prior to attending scheduled meetings.

6. *Agenda.* The agenda and content of Board and committee meetings are developed through discussions between management, the Chairperson of the Board, the Lead Independent Director, and other directors.
7. *Executive Sessions.* Time will be allocated at each regularly scheduled Board meeting for independent directors to meet in executive session. Executive sessions of independent directors shall be chaired by the Chairperson of the Board, if independent, or the Lead Independent Director. This procedure shall be disclosed in the Company's annual proxy statement. The Company shall also disclose in the proxy statement a method for interested parties to contact the chairperson of the executive sessions, or the independent directors as a group, directly.
8. *Director Compensation.* Director compensation shall be reviewed by the Compensation and Human Resources Committee on an annual basis, with a recommendation provided to the Board for its approval. A substantial portion of the directors' compensation shall be linked to the Company's stock performance. Management directors shall not receive any cash compensation for their services as directors, and management directors who are eligible to participate in the Company's equity plans for employees shall not receive any other equity-based compensation for their services as directors. Notwithstanding their compensation as directors, independent directors shall not enter into any fee arrangements with the Company.
9. *Stock Ownership Guidelines.* Directors shall comply with the Company's stock ownership guidelines, as the same may be amended from time to time. The Compensation and Human Resources Committee shall have oversight responsibility for such guidelines.
10. *Access & Engagement of Advisors.* The Board and its committees shall have unrestricted access to management and are free to engage independent outside advisers that they deem necessary to provide advice and counsel on various topics or issues at the Company's expense.
11. *Director Orientation & Continuing Education.* The Nominating, Corporate Governance & Public Policy Committee shall oversee the orientation and continuing education processes.
  - a. Director orientation shall familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs and other controls, its policies, its principal officers, and its internal and independent auditors. The orientation shall also address procedures of the Board, directors' responsibilities, the Company's Corporate Governance Principles and Board committee charters.
  - b. The Company offers, at least annually, continuing education programs to assist the directors in maintaining such level of expertise. In addition, each director may voluntarily attend, at the Company's expense, one commercial director education seminar during each term of service, so long as the seminar is related to the director's committee assignment or to the work of the Board generally.

12. *Board Performance Evaluations.* The Board will conduct, at least annually, an evaluation of its performance, including the Board as a whole, its leadership structure, each committee, and individual directors. The evaluation process is overseen by the Nominating, Corporate Governance & Public Policy Committee, with a report of the results and any recommendations presented to the Board. Periodically, an independent third-party evaluator may be engaged to provide an independent assessment of the Board's performance.