

BEST BUY CO INC  
Form PRER14A  
May 02, 2008

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  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- x 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 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):

- x No fee required.  
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**BEST BUY CO., INC.**  
**7601 Penn Avenue South**  
**Richfield, Minnesota 55423**

**NOTICE OF 2008 REGULAR MEETING OF SHAREHOLDERS**

**Time:** 9:30 a.m., Central Time, on Wednesday, June 25, 2008  
**Place:** Best Buy Corporate Campus Theater

7601 Penn Avenue South  
Richfield, Minnesota 55423

- Items of Business:**
1. To elect five Class 1 directors to serve on our Board of Directors for a term of two years and to ratify the appointment of one Class 2 director.
  2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2009.
  3. To approve our 2008 Employee Stock Purchase Plan.
  4. To approve an amendment to our Restated Articles of Incorporation to require a majority voting standard for the election of directors.
  5. 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 28, 2008.

**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  
[May 12, 2008]

Elliot S. Kaplan  
*Secretary*

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Help us make a difference by eliminating paper proxy mailings to your home or business. As permitted by rules recently adopted by the U.S. Securities and Exchange Commission, we are pleased to make this proxy statement and our annual report to shareholders available electronically via the Internet. If you received a Notice by mail, you will not receive a printed copy of the proxy materials. You may, however, opt to receive a printed copy of our proxy materials by following the instructions for requesting such materials included in the Notice.

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**BEST BUY CO., INC.**

**7601 Penn Avenue South**

**Richfield, Minnesota 55423**

**PROXY STATEMENT**

**REGULAR MEETING OF SHAREHOLDERS JUNE 25, 2008**

**GENERAL INFORMATION**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board) of Best Buy Co., Inc. (Best Buy, we, us, or our) to be voted at our 2008 Regular Meeting of Shareholders (the Meeting) to be held on Wednesday, June 25, 2008, at 9:30 a.m., Central Time, at the Best Buy Corporate Campus - Theater, 7601 Penn Avenue South, Richfield, Minnesota, or at any postponement or adjournment of the Meeting. The mailing of proxy materials to shareholders will commence on or about [May 12, 2008].

**Background**

*What is the purpose of the Meeting?*

At the Meeting, shareholders will vote on the items of business outlined in the Notice of 2008 Regular Meeting of Shareholders (the 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 am I receiving this proxy statement and a proxy card?*

You are receiving this proxy statement and a proxy card because you owned shares of Best Buy Common Stock as of April 28, 2008, 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 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?*

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In order to vote at the Meeting, you must be a shareholder of record of Best Buy as of April 28, 2008, 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 28, 2008, as the record date for the Meeting.

*How many shares of Best Buy Common Stock are outstanding?*

As of the record date, there were 411,800,087 shares of Best Buy Common Stock outstanding. There are no other classes of capital stock outstanding.

### **Voting Procedure**

*On what items of business am I voting?*

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

- The election of five Class 1 directors for a term of two years and the ratification of one Class 2 director;
- The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2009;
- The approval of our 2008 Employee Stock Purchase Plan;
- The amendment to our Restated Articles of Incorporation to require a majority voting standard for the election of directors; and
- Such other business as may properly come before the Meeting.

*How do I vote?*

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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:

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- Via the Internet at [www.proxyvote.com](http://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 Internet or telephone, you must do so before 11:59 p.m., Eastern Time, on Tuesday, June 24, 2008. After that time, Internet and 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.

In accordance with the new rules of the U.S. Securities and Exchange Commission ( 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 we will provide in advance of the distribution of our 2008 proxy materials.

Street name shareholders who wish to vote at the Meeting will need to obtain a proxy form from the institution that holds their shares of record.

### *How are my voting instructions carried out?*

When you vote via proxy, you appoint Richard M. Schulze and Elliot S. Kaplan (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. 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 comes up for vote at the Meeting, or at any postponement or adjournment of the Meeting, that is not described in the 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?*



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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 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. Due to a recent change to Minnesota law, directors are to be elected by a plurality of the voting power of the shares present at a meeting, unless otherwise provided in a company's articles of incorporation. Election by plurality means that the candidate receiving the most votes for a position will be elected. Our Restated Articles of Incorporation do not address the vote required to elect directors. Accordingly, at the Meeting, directors will be elected by a plurality. Our Board has approved, and recommends shareholder approval of, an amendment to our Restated Articles of Incorporation to require that directors receive a majority of the votes cast in order to be elected to the Board. See *Item of Business No. 4 Approval of Amendment to Our Restated Articles of Incorporation* beginning on page [\_\_].

The election of directors and the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm are considered routine matters under New York Stock Exchange (NYSE) rules. The NYSE rules allow brokerage firms to vote their clients' shares on routine matters if the clients do not provide voting instructions. The approval of our 2008 Employee Stock Purchase Plan and the amendment to our Restated Articles of Incorporation are considered non-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 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:

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- 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 the preliminary voting results at the Meeting. We will publish the final voting results in our Quarterly Report on Form 10-Q for our second fiscal quarter ending August 30, 2008. Our Quarterly Report on Form 10-Q is required to be filed with the SEC within 40 days of the end of our fiscal quarter.

### **Proxy Solicitation**

*How are proxies solicited?*

We will request that brokerage firms, banks, other custodians, nominees, fiduciaries and other representatives of shareholders forward notices and, as applicable, proxy materials and annual reports to the beneficial owners of our Common Stock. We expect to solicit proxies primarily by mail, but directors, officers and other employees of Best Buy may also solicit proxies in person, by telephone, through electronic transmission and by facsimile transmission. Directors and employees of Best Buy 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 shareholder communications, in a single package per address. This practice, known as "householding," is designed to reduce our 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 notices and, as applicable, proxy materials and investor communications within 30 days of your revocation.

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*Can I receive the proxy materials electronically?*

Yes. Shareholders who have not affirmatively opted to receive paper proxy materials through the mail will receive a notice of availability and will receive our proxy materials electronically via the Internet. Electronic delivery saves us the costs of printing and mailing these materials. We encourage our shareholders to receive proxy materials via the Internet because it reduces our expenses for shareholder meetings. You may opt to receive paper copies of proxy materials, at no cost to you, by following the instructions we will provide in advance of the distribution of our 2008 proxy materials.

An electronic version of this proxy statement is posted on our Web site at [www.BestBuy.com](http://www.BestBuy.com) select the For Our Investors 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 Annual Report to Shareholders, 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 Best Buy on our Web site at [www.BestBuy.com](http://www.BestBuy.com).

### **CORPORATE GOVERNANCE AT BEST BUY**

Our Board is elected by the shareholders to oversee our business and affairs. In addition, the Board advises management regarding a broad range of subjects including Best Buy strategies and operating plans. Members of the Board monitor and evaluate our business performance through regular communication with our Chief Executive Officer 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 our Code of Business Ethics, both of which are posted on our Web site at [www.BestBuy.com](http://www.BestBuy.com) select the For Our Investors link and then the Corporate Governance link. Paper copies of these documents are available to shareholders free of charge upon request.

### **Board Meetings and Attendance**

The Board held four regular meetings and one special meeting during the fiscal year ended March 1, 2008. 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. The average attendance by current directors at Board and Board committee meetings exceeded 95%. Our Board does not have a formal policy relating to Board member attendance at our regular meetings of shareholders; however, our directors generally attend the shareholders' meeting each year. Each of the then-serving directors attended the 2007 Regular Meeting of Shareholders.

**Committees of the Board**

The Board has the following four committees: