

U.S. Political Activity & Public Policy Report 2010

Best Buy Co., Inc.

2010

From time to time, Best Buy may engage in the political process by developing and advocating public policy positions directly impacting Best Buy. As a commitment to shareholders, employees, and the community, Best Buy supports transparency in disclosing our efforts and priorities and on any use of corporate funds for political purposes.





Introduction

This report describes the company's primary methods of advocacy and political giving, including contributions made both directly and indirectly to political candidates and organizations in the United States. This report also provides an overview of the criteria and procedures that Best Buy follows when determining how to allocate funding to candidates, political parties or political organizations; ballot campaign initiatives; independent expenditures; and any electioneering communications on behalf of a federal, state or local candidate. To assure compliance with Best Buy's own requirements and those required by law, Best Buy maintains a separate political activity and government relations policy for employees. This report and the Best Buy Political Activity & Government Relations Policy are reviewed annually by the **Nominating, Corporate Governance and Public Policy Committee of the Best Buy Board of Directors**.

Corporate Funding in Support of Candidates & Issues

Direct corporate contributions to candidates and committees are prohibited at the federal level and in some states. However, corporations may make independent expenditures on behalf of candidates and committees. Thus, Best Buy may provide corporate funding to candidates and/or issue campaigns that align with the company's business objectives and public policy goals. Best Buy discloses political contributions allowed by law made in support of candidates or public policy issue campaigns. Best Buy complies with all federal, state and local laws concerning contributions of corporate funds to political candidates and ballot initiatives.

Selection Criteria:

All candidates and issue campaigns must meet several criteria before Best Buy will consider contributing corporate funds.

- Business impact – including the interests of the company, employees, shareholders and customers
- Public policy goals – including the recipient's ability to positively impact one or more of the Best Buy policy priorities
- Alignment with Best Buy core values

Note: In March 2011, Best Buy established a **Political Steering Committee** that will oversee funding to candidates, political parties or political organizations; ballot campaign initiatives; independent expenditures; and any electioneering communications on behalf of a federal, state or local candidate. For more information, please see **The Best Buy Political Activity & Government Relations Policy**.





Political Contributions in 2010 (FY11)

Best Buy did not make any political contributions directly to candidates this year. In connection with Best Buy selection criteria, the company may decide to provide financial support to certain candidates as allowed by law.

The organizations below received funding from Best Buy in 2010. Depending on their individual missions and tax classification under the Internal Revenue Code, such organizations may lobby and/or educate the public on issues of public importance or participate in election campaigns for government offices or political organizations. The IRC may require these organizations to file periodic reports concerning their activity, which can be located on the Internal Revenue Service website.

Organization	Amount
Democratic Attorneys General Association	\$35,000
Democratic Governor’s Association	\$35,000
Democratic Legislative Leadership Campaign	\$15,000
Minnesotans for Impartial Courts	\$10,000
MN Forward, LLC	\$100,000
Republican State Leadership Campaign	\$35,000
Republican Governor’s Association	\$50,000

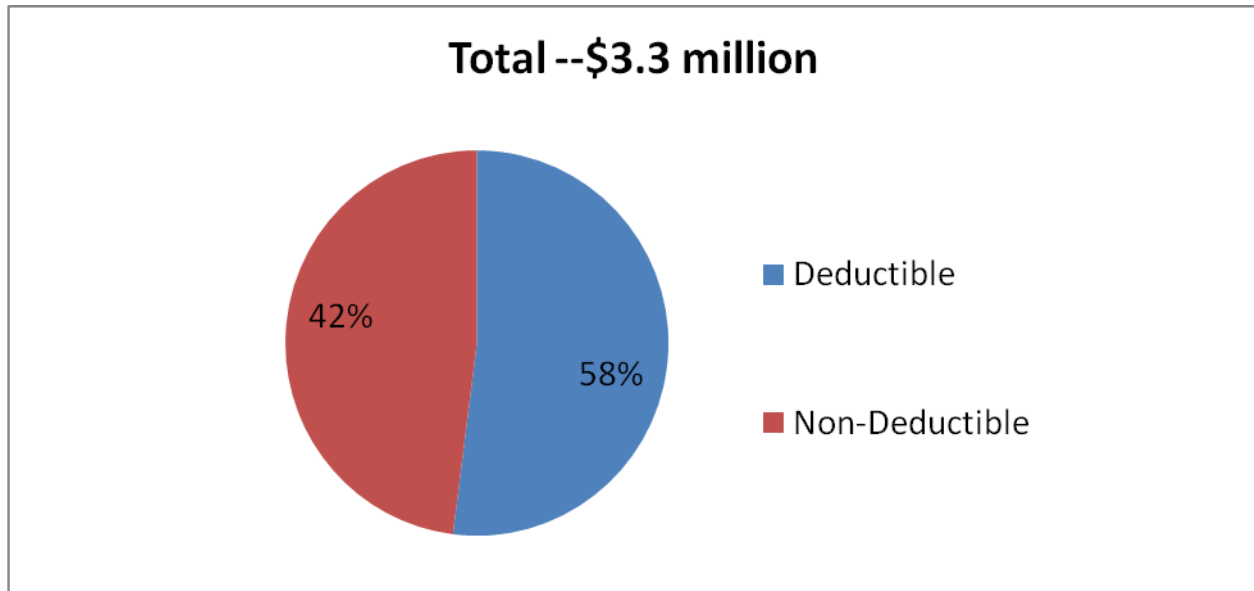
Trade Organizations

Best Buy belongs to numerous trade organizations which support and lobby on behalf various public policy initiatives. Best Buy discloses on an annual basis the total amount paid in membership dues to trade organizations and the percentage of those dues that are considered non-deductible lobbying/political expenditures. The portion of our dues used for lobbying activities is not deductible under the U.S. tax code. Best Buy monitors the use of dues or payments to trade associations and other organizations to ensure consistency with the company’s stated policies, practices, values and long-term interests.





Amount Best Buy paid in dues to Principal Trade Associations in 2010 (FY11):



The following is a list of major trade organizations to which Best Buy paid dues in 2010 (FY11):

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| Alabama Retail Association | Maryland Retailers Association | Retail Industry Leaders Association/RILA |
| Arizona Retailers Association | Michigan Retailers Association | Retail Merchants Association of New Hampshire |
| Arkansas Grocers/Retail Merchants Association | Minneapolis Regional Chamber | Retail Merchants of Hawaii |
| Associated Oregon Industries Retail Council | Minnesota Business Partnership | Retailers Association of Massachusetts |
| California Business Properties Assn. | Minnesota Chamber of Commerce | Rhode Island Retail Federation |
| California Retailers Association | Minnesota Retailers Association | Richfield Chamber of Commerce |
| California Chamber of Commerce | Missouri Retailers Association | South Carolina Retail Association |
| Colorado Retail Council | Montana Retail Association | South Dakota Retailers |
| Connecticut Retail Merchants Association | National Retail Federation | St. Paul Chamber of Commerce |
| Consumer Electronics Association | National Association of Recording Merchants | Tennessee Retail Association |
| Consumer Electronics Retailers Coalition | Nebraska Retail Federation | Texas Retailers Federation |
| Delaware Retail Council | New Jersey Retail Merchants Association | The Kansas Chamber |
| Digital Media Association | New Mexico Retail Association | The State Chamber of Oklahoma |
| Direct Marketing Association | New York Metropolitan Retailers Association | U.S. Chamber of Commerce |
| Entertainment Merchants Association | New York Retail Council | U.S. China Business Council |
| Florida Retail Federation | North Carolina Retail Merchants Association | U.S. India Business Council |
| Georgia Retail Association | North Dakota Retail Association | Utah Retail Merchants Association |
| Idaho Retailers Association | Ohio Council of Retail Merchants | Virginia Retail Merchants Association |
| Illinois Retail Merchants Association | Pennsylvania Retail Association | Washington Retail Association |
| Indiana Retail Council | Retail Association of Mississippi | West Virginia Retailers Association |
| International Council of Shopping Centers | Retail Association of Nevada | Wisconsin Merchants Federation |
| Iowa Retail Federation | Retail Council of New York State | Wyoming Retail Association |
| Kentucky Retail Federation | | |
| Louisiana Retailers Association | | |
| Maine Merchants Association | | |





Other Organizations

Best Buy works with a number of additional organizations, including non-profits, that provide guidance, expertise and bench-marking on policy related issues and practices. Some of these include:

- Alliance to Save Energy
- Business for Social Responsibility
- CERES
- Council of Institutional Investors
- Clinton Global Initiative
- Public Affairs Council
- The Sustainability Consortium
- World Economic Forum

Best Buy Employee Political Forum (PAC)

The PAC is Best Buy's federally-registered non-partisan political action committee governed by the Federal Elections Campaign Act. The PAC allows eligible employees to pool their personal funds on a voluntary basis with other employees to help elect candidates to Congress who appreciate and understand the issues important to Best Buy and the retail industry.

The PAC is governed by a Board composed of a diverse group of Best Buy employees that are members of the Best Buy PAC. The PAC has term limits on board members to allow additional opportunities for PAC members to participate in the review and approval of contributions made by the PAC and in the direction of the PAC. Information related to The Best Buy Employee Political Forum (PAC) including all receipts and disbursements are reported regularly to the Federal Election Commission and available for public viewing by visiting www.fec.gov.

Best Buy Public Policy Priorities

Each year, under the direction and approval of the Sr. Vice President, Communications, Public Affairs and Corporate Responsibility, the company develops public policy positions that have a direct impact on our business. The Government Relations team manages these issues throughout the local, state and federal legislative sessions.

Connectivity

Best Buy strongly supports the goal of ensuring broadband availability and access for all Americans. Fixed and mobile broadband service has become an increasingly foundational element to the technology products and services that consumers seek. Yet Best Buy has found that too many consumers are unable or unwilling to purchase broadband service because it is either too expensive, not available in their area or they have difficulty getting service to work with their device. For these reasons, Best Buy fully supports making broadband ubiquitous and affordable, which will help spur the development of jobs and innovation. Best Buy is equipped to help deliver technology and services nation-wide and we want to help consumers realize the benefits of the connected world.





Economic Recovery

Best Buy supports policies that encourage economic recovery and increase employment. Best Buy remains concerned about any government policies that would place additional burdens on our business and consumers.

Energy & Environment

Best Buy supports policies that promote the responsible recycling of electronic waste, address growing concerns related to climate change, and encourage energy efficiency in design and sale of products.

Financial Services & Interchange

Access for consumers to affordable credit is critical to our customers and the growth of our business. Best Buy supports legislation and regulation aimed at protecting critical credit offerings and reducing credit and debit card interchange rates.

Internet Tax Fairness (E-Fairness)

Best Buy supports updates to the tax code which would place the same sales tax collection obligations on all sellers, regardless of whether sales are made in-store or online. Policymakers must be mindful of the competitive environment that all businesses operate and deficits states are facing.

Workforce

There are multiple proposals which could dramatically alter the way in which Best Buy manages, interacts with and rewards its employees. We value the work and unique ideas that our employees bring to their jobs and we want to preserve that for our employees and culture. Best Buy supports policies that are balanced and promote constructive employee/employer relations.

Additional Information

For questions related to this report or for additional information on Best Buy's political policies, please contact Government Relations at GovernmentRelations@bestbuy.com.

