# BEST BUY RETIREMENT SAVINGS PLAN

# 2017 SUMMARY PLAN DESCRIPTION

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended. This prospectus relates to shares of common stock of Best Buy Co., Inc. ("Best Buy") that are offered for issuance to employees of Best Buy and its subsidiaries under the Best Buy Retirement Savings Plan. The offer is made to employees on the terms and conditions set forth in this Prospectus. The common stock of Best Buy is traded on the New York Stock Exchange under the symbol "BBY."

***TABLE OF CONTENTS***

# BEST BUY RETIREMENT SAVINGS PLAN
# SUMMARY PLAN DESCRIPTION
# January 1, 2017

## INTRODUCTION

**Plan Sponsor and Revisions to the Summary Plan Description**. Best Buy established the Best Buy Retirement Savings Plan (the "**Plan**") on October 1, 1990. This Summary has been updated to reflect the provisions of the Plan in effect as of January 1, 2017. This Summary replaces all prior Plan Summaries you may have received.

**Purpose and Limits of Summary**. This Summary is designed to explain the key provisions of the Plan. You should read all parts of this Summary carefully. That will help you understand how the Plan may benefit you, and see whether its eligibility exclusions and benefit limits apply to you. If you want additional information concerning the Plan, this Summary tells you how to obtain that information.

Although this Summary describes the main provisions of the Plan, it is not the complete Plan. A complete copy of the detailed Plan document is available in the office of Your Employer for your inspection. In case of any conflict between the provisions of the complete Plan document and this Summary, the provisions of the complete Plan document will control.

The information included in this Introduction, the following section and the last section of this Summary is provided to you as required by the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**").

## HOW IS THE PLAN ADMINISTERED?

**Plan Sponsor**. The **"Plan Sponsor"** (sometimes called **"Best Buy"**) is:

Best Buy Enterprise Services, Inc.
Best Buy Corporate Campus
7601 Penn Ave. South
Richfield, MN 55423-3645
Telephone: (612) 291-1000

**Plan Administrator.** The **"Plan Administrator"** is:

Benefits Committee
c/o Best Buy Co., Inc.
Best Buy Corporate Campus
7601 Penn Ave. South
Richfield, MN 55423-3645
Telephone: 612-291-1000

**Trustee**. The **"Trustee"** holding Plan assets is:

State Street Bank & Trust Company
2 Avenue de Lafayette
Boston, MA 02111

**Employer Stock Fund Fiduciary**. The **"Employer Stock Fund Fiduciary"** is:

Evercore Trust Company, N.A.
601 S. Figueroa Street
44th Floor
Los Angeles, CA 90017

The Benefits Committee is the Plan Administrator for the Plan, and is also the Plan's "named fiduciary" generally (for ERISA purposes) except that the Employer Stock Fund Fiduciary, an independent fiduciary, is the named fiduciary with exclusive authority and discretion to direct the Trustee with respect to the continued offering and operation of the Employer Stock Fund and with respect to the continued holding of qualifying employer securities in the Employer Stock Fund.

The members of the Benefits Committee are appointed by the Board of Directors of the Plan Sponsor. Claims should be submitted in writing and directed to the Benefits Committee at the address above. If you have questions about eligibility, participation, contributions or other aspects of the Plan, you should call the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947). To access your account information or conduct transactions, you may also visit the Best Buy Benefits Center website at www.mybbyrewards.com.

The Plan Sponsor has also delegated to the Benefits Committee the portion of the Plan Sponsor's fiduciary duties related to the investment and management of the Plan's assets, including the selection and monitoring of the Plan's Trustee and other persons or entities involved in the investment and management of the Plan's assets. The Benefits Committee has delegated a part of its fiduciary and administrative duties under the Plan to a subsidiary of Best Buy, Best Buy Enterprise Services, Inc. ("**BBES**"), to the Plan's Trustee and to certain contract administrators with whom BBES has contracted for services to the Plan.

**Plan Identification**. The numbers identifying the Plan Sponsor and the Plan are:

Employer Identification Number: 41-0907483 (for the Plan Sponsor)
Plan Number: 002

**Legal Process**. The General Counsel of the Plan Sponsor is the person designated as agent for the service of legal process on the Plan, at the following address:

General Counsel
c/o Best Buy Co., Inc.
Best Buy Corporate Campus
7601 Penn Ave. South
Richfield, MN 55423-3645
Telephone: 612-291-1000

**The Participating Employer Group and Your Employer**. In this Summary, the Plan Sponsor and the other employers participating in the Plan are called the "**Participating Employer Group**." The Participating Employer Group includes Best Buy, BBES and any of their Affiliates participating in the Plan with the consent of Best Buy. For this purpose, "**Affiliate**" means any subsidiary, corporation, limited liability company, partnership or other organization in which Best Buy owns, directly or indirectly, a controlling interest.

A complete list of the Participating Employer Group members participating in the Plan at any time may be obtained by participants and beneficiaries on written request to the Plan Administrator. That list is also available for examination by those individuals, at the principal office of Your Employer.

In this Summary, the term "**Your Employer**" means any member of the Participating Employer Group with whom you are employed at a particular time.

## HOW DOES THE PLAN WORK?

If you are a participant or become a participant, the benefits you ultimately receive from your Plan accounts will depend upon -

- The amount of compensation you choose to have contributed to your savings deferral account;
- The amount of safe harbor matching contributions made by Your Employer to your safe harbor contributions account;
- Any gains or losses in the investment funds you choose for your accounts under the Plan; and
- The vested percentage of your regular matching contributions account when you terminate employment. (Note: "Regular" matching contributions were made to participants in the Plan prior to 2007. Unlike safe harbor matching contributions, regular matching contributions are subject to a vesting schedule).

You may know that the Pension Benefit Guaranty Corporation guarantees certain benefits under pension plans. However, the Pension Benefit Guaranty Corporation does not guarantee benefits in a 401(k) plan like the Plan.

## WHEN MAY I PARTICIPATE IN THE PLAN?

You must be an Eligible Employee (as defined below) who has reached age 18 and completed a minimum period of service with Best Buy and its Affiliates. Once you meet these requirements, you will be eligible to participate in the Plan as follows:

- Employees hired on or after June 1, 2014 – You are eligible to begin contributing on the 1st of the month following 60 days of continuous service. You are eligible to begin receiving the employer match beginning the 1st of the month following one year of service.

- Full-Time Employees hired before June 1, 2014 – You are eligible to begin contributing and receiving the employer match on the 1st of the month following 60 days of continuous service in which you are scheduled to work at least 32 hours per week.

- Part-Time Employees hired before June 1, 2014 – You are eligible to contribute and receive employer match starting the 1st of the month following one year of service; provided, however, if you are hired on or before April 3, 2014 and have not completed the minimum service period, you are eligible to begin contributing as of June 1, 2014 (if you are still an Eligible Employee), but you must still complete one year of service to begin receiving the employer match.

To satisfy any minimum service requirement to participate in the Plan, the Plan counts all past service you have performed for Best Buy and its Affiliates. If you participated in another qualified plan that was merged into the Plan, you will also receive credit for your previous service with the employer that sponsored that plan. Hours are not counted, and instead periods of service are computed under an "elapsed time" method. Under this method, if an employee is employed for a period of 365 days (whether consecutive or not), the employee will receive credit for a year of service. This includes all service with Best Buy and its Affiliates, and also periods of severance (time when not working) which are less than 12 months long.

**Eligible Employee**. An "Eligible Employee" is any employee of the Participating Employer Group who is <u>not</u> in one of the following categories:

- A leased employee, an independent contractor or a reclassified employee. You would be a "leased employee" if you provide services for the Participating Employer Group, but you are paid by another employer. You would be a "reclassified employee" if the Participating Employer Group does not treat you as an employee for income tax withholding purposes, but a court or other government agency decides that you are legally an employee of the Participating Employer Group.

- An employee who is a member of a collective bargaining unit, unless the applicable collective bargaining agreement provides otherwise.

- A non-resident alien employee who does not earn any income in the United States from the Participating Employer Group.

If you are assigned or "loaned" to an Affiliate whose employees are not participating in the Plan, but you remain on the Best Buy payroll, you will continue to be eligible to participate in the Plan.

**Participation after Rehire**. If your employment has terminated and you are rehired by the Participating Employer Group as an Eligible Employee, your Plan eligibility will depend on your status before termination.

- If you were a participant, you will become a participant immediately upon your re-employment.
- If you satisfied the Plan's minimum service requirements but left before your entry date, you will become a participant on the later of:
  - (a) the Plan entry date you would have had if you had not terminated
  - (b) your date of reemployment.
- If you did not satisfy the minimum period of service prior to termination, generally you will be treated as a new hire upon re-hire. Special rules apply if your period of severance (time not working) is less than 12 months. See the Plan for details.

**Military Service**. Federal law may give you the right to return to work for the Participating Employer Group after you have been absent for military service with the armed forces of the United States. If that right applies to you, and you do return to the Participating Employer Group, then you may be entitled to (1) receive credit under the Plan for that military service, and (2) contribute "makeup" savings amounts and receive an allocation of matching contributions based on your compensation prior to your leave. You may obtain additional information by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

**Change in Employment Status**. If you have not been an Eligible Employee, as described above, but you become an Eligible Employee because your employment classification is changed, you will be eligible to participate in the Plan immediately if you have completed the minimum period of service for eligibility.

If you are a participant whose employment is not terminated, but you become ineligible to participate in the Plan because your employment classification is changed, then while you are not an Eligible Employee, you cannot make any salary deferral contributions, or earn any other Plan benefit. However, during the period you cannot participate, you will continue to receive credit for each year of service you complete for vesting purposes, and your existing Plan account (if any) will continue to be invested for your benefit. If you later become an Eligible Employee once again, you may begin salary deferral contributions immediately after that happens.

## WHAT IS THE PLAN YEAR?

The Plan Year currently begins each January 1st and ends the following December 31st. The records for the Plan are kept on a Plan Year basis.

## HOW IS COMPENSATION DEFINED?

Compensation has a special definition for figuring contribution amounts under the Plan. For the 2017 Plan Year, compensation generally includes amounts paid to you by the Participating Employer Group during the Plan Year (or other measuring period) as wages, salary, or commissions, if those amounts are includable in your gross income for Federal income taxes and are not part of specific exclusions as noted in the following. Compensation does not include bonuses, relocation cost-of-living benefits, transitional pay elements, any expense reimbursements, fringe benefits (cash or non-cash), reimbursement of moving expenses, tax gross-up, third party disability pay, imputed income, severance payments, health and welfare plan benefits or contributions, contributions and distributions under any deferred compensation plan, or income from stock options or shares of restricted stock.

For Plan purposes, your compensation is not reduced by either (1) your savings deferrals under the Plan, or (2) any pre-tax contributions you make to a cafeteria plan such as the Best Buy Flexible Benefits Plan. Compensation will not include severance pay or deferred compensation. Compensation includes amounts paid after you terminate employment, if they are paid by the later of the end of the Plan Year in which you terminate or the date that is 2½ months after you terminate. This rule does not apply to any differential wage payments you receive for active duty military service that lasts more than 30 days.

Federal tax law does not allow the Plan to count any of your compensation that exceeds a certain amount. For 2017 that limit is $270,000. After 2017, the limit may be adjusted for cost of living increases. (See the following section entitled “HOW DO I MAKE OR CHANGE SAVINGS DEFERRAL CONTRIBUTIONS?” for more information about how this limit affects your salary deferral contributions.)

## HOW DO I MAKE OR CHANGE SAVINGS DEFERRAL CONTRIBUTIONS?

The Plan allows you to have up to 50% of your compensation contributed to the Plan as a pre-tax savings deferral, instead of being paid to you in cash. This election must be made in accordance with rules established by the Plan Administrator. You may make (or change) your savings election (including a change to stop your salary deferrals) at any time. Your savings deferral contributions are made by payroll reductions from pay checks received after your savings deferral election becomes effective, including pay you receive while you are on a paid leave and any other eligible compensation. Your savings deferral contributions (and any investment earnings on them) will be 100% vested (that is, they may not be forfeited).

You will not be required to pay any income taxes on these amounts until they are distributed to you in cash from the Plan, or from any rollover account into which they may be transferred after you leave Best Buy and its Affiliates. However, Social Security taxes on your savings deferrals will be deducted from your other compensation, just as they would be if you made no savings deferral. This means that your savings deferrals will not reduce your future Social Security benefits.

**Annual Limits on Your Savings Deferrals**. Your total savings deferrals in any taxable year may not exceed the dollar limit set by Federal income tax laws. That annual limit is $18,000 for 2017. This limit may also be increased after 2017 for cost-of-living changes, and is larger for older participants as described in the next paragraph.

If you are age 50 or older by the end of a calendar year, your total savings deferrals may be increased beyond the usual limit for that year, by an additional amount called a “catch-up contribution.” The additional amount may be deferred regardless of any other limits on the annual amount you may defer to the Plan. The maximum catch-up contribution you may make in 2017 is $6,000.   After 2017, the maximum catch-up contribution may be increased for cost of living changes.  Each participant who has a deferral election in effect will be automatically re-enrolled to make catch-up contributions at the same deferral rate for the following plan year unless the participant affirmatively elects to modify their catch-up deferral rate.

As described above, federal tax law does not allow the Plan to count any of your compensation that exceeds $270,000 for 2017.  However, even if your compensation exceeds this limit at any time during the Plan Year, you may still continue to make salary deferral contributions from your compensation, up to the total savings deferral limit ($18,000 for 2017, adjusted for cost of living changes in years after 2017).  Keep in mind that your matching contributions are affected by this compensation limit, as described in the following section entitled "WHAT ARE EMPLOYER MATCHING CONTRIBUTIONS?".

Your annual savings deferral dollar limit (increased by the catch-up contribution limit, if it applies to you) is a total limit that applies to all deferrals you may make under this Plan or certain other pre-tax savings arrangements sponsored by an employer.  Those other arrangements include other 401(k) plans, tax sheltered 403(b) annuity contracts and simplified employee pensions in which you participate for the same taxable year.    Generally, if your total savings deferrals under all pre-tax savings arrangements for a calendar year exceed your annual dollar limit, the excess must be included in your taxable income for the year.  For this reason, you should request in writing that these excess deferrals be returned to you from the Plan or any other plan included in the limit for the taxable year.  If you fail to request a return of any such excess deferrals, you will still be taxed on the excess amount, but may be taxed a second time when the excess deferral is ultimately distributed.  If Your Employer has made any matching contributions described in the next section of this Summary, based on excess deferrals that are distributed to you, those matching contributions will be forfeited.

## WHAT ARE EMPLOYER MATCHING CONTRIBUTIONS?

Your Employer will match your savings deferral contributions to the Plan for each pay period. Your Employer will make a "safe harbor" matching contribution to your safe harbor contributions account under the Plan, based on the first 5% of pay that you defer into the Plan, up to $270,000 of  eligible compensation earned in a calendar year.  For the first 3% of your pay that you defer, Your Employer will contribute a 100% matching amount.  In addition, Your Employer will match $.50 for each dollar of the next 2% of pay that you defer into the Plan.  For example, assume that you will earn $30,000 for the Plan Year, and you choose to defer 6% of your pay ($1,800).  In this example, Your Employer would contribute $1,200 to your safe harbor contributions account in the Plan.  This $1,200 would include $900 as a 100% match on your first $900 (3% x $30,000) of savings deferrals, plus $300 as a 50% match on your next $600 (2% x $30,000) of savings deferrals.  You would not receive a matching contribution on the last $300 (1% of $30,000) of your $1,800 in savings deferrals, because the last $300 would exceed 5% of your pay.

Keep in mind that Your Employer matches your deferrals solely on a per-pay period basis. Starting in 2015, Your Employer stopped making a "true up" matching contribution at the end of the Plan Year based on your deferral percentage for the entire Plan Year.  This is important for you to know so that you do not miss out on safe harbor matching contributions.  **In order to**

**maximize your matching contributions for the year, you need to contribute in as many pay periods as possible.** To illustrate this point, suppose your deferral percentage each pay period is 25% and you reach the IRS maximum on deferrals in the middle of the year (In 2017, the limit is $18,000 if you are under age 50 or $24,000 if you are age 50 or older). Your Employer only matches up to 5% of pay each pay period, and once you reach the deferral limit, both your deferrals and matching contributions stop. In contrast, if your deferral percentage were 5%, you would increase the number of pay periods that you contribute throughout the year before you reach the deferral limit, increasing your matching contributions for the year.

If you defer less than 5% of your pay, you are also missing out on your full matching contributions. If you reach the IRS limit on eligible compensation during the Plan Year ($270,000 in 2017), please be aware that you may continue to make deferrals on pay in excess of that compensation limit (until you reach the IRS maximum deferral limit), but none of those deferrals on pay in excess of the compensation limit will be eligible for matching contributions.

Any safe harbor matching contributions allocated to your safe harbor contributions account (and any investment earnings on them) will be 100% vested (that is, they may not be forfeited).

## HOW DO I MAKE ROLLOVER CONTRIBUTIONS?

The Plan allows you to deposit into the Plan certain types of distributions you are entitled to receive from other eligible retirement plans and certain IRAs, if those distributions would otherwise be taxable and are eligible to be deposited into the Plan as a "rollover." The Plan accepts eligible rollover deposits from the following retirement plans governed by the Internal Revenue Code ("Code"):

- a qualified plan described in Code Section 401(a), 401(k) or 403(a);
- an annuity contract described in Code Section 403(b) (often called a "tax-deferred annuity");
- a plan eligible under Code Section 457(b) that is maintained by a state, a political subdivision of a state, or any agency of a state or political subdivision; and
- an individual retirement account or annuity described in Code Section 408(a) or 408(b) (also called "IRAs"), if the rollover from your IRA includes only pre-tax contributions.

You should consult a qualified tax advisor to see if a rollover is in your best interest; and consult Your Employer to see if the planned distribution is eligible to be rolled over into the Plan.

While you are employed with the Participating Employer Group, you may ask your prior plan administrator, trustee or IRA custodian to directly transfer to the Plan (as a "direct rollover") all or a portion of any amount that you are entitled to receive as a taxable distribution from an eligible plan or IRA. If you have recently received a distribution from an eligible plan or IRA, you may choose to deposit into the Plan any taxable portion of that distribution that is eligible for a rollover, but only if the Plan's Trustee receives that deposit within 60 days after you received the distribution.

If you make a rollover contribution to the Plan, it will be placed in a separate Plan account called a "rollover account." You will always be 100% vested in your rollover account, as described in the next section of this Summary. You may withdraw any amounts in your rollover account as described in the section below, entitled "CAN I RECEIVE ANY BENEFIT DISTRIBUTIONS WHILE EMPLOYED?"

## WHEN ARE MY PLAN BENEFITS VESTED?

**Fully Vested Accounts Holding Savings Deferrals, Safe Harbor Matching Contributions and Rollovers**. Your Plan accounts containing your savings deferrals, the Participating Employer Group's safe harbor matching contributions and any rollover contributions you make are always 100% vested, after adjustments for investment gains or losses. This means you are entitled to all of the balances in those accounts, which cannot be forfeited under the Plan.

Note: "Regular" matching contributions were made to participants in the Plan prior to 2007. Unlike safe harbor matching contributions, regular matching contributions are subject to a 5-year vesting schedule. See the Plan for details.

## HOW MAY I DIRECT THE INVESTMENT OF MY PLAN ACCOUNTS?

The Plan generally allows you to direct the Trustee how to invest the funds in your Plan accounts, by choosing from among the investment funds made available through the Trustee. Information on investment funds in which your accounts may be invested, the manner in which you may direct these investments and similar matters is available through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

When the balance in your Plan account is invested according to your directions, the balance will be segregated into one or more separate investment accounts for you; and gains and losses on those segregated accounts will be accounted for separately. Your Plan accounts do not share in the investment performance of Plan accounts held for other participants who have directed their own investments.

You should keep in mind that, when you direct the Trustee to make an investment in your Plan accounts, you will be responsible for the success or failure of that investment choice. The Plan is intended to comply with Section 404(c) of ERISA. If the Plan complies with that Section, then the fiduciaries of the Plan, including the Participating Employer Group, the Trustee, and the Plan Administrator, will be relieved of legal liability for any losses that are the direct and necessary result of your investment directions for your Plan accounts. The procedures of the Trustee and the Plan Administrator must be followed when you give investment directions. If you do not make other investment directions at the time you enroll in the Plan, your accounts may be invested in the age appropriate lifecycle retirement fund (also called a target date fund) available under the Plan.

## FEES AND EXPENSES

The Plan has fees and expenses associated with participating and investing in the Plan. The expenses of investment mutual funds, including commissions, investment management fees, and other transactional costs are paid out of the mutual fund and reduce the mutual fund's rate of return. The expense ratio of an investment mutual fund will give you an indication of the fees and expenses that are paid out of the mutual fund. Plan administration fees of $16.50 per quarter are charged directly to participants' accounts; these are subject to change. These Plan administration fees cover Trustee fees, record keeping fees, auditor fees, communication costs, and other expenses incurred by the Plan.

## CAN I BORROW FROM MY VESTED PLAN ACCOUNTS?

Effective January 1, 2015, no participant may request a new loan under the Plan, but all loans then outstanding shall continue to be administered in accordance with their terms and the Plan's loan provisions. All loans must be repaid within 5 years, unless they are used by the participant to acquire a principal residence, in which case the repayment term is 15 years. When you terminate employment with Best Buy and its Affiliates, you will need to pay your loan in full or you may opt to make regular direct debit payments until the loan is paid in full within the existing loan terms. Any loan you have must be secured by 50% of your account balance in the Plan, and will bear interest at the prime rate of interest, plus one percent. Loans are repaid by payroll deductions or by personal check or direct debit if you are not receiving any compensation.

As you repay the loan, your principal and interest payments will be credited to your accounts and re-invested according to your other investment directions. You can continue to contribute to the Plan if you have a loan.

## CAN I RECEIVE ANY BENEFIT DISTRIBUTIONS WHILE EMPLOYED?

The following distributions can be made while you are employed with Best Buy or any of its Affiliates, but not more than two times each Plan Year.

**Hardship Distributions**. You may apply to the Plan Administrator for a hardship withdrawal from your rollover account (if any) and some or all of your savings deferrals (if any), but only if you have an immediate and heavy financial need as described below. Any hardship distribution must be made first from any rollover account balance and, second, from your savings deferral contributions (without including any investment gains), reduced by any previous distributions made to you from your savings deferral account. You may request a hardship distribution through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947). If you request a hardship distribution, you will be provided with more detailed rules that apply. You will not be allowed to make savings deferral contributions for six months following the date you receive any hardship distribution.

A hardship withdrawal may only be made for the payment* of (1) medical expenses, (2) the purchase of a principal residence, (3) tuition for post-secondary education, (4) payments

necessary to prevent eviction from, or mortgage foreclosure of, your primary residence, (5) funeral expenses, or (6) repairs of uninsured damage to your primary residence. Some of these expenses may include those incurred for your spouse, dependents or the designated beneficiary of your accounts who is your domestic partner.
* **Note:** A hardship withdrawal must be used to pay directly one of the covered expenses described above. It cannot be used to reimburse you (or someone else) for a payment that has already been made.

Because Federal tax law requires that your financial need be immediate and heavy, you will need to give the Plan Administrator a statement, and provide evidence that your need cannot be relieved: (1) through reimbursement or compensation by insurance or otherwise, (2) by reasonable liquidation of your assets (including jointly owned property of you and your spouse), (3) by ceasing to make savings deferrals under the Plan, (4) by other available distributions from the Plan and any other similar plans maintained by the Participating Employer Group, or (5) by borrowing from commercial sources on reasonable commercial terms (for example, a bank loan).

**Distributions after Age 59½**. In addition to any hardship distributions, you will qualify for an in-service distribution if you are an active employee who has attained age 59½. In-service distributions will only be made from your rollover account, savings deferrals account, safe harbor contributions account, and the vested portion of your regular matching contributions account, in that order.

**Distributions from Rollover Account**. You may also request a distribution from your rollover account.

**Distributions on Account of Extended Military Service**. If you are ordered to serve on active duty for more than 30 days, you may request a distribution of all or a part of your accounts. You will not be allowed to make savings deferral contributions for six months following the date you receive any distribution on account of extended military service.

**Taxation of Distributions Made During Employment.** You may incur a 10% penalty tax if you receive a Plan distribution while you are employed by Best Buy or any of its Affiliates and before you reach age 59½. In-service distributions are generally taxable. Hardship distributions are always taxable, because hardship distributions cannot be rolled over to any other retirement plan or IRA.

If you receive any distribution from the Plan while you are employed by Best Buy or any of its Affiliates, the Trustee will deduct 20% Federal income tax withholding from those distributions. However, if you receive an in-service distribution after you reach age 59½, for reasons other than hardship, you may be eligible to roll over the distribution to another tax-qualified plan or an IRA, as described at the end of the next section of this Summary.

## HOW ARE BENEFITS DISTRIBUTED AFTER EMPLOYMENT TERMINATION?

**Distribution After Employment Termination**. After your employment with Best Buy and its Affiliates has terminated, you may elect to receive your vested accrued benefits immediately, or at any later time before you reach age 65.

- If the current value of your vested Plan accounts (other than any rollover account) is $1,000 or less, the vested percentage of all of your Plan accounts will be distributed to you in a cash lump sum as soon as practical after your termination of employment.
- Rollover accounts in the Plan are excluded from the $1,000 computation, but they will be distributed along with other benefits valued at $1,000 or less. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an IRA.

At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. You may request a distribution through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

If the amount of your required distribution is more than $1,000 (including your rollover account) and you do not elect either to receive or to roll over the distribution, then your funds will be retained in the Plan.

Note: If you were in the Plan prior to 2007, you may have received regular matching contributions that were subject to a vesting schedule. If the balance of your regular matching contributions account is not 100% vested when all of your Plan benefits are distributed, the non-vested balance of that account will be forfeited in accordance with the rules of the Plan. If any non-vested Plan benefit is forfeited, and you are later re-employed with Best Buy or any of its Affiliates, you may have the right to repay such amounts to the Plan and have the forfeited amount restored as a non-vested part of your Plan benefit. See the Plan for details.

Your vested Plan benefits may be distributed to you without your consent if your employment with Best Buy and its Affiliates terminates after you reach age 65, unless you elect to postpone your distribution to a later date. Unless you remain employed by Best Buy or any of its Affiliates, you must begin distribution of your Plan benefits no later than April 1 of the year following the calendar year in which you attain age 70½. If you are a more than 5% owner of the Plan Sponsor, you must begin distribution at that time even if you remain an employee of Best Buy or any of its Affiliates.

**Manner of Distribution**. Your vested Plan benefits will be distributed in a lump sum paid either directly to you or in a direct rollover to your IRA or another tax-qualified retirement plan.

Partial distributions of your vested Plan benefits are available if you participate in the Aon Hewitt Financial Advisors Income+ Program. For more information, please see the materials for the Income+ Program, available on the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

**Taxation of Distributions**. Distributions of Plan benefits are generally taxable when you receive them; and an extra 10% tax penalty may apply if you have not reached age 59½. However, you may elect to have any lump sum distribution of vested Plan benefits transferred in the form of a direct rollover from the Plan to another tax-qualified retirement Plan (if it will accept such a transfer) or to an IRA. This would avoid the automatic requirement of 20% income tax withholding, which the Trustee must deduct from lump sum distributions not made by a direct rollover. Before you decide to make a direct rollover election, you should obtain more information on a direct rollover through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

## HOW DO I DESIGNATE A BENEFICIARY?

You should designate a beneficiary to receive any vested Plan benefits that would become payable after your death. This designation must be made in writing, on a form that is available from Your Employer. You may also obtain information about making or changing your beneficiary designation through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947). After your death, your beneficiary will be provided information concerning payment options available, which include the option for an individual to roll over a distribution to an IRA.

If you do not make such a designation, or your most recently designated beneficiary dies before you do, any Plan benefits payable after your death would be paid to one of the following classes of beneficiaries, in this order, depending on which of them survives or still exists after your death:

- your surviving spouse or, if none,
- your surviving children in equal shares (with any grandchildren of a deceased child sharing his or her share) or, if none,
- your surviving parent or parents in equal shares or, if none,
- any trustees named in your last will for a trust not qualifying for the Federal estate tax marital deduction, or if none,
- any trustees of a revocable trust to which your last will distributes the balance of your estate or, if none,
- your estate.

However, if you are married at your death, your spouse must be your only beneficiary, unless your spouse has consented to your naming another beneficiary. The Plan provides a procedure for your spouse to give that consent in writing. If the procedure in the Plan is not followed, your spouse will be your beneficiary, even though you have named a different beneficiary.

Regardless of any state law, Federal law does not permit a domestic partner to be treated as his or her spouse for beneficiary purposes, or any other purpose under the Plan. However, you may designate a domestic partner as a non-spouse beneficiary.

## HOW ARE BENEFIT CLAIMS MADE AND DECIDED?

Normally, your Plan benefits will be paid to you or your beneficiaries without any formal claim. You or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and directed to the Plan Administrator.

Any request for Plan benefits will be considered a claim for Plan benefits, and it will be given a full and fair review. If the Plan Administrator finds the claim to be valid, you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to payment of the benefit.

**Time for Filing a Claim**. The Plan Administrator must receive actual delivery of your written claim within 1 year after the date you knew or reasonably should have known of the facts behind your claim. If your claim is that your investment directions or contribution elections were not properly followed, this one-year period is shortened to 30 days.

**Notice of Denied Benefit Claim**. If your claim for benefits is wholly or partially denied, the Plan Administrator will furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time (generally 90 days) after the receipt of your claim by the Plan Administrator. The written notice must contain the following information:

- the specific reason or reasons for the denial;
- specific reference to those Plan provisions on which the denial is based;
- a description of any additional information or material necessary to correct your claim, and an explanation of why such material or information is necessary; and
- appropriate information as to the steps to be taken if you or your beneficiary wishes to submit your claim for review.

If your claim was not approved and you do not receive a notice of denial of your claim (as described above) within a reasonable period of time, then you may treat your claim as denied.

If your claim has been denied or treated as denied, and you want to submit your claim for review, you must follow the claims review procedure below.

**Claims Review Procedure**. You may file a written request for review of a denied claim with the Plan Administrator. The following procedure will apply to your request:

- You must file the request for review no later than 60 days after you have received written notice of the denial of your claim for benefits or, if no written denial of your claim was sent, no later than 60 days after your claim is treated as denied.
- You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
- Your claim for review must be given a full and fair review. If your claim is denied, the Plan Administrator must provide you with written notice of this denial within 60 days after the

Plan Administrator received your written request for review. This 60-day period may be extended in some cases. However, this time may be extended only if there are special circumstances, which are communicated to you in writing within the initial 60-day period. If that period is extended, a decision will be made as soon as possible, but not later than 120 days after the Plan Administrator received your request for review.

- The Plan Administrator's decision on your request for review will be communicated to you in writing and will include specific references to the pertinent Plan provisions on which the decision was based.

- If the Plan Administrator's decision on review is not sent to you within the time limits described above, you may treat your claim as denied on review.

**Arbitration Policy**. If you have a claim or controversy arising out of or related to the Plan among and between you, any Participating Employer, any Affiliate, employee, officer, or representative of any Participating Employer or Affiliate (other than disability claims), your claim or controversy must be decided by an arbitrator, rather than a court or jury, consistent with the Plan Administrator's Arbitration Policy. All such claims must be arbitrated on an individual basis, rather than a class or collective basis. Please see the Arbitration Policy for more information; a copy of this Policy is available upon request to the Plan Administrator. With respect to any claim for benefits subject to the internal clams procedures explained above, you must exhaust those procedures before bringing an arbitration claim. All litigation in any way related to the Plan, to the extent not arbitrable under the Arbitration Policy, must be filed no later than 180 days after the Plan Administrator makes a final determination to deny your claim and must be filed in the United States District Court for the District of Minnesota.

## OTHER PARTICIPANT RIGHTS

Participants and beneficiaries in the Plan are entitled to certain rights and protections under ERISA. Title I of ERISA provides that all Plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

- You may examine, without charge, all Plan documents. This examination may take place at the Plan Administrator's office or at other specified employment locations. Plan documents include insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration.

- You may obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. Plan documents include insurance contracts, collective bargaining agreements, a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and this Summary, any future Summaries of Material Modifications affecting this Summary and any new Summary replacing this Summary. The Plan Administrator may make a reasonable charge for copies.

- You may receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual financial report.
- You may obtain a statement telling you whether you have a right to receive your entire Plan account when you terminate employment and, if so, what your benefits would be if you stop working under the Plan at that time. If you do not have a vested right to your entire Plan account, the statement will tell you how many years you have to work to earn a vested right to your entire Plan account. THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE A YEAR. The Plan must provide this statement free of charge.

**Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. These people are called "fiduciaries" of the Plan. They have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. The fiduciaries of the Plan include the Trustee, the Plan Administrator, and the Employer Stock Fund Fiduciary. No one, including Your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. (See the section above entitled "HOW ARE BENEFIT CLAIMS MADE AND DECIDED?")

**Enforce Your Rights**

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan Administrator's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a Federal court.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

**Assistance with Your Questions**

If you have any questions about the Plan, you should contact the Plan Administrator through the Best Buy Benefits Center website at www.mybbyrewards.com, or by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefit Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

## OTHER INFORMATION

**Amendment and Termination**. The Plan Sponsor expects to continue the Plan indefinitely, but reserves the right to terminate the Plan or to amend it. The Participating Employer Group also reserves the right to suspend contributions if it is determined that continuation of contributions is impossible or inadvisable. If the Plan is terminated, or if the Participating Employer Group's contributions to the Plan are permanently discontinued, each participant will be entitled to receive the entire amount of all of his or her Plan accounts, which will then become 100% vested.

**Assignment of Benefits**. Generally, creditors cannot reach your accounts (by garnishment or other process) while held in the Plan. Also, you may not pledge or assign your accounts while held in the Plan. The Plan, however, must obey an IRS levy or a court order that assigns part or all of your accounts to your spouse, former spouse, or dependents if that order is a qualified domestic relations order ("QDRO"). You may obtain additional information by calling the Best Buy Benefits Center at 1-866-MY-BBY-HR (1-866-692-2947).

**No Contract of Employment**. Neither the receipt of this Summary nor the terms of the Plan creates a right for you to be retained in employment.