March 11, 2020


Via Email (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporate Finance
Office of Chief Counsel
100 F St. N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

On January 23, 2020, Best Buy Co, Inc., a Minnesota corporation (the “Company”), submitted a letter (the “No-Action Request”) notifying the staff of the Division of Corporation Finance (the “Staff”) that the Company intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Shareholders (the “Annual Meeting”) (collectively, the “2020 Proxy Materials”) a shareholder proposal and statements in support thereof (the “Proposal”) received from John Chevedden (the “Proponent”), including statements submitted to the Securities and Exchange Commission (the “Commission”), by letter dated November 1, 2019, as revised as of January 2, 2020 and as supplemented by letters dated January 26, 2020 and February 2, 2020.

The Proposal requests that the Company’s Board of Directors (the “Board”) “take each step necessary so that each voting requirement in our charter (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.”
BASIS FOR SUPPLEMENTAL LETTER

The No-Action Request indicated our belief that the Proposal may be excluded from the 2020 Proxy Materials because (a) the Company’s Bylaws, as amended (the “Bylaws”), do not contain stockholder voting requirements that call for a greater than simple majority vote and (b) the Company intended to recommend that the Board approve an amendment to the Company’s Amended and Restated Articles of Incorporation (the “Articles”) that would substantially implement the Proposal with respect to the Company’s Articles. We write supplementally to confirm that, by unanimous written consent on March 10, 2020, the Board approved an amendment to Articles IX and X of the Company’s Articles to (i) eliminate the requirements that amendments to Article IX (Regulation of Certain Events) or X (Stock Repurchases from Certain Shareholders) of the Articles or Section 3.1 (Election of Directors) of the Company’s Bylaws be approved by a vote of two-thirds of the outstanding shares entitled to vote on amendments and (ii) specify in Article X (Stock Repurchase from Certain Shareholders) that applicable stock repurchases be approved by the affirmative vote of the voting power of the shares present and entitled to vote at a meeting of shareholders, except where a larger proportion is required by law, which is the same standard that would apply under Article III of the Articles.1

The Articles, as amended to reflect the amendments described above, will be included with 2020 Proxy Materials to be filed in connection with the Annual Meeting.

ANALYSIS

Rule 14a-8(i)(10) permits a company to exclude a stockholder proposal from its proxy materials if the company has substantially implemented the proposal. Under Rule 14a-8(i)(10), substantial implementation requires that a company’s actions satisfactorily address the essential objective of the proposal. See, e.g., The Brink’s Company (avail. February 5, 2015) (“Brink’s”); Visa, Inc. (avail. November 14, 2014) (“Visa”); Exelon Corp. (avail. Feb. 26, 2010); and Exxon Mobil Corp. (avail. Mar. 23, 2009).

The amendment to the Articles substantially implements the Proposal with respect to the Company’s Articles and Bylaws. This amendment removes the two-thirds supermajority requirement to amend the Company’s Bylaws and the applicable sections of the Company’s Articles, which were the only provisions of the Company’s Articles that called for greater than a

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1 See Article III of the Company’s Articles, which provides (emphasis added):

Except with respect to the election of directors, the shareholders shall take action at a meeting of shareholders by the affirmative vote of a majority of the voting power of the shares present and entitled to vote, except where a larger proportion is required by law or these Articles of Incorporation. Subject to the rights, if any, of the holders of one or more classes or series of Preferred Stock voting separately by class or series to elect directors in accordance with the terms of such Preferred Stock, each director shall be elected at a meeting of shareholders by the vote of a majority of the votes cast with respect to the director.
simple majority vote, and replaces it with a majority of the voting power of the shares present and entitled to vote threshold. As discussed in the No-Action Request, the Staff consistently has concurred that shareholder proposals similar to the Proposal that call for the elimination of provisions requiring “a greater than simple majority vote” are excludable under Rule 14a-8(i)(10) where a company’s governing documents set shareholder voting thresholds at a majority of the company’s outstanding shares. In fact, the Company’s Articles, as amended, will provide for approval by a majority of the voting power of the shares present and entitled to vote at a shareholder meeting, which is a lower threshold than a majority of the Company’s outstanding shares, except where a larger proportion is required by law. In addition, also as discussed in the No-Action Request, the Company already substantially implemented the Proposal with respect to the Company’s Bylaws, which do not contain shareholder voting requirements that call for a greater than simple majority vote. Accordingly, the Proposal may be excluded from the 2020 Proxy Materials in reliance on Rule 14a-8(i)(10).

The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff that it intends to recommend that its board of directors take certain action that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after that action has been taken by the board of directors. See, e.g., Brink’s; Visa; Hewlett-Packard Co. (avail. Dec. 19, 2013); Starbucks Corp. (avail. Nov. 27, 2012); NiSource Inc. (avail. Mar. 10, 2008); Johnson & Johnson (avail. Feb. 19, 2008); Hewlett-Packard Co. (Steiner) (avail. Dec. 11, 2007); General Motors Corp. (avail. Mar. 3, 2004); and Intel Corp. (avail Mar. 11, 2003) (each granting no-action relief where the company notified the Staff of its intention to omit a stockholder proposal under Rule 14a-8(i)(10) because the board of directors was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of the board action).

CONCLUSION

Based upon the foregoing analysis and the No-Action Request, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2020 Proxy Materials. In accordance with Rule 14a-8(j), a copy of this supplemental letter is being sent on this date to the Proponent.
We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to contact me at (612) 291-8756 or Todd.Hartman@bestbuy.com.

Sincerely,

Todd G. Hartman
Executive Vice President, General Counsel &
Chief Risk and Compliance Officer

cc: John Chevedden
    John C. Ericson
    Simpson Thacher & Bartlett LLP
February 2, 2020

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

# 2 Rule 14a-8 Proposal
Best Buy Co., Inc. (BBY)
Non-Committal No-Action Request
John Chevedden

Ladies and Gentlemen:

This is in regard to the January 23, 2020 non-committal no-action request.

The January 23, 2020 letter made no commitment that the board would even support its own potential proposal. The rule 14a-8 proposal was submitted 3-months ago.

Sincerely,

[Signature]

John Chevedden

cc: Todd Hartman, <Todd.Hartman@bestbuy.com>
January 26, 2020

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

# 1 Rule 14a-8 Proposal
Best Buy Co., Inc. (BBY)
Non-Committal No-Action Request
John Chevedden

Ladies and Gentlemen:

This is in regard to the January 23, 2020 non-committal no-action request.

With the total lack of timing information in the no action request management could accordingly decide on whether or not to put forth its own proposal 60-days from now and then decide 70-days from now on whether or not it will support its own proposal.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2020 proxy.

Sincerely,

[Signature]
John Chevedden

cc: Todd Hartman, <Todd.Hartman@bestbuy.com>
RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareholders are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrencing mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. These votes would have been higher than 74% to 88% if more shareholders had access to independent proxy voting advice. The proponents of these proposals included Ray T. Chevedden and William Steiner. This proposal topic also received overwhelming 99%-support at the 2019 Fortive annual meeting.

Currently a 1%-minority can frustrate the will of our 66%-shareholder majority in an election with 67% of shares casting ballots. In other words a 1%-minority could have the power to prevent shareholders from improving the governance of our company. This can be particularly important during periods of management underperformance and/or an economic downturn. Currently the role of shareholders is downsized because management can simply say out-to-lunch in response to an overwhelming 66%-vote of shareholders.

It is especially important to gain this fair voting right to make up for our management taking away an important shareholder right – the right to an in-person annual meeting. For decades shareholders had a once-a-year opportunity to ask our $6 million CEO and directors (who earn about $30,000 a week for the time they devote to Best Buy) questions in person.

Now Best Buy directors can be on the golf course during the annual meeting as long as their phones are on for a few minutes.

Investor relations can take control of the annual meeting. Investor relations can screen out the difficult questions and can then spoon-feed vague answers to our CEO. There is no way a shareholder can ask for clarification of a vague or misleading answer on an important issue such as the $3 billion share buyback program that was announced in 2019. A $3 billion share buyback program is supposed to raise the price of our stock even if Best Buy does not perform any better.

Please vote yes:

Simple Majority Vote – Proposal [4]
[The above line – Is for publication.]
January 23, 2020

Re: Best Buy Co., Inc. — 2020 Annual Meeting of Shareholders, Omission of Shareholder Proposal Submitted by John Chevedden; Securities Exchange Act of 1934, Section 14(a); Rule 14a-8

Via Email (shareholderproposals@sec.gov)
U.S. Securities and Exchange Commission
Division of Corporate Finance
Office of Chief Counsel
100 F St. N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

Best Buy Co, Inc., a Minnesota corporation (“Best Buy” or the “Company”), is filing this letter in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, with respect to the stockholder proposal and supporting statement (together, the “Shareholder Proposal”) submitted by Mr. John Chevedden (the “Proponent”) in a letter dated November 1, 2019 for inclusion in the proxy materials to be distributed by Best Buy in connection with its 2020 annual meeting of stockholders (the “2020 Proxy Materials”). A copy of the Shareholder Proposal, as revised in a letter received from the Proponent on January 2, 2020, and related correspondence with the Proponent is attached as Exhibit A. For the reasons stated below, we respectfully request that the Staff (the “Staff”) of the Division of Corporation Finance of the Securities and Exchange Commission (the “Commission”) not recommend any enforcement action against Best Buy if Best Buy omits the Shareholder Proposal in its entirety from the Proxy Materials.

Best Buy intends to file the definitive proxy statement for its 2020 annual meeting of stockholders (the “Annual Meeting”) more than 80 days after the date of this letter. In accordance with Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”), this letter is being submitted by email to shareholderproposals@sec.gov. In addition, pursuant to Rule 14a-8(j), and as requested by the Proponent, a copy of this letter is also being sent simultaneously by email to the Proponent as notice of Best Buy’s intent to omit the Shareholder Proposal from its 2020 Proxy Materials. Rule 14a-8(k) and SLB 14D provide that a stockholder proponent is required to send to the company a copy of any correspondence that the proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if the
Proponent elects to submit additional correspondence to the Commission or the Staff relating to the Shareholder Proposal, the Proponent must concurrently furnish a copy of that correspondence to Best Buy. Similarly, we will promptly forward to the Proponent any response received from the Staff or Commission related to this request that the Staff or Commission transmits only to Best Buy.

I. The Shareholder Proposal

The Shareholder Proposal states:

Proposal [4] — Simple Majority Vote

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

A copy of the full text of the Shareholder Proposal, including the Proponent’s supporting statement, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

II. Basis for Exclusion

The Company hereby respectfully requests that the Staff concur in its view that the Shareholder Proposal may be excluded from the 2020 Proxy Materials pursuant to 14a-8(i)(10). The Company’s Board of Directors (the “Board”) supports, and will consider approving at an upcoming Board meeting, amendments to the Company’s Amended and Restated Articles of Incorporation (the “Articles”) to eliminate the supermajority voting requirements in the Company’s Articles (the “Amendment”) and thereby replace it with a majority vote requirement. Assuming the Board approves the Amendment, the Board will recommend the Amendment for approval by the Company’s shareholders (the “Company Proposal”) at the 2020 Annual Meeting of Shareholders (the “Annual Meeting”). If the Amendment is approved by the shareholders at the Annual Meeting, the Company will file the articles of amendment that effectuate the Amendment with the Office of the Minnesota Secretary of State (the “MSS”) and upon issuance of a certificate of amendment by the MSS, the supermajority voting requirements in the Articles will be removed and replaced with a majority of the votes cast requirement with respect to the election of directors and a majority of voting power of the shares present and entitled to vote requirement with respect to all other matters, except where a larger proportion is required by law.

As discussed in more detail below, the Shareholder Proposal may be excluded pursuant to Rule 14a-8(i)(10), because the Company Proposal substantially implements the Shareholder Proposal by fulfilling the Shareholder Proposal’s stated objectives to eliminate the supermajority
voting provisions in the Company’s governing documents and replace it with a majority vote requirement.

III. Analysis

The Shareholder Proposal seeks to eliminate all shareholder voting requirements in the Company’s Articles and Bylaws that call for a greater than simple majority vote and replace those voting requirements with a requirement for a majority of votes cast for and against the applicable proposals or the closest standard consistent with applicable laws.

Currently, Article III of the Company’s Articles provides that the Company’s voting standard for the election of directors at a meeting of shareholders is the affirmative vote of a majority of the votes cast with respect to the election of directors, and the applicable voting standard for other actions by the Company’s shareholders is the affirmative vote of a majority of the voting power of the shares present and entitled to vote, except where a larger proportion is required by law or the Company’s Articles.1 (emphasis added)

The Company’s Articles contain the following provisions (the “Supermajority Provisions”) that would require a larger proportion than a majority vote. There are no such provisions in the Company’s Bylaws:

- Section 9 of Article IX (Regulation of Certain Events) provides that Article IX may be amended, altered or repealed only at a meeting of shareholders by the affirmative vote of (a) the holders of at least sixty-six and two-thirds percent (66-⅔%) of the Company’s outstanding shares entitled to vote on amendments to the Articles of Incorporation; and, in addition, (b) the holders of at least sixty-six and two-thirds percent (66-⅔%) of the Company’s outstanding shares entitled to vote that are beneficially owned by shareholders other than related persons; provided, however, that the provisions of Section 9 do not apply to any such amendment, alteration or repeal that is approved and recommended to the shareholders for approval by the affirmative vote of a majority of the voting power of the entire Board of Directors.

- Section 10 of Article IX provides that the provisions of Section 1 (Election of Directors) of Article III (Board of Directors) of the Company’s By-Laws may be amended, altered or repealed only at a meeting of shareholders, called for such purpose, by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-⅔%) of the Company’s

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1 See Article III of the Company’s Articles which provides:

Except with respect to the election of directors, the shareholders shall take action at a meeting of shareholders by the affirmative vote of a majority of the voting power of the shares present and entitled to vote, except where a larger proportion is required by law or these Articles of Incorporation. Subject to the rights, if any, of the holders of one or more classes or series of Preferred Stock voting separately by class or series to elect directors in accordance with the terms of such Preferred Stock, each director shall be elected at a meeting of shareholders by the vote of a majority of the votes cast with respect to the director.
outstanding shares entitled to vote; provided, however, that, notwithstanding the foregoing requirement, the Board of Directors may amend such Section 1 to increase the number of directors in the manner prescribed by law.

- Section 2 of Article X (Stock Repurchases from Certain Shareholders) requires the affirmative vote of a majority of the outstanding shares entitled to vote to approve the repurchase of stock by the corporation from a shareholder owning more than 5% of the outstanding voting shares if (1) the purchase price exceeds the average market price of such shares, and (2) such shares have been owned for less than two years and (3) all other holders of the same class or series are not offered the opportunity to sell the same percentage of their shares at a price determined to be substantially as favorable.

- Section 4 of Article X provides that the provisions of Article X may be amended, altered or repealed only at a meeting of shareholders by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-⅔%) of the Company’s outstanding shares entitled to vote on amendments to the Articles; provided, however, that the provisions of Section 4 do not apply to any such amendment, alteration or repeal that has been approved and recommended to the shareholders for approval by a majority of unaffiliated directors.

If these Supermajority Provisions were eliminated from the Articles as contemplated by the Amendment, the voting requirements in Article III of the Articles would apply. As such, deleting these Supermajority Provisions from the Articles would replace the Supermajority Provisions with a majority vote requirement (i.e., an affirmative vote of the majority of votes cast for the election of directors and the affirmative vote of the majority of the voting power of the shares present and entitled to vote with respect to all other matters, except where a larger proportion is required by law), each is of which is substantially consistent with what is requested by the Shareholder Proposal.

**The Shareholder Proposal May be Excluded Under Rule 14a-8(i)(10) as Substantially Implemented**

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. Interpreting the predecessor to Rule 14a-8(i)(10), the Commission stated that the rule was “designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by the management . . . .” SEC Release No. 34-12598 (July 7, 1976).

As a standard, “substantial implementation” under Rule 14a-8(i)(10) does not require implementation in full or exactly as presented by the proponent. See SEC Release No. 34-40018 (May 21, 1998, n. 30 and accompanying text); SEC Release No. 34-20091 (August 16, 1983). When a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a shareholder proposal, the Staff has consistently concurred that the proposal has been “substantially implemented” and may be excluded. See, e.g., The
The Staff has stated that, in determining whether a shareholder proposal has been substantially implemented, it will consider whether a company’s particular policies, practices and procedures “compare favorably with the guidelines of the proposal.” See The Goldman Sachs Group, Inc. (avail. Feb. 12, 2014) (“Goldman Sachs”); Medtronic, Inc. (avail. June 13, 2013) (“Medtronic”); and Texaco, Inc. (avail. Mar. 28, 1991). The company need not take the exact action requested, and the company may exercise discretion in implementation without losing the right to exclude the proposal. See Goldman Sachs; and Medtronic, Inc. (avail. June 13, 2013). The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has satisfied the “essential objective” of the proposal, even if the company (i) did not take the exact action requested by the proponent, (ii) did not implement the proposal in every detail, or (iii) exercised discretion in determining how to implement the proposal. See, e.g., Walgreen Co. (Sept. 26, 2013) (allowing exclusion of a shareholder proposal requesting an amendment to the company’s organizational documents that would eliminate all supermajority vote requirements, where such company eliminated all but one such requirement for which the requisite shareholder approval was not obtained). In these cases, the Staff has concurred with the company’s determination that the proposal was substantially implemented in accordance with Rule 14a-8(i)(10) when the company had taken actions that included modifications from what was directly contemplated by the proposal, including in circumstances when the company had policies and procedures in place relating to the subject matter of the proposal, or the company had otherwise implemented the essential objective of the proposal. See, e.g., Medtronic. Accordingly, even if a company has not implemented every detail of a proposal, the proposal still may be excluded provided that the company has “substantially implemented” it.

The Staff has, on numerous occasions, including with respect to shareholder proposals that are very similar to the Shareholder Proposal, concurred that a shareholder proposal can be omitted from the proxy statement as substantially implemented under Rule 14a-8(i)(10) when companies have taken actions substantially similar to the Company’s actions. For example, in each of Brink’s and Visa, the Staff concurred that the company could omit from its proxy statement under Rule 14a-8(i)(10) a shareholder proposal almost identical to the Shareholder Proposal. The certificates of incorporation in both Brink’s and Visa required a supermajority vote in order to approve certain actions and amend certain charter provisions. A shareholder submitted a proposal that was substantially similar to the Shareholder Proposal requesting that the board of directors take steps necessary to change each charter and bylaw voting requirement calling for a greater than simple majority vote to a majority of the votes cast for and against related proposals in compliance with applicable laws. After the proposal was submitted, the company submitted a no-action request prior to the board of directors taking action with respect to the supermajority voting provisions set forth in the charter. Subsequently, each of Brink’s and Visa submitted a supplemental letter to the Staff indicating that its board of directors determined to eliminate in their entirety the charter provisions that contained supermajority voting requirements and replace such provisions with a majority of the outstanding shares voting requirement. Each company represented to the Staff that it would provide its shareholders with...
an opportunity to approve such amendments at its upcoming annual meeting. The Staff concurred with each company’s conclusion that the shareholder proposal could be excluded under Rule 14a-8(i)(10) in light of the board action and the anticipated shareholder vote to replace each supermajority voting provision in the company’s certificate of incorporation with a majority voting requirement.

Importantly, the Staff has consistently provided no-action relief with respect to shareholder proposals that are very similar to the Shareholder Proposal even with respect to amendments that reduced the vote requirement to a majority of the shares outstanding standard even though the shareholder proposal requested a majority of the votes cast standard. See, e.g., *Brink’s* (concurring with the exclusion of a substantially similar shareholder proposal as substantially implemented where the supermajority provisions would be eliminated and replaced with a majority of outstanding shares requirement); *Visa* (concurring with the exclusion of a similar shareholder proposal as substantially implemented where the company would propose to shareholders amendments to the certificate of incorporation and bylaws that would replace each provision that calls for a supermajority vote with a majority of outstanding shares standard); *Hewlett-Packard Co.* (avail. Dec. 19, 2013) (“*Hewlett-Packard*”) (concurring with the exclusion of a similar shareholder proposal as substantially implemented where the company’s board of directors approved amendments to its bylaws that would eliminate the supermajority voting standards required for amendments to the bylaws setting a majority of outstanding shares standard); *Medtronic* (concurring with the exclusion of a similar shareholder proposal as substantially implemented where the company would propose to shareholders amendments to the certificate of incorporation that would replace each provision that calls for a supermajority vote with a majority of outstanding shares vote requirement); *Becton, Dickinson* (avail. Nov. 27, 2012) (concurring with the exclusion of a similar shareholder proposal as substantially implemented where the company’s board of directors was expected to approve the elimination of the only supermajority provision); *McKesson Corporation* (avail. Apr. 8, 2011) (concurring that a company proposal to eliminate certain supermajority provisions in their entirety and to reduce the voting threshold of other provisions to a majority of outstanding shares constituted substantial implementation of a similar proposal); *MDU Resources Group, Inc.* (avail. Jan. 16, 2010) (permitting exclusion of a similar proposal when a company’s proposed charter amendments did not modify provisions that conformed to the voting standards of applicable state law or related to preferred stock); and *Applied Materials, Inc.* (avail. Dec. 19, 2008) (concurring with exclusion of a similar proposal when the company represented that shareholders would have the opportunity to vote on a company proposal that eliminated certain supermajority provisions in their entirety and reduced the voting threshold for other provisions to a majority of outstanding shares).

Similarly, the Staff has also consistently granted no-action relief under Rule 14a-8(i)(10) when companies have sought to exclude shareholder proposals requesting elimination of supermajority voting requirements after the boards of directors of those companies have taken action to approve (or were expected to approve) the necessary amendments to their respective articles of incorporation and/or bylaws, and represented that such amendments would be submitted to a vote of shareholders (as applicable) at the next annual meeting. In this regard, we
are submitting this no-action request prior to the Board meeting to consider the Amendment in order to address the timing requirements of Rule 14a-8(j). We will notify the Staff after the Board considers the Amendment. The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff that it intends to recommend that its board of directors take action that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after that action has been taken by the board of directors. See, e.g., Brink’s; Visa; Hewlett-Packard; Starbucks Corp. (avail. Nov. 27, 2012); NiSource Inc. (avail. Mar. 10, 2008); Johnson & Johnson (avail. Feb. 19, 2008); Hewlett-Packard Co. (Steiner) (avail. Dec. 11, 2007); General Motors Corp. (avail. Mar. 3, 2004); Intel Corp. (avail. Mar. 11, 2003) (each granting no-action relief where the company notified the Staff of its intention to omit a shareholder proposal under Rule 14a-8(i)(10) because the board of directors was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of the board action).

Under the standards discussed above, assuming the Board approves the Amendment and submits the Company Proposal to the shareholders at the Annual Meeting, it will have substantially implemented the Shareholder Proposal because the Amendment fulfills the Shareholder Proposal’s essential objective: to eliminate the supermajority voting provisions in the Company’s governing documents and replace them with a majority vote requirement in compliance with applicable laws. Although the Board lacks unilateral authority to adopt the Amendment, it will consider whether to recommend that the Company’s shareholders approve the Company Proposal at the Annual Meeting. Assuming the Board approves the Amendment and recommends shareholders approve the Company Proposal at the Annual Meeting, the Board will have taken all steps within its power to eliminate the supermajority voting provisions in the Company’s governing documents and replace them with a majority vote requirement. Based on the above analysis, the Company will have substantially implemented the Shareholder Proposal, and the Shareholder Proposal may be excluded from the 2020 Proxy Materials in accordance with Rule 14a-8(i)(10).

IV. Conclusion

Based upon the foregoing analysis, we believe that once the Board adopts the resolution approving the Amendment and recommends shareholder approval of the Company Proposal at the Annual Meeting, the Company will have substantially implemented the Shareholder Proposal. Therefore, the Shareholder Proposal is excludable under Rule 14a-8(i)(10). Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Shareholder Proposal from its 2020 Proxy Materials.
We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to contact me at (612) 291-8756 or Todd.Hartman@bestbuy.com.

Sincerely,

[Signature]

Todd G. Hartman
Executive Vice President, General Counsel &
Chief Risk and Compliance Officer

Enclosures

cc:  John Chevedden
     John C. Ericson
         Simpson Thacher & Bartlett LLP
Mr. Todd G. Hartman  
General Counsel, Chief Risk & Compliance Officer and Secretary  
Best Buy Co., Inc. (BBY)  
7601 Penn Avenue South  
Richfield, Minnesota 55423  
investorrelations@bestbuy.com

Dear Mr. Hartman,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This proposal is intended to be implement as soon as possible.

Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of this proposal by email to ***

Sincerely,

John Chevedden

Date: November 1, 2019
RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareholders are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareholders but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. These votes would have been higher than 74% to 88% if more shareholders had access to independent proxy voting advice. The proponents of these proposals included Ray T. Chevedden and William Steiner. This proposal topic also received overwhelming 99%-support at the 2019 Fortive annual meeting.

Currently a 1%-minority can frustrate the will of our 66%-shareholder majority in an election with 67% of shares casting ballots. In other words a 1%-minority could have the power to prevent shareholders from improving the governance of our company. This can be particularly important during periods of management underperformance and/or an economic downturn. Currently the role of shareholders is downsized because management can simply say out-to-lunch in response to an overwhelming 66%-vote of shareholders.

It is especially important to gain this fair voting right to make up for our management taking away an important shareholder right – the right to an in-person annual meeting. For decades shareholders had a once-a-year opportunity to ask our $6 million CEO and directors (who earn about $30,000 a week for the time they devote to Best Buy) questions in person.

Now Best Buy directors can be on the golf course during the annual meeting as long as their phones are on for a few minutes.

Investor relations can take control of the annual meeting. Investor relations can screen out the difficult questions and can then spoon-feed vague answers to our CEO. There is no way a shareholder can ask for clarification of a vague or misleading answer on an important issue such as the $3 billion share buyback program that was announced in 2019. A $3 billion share buyback program is supposed to raise the price of our stock even if Best Buy does not perform any better.

Please vote yes:

Simple Majority Vote – Proposal [4]

[The above line – Is for publication.]
Notes:
This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

• the company objects to factual assertions because they are not supported;
• the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
• the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
• the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email ***