

Best Buy Political Activity & Government Relations Policy:

U.S. Government Interactions



Employee Policy

Best Buy Co., Inc.
Government Relations
Department

This policy seeks to educate employees on political activity as it pertains to employment with Best Buy as a U.S. - domiciled company. Although comprehensive in scope, the policy is intended to be an overview and does not address every instance that may impact an employee's job. For questions related to this policy, employees should contact Government Relations.



BEST BUY POLITICAL ACTIVITY & GOVERNMENT RELATIONS POLICY: U.S. Government Interactions

Scope & Purpose of the Policy

Best Buy encourages employees to engage in the political process, both personally and professionally in accordance with the law and this policy. U.S. federal and state laws regulate certain political activities of U.S.-domiciled corporations and its employees and certain laws compel disclosure pertaining to engagement with government entities. To that end, the purpose of this policy is to clarify the legal and ethical obligations associated with political activity as it relates to your employment with Best Buy. For purposes of this policy, the term “government official” applies to any individual that is elected, appointed or hired by a governmental or quasi-governmental entity.

Introduction

This policy applies to all employees and contractors, regardless of whether they are acting alone, in conjunction with their department, or as part of a Best Buy Employee Business Network. While participation in politics is a personal choice, federal, state and local laws define the parameters of permissible activity. This policy seeks to educate employees on the range of permissible activity as well as conduct that is strictly prohibited or otherwise requires pre-approval. The following topics are addressed in this policy:

- **Lobbying**
- **Grassroots & Employee Advocacy Requirements**
- **Political Campaign Volunteering & Personal Contributions**
- **Voting**
- **Conducting Business with Government Entities**
- **Gifts, Gratuities and Payments to Public Officials**
- **Corporate Funding in Support of Candidates & Issues**
- **Trade Organizations**
- **Employee Political Forum (PAC)**
- **Public Policy Priorities**

Please also refer to these other relevant policies located on ETK:

- **Code of Business Ethics**
- **Corporate Responsibility Report**
- **Foreign Corrupt Practices Act (FCPA) Policy**
- **Solicitation & Distribution Policy**

Lobbying

Lobbying involves making contact with government officials in an attempt to influence legislation or regulatory activity and in some cases procurement activity at the federal, state or local level. Federal law requires companies to register and report lobbying activity in certain instances. Best Buy files federal lobbying reports, copies of which may be viewed at <http://lobbyingdisclosure.house.gov>. States and local governments may also have their own lobbying, registration and reporting requirements.

Examples of lobbying activities can include: attempting to influence legislation, formal rulemaking or ratemaking, influencing the decision on the award or terms of a government contract, and grassroots lobbying.

As a Best Buy employee:

*In general, employees should not be engaging in lobbying activity on behalf of Best Buy unless done in conjunction with the Government Relations Department and with pre-approval from the Sr. Director of Government Relations.

*If employees believe their job responsibilities require interaction with government officials, such employees are required to seek pre-approval from the Sr. Director of Government Relations.

*Employees may not invite candidates or government officials to a Best Buy facility without prior approval from the Sr. Director of Government Relations.

*Unless part of an approved grassroots lobbying effort, employees must avoid communicating or acting in a manner that could mislead others into believing such employees' personal views are those of the company.

Grassroots & Employee Advocacy Requirements

Best Buy may engage in "Grassroots" lobbying activity by communicating with employees or a segment of the public for purposes of influencing legislation or a rulemaking. Government Relations is responsible for advocacy efforts concerning industry or public policy issues of interest to Best Buy.

Under the direction of Government Relations, Best Buy or one of its subsidiaries may request that employees contact state or federal legislators regarding an issue of critical importance to the business. Such requests will generally include background information about the issue, its importance to Best Buy and a suggested message for employees to convey to their legislator. If applicable, Government Relations may also share information on relevant state or local lobbying laws as prepared by Best Buy legal counsel.

As a Best Buy employee:

*If requested by Best Buy to participate in grassroots initiatives, your participation is encouraged – no matter which position you take - but in no instance is it required.

*No employee may engage in grassroots lobbying activities on behalf of Best Buy without prior approval from the Sr. Director of Government Relations.

*From time to time, Best Buy (as represented by senior management and Government Relations) may organize events for the purpose of educating employees or supporting community initiatives. Such events must be approved by the Sr. Director of Government Relations.

*See www.BLUEgrassrootsnetwork.com for additional information

Political Campaign Volunteering & Personal Political Contributions

When a Best Buy employee participates in a political campaign as a candidate, volunteer, financial sponsor or otherwise- the employee is participating as a private citizen and not as a representative of Best Buy. Employees providing financial support to a political candidate or issue are urged to familiarize themselves with state laws and contribution limitations. In some states, certain employees may be required to disclose their personal contributions. Affected employees may include members of Best Buy Board of Directors; Executive Officers; and employees contracting with government officials. Immediate family members of affected employees may also be impacted by these laws.

As a Best Buy employee:

*While engaging in personal political activities, Best Buy employees may not hold themselves out as representing Best Buy, or in a manner which could be perceived as representing Best Buy.

*Employees may not perform campaign activities on company time and are prohibited from using company property or resources (e.g. computers, e-mail, phones) for such activities.

*See Best Buy policy on non-solicitation entitled *Solicitation and Distribution Policy*

Voting

Best Buy promotes the importance of voting through its “Turn up the Vote” initiative and encourages all employees to vote on Election Day. Employees can find information about voting on www.bluegrassrootsnetwork.com or by contacting their local government offices. Each employee should talk with his or her manager about Election Day plans to minimize disruption to schedules at home and at work. Your manager will be able to help you request time off for Election Day in accordance with state laws. Managers can access additional information through Manager Self Service on ETK.

Conducting Business with Government Entities

In an effort to prevent bribery and corruption, both federal and state laws regulate the manner in which companies may conduct business with government entities. Some states have enacted so-called “pay-to-play” laws, which may require Best Buy to disclose certain information, including personal political contributions or prohibit Best Buy from having government contracts with governmental entities if a covered employee (and in some cases certain family members such as spouses and children of the employee) makes or solicits political contributions to a candidate or committee in that jurisdiction. To ensure compliance with applicable laws, it is imperative that employees understand the instances where personal contributions may impact their business activities and trigger compliance obligations for Best Buy.

As a Best Buy employee:

*You must obtain approval from the Legal Department prior to making, or soliciting, political contributions at the state or local level (or to a state or local official running for federal office) to ensure compliance. Where required by law, you may also need to obtain prior approval for political contributions made, or solicited, by your family members.

Gifts, Gratuities and Payments to Public Officials

In connection with Best Buy *Code of Business Ethics* and its *FCPA Policy*, employees are strictly prohibited from giving gifts, gratuities or anything of value to influence a government official or to advance a particular business. This prohibition extends to anything that personally benefits the individual to whom it is given, including meals, entertainment, travel, and any other items of value to the recipient. Furthermore, the federal government, each state, and many local jurisdictions have laws that restrict the ability of Best Buy and its employees to give gifts to federal, state or local public officials, and in some cases to their spouse or children. These laws range from absolutely prohibiting such gifts to permitting them as long as there is no intent to influence a specific official decision with the gift. Thus, in no event should any employee provide any such items to a government official without the prior approval of Government Relations and the Legal Department. Employees must strictly comply with these policies to ensure their conduct complies with legal requirements and avoids the appearance of impropriety. Due to sensitive and complex nature of these prohibitions, employees should consult Government Relations for advice prior to interacting with government officials in order to avoid inadvertent violations of company policy and applicable law.

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 where permitted by law. 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.

When deciding whether to support a particular candidate or campaign, the company manages the process as follows:

Disclosure & Corporate Governance:

Best Buy discloses corporate funds in accordance with applicable laws and publicly discloses corporate expenditures via its *Political Activity & Public Policy Report* each year. This information is reviewed annually by the **Nominating, Corporate Governance and Public Policy Committee of the Best Buy Board of Directors**.

The **Political Contributions Steering Committee** comprised of five senior executives – including a representative from the Best Buy Legal Department and a representative of Best Buy Retail and 3 other leaders, meets quarterly, or as needed, to review and approve corporate funding on contributions (over \$5,000) pertaining to:

- Candidates, political parties or political organization;
- Ballot campaign initiatives;
- Independent expenditures;

- Any electioneering communication on behalf of a federal, state, or local candidate.

Selection Criteria:

The Political Steering Committee will evaluate the following criteria when considering potential recipients of 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

As a Best Buy employee:

*Government Relations works to educate employees on Best Buy political activity and policy through on-line learnings, group meetings, communications and individual conversations.

*Feedback from employees is encouraged.

*Employees who would like to learn more about Best Buy political engagement should contact Government Relations.

For more information, please see [Best Buy Political Activity & Public Policy Report](#).

Trade Organizations

Best Buy belongs to several business and trade organizations which support and lobby on behalf of various public policy initiatives. Best Buy Government Relations 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. For information on Best Buy memberships in trade organizations, please see [Best Buy Political Activity & Public Policy Report](#).

As a Best Buy employee:

*Employees should notify Government Relations if a business or retail team is considering joining a trade association.

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 Board has term limits on board members to allow additional opportunities for PAC members to participate in the review and approval of contributions and direction of the PAC. The PAC’s activity, including all receipts and disbursements are reported regularly to the Federal Election Commission and available for public viewing by visiting www.fec.gov.

As a Best Buy employee:

- *Participation in the PAC is completely voluntary and at the discretion of eligible employees.
- *Employees will not be favored or disadvantaged based on their decision to join or not join the PAC.
- *Neither the company nor the Best Buy PAC may reimburse an individual or entity for making political contributions.

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. Government Relations manages these issues throughout the local, state and federal legislative sessions. For additional information, please see www.bluegrassrootsnetwork.com and *Best Buy Political Activity & Public Policy Report*.

For questions about this policy, please contact Government Relations:
GovernmentRelations@bestbuy.com

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