

Activision Blizzard

COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Activision Blizzard, Inc. (the "Company") to discharge the Board's responsibilities relating to all compensation paid to the Company's directors and executive officers. The Committee also has oversight of the compensation of employees of the Company and its subsidiaries (the "Activision Blizzard Group"), compensation under the Activision Blizzard Group's equity incentive plans and other Activision Blizzard Group compensation policies, programs, agreements and arrangements.

II. Committee Membership

The Committee shall consist of at least two directors, each of whom (i) qualifies as "non-employee directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended ("Exchange Act"), (ii) qualifies as "outside directors" as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)") and (iii) has been determined by the Board to be "independent" in accordance with the NASDAQ Marketplace Rules, including the requirements with respect to compensation committee composition set forth in Rule 5605(d)(2). Notwithstanding the foregoing, except as otherwise required by law, the failure to meet these qualification requirements shall not invalidate decisions made or actions taken by the Committee.

Committee members shall be appointed and replaced by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Board shall designate a Committee chairperson.

Any vacancy on the Committee shall be filled by a majority vote of the Board. No Committee member shall be removed except by a majority vote of the Board.

III. Committee Meetings and Procedures

The Committee shall meet in person or telephonically as often as it determines necessary to carry out its authority and responsibilities, but at least four times per year.

The chairperson of the Committee shall, in consultation with the other Committee members and members of management, be responsible for calling meetings of the Committee, establishing meeting agendas and supervising the meetings. Any Committee member may, by written request, call a meeting of the Committee at any time. Additionally, any Committee member may submit items to be included in the agenda for, and may raise subjects that are not on the agenda at, any meeting.

Unless provided otherwise by law, this Charter, the Company's certificate of incorporation (as amended from time to time, the "Certificate of Incorporation") or the Company's bylaws (as amended from time to time, the "Bylaws"), a majority of Committee members present shall constitute a quorum and the vote of a majority of Committee members present at a meeting at which there is a quorum is necessary to constitute the act of such committee. The Committee may also take action by unanimous written consent. No action by the Committee, however, shall be valid unless taken at a meeting for which adequate notice has been given or duly waived by Committee members.

The Committee, in its discretion, may ask members of management or others to attend and participate in its meetings. However, no such person may be present during any discussions and deliberations of the Committee regarding his or her compensation except to the extent the Committee deems necessary (and such presence is permitted by law and the NASDAQ Marketplace Rules).

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

IV. Committee Authority and Responsibilities

A. Executive Compensation

The Committee shall review and approve all compensation of executive officers, including, without limitation, base salaries, bonuses, annual and long-term incentive compensation, equity-based compensation, perquisites and retirement benefits. In connection with this evaluation, the Committee may request and receive input from other non-employee Board members, either formally or informally. For purposes of this Charter, the term “executive officers” shall mean the individuals designated as executive officers pursuant to Rule 3b-7 under the Exchange Act.

B. Employee Compensation

In consultation with senior management, the Committee shall have oversight of the long-term strategy of employee compensation and the forms of equity, incentive and other compensation paid by the Activision Blizzard Group.

C. Chief Executive Officer

The Committee shall review and approve corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer (the “CEO”), evaluate the performance of the CEO in light of those goals and objectives, and determine the compensation level of the CEO based on this evaluation. In determining the long-term incentive component of the CEO’s compensation, the Committee will consider, among other factors, the Company’s performance and relative stockholder return, the value of similar incentive awards to executives in similar positions at comparable companies and the awards given to the CEO in past years, as well as such other factors as the Committee deems appropriate.

D. Director Compensation

The Committee shall annually review the compensation payable to the Company’s directors and shall recommend any changes to that compensation that the Committee deems advisable to the Board.

E. Administer Equity Compensation Plans

The Committee shall exercise all authority of the Board under all of the Activision Blizzard Group’s long-term incentive or equity compensation plans, programs and arrangements (the “Plans”) and administer the Plans in accordance with their terms. Such authority shall include without limitation: (i) participating in the establishment of grant guidelines and general size of overall grants; (ii) selecting participants in the Plans; (iii) interpreting and making all factual determinations regarding the Plans; (iv) approving awards under the Plans; and (v) determining

rules, regulations and guidelines relating to the Plans as the Committee may deem necessary or proper.

F. Executive Employment and Severance Arrangements

The Committee shall review and approve new and amended employment, consulting, retirement, severance, change-in-control, and similar plans, programs, agreements and arrangements applicable to any current or former executive officers.

G. Tax Compliance

To the extent the Activision Blizzard Group desires to structure compensation programs for executive officers to preserve tax deductibility of amounts paid thereunder, the Committee shall oversee the Activision Blizzard Group's policies on doing so. To the extent that the Activision Blizzard Group provides for performance-based compensation subject to the requirements of Section 162(m), the Compensation Committee shall establish and certify the attainment of performance goals as contemplated in, and as required by, Section 162(m).

H. Risk Assessment

The Committee shall annually review the potential risk to the Company from its compensation programs and policies, including any incentive plans, and determine if disclosure regarding potential material compensation-related risk is necessary in the Company's proxy statement for its annual meeting of stockholders.

I. Proxy Disclosure

The Committee shall review and discuss with management the compensation-related disclosure included in the Company's proxy statement for its annual meeting and annual report on Form 10-K including without limitation, the "Compensation Discussion and Analysis" (the "CD&A"). Based on such review and discussion, the Committee shall make a recommendation to the Board as to the inclusion of the CD&A in the Company's annual report on Form 10-K and, as applicable, the Company's proxy statement. The Committee shall produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable laws.

J. Shareholder Approvals

The Committee shall oversee the Company's submissions to shareholders on matters relating to executive compensation, including advisory votes on executive compensation and the frequency of such votes and approval of compensatory plans and any amendments to such plans. In conjunction with the Nominating and Corporate Governance Committee of the Board, the Committee shall determine the appropriate engagement with shareholder groups and proxy advisory firms on matters relating to executive compensation.

K. Perform Additional Duties

The Committee shall perform such additional activities, and consider such other matters, within the scope of its responsibilities as the Committee or the Board deems necessary or appropriate.

V. Committee Evaluations; Charter Review

The Committee shall annually conduct, and review with the Board, an evaluation of its performance. The Committee may conduct this performance evaluation in such manner as the Committee, in its business judgment, deems appropriate.

The Committee shall annually review and assess the adequacy of this Charter.

VI. Investigations and Studies; Outside Advisors

The Committee shall have the resources and authority to appropriately discharge its duties and responsibilities without seeking the approval of the Board or management. In particular, the Committee may:

- A. conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities;
- B. retain, at the Company's expense, independent counsel or other consultants or advisors as it deems appropriate, including compensation consultants to advise the Committee with respect to amounts or forms of compensation and benefits for the Company's directors and the Activision Blizzard Group executive officers and other employees, provided that, prior to retaining any such consultant or advisor, the Committee considers the applicable factors affecting independence specified in NASDAQ Marketplace Rule 5605(d)(3)(D); and
- C. incur ordinary administrative expenses as the Committee deems necessary or appropriate in carrying out its duties.

Without limiting the generality of the foregoing, the Committee shall have the sole authority to retain or terminate any compensation consultant to the Committee, including the sole authority to approve or disapprove the fees sought by such consultant (such fees to be borne by the Company) and other retention terms. The Committee shall notify the Board that it has retained or terminated a compensation consultant at the next Board meeting following any such retention or termination.

VII. Conflicts

If any term of this Charter conflicts with any term of the Certificate of Incorporation or the Bylaws, the terms of the Certificate of Incorporation or the Bylaws, as the case may be, shall control.