

# 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 overall responsibility for evaluating and making recommendations to the Board regarding compensation for 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 three directors, at least two of whom shall (i) qualify as "non-employee directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended ("Exchange Act"), (ii) qualify as "outside directors" as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)") and (iii) be determined by the Board to be "independent" in accordance with the rules of the NASDAQ Marketplace Rules; provided, however, that the Committee may be comprised of "non-independent" members as set forth in the Company's Amended and Restated By-laws (the "By-laws"), so long as the Company qualifies for the "controlled company" exemption under the NASDAQ Marketplace Rules. 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 chairman. These recommendations and designations shall be conducted in accordance with Section 3.10(d) of the By-laws.

Subject to Section 3.10(d) of the By-laws, any vacancy on the Committee shall be filled by a majority vote of the Board. No Committee member shall be removed except by majority vote of the Board.

### III. Committee Meetings and Procedures

The Committee shall meet in person or telephonically as often as necessary to carry out its authority and responsibilities, but at least two 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 consent, 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, or the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") or By-laws, each as amended from time to time, a majority of Committee members, including at least one independent director, present in person or by telephone, shall constitute a quorum, and the vote of a majority of Committee members present or otherwise able to be cast (giving effect to the voting rights of the Stockholder Designees, as set forth in the Certificate of Incorporation) at a meeting at which there is a quorum is necessary to constitute that the act of the Board. 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.

No such person may be present during any discussions and deliberations of the Committee regarding the compensation of any such person except to the extent the Committee deems necessary.

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 Programs***

The Committee shall review and approve all compensation programs applicable to 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 Section 16(b) of the Exchange Act, and any employee of the Activision Blizzard Group whose annual compensation (excluding equity-based compensation) exceeds (or is proposed to exceed) \$2 million per year.

**B. *Employee Compensation***

In consultation with senior management, the Committee shall also establish, review, and evaluate 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 modifications 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. *Employment and Severance Arrangements***

The Committee shall review and approve all 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**

The Committee shall oversee the Activision Blizzard Group's policies on structuring compensation programs for executive officers to preserve tax deductibility. To the extent that the Activision Blizzard Group provides for performance-based compensation subject to the requirements of Section 162(m), the Compensation Committee (or, to the extent necessary, a subcommittee thereof comprised of solely of two or more "outside directors" (as defined in Section 162(m)) then serving on the Committee) shall establish and certify the attainment of performance goals as contemplated in, and as required by, Section 162(m).

## **H. Proxy Disclosure**

The Committee shall review and discuss with management the compensation-related disclosure included in the Company's proxy statement and annual report in 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 whether the CD&A should be included 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.

## **I. Delegation**

The Committee shall have the power to delegate its authority and duties to subcommittees, individual Committee members, or management, as it deems appropriate in accordance with applicable laws, rules and regulations, provided that no subcommittee shall consist of fewer than two members.

## **J. Regular Reporting**

The Committee shall report to the Board at its next regularly scheduled meeting following the Committee meeting.

## **V. Committee Evaluations**

The Committee shall annually conduct, and review with the Board, an evaluation of its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend to the Board such changes as it deems necessary or appropriate. The Committee may conduct this performance evaluation in such manner as the Committee, in its business judgment, deems appropriate.

## **VI. Investigations and Studies; Outside Advisors**

The Committee shall have the resources and authority to appropriately discharge its duties and responsibilities without seeking 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, and
- B.** retain, at the Company's expense, independent counsel or other consultants or advisers as it deems appropriate, including compensation consultants to advise the Committee with respect to amounts or forms of director compensation and benefits and the Activision Blizzard Group employee and executive compensation and benefits.

The Committee shall have the sole authority to retain or terminate any compensation consultant 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.

\* \* \* \* \*

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

As adopted by the Board of Directors  
July 28, 2008