

ELECTRONIC ARTS INC

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 6/16/2000

Address	209 REDWOOD SHORES PARKWAY REDWOOD CITY, California 94065
Telephone	650-628-1500
CIK	0000712515
Industry	Software & Programming
Sector	Technology
Fiscal Year	03/31

As filed with the Securities and Exchange Commission
on June 16, 2000
Registration No. 333_____

Form S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ELECTRONIC ARTS INC.

Delaware 94-2838567
(State of Incorporation) (IRS employer identification no.)

209 Redwood Shores Parkway
Redwood City, CA 94065
(Address of principal executive offices)

2000 Class A Equity Incentive Plan
(Full title of the Plan)

RUTH A. KENNEDY
Senior Vice President, General Counsel and Secretary
209 Redwood Shores Parkway
Redwood City, CA 94065
(650) 628-1500
(Name, address and telephone number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Proposed Maximum Amount to be Registered	Proposed Maximum Offering Price Per Share	Aggregate Offering Price	Amount of Registration Fee
Class A Common Stock (\$0.01 par value)	3,100,000/(1)/	\$63.25/(2)/	\$196,075,000/(2)/	\$51,763.80

The Index to Exhibits appears on sequentially numbered page 5.

/(1)/ Shares available for issuance under the 2000 Class A Equity Incentive Plan as of March 22, 2000.

/(2)/ Calculated solely for the purposes of determining the amount of the Registration Fee pursuant to Rule 457(c) on the basis of the average of the high and low trading prices of Registrant's Class A Common Stock on June 13, 2000.

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by Electronic Arts Inc. (the "Registrant") with the Securities and Exchange Commission (the "Commission") are incorporated herein by reference:

(a) The Registrant's Annual Report on Form 10-K for Registrant's fiscal year ended March 31, 1999, which is Registrant's latest annual report filed pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended.

(c) The description of the Registrant's Class A Common Stock contained in the Registrant's Registration Statement on Form 8-A filed with the Commission under Section 12 of the Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act of 1934, prior to the filing of a post-effective amendment hereto which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be part hereof from the date of filing of such documents.

ITEM 5. EXPERTS.

The validity of the issuance of the shares of Class A Common Stock offered hereby will be passed upon for the Registrant by Ruth A. Kennedy, Senior Vice President, General Counsel and Secretary of the Registrant.

ITEM 6. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The provisions of Section 145 of the Delaware general corporation Law and Section 6 of the Registrant's Bylaws provide for indemnification for expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any person is or was a director, officer or employee of the Registrant. This indemnification may be sufficiently broad to permit indemnification of the Registrant's officers and directors for liabilities arising under the Securities Act of 1933, as amended. In addition, Article 8 of the Registrant's Amended and Restated Certificate of Incorporation provides that the Registrant's directors shall not be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability

(i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transactions for which the director derived an improper personal benefit. Article 8 of the Registrant's Amended and Restated Certificate of Incorporation further provides that if any amendment to the Delaware General Corporation Law further eliminates or limits the liability of a director of a corporation incorporated in Delaware, the liability of the Registrant's directors shall be eliminated to the fullest extent then permissible under Delaware law. The Registrant has entered into indemnity agreements with each of its current directors to give such directors additional contractual assurances regarding the scope of indemnification and liability limitation set forth in the Delaware General Corporation Law and the Registrant's Certificate of Incorporation and Bylaws. The Registrant maintains an insurance policy against claims regarding errors or omissions of any of Registrant's directors or executive officers while acting within the scope of their duties to the Registrant.

ITEM 8. EXHIBITS

4.01 Registrant's 2000 Class A Equity Incentive Plan, (the "Plan") and related documents.

4.02 Registrant's Certificate of Incorporation (incorporated by reference to Exhibit 3.01 of Registrant's Current Report on Form 8-K filed with the Commission on October 16, 1991 (the "Form 8-K")).

4.03 Registrant's Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 4.01 to Registrant's Registration Statement on Form S-8 filed with the Commission on December 1, 1992 (File No. 33-55212)).

4.04 Registrant's Amendment and Restatement of the Certificate of Incorporation filed with the Secretary of State of Delaware on March 22, 2000.

4.05 Registrant's Bylaws (incorporated by reference to Exhibit 3.02 of the Form 8-K).

5.01 Opinion of General Counsel regarding legality of the securities being issued.

23.01 Consent of General Counsel (included in Exhibit 5.01).

23.02 Consent of KPMG LLP, Independent Auditors.

24.01 Power of Attorney (see page 3).

ITEM 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in aggregate, represent a fundamental change in the information set forth in this Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information set forth in this Registration Statement.

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions of Item 6 of this Registration Statement, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than by payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that each individual and corporation whose signature appears below constitutes and appoints E. Stanton McKee and David L. Carbone and each of them, his or its true and lawful attorneys-in-fact and agents with full power of substitution, for him or it and in his or its name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement of Form S- 8, and to file the same with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or it might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Redwood City, State of California, on this 16th day of June 2000.

ELECTRONIC ARTS INC.

By: /s/ Ruth A. Kennedy

Ruth A. Kennedy, Esq.
Sr. Vice President, General Counsel and
Secretary

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<i>Name</i>	<i>Title</i>	<i>Date</i>
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<i>Chief Executive Officer:</i>		
/s/ Lawrence F. Probst III		

Lawrence F. Probst III	Chairman, Board of Directors and Chief Executive Officer	June 16, 2000
<i>Principal Financial Officer:</i>		
/s/ E. Stanton McKee		

E. Stanton McKee, Jr.	Exec. Vice President, Chief Financial and Administrative Officer	June 16, 2000
<i>Principal Accounting Officer:</i>		
/s/ David L. Carbone		

David L. Carbone	Vice President, Assistant Secretary	June 16, 2000
<i>Directors:</i>		
/s/ M. Richard Asher	Director	June 16, 2000

M. Richard Asher		
/s/ William J. Byron	Director	June 16, 2000

William J. Byron		
/s/ Daniel H. Case III	Director	June 16, 2000

Daniel H. Case III		
/s/ Gary M. Kusin	Director	June 16, 2000

Gary M. Kusin		
/s/ Timothy J. Mott	Director	June 16, 2000

Timothy J. Mott		

INDEX TO EXHIBITS

Exhibit

Number	Description
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23.02	Consent of KPMG LLP, Independent Auditors.
24.01	Power of Attorney (see page 3).

EXHIBIT 4.01

REGISTRANT'S 2000 CLASS A EQUITY INCENTIVE PLAN

ELECTRONIC ARTS INC.

2000 CLASS A EQUITY INCENTIVE PLAN

As Adopted by the Board of Directors on January 27, 2000 As approved by the Stockholders on March 22, 2000

1. **PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries by offering them an opportunity to participate in the Company's future performance through awards of Options and Restricted Stock. Capitalized terms not defined in the text are defined in Section 22.

2. **SHARES SUBJECT TO THE PLAN.**

2.1 **Number of Shares Available.** Subject to Sections 2.2 and 17, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 3,100,000 Shares plus Shares that are subject to: (a) issuance upon exercise of an Option but cease to be subject to such Option for any reason other than exercise of such Option; (b) an Award granted hereunder but are forfeited or are repurchased by the Company at the original issue price; and (c) an Award that otherwise terminates without Shares being issued. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Options granted under this Plan and all other outstanding but unvested Awards granted under this Plan.

2.2 **Adjustment of Shares.** In the event that the number of outstanding shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, then (a) the number of Shares reserved for issuance under this Plan, (b) the number of Shares that may be granted pursuant to Sections 3 and 8 below, (c) the Exercise Prices of and number of Shares subject to outstanding Options, and (d) the number of Shares subject to other outstanding Awards will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share will not be issued but will either be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share or will be rounded up to the nearest whole Share, as determined by the Committee.

3. **ELIGIBILITY.** ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. All other Awards may be granted to employees and directors of the Company or any Parent or Subsidiary of the Company. No person will be eligible to receive more than 350,000 Shares in any calendar year under this Plan pursuant to the grant of Awards hereunder, other than new employees of the Company or of a Parent or Subsidiary of the Company (including new employees who are also officers and directors of the Company or any Parent or Subsidiary of the Company), who are eligible to receive up to a maximum of 700,000 Shares in the calendar year in which they commence their employment. A person may be granted more than one Award under this Plan.

4. **ADMINISTRATION.**

4.1 **Committee Authority.** This Plan will be administered by the Committee or by the Board acting as the Committee. Except for automatic grants to Outside Directors pursuant to Section 8 hereof, and subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Except for automatic grants to Outside Directors pursuant to Section 8 hereof, the Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

- (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;
- (c) select persons to receive Awards;
- (d) determine the form and terms of Awards;
- (e) determine the number of Shares or other consideration subject to Awards;
- (f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;
- (g) grant waivers of Plan or Award conditions;
- (h) determine the vesting, exercisability and payment of Awards;
- (i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (j) determine whether an Award has been earned; and
- (k) make all other determinations necessary or advisable for the administration of this Plan.

4.2 Committee Discretion. Except for automatic grants to Outside Directors pursuant to Section 8 hereof, any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or Award, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. The Committee may delegate to one or more officers of the Company the authority to grant an Award under this Plan to Participants who are not Insiders of the Company.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("ISO") or Nonqualified Stock Options ("NQSOs"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Form of Option Grant. Each Option granted under this Plan will be evidenced by an Award Agreement which will expressly identify the Option as an ISO or an NQSO ("Stock Option Agreement"), and, except as otherwise required by the terms of Section 8 hereof, will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

5.2 Date of Grant. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3 Exercise Period. Options may be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted and may be not less than 85% of the Fair Market Value of the Shares on the date of grant; provided that:

- (i) the Exercise Price of an ISO will be not less than 100% of the Fair Market Value of the Shares on the date of grant; and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant.
- Payment for the Shares purchased may be made in accordance with Section 7 of this Plan.

5.5 Method of Exercise. Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the "Exercise Agreement") in a form approved by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased.

5.6 Termination. Notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option will always be subject to the following:

(a) If the Participant is Terminated for any reason except death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable upon the Termination Date no later than three (3) months after the Termination Date (or such shorter or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be an NQSO), but in any event, no later than the expiration date of the Options.

(b) If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause or because of Participant's Disability), then Participant's Options may be exercised only to the extent that such Options would have been exercisable by Participant on the Termination Date and must be exercised by Participant (or Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date (or such shorter or longer time period not exceeding five (5) years as may be determined by the Committee, with any such exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's death or Disability, or (b) twelve (12) months after the Termination Date when the Termination is for Participant's death or Disability, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(c) Notwithstanding the provisions in paragraph 5.6(a) above, if a Participant is terminated for Cause, neither the Participant, the Participant's estate nor such other person who may then hold the Option shall be entitled to exercise any Option with respect to any Shares whatsoever, after termination of service, whether or not after termination of service the Participant may receive payment from the Company or Subsidiary for vacation pay, for services rendered prior to termination, for services rendered for the day on which termination occurs, for salary in lieu of notice, or for any other benefits. In making such determination, the Board shall give the Participant an opportunity to present to the Board evidence on his behalf. For the purpose of this paragraph, termination of service shall be deemed to occur on the date when the Company dispatches notice or advice to the Participant that his service is terminated.

5.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISO. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISO are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company, Parent or Subsidiary of the Company) will not exceed \$100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISO are exercisable for the first time by a Participant during any calendar year exceeds \$100,000, then the Options for the first \$100,000 worth of Shares to become exercisable in such calendar year will be ISO and the Options for the amount in excess of \$100,000 that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date of this Plan to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISO, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code.

The Committee may reduce the Exercise Price of outstanding Options without the consent of Participants affected by a written notice to them; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 of this Plan for Options granted on the date the action is taken to reduce the Exercise Price.

5.10 No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISO will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK. A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the price to be paid (the "Purchase Price"), the restrictions to which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following:

6.1 Form of Restricted Stock Award. All purchases under a Restricted Stock Award made pursuant to this Plan will be evidenced by an Award Agreement ("Restricted Stock Purchase Agreement") that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. The offer of Restricted Stock will be accepted by the Participant's execution and delivery of the Restricted Stock Purchase Agreement and full payment for the Shares to the Company within thirty (30) days from the date the Restricted Stock Purchase Agreement is delivered to the person. If such person does not execute and deliver the Restricted Stock Purchase Agreement along with full payment for the Shares to the Company within thirty (30) days, then the offer will terminate, unless otherwise determined by the Committee.

6.2 Purchase Price. The Purchase Price of Shares sold pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted, except in the case of a sale to a Ten Percent Stockholder, in which case the Purchase Price will be 100% of the Fair Market Value. Payment of the Purchase Price may be made in accordance with Section 7 of this Plan.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards shall be subject to such restrictions as the Committee May impose. These restrictions May be based upon completion of a specified number of years of service with the Company or upon completion of the performance goals as set out in advance in the Participant's individual Restricted Stock Purchase Agreement. Restricted Stock Awards may vary from Participant to Participant and between groups of Participants. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment of any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4 Termination During Performance Period. If a Participant is Terminated during a Performance Period for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Restricted Stock Award only to the extent earned as of the date of Termination in accordance with the Restricted Stock Purchase Agreement, unless the Committee will determine otherwise.

7. PAYMENT FOR SHARE PURCHASES.

7.1 Payment. Payment for Shares purchased pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares that either: (1) have been owned by Participant for more than six (6) months and have been paid for within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares); or (2) were obtained by Participant in the public market;

(c) by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid imputation of income under Sections 483 and 1274 of the Code;

(d) by waiver of compensation due or accrued to the Participant for services rendered;

(e) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists:

(1) through a "same day sale" commitment from the Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

(2) through a "margin" commitment from the Participant and a NASD Dealer whereby the Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

(f) by any combination of the foregoing.

7.2 Loan Guarantees. The Committee may help the Participant pay for Shares purchased under this Plan by authorizing a guarantee by the Company of a third-party loan to the Participant.

8. AUTOMATIC GRANTS TO OUTSIDE DIRECTORS.

8.1 Types of Options and Shares. Options granted under this Plan and subject to this Section 8 shall be NQSOs.

8.2 Eligibility. Options subject to this Section 8 shall be granted only to Outside Directors. Outside Directors shall also be eligible to receive option grants pursuant to Section 5 hereof at such times and on such conditions as determined by the Committee.

8.3 Initial Grant. Each Outside Director who first becomes a member of the Board on or after the Effective Date will automatically be granted an Option for 25,000 Shares (an "Initial Grant") on the date such Outside Director first becomes a member of the Board.

8.4 Succeeding Grants. Upon re-election to the Board at each Annual Meeting of Stockholders, each Outside Director will automatically be granted an Option for 8,000 Shares (a "Succeeding Grant"); provided, however, that any such Outside Director who received an Initial Grant since the last Annual Meeting of Stockholders will receive a prorated Succeeding Grant to purchase a number of shares equal to 8,000 multiplied by a fraction whose numerator is the number of calendar months or portions thereof that the Outside Director has served since the date of the Initial Grant and whose denominator is twelve.

8.5 Vesting. The date an Outside Director receives an Initial Grant or a Succeeding Grant is referred to in this Plan as the "Start Date" for such Option.

(a) Initial Grants. Each Initial Grant will vest as to 2% of the Shares on the Start Date for such Initial Grant, and as to an additional 2% of the Shares on the first day of each calendar month after the Start Date, so long as the Outside Director continuously remains a director of the Company.

(b) Succeeding Grants. Each Succeeding Grant will vest as to 2% of the Shares on the Start Date for such Succeeding Grant, and as to an additional 2% of the Shares on the first day of each calendar month after the Start Date, so long as the Outside Director continuously remains a director of the Company.

Notwithstanding any provision to the contrary, in the event of a corporate transaction described in Section 17.1, the vesting of all options granted to Outside Directors pursuant to this Section 8 will accelerate and such options will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and must be exercised, if at all, within three months of the consummation of said event. Any options not exercised within such three-month period shall expire.

8.6 Exercise Price. The exercise price of an Option pursuant to an Initial Grant or Succeeding Grant shall be the Fair Market Value of the Shares at the time that the Option is granted.

8.7 Deferral of Cash Compensation. Each Outside Director may elect to reduce all or part of the cash compensation otherwise payable for services to be rendered by him as a director (including the annual retainer and any fees payable for serving on the Board or a Committee of the Board) and to receive in lieu thereof Shares. Any such election shall be in writing and must be made before the services are rendered giving rise to such compensation, and may not be revoked or changed thereafter during the Outside Director's term. On such election, the cash compensation otherwise payable will be increased by 10% for purposes of determining the number of Shares to be credited to such Outside Director.

If an Outside Director so elects to defer, there shall be credited to such Outside Director a number of Shares equal to the amount of the deferral (increased by 10% as described in the preceding sentence) divided by the fair market value as determined by the closing price on the Nasdaq National Market on the day in which the compensation would have been paid in the absence of a deferral election.

9. WITHHOLDING TAXES.

9.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash, such payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

9.2 Stock Withholding. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in accordance with the requirements established by the Committee and be in writing in a form acceptable to the Committee.

10. TRANSFERABILITY.

10.1 Except as otherwise provided in this Section 10, Awards granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution or as determined by the Committee and set forth in the Award Agreement with respect to Awards that are not ISOs.

10.2 All Awards other than NQSO's. All Awards other than NQSO's shall be exercisable: (i) during the Participant's lifetime, only by (A) the Participant, or (B) the Participant's guardian or legal representative; and (ii) after Participant's death, by the legal representative of the Participant's heirs or legatees.

10.3 NQSOs. Unless otherwise restricted by the Committee, an NQSO shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, (B) the Participant's guardian or legal representative, (C) a Family Member of the Participant who has acquired the NQSO by "permitted transfer;" and (ii) after Participant's death, by the legal representative of the Participant's heirs or legatees. "Permitted transfer" means, as authorized by this Plan and the Committee in a Stock Option Agreement, any transfer effected by the Participant during the Participant's lifetime of an interest in such NQSO but only such transfers which are by gift or domestic relations order. A permitted transfer does not include any transfer for value and neither of the following are transfers for value: (a) a transfer under a domestic relations order in settlement of marital property rights or (b) a transfer to an entity in which more than fifty percent of the voting interests are owned by Family Members or the Participant in exchange for an interest in that entity.

11. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

11.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's Purchase Price or Exercise Price pursuant to Section 11.3.

11.2 Financial Statements. The Company will provide financial statements to each Participant prior to such Participant's purchase of Shares under this Plan, and to each Participant annually during the period such Participant has Awards outstanding; provided, however, the Company will not be required to provide such financial statements to Participants whose services in connection with the Company assure them access to equivalent information.

11.3 Restrictions on Shares. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase a portion of or all Unvested Shares held by a Participant following such Participant's Termination at any time within ninety (90) days after the later of Participant's Termination Date and the date Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Exercise Price or Purchase Price, as the case may be.

12. CERTIFICATES. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

13. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

14. EXCHANGE AND BUYOUT OF AWARDS. The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Award previously granted with payment in cash, Shares (including Restricted Stock) or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

15. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to:

(a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

16. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

17. CORPORATE TRANSACTIONS.

17.1 Assumption or Replacement of Awards by Successor. Except for automatic grants to Outside Directors pursuant to Section 8 hereof, in the event of (a) a dissolution or liquidation of the Company, (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants), (c) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the acquisition, sale, or transfer of more than 50% of the outstanding shares of the Company by tender offer or similar transaction, any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participants, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation (if any) refuses to assume or substitute Awards, as provided above, pursuant to a transaction described in this Subsection 17.1, such Awards will accelerate and all Options will become exercisable in full prior to the consummation of such transaction at such time and on such conditions as the Committee will determine, and if such Options are not exercised prior to the consummation of the corporate transaction, they shall terminate at such time as determined by the Committee.

17.2 Other Treatment of Awards. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 17, in the event of the occurrence of any transaction described in Section 17.1, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets.

17.3 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such option will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

18. ADOPTION AND STOCKHOLDER APPROVAL. This Plan will become effective on the date that it is adopted by the Board (the "Effective Date"). This Plan shall be approved by the stockholders of the Company (excluding Shares issued pursuant to this Plan), consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board. Upon the Effective Date, the Committee may grant Awards pursuant to this Plan; provided, however, that: (a) no Option may be exercised prior to initial stockholder approval of this Plan; (b) no Option granted pursuant to an increase in the number of Shares subject to this Plan approved by the Board will be exercised prior to the time such increase has been approved by the stockholders of the Company; (c) in the event that initial stockholder approval is not obtained within the time period provided herein, all Awards granted hereunder shall be cancelled, any Shares issued pursuant to any Awards shall be cancelled and any purchase of Shares issued hereunder shall be rescinded; and (d) in the event that stockholder approval of such increase is not obtained within the time period provided herein, all Awards granted pursuant to such increase will be cancelled, any Shares issued pursuant to any Award granted pursuant to such increase will be cancelled, and any purchase of Shares pursuant to such increase will be rescinded.

19. **TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will terminate ten (10) years from the date this Plan is adopted by the Board or, if earlier, the date of stockholder approval. This Plan and all agreements thereunder shall be governed by and construed in accordance with the laws of the State of California.

20. **AMENDMENT OR TERMINATION OF PLAN.** The Board may at any time terminate or amend this Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval.

21. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

22. **DEFINITIONS.** As used in this Plan, the following terms will have the following meanings:

"Award" means any award under this Plan, including any Option or Restricted Stock.

"Award Agreement" means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

"Board" means the Board of Directors of the Company.

"Cause" means the commission of an act of theft, embezzlement, fraud, dishonesty or a breach of fiduciary duty to the Company or a Parent or Subsidiary of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board.

"Company" means Electronic Arts Inc. or any successor corporation.

"Disability" means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Price" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"Fair Market Value" means, as of any date, the value of a share of the Company's Class A Common Stock determined as follows:

(a) if such Class A Common Stock is then quoted on the Nasdaq National Market, its closing price on the Nasdaq National Market on the date of determination as reported in The Wall Street

Journal;

(b) if such Class A Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(c) if such Class A Common Stock is publicly traded but is not quoted on the Nasdaq National Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in The

Wall Street Journal; or

(d) if none of the foregoing is applicable, by the Committee in good faith.

"Family Member" includes any of the following:

(a) child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption;

(b) any person (other than a tenant or employee) sharing the Participant's household;

(c) a trust in which the persons in (a) and (b) have more than fifty percent of the beneficial interest;

(d) a foundation in which the persons in (a) and (b) or the Participant control the management of assets; or

(e) any other entity in which the persons in (a) and (b) or the Participant own more than fifty percent of the voting interest.

"Insider" means an officer or director of the Company or any other person whose transactions in the Company's Class A Common Stock are subject to Section 16 of the Exchange Act.

"Option" means an award of an option to purchase Shares pursuant to Section 5.

"Outside Director" means a member of the Board who is not an employee of the Company or any Parent or Subsidiary of the Company.

"Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Participant" means a person who receives an Award under this Plan.

"Performance Factors" means the factors selected by the Committee from among the following measures to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied:

(a) Net revenue and/or net revenue growth;

(b) Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;

(c) Operating income and/or operating income growth;

(d) Net income and/or net income growth;

(e) Earnings per share and/or earnings per share growth;

(f) Total stockholder return and/or total stockholder return growth;

(g) Return on equity;

(h) Operating cash flow return on income;

(i) Adjusted operating cash flow return on income;

(j) Economic value added; and

(k) Individual confidential business objectives.

"Performance Period" means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for Restricted Stock Awards.

"Plan" means this EA.com 2000 Equity Incentive Plan, as amended from time to time.

"Restricted Stock Award" means an award of Shares pursuant to Section 6.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933 Act, as amended.

"Shares" means shares of the Company's Class A Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 17, and any successor security.

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Termination" or "Terminated" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor, or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee, provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Subsidiary as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Option agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the "Termination Date").

"Unvested Shares" means "Unvested Shares" as defined in the Award Agreement.

"Vested Shares" means "Vested Shares" as defined in the Award Agreement.

2000 CLASS A EQUITY INCENTIVE PLAN

MARCH 22, 2000

3,100,000 Class A Common Stock \$.01 par value

Electronic Arts Inc., a Delaware corporation (the "Company"), is offering an aggregate of 3,100,000 shares of its authorized but unissued Class A Common Stock to the Company's employees, officers and directors or any Parent or Subsidiary of the Company pursuant to the terms and conditions of the Company's 2000 Class A Equity Incentive Plan, (the "Class A Plan") as described herein.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY STATE SECURITIES COMMISSION NOR HAS ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INTRODUCTION

This document relates to unexercised options to purchase shares of Class A common stock of the Company granted or to be granted to the employees, officers and directors of the Company under the Class A Plan. A registration statement with respect to such shares of Class A common stock (the "Registration Statement") has been filed with the Securities and Exchange Commission (the "SEC").

Additional information about the Class A Plan and the administrators can be obtained by contacting The Stock Administration Department (650.628.1500). The address of the Company is 209 Redwood Shores Parkway, Redwood City, CA 94065.

QUESTIONS AND ANSWERS ABOUT THE OPTIONS

1. What is the history of the Class A Plan?

The Class A Plan was adopted by the Company's Board of Directors on January 27, 2000 and was approved by the Company's stockholders on March 22, 2000. Options may be granted pursuant to the Class A Plan until January, 2010.

2. What is the purpose of the Class A Plan?

The purpose of the Class A Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries by offering such persons, like yourself, an opportunity to participate in the Company's future performance through awards of Options and Restricted Stock.

3. Who is eligible to participate?

Employees, officers and directors of the Company, its parent, if any, and its subsidiaries may receive options under the Class A Plan. The Company's Board, in its discretion, determines which eligible individuals will receive options under the Class A Plan.

4. What kind of options are there ?

The Company can grant two kinds of options:

(a) "Nonqualified Stock Options" or "NQSOs," where you will have to pay tax at the time of exercise on the difference between the exercise price and the fair market value, and where such difference is taxed at ordinary income rates; and

(b) "Incentive Stock Options" or "ISOs," where you may defer paying tax on the difference between the exercise price and the fair market value from the time of exercise until the stock is sold (assuming certain holding period requirements are met), and where the gain from the sale is taxed as capital gain.

Because ISOs have tax advantages, they are generally subject to more legal restrictions than NQSOs. The primary restrictions on ISOs and the differences between ISOs and NQSOs are discussed in a number of the answers in this Prospectus and in "Tax Information and ERISA," below.

5. What kind of options can I get?

If you are an employee of the Company, its parent or its subsidiaries, you may get ISOs, NQSOs or both. If you are a non-employee director of the Company, its parent or its subsidiaries or affiliated corporations, you may only receive NQSOs.

6. Can I hold more than one option ?

Yes.

7. Is there a limit to the number or size of options I can get?

No person will be eligible to receive more than 350,000 Shares in any calendar year under a Class A Plan option Award unless they are a new employee. New employees, who may also be an officer or director of the Company, are eligible to receive up to a maximum of 700,000 Shares in the calendar year in which they commence their employment

With respect to ISOs, the Class A Plan limits the aggregate fair market value (determined as of the time the option is granted) of the shares that may first become exercisable in any calendar year to not more than \$100,000.

8. When can I exercise options?

The Board determines the exercisability of each option at the date of grant. Only vested options may be exercised. The exercisability of your options is set forth on the first page of your option grant or option agreement as well as your vesting schedule. It is customary for first time options granted under the Class A Plan to vest at the rate of 2% per month beginning the month of employment for 50 months and to be exercisable after 1 year of continuous employment. However the Board determines all vesting schedules at the date of grant.

9. How long do I have to exercise?

Most options must be exercised within ten years after the option grant date for the Class A Plan. If you own ten percent or more of the Company's outstanding stock, your ISO under the Class A Plan will be granted for a term not to exceed five years. Again, the Board determines the term of each option at the date of grant (up to a maximum of ten years). The term of your option is set forth on the first page of your option grant agreement.

10. What determines my exercise price?

The Board determines the exercise price of each option. This price is stated in your option grant or agreement and the Class A Plan states the price may not be less than 85% of the Fair Market Value on the date of grant. All ISO grants may not be less than 100% of the Fair Market Value on the date of grant. If you own ten percent or more of the Company's outstanding stock, your option will be granted at an exercise price equal to at least 110% of the fair market value of the shares at the time your option is granted. Fair market value is currently determined by the closing bid price of the Company's Class A common stock on the NASDAQ National Market System on the date of grant.

11. How do I exercise my options?

To exercise an option, you must deliver to the Stock Administration department of the Company (a) a copy of the Stock Option Exercise Notice and Agreement under the Class A Plan signed by you, and (b) full cash payment (U. S. dollars) for the shares being purchased or, when authorized by the Board at the time of the grant of the option under the Class A Plan, shares of fully paid Class A common stock of the Company or certain other forms of payment. The Company will then issue a certificate representing the shares purchased.

12. Are there any restrictions on the resale of shares I purchase?

Generally, the Class A Plan does not impose any restrictions on the resale of shares of Class A common stock purchased. The Registration Statement filed by the Company also satisfies most federal securities laws requirements with respect to the resale of such shares. However, the shares purchased under the Class A Plan may be subject to certain restrictions on transfer in the event that the Company completes a registered public offering of its securities and all shares are subject to resale restrictions imposed by securities laws in the state(s) where you and your purchaser live. (There are presently no restrictions imposed by California law.) In addition, if you are an affiliate of the Company, you may not resell under the Registration Statement any shares purchased on exercise of options. Such resales must be registered in a separate registration statement or be effected in accordance with Rule 144 or another available exemption under the 1933 Act. In addition, there may be tax consequences associated with the sale or other disposition of shares. See "Tax Information and ERISA--Tax Treatment of the Optionee," below.

13. Can I transfer my options?

Generally, no. Any Award granted under this Plan, other than NQSOs, cannot be transferred or assigned by you, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution or as determined by the Committee.

NQSOs. Unless otherwise restricted by the Committee, an NQSO shall be exercisable: (i) during your lifetime only by (A) you, (B) your guardian or legal representative, (C) a member of your family who has acquired the NQSO by "permitted transfer;" and (ii) after your death, by your legal representative.

"Permitted transfer" means, as authorized by this Plan and the Committee in a Stock Option Agreement, any transfer by gift or domestic relations order. A permitted transfer does not include any transfer for value and neither of the following are transfers for value: (a) a transfer under a domestic relations order in settlement of marital property rights or (b) a transfer to an entity in which more than fifty percent of the voting interests are owned by Family Members or the Participant in exchange for an interest in that entity.

14. What happens if I leave the Company?

In the event that your relationship with the Company is terminated for any reason other than your death or disability, you will have the right to exercise your options, to the extent (and only to the extent) that they would have been exercisable upon the date of termination, within three (3) months after the date of termination (or such shorter time period as may be specified in the Grant).

In the event that your relationship with the Company is terminated because of death or disability, you or your legal representative will have the right to exercise your options, to the extent (and only to the extent) that they would have been exercisable upon the date of termination, within twelve (12) months after the date of termination (or such shorter time period as may be specified in the Grant) but in any event no later than the expiration date of the Options.

However, if your relationship with the Company is terminated for Cause, you, your legal representative or such other person who may then hold your Option, shall not be entitled to exercise your option. In making this determination, the Board

will give you an opportunity to present to the Board evidence on your behalf. For the purposes of this paragraph, termination of service shall be deemed to occur on the date when the Company gives you notice that your service is terminated.

The Committee will have the sole discretion to determine whether you have ceased to provide services and the effective date on which you ceased to provide services.

15. Is the option an employment contract?

No. The option grant or agreement does not impose any obligation whatsoever upon you or the Company to continue your relationship with the Company. Such relationship is terminable at will by you or the Company.

16. Do my options get adjusted for future events?

If the Company issues additional securities to raise more capital, no adjustments will be made. However, if there is a stock split, stock dividend or similar change in the Company's capital structure without receipt of consideration by the Company, the number of shares subject to and the exercise price of your options will be adjusted accordingly. The number of shares reserved under the Class A Plan will also be proportionately adjusted.

17. What happens in a merger or consolidation ?

For any options granted under the Class A Plan, (other than "Automatic Grants to Outside Directors"), if there is a merger or consolidation in which the Company is not the surviving entity, or if the Company dissolves or sells substantially all of its assets or completes a "corporate transaction" under

Section 425(a) of the Internal Revenue Code of 1986, as amended (the "Code"), then your options may be assumed by the successor corporation. If the successor corporation, if any, refuses to assume the options or substitute equivalent options, the options may accelerate and become immediately exercisable at times and on terms that the Board determines.

18. What happens to unexercised, expired options ?

If your option granted under the Class A Plan is terminated for any reason without being exercised in whole or in part or if it expires according to its terms, the shares thereby released from your option will become available again under the Class A Plan.

19. How are the Options administered?

The Class A Plan is administered by the Compensation Committee of the Board of Directors of the Company (referred to, along with the Board of Directors, as the "Board" or the "Committee" as the context requires), whose address is the same as that of the Company's principal executive offices. The Board designates the optionees, exercise prices, vesting schedule, exercise periods and dates of grants. The members of the Compensation Committee receive a yearly fee; no additional compensation is paid for administering the Class A Plan. The Company bears all expenses in connection with administration of the Class A Plan.

20. Are there other Awards under the Class A Plan?

Automatic Grants to Outside Directors Under the Class A Plan, non-

employee Directors receive a NQSO to purchase 8,000 shares upon re-election. New Directors would receive a grant of 25,000 shares, under the Class A Plan. Non-employee Directors may elect to receive all or part of their cash compensation in the Company's Class A common stock.

Restricted Stock The Committee from time to time may offer to an eligible person Shares that are subject to restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the price to be paid (which must be 100% of the Fair Market Value to a Ten Percent Stockholder), the restrictions to which the Shares will be subject and all other terms and conditions of the Award as determined in the Class A Plan.

21. Who is on the Compensation Committee ?

The Compensation Committee currently consists of Mr. Richard Asher, Mr. William J. Byron and Mr. Daniel H. Case III, each of whom is an outside director of the Company and is an affiliate of the Company. Other than as disclosed herein (including disclosures in material incorporated by reference herein), members of the Compensation Committee that administer the Class A Plan have no material relationships with the Company, its employees or its affiliates.

22. Who elects the Board and the Compensation Committee?

The members of the full Board are elected each year at the Company's annual meeting of stockholders and serve until the next annual meeting or until their successors are elected and qualified. The stockholders may remove members of the full Board from office by following certain voting procedures set forth in the Company's By-laws and applicable corporate law. The members of the Compensation Committee are chosen by the full Board and serve at its discretion.

23. What if there is a dispute concerning the Class A Plan?

Subject to the provisions of the Class A Plan, the Compensation Committee has the authority to construe and interpret any of the provisions of the Class A Plan or any options granted thereunder. Such interpretations are binding on the Company and on you. Members of the Board can be contacted by writing to them at the Company's principal executive offices to the attention of the Stock Administration department.

24. How can the Class A Plan change?

Subject to the terms and conditions of the Class A Plan and applicable law, the Board may modify, extend or renew outstanding options. The Board may terminate or amend the Class A Plan in any respect provided it does not, without stockholder approval, amend the Class A Plan in any manner that requires such stockholder approval pursuant to the Code or the Securities Exchange Act of 1934, as amended (the "1934 Act") (including Rule 16b-3 promulgated thereunder). Currently, this means that the Board must have stockholder approval among other things, to increase the number of shares available under the Class A Plan, to change the class of persons eligible to receive options or to make a change that materially increases the benefits accruing to Class A Plan participants.

25. Can I get additional information about the Class A Plan and my options?

The full text of the Class A Plan is available electronically at the Company's internal web site or by contacting Stock Administration. These questions and answers are simply a guide to the principal provisions of the Class A Plan and are qualified in their entirety by the wording of those documents.

You may also contact the Company's Stock Administration department with any specific questions you may have regarding the Class A Plan or your individual options or to request a report summarizing the amount and status of your options.

26. Can I receive information provided to stockholders?

Yes. If you are an optionee under the Class A Plan, material sent by the Company to its stockholders is available to you by contacting the Stock Administration department at the Company's headquarters.

TAX INFORMATION AND ERISA

Introduction

THE FOLLOWING DESCRIPTION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES ASSOCIATED WITH PARTICIPATION IN THE Class A Plan IS BASED UPON EXISTING STATUTES, REGULATIONS AND INTERPRETATIONS AS OF THE DATE OF THIS DOCUMENT. BECAUSE THE CURRENTLY APPLICABLE RULES ARE COMPLEX AND THE TAX LAWS JUNE CHANGE AND BECAUSE INCOME TAX CONSEQUENCES JUNE VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH PARTICIPANT, EACH PARTICIPANT SHOULD CONSULT A TAX ADVISOR CONCERNING FEDERAL (AND ANY STATE AND LOCAL) INCOME TAX CONSEQUENCES OF PARTICIPATION IN THE Class A Plan. THE FOLLOWING DISCUSSION DOES NOT PURPORT TO DESCRIBE STATE OR LOCAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES FOR PARTICIPANTS IN COUNTRIES OTHER THAN THE UNITED STATES.

SPECIAL TAX RULES APPLY TO OFFICERS AND DIRECTORS OF THE COMPANY. SEE

"SPECIAL CONSIDERATIONS FOR OFFICERS AND DIRECTORS," BELOW.

Options so designated under the Class A Plan are intended to qualify as ISOs. All options that are not designated as ISOs are intended to be NQSOs. The Class A Plan is not qualified under Section 401(a) of the Code.

Tax Treatment of the Optionee

Incentive Stock Options. The optionee will recognize no income upon grant of an ISO and incur no tax on its exercise (unless the optionee is subject to the alternative minimum tax described below). If the optionee holds the stock acquired upon exercise of an ISO (the "ISO Shares") for more than one year after the date the option was exercised and for more than two years after the date the option was granted, the optionee generally will realize long-term capital gain or loss (rather than ordinary income or loss) upon disposition of the ISO Shares. This gain or loss will be equal to the difference between the amount realized upon such disposition and the amount paid for the ISO Shares.

If the optionee disposes of ISO Shares prior to the expiration of either required holding period (a "disqualifying disposition"), the gain realized upon such disposition up to the difference between the value of the ISO Shares on the date of exercise (or, if less, the amount realized on a sale of such ISO Shares) and the option exercise price, will be treated as ordinary income. Any additional gain will be long-term or short-term capital gain, depending upon the amount of time the ISO Shares were held by the optionee.

Alternative Minimum Tax. The difference between the fair market value of ISO Shares (measured as of the date of exercise) and the amount paid for the ISO Shares is an adjustment to income for purposes of the alternative minimum tax. The alternative minimum tax (imposed to the extent it exceeds the taxpayer's regular tax) is 26% on an individual taxpayer's alternative minimum taxable income up to \$175,000, and 28% above that dollar amount. Alternative minimum taxable income is determined by adjusting regular taxable income for certain items, increasing that income by certain preference items and reducing this amount by the applicable exemption amount (\$45,000 in the case of a joint return, subject to reduction under certain circumstances). If a disqualifying disposition of the ISO Shares occurs in the same calendar year as exercise of the ISO, there is no alternative minimum tax adjustment with respect to those ISO Shares. Also, upon a sale of ISO Shares that is not a disqualifying disposition, alternative minimum taxable income is reduced in the year of sale by the excess of the fair market value of the ISO Shares at exercise over the amount paid for the ISO Shares. Special rules apply where all or a portion of the exercise price is paid by tendering shares of Class A common stock.

Nonqualifying Stock Options. An optionee will not recognize any taxable income at the time an NQSO is granted. However, upon exercise of an NQSO the optionee will include in income as compensation an amount equal to the difference between the fair market value of the shares on the date of exercise and the optionee's purchase price. The included amount will be treated as ordinary income by the optionee and may be subject to income tax withholding by the Company (either by payment in cash or withholding out of the optionee's salary). Upon resale of the shares by the optionee, any subsequent appreciation or depreciation in the value of the shares will be treated as capital gain or loss. Special rules apply where all or a portion of the exercise price is paid by tendering shares of Class A common stock.

Revenue Reconciliation Act of 1993. The Revenue Reconciliation Act of 1993 increased the alternative minimum tax from 24% to 26% on an individual taxpayer's alternative minimum taxable income up to \$175,000, and to 28% above that dollar amount. 1933 Act also raised the exemption amount from \$40,000 to \$45,000 in the case of a joint return. These changes were effective for taxable years ending after December 31, 1992.

Special Consideration for Officers and Directors. Following is a discussion of certain tax rules applicable to officers and directors of the Company. Officers and directors should consult their tax advisors regarding these issues.

ISOs. If an optionee is an officer or director of the Company who is potentially subject to short-swing profits liability under Section 16(b) of the 1934 Act, ISO Shares that are purchased on exercise of an ISO less than six months after the date of grant will be subject to special tax rules. Thus, in the case of a disqualifying disposition the optionee will recognize ordinary income equal to the difference between the fair market value of the ISO Shares on the date six months after the date of grant (or, if less, the amount realized on the sale of the ISO Shares) and the option exercise price unless the optionee makes an election under Section 83(b) of the Code (an "83(b) election"). If the optionee makes an 83(b) election the ordinary income is equal to the difference between the fair market value on the date of exercise (or, if less, the amount realized on the sale if the ISO Shares) and the option exercise price. Moreover, for alternative minimum tax calculation purposes, unless the optionee makes an 83(b) election, the adjustment to income will be based on the difference between fair market value of the ISO Shares on the date six months after the date of grant and the option exercise price.

NQSOs. In the event of the exercise of an NQSO less than six months after the date of grant, the optionee will include in income as compensation an amount equal to the difference between the fair market value of the shares on the date six months after the date of grant and the option exercise price unless the optionee makes an 83(b) election. If the optionee makes an 83(b) election, the optionee will include in income as compensation an amount equal to the difference between the fair market value on the date of exercise and the option exercise price.

Exercises Within Six Months of a Section 16(b) Purchase. If an optionee exercises an option more than six months from the date of grant but within six months from the date of a prior purchase that does not constitute an exempt purchase under Section 16(b) of the 1934 Act, it may be possible to take the position that such prior purchase permits the optionee to defer the ordinary income (or, with respect to ISOs, any adjustment to income for alternative minimum tax purposes) until six months from the date of the prior purchase. However, it is not clear at this time whether the Internal Revenue Service would agree with this position.

Officers and directors should consult their tax advisors regarding these issues and the advisability of filing an 83(b) election.

Tax Treatment of the Company

The Company will be entitled to a deduction in connection with the exercise of an NQSO by a domestic employee or director to the extent that the optionee recognizes ordinary income. The Company will be entitled to a deduction in connection with the disposition of ISO Shares only to the extent that the optionee recognizes ordinary income on a disqualifying disposition of the ISO Shares.

ERISA

The Company believes that the Plans are not subject to any of the provisions of the Employee Retirement Income Security Act of 1974.

AVAILABILITY OF ADDITIONAL INFORMATION

The Company filed the Registration Statement with the SEC with respect to the shares issuable pursuant to the exercise of options granted under the Class A Plan. The Registration Statement incorporates by reference the following documents:

- (a) The Registrant's latest annual report filed pursuant to Section 13 or 15(d) of the Exchange Act or the latest prospectus filed pursuant to Rule 424(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the latest prospectus filed pursuant to Rule 424(b) under the 1933 Act (the "1933 Act"), that contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed.
- (b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the annual report or the prospectus referred to in (a) above.

(c) The description of the Registrant's Class A common stock contained in the Registrant's Registration Statement filed with the Commission under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description .

All documents subsequently filed by the Registrant pursuant to Sections

13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

The Company will provide to you, upon written or oral request and without charge: (1) a copy of any document incorporated by reference in the Registration Statement (not including exhibits to such document unless such exhibits are specifically incorporated by reference into such document); (2) a copy of the Company's most recent Annual Report to Shareholders (or such alternative document as Rule 428(b)(2) under the 1933 Act permits); (3) a copy of all reports, proxy statements and other communications distributed by the Company to its stockholders generally; and (4) a copy of all documents that constitute a part of the prospectus required to be delivered to each Plan participant. Please direct all requests to the Stock Administration department at the Company's headquarters.

Emp#: _____; Class A

Grant#:

Location:

ELECTRONIC ARTS INC.

NONQUALIFIED STOCK OPTION GRANT

Electronic Arts Inc., a Delaware corporation, (the "Company") hereby grants to the optionee named below (the "Optionee"), a non-qualified stock option (the "Option") under the Company's 2000 Class A Equity Incentive Plan (the "Plan"), to purchase the total number of shares set forth below of Class A common stock of the Company (the "Option Shares") at the exercise price per share set forth below (the "Exercise Price"). The option is subject to all the terms and conditions of the Nonqualified Stock Option Grant including the terms and conditions contained in the attached Appendix A (the "Grant") and the Plan, the provisions of which are incorporated herein by reference. The principal features of the option are as follows:

Optionee: _____

Address: _____

Number of Option Shares: _____ Exercise Price per Share: _____

Date of Grant: _____ Expiration Date: _____

Vest Start Date: _____

Subject to the terms and conditions of the Plan and the Grant, the Option shall vest 2% per month for 50 months on the 1st day of each calendar month until the earlier of (1) the date the option becomes fully vested or (2) the date the optionee ceases to be employed. Optionee may first exercise the Option with respect to the vested Option Shares on the first day of the 12th month from Vest Start Date. Optionee may then exercise the Option with respect to vested Option Shares at any time until expiration or termination.

An optionee shall be deemed to have worked a calendar month if optionee has worked any portion of that month. Only vested options may be exercised. Vesting will be suspended during any unpaid leave of absence.

PLEASE READ ALL OF APPENDIX A WHICH CONTAINS THE SPECIFIC TERMS AND

CONDITIONS OF THE OPTION.

ELECTRONIC ARTS INC.

/s/ E. Stanton McKee, Jr.

E. Stanton McKee, Jr.
EVP, Chief Financial and Administrative Officer

ACCEPTANCE

Optionee hereby acknowledges that a copy of the Plan and a copy of the Prospectus as amended are available upon request from the Stock Administration department and can also be accessed electronically. Optionee represents that Optionee has read and understands the terms and conditions thereof, and accepts the Option subject to all the terms and conditions of the Plan and the Grant. Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option and that Optionee should consult a tax adviser prior to such exercise.

Optionee

Appendix A

ELECTRONIC ARTS INC.

Nonqualified Stock Option (the "Option") Terms and Conditions Under the 2000 Class A Equity Incentive Plan

1. **Form of Option Grant.** Each Option granted under the Plan shall be evidenced by a written Stock Option Grant (the "Grant") in such form (which need not be the same for each Optionee) as the Committee shall from time to time approve, which Grant shall comply with and be subject to the terms and conditions of the Plan.
2. **Date of Grant.** The date of grant of the Option shall be the date on which the Committee makes the determination to grant such Option unless otherwise specified by the committee. The Grant representing the Option will be delivered to Optionee within a reasonable time after the granting of the Option. Copies of the Plan and Prospectus are available electronically at <http://www.ea.com/legal> and can also be obtained by contacting the Stock Administration Department.
3. **Exercise Price.** The exercise price of the Option shall be determined by the Committee on the date the Option is granted; provided that the exercise price of the Option shall be not less than 100% of the Fair Market Value of the Shares on the date the Option is granted.
4. **Exercise Period.** Options shall be exercisable within the times or upon the events determined by the Committee as set forth in the Grant; provided, however, that no Option shall be exercisable after the expiration of ten (10) years from the date the Option is granted.
5. **Restrictions on Exercise.** Exercise of the Option is subject to the following limitations:
 - (a) The Option may not be exercised until the Plan has been approved by the stockholders of the Company as set forth in the Plan.
 - (b) The Option may not be exercised unless such exercise is in compliance with the 1933 Act, as amended, the Exchange Act of 1934, as amended, all applicable state securities laws, and the requirements of any stock exchange or national market system on which the Company's Common Stock may be listed, as they are in effect on the date of exercise.
 - (c) The Option may be exercised even if there is outstanding, within the meaning of Section 422A(c)(7) of the Internal Revenue Code of 1954, as amended (the "Code"), any incentive stock option to purchase stock of the Company or its

Parent or Subsidiary (as defined in the plan) that was granted to the Optionee before the grant of the Option.

6. Termination of Option.

- (a) Except as provided in this section, the Option shall terminate in whole if Optionee ceases to be an employee of the Company and may not be exercised to the extent terminated. If the Optionee ceases to be an employee of the Company for any reason except by death or disability, the Option, to the extent it is exercisable on the date on which the Optionee ceases to be an employee (the "Termination Date"), may be exercised by the Optionee within three (3) months after the Termination Date, but in no event later than the Expiration Date.
- (i) An Optionee shall be deemed to be a "full time" employee if Optionee works not less than 40 hours per week, unless prevailed upon by local law.
- (ii) Except as to the number of Option Shares for which the Option terminates in accordance with subsection (a)(iii) below, the Option shall continue to vest with respect to Option Shares in equal monthly amounts from the termination date to the time the Optionee has been continuously employed 50 calendar months from the vest start date set forth in the Grant.
- (iii) The number of Option Shares for which the Option shall terminate in accordance with this Paragraph will be determined by multiplying the total number of Option Shares by the following fraction:

$$\frac{40 \text{ minus } [\text{number of hours regularly worked per week}]}{40}$$

40

- (b) If the Optionee's employment with the Company is terminated because of the death of the Optionee or disability of the Optionee within the meaning of Section 22(e)(3) of the Code, the Option, to the extent that it is exercisable on the Termination Date, may be exercised by the Optionee (or the Optionee's legal representative) at any time prior to the expiration of twelve months after the Termination Date, but in any event no later than the Expiration Date.

(c) Notwithstanding the provisions in Paragraph 6(a) above, if the Optionee's employment with the Company is terminated for Cause, the Option with respect to any Shares whatsoever, after termination of service, may not be exercised.

(d) Nothing in the Plan or the Grant shall confer on Optionee any right to continue in the employ of, or other relationship with, the Company or any Parent, Subsidiary or Affiliate of the Company or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate of the Company to terminate Optionee's employment or other relationship at any time, with or without cause.

7. Manner of Exercise.

(a) The Option shall be exercisable by delivery to the Company of written notice in the form attached hereto as Exhibit A, or in such other form as may be approved by the Board of Directors of the Company, which shall set forth the Optionee's election to exercise the Option, the number of Option Shares being purchased, and such other representations and agreements as to the Optionee's investment intent and access to information as may be required by the Company to comply with applicable securities laws.

(b) Such notice shall be accompanied by full payment of the Exercise Price

(i) in cash; (ii) by tender of shares of Common Stock of the Company having a fair market value equal to the Exercise Price; or (iii) a combination of the foregoing, provided that a portion of the exercise price equal to the par value of the Shares, if any, must be paid in cash or other legal consideration.

(c) Prior to the issuance of the Option Shares upon exercise of the Option, the Optionee must pay or make adequate provision for any applicable federal, state, or provincial withholding obligations of the Company.

(d) Provided that such notice and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Option Shares registered in the name of the Optionee or the Optionee's legal representative.

8. Compliance with Laws and Regulations. The issuance and transfer of Option Shares shall be subject to compliance by the Company and the Optionee with all applicable requirements of federal and state laws and with all applicable requirements of any stock exchange or national market system on which the Company's Common Stock may be listed at the time of such issuance or transfer.

9. Nontransferability of Option. The Option may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Option shall be binding upon the executors, administrators, successors and assigns of the Optionee.

10. Tax Consequences. Set forth below is a brief summary as of the date the form of grant was adopted of some of the federal and California tax consequences of exercise of the Option and disposition of the Shares. Additional information is included in the Prospectus for the Plan, as amended.

THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

(a) Exercise. Upon exercise, Optionee will recognize compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. The Company may be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

(b) Disposition of the Shares. For federal tax purposes, if the Shares are held for less than twelve (12) months after the date of transfer of the Shares pursuant to the exercise of a nonqualified stock option, any gain realized on the disposition of the Shares will be treated as a short-term capital gain. If the Shares are held for more than twelve (12) months any such gain will be treated as long-term capital gain.

11. Interpretation. Any dispute regarding the interpretation of this agreement shall be submitted by Optionee or the Company forthwith to the Company's Board of Directors or the committee thereof that administers the Plan, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Board or committee shall be final and binding on the Company and on Optionee.

12. Entire Agreement. The Exercise Notice and Agreement attached as Exhibit A and the Plan available upon request from the Stock Administration department and also accessible electronically is incorporated herein by reference. The Grant, the Plan and the Exercise Notice and Agreement constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof.

EXHIBIT A
STOCK OPTION EXERCISE NOTICE AND AGREEMENT

Electronic Arts Inc.
209 Redwood Shores Parkway
Redwood City, Ca 94065

Attention: Stock Administrator

1. Exercise of Option. The undersigned ("Optionee") hereby elects to exercise Optionee's option to purchase _____ shares of the Common Stock (the "Option Shares") of Electronic Arts Inc. (the "Company") under and pursuant to the Company's 2000 Class A Equity Incentive Plan, (the "Plan") and the stock

option grant dated ____ (the "Grant"). The terms and conditions of the Plan and the Grant are hereby incorporated into and made a part of this Agreement by this reference.

2. Representations of Optionee. Optionee hereby acknowledges, represents and warrants that Optionee has received, read and understood the Plan and the Grant and will abide by and be bound by their terms and conditions.

3. Compliance with Securities Laws. Optionee understands and acknowledges that the exercise of any rights to purchase any Option Shares is expressly conditioned upon compliance with the 1933 Act, the Exchange Act of 1934, the requirements of any stock exchange or national market system on which the Company's stock may be listed, and all applicable state securities laws. Optionee agrees to cooperate with the Company to ensure compliance with such laws.

4. Stop Transfer Notices. Optionee understands and agrees that the Company may issue appropriate "stop transfer" instructions to its transfer agent to ensure compliance with the restrictions on transfer.

5. Tax Consequences. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Option Shares. Optionee represents that Optionee has consulted with any tax consultant(s) Optionee deems advisable in connection with the purchase or disposition of the Option Shares and that Optionee is not relying on the Company for any tax advice.

6. Delivery of Payment. Optionee (or Optionee's broker acting as agent) herewith delivers to the Company the aggregate purchase price of the Option Shares that Optionee has elected to purchase, in cash (by check payable to Electronic Arts Inc.) in the amount of \$_____, receipt of which is acknowledged by the Company.

Submitted by:

Accepted by:

OPTIONEE: _____
(Print Name)

ELECTRONIC ARTS INC.

(Signature)

By: _____

Its: Senior Vice President, General Counsel

Dated: _____ Dated: _____

EXHIBIT 4.04

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

ELECTRONIC ARTS INC.

Electronic Arts Inc., a Delaware corporation, hereby certifies that:

1. The name of the corporation is Electronic Arts Inc. The date of filing its original Certificate of Incorporation with the Secretary of State was May 8, 1991.
2. This Amended and Restated Certificate of Incorporation of the corporation attached hereto as Exhibit "A", which is incorporated herein by this reference, and which restates, integrates and further amends the provisions of the Certificate of Incorporation of this corporation as heretofore amended or supplemented, has been duly adopted by the corporation's Board of Directors and a majority of the stockholders in accordance with Sections 242 and 245 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, said corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: _____

ELECTRONIC ARTS INC.

By: _____

Name: _____

Title: _____

EXHIBIT "A"

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

ELECTRONIC ARTS INC.

ARTICLE I

The name of the corporation is Electronic Arts Inc. (the "Company").

ARTICLE II

The address of the registered office of the Company in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Company Trust Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of stock of all classes which the Company is authorized to issue is 510,000,000 shares, consisting of 400,000,000 shares of Class A Common Stock, par value \$0.01 per share ("Class A Common Stock"), 100,000,000 shares of Class B Common Stock, par value \$0.01 per share ("Class B Common Stock"), and 10,000,000 shares of Preferred Stock, par value \$0.01 per share. Effective upon the filing of this Amended and Restated Certificate of Incorporation, each share of Common Stock outstanding immediately prior thereto shall thereupon automatically be re-classified as one share of Class A Common Stock (and outstanding certificates that had theretofore represented shares of Common Stock shall thereupon represent an equivalent number of shares of Class A Common Stock despite the absence of any indication thereon to that effect).

The Board of Directors is authorized, subject to any limitations prescribed by the law of the State of Delaware, to provide for the issuance of Preferred Stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and to increase or decrease the shares of any such series (but not below the number of shares of such series then outstanding).

ARTICLE V

The rights, preferences, privileges and restrictions granted to and imposed on the Class A Common Stock and the Class B Common Stock are as follows:

1. Definitions. For purposes of this Article V, the following definitions apply:

1.1 "All or Substantially All of the Assets" of either Group means a portion of such assets that represents at least 80% of the then-current Fair Value of the assets of such Group.

1.2 "Available Dividend Amount" shall mean for EA or EA.com, as the case may be, on any day on which dividends are paid on shares of Class A Common Stock or Class B Common Stock, respectively, the amount that would, immediately prior to the payment of such dividends, be legally available for the payment of dividends on shares of EA's or EA.com's common stock under Delaware law if (a) EA and EA.com were each a single, separate Delaware corporation, (b) EA had outstanding (i) a number of shares of common stock, par value \$0.01 per share, equal to the number of shares of Class A Common Stock that are then outstanding and (ii) a number of shares of preferred stock, par value \$0.01 per share, equal to the number of shares of Preferred Stock that are then outstanding, (c) EA.com had outstanding (i) a number of shares of common stock, par value \$0.01 per share, equal to the number of shares of Class B Common Stock that are then outstanding plus the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com and (ii) no shares of preferred stock, and (d) EA owned a number of shares of such common stock of EA.com equal to the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com.

1.3 "Board" shall mean the Board of Directors of the Company.

1.4 "Class A Common Stock" shall mean the Class A Common Stock, par value \$0.01 per share, of the Company. For purposes of this Article V the Class A Common Stock is deemed to relate to EA.

1.5 "Class B Common Stock" shall mean the Class B Common Stock, par value \$0.01 per share, of the Company. For purposes of this Article V the Class B Common Stock is deemed to relate to EA.com.

1.6 "Common Stock" shall mean the Class A Common Stock and the Class B Common Stock of the Company.

1.7 "Company" shall mean this corporation.

1.8 "Disposition" shall mean a sale, transfer, assignment or other disposition (whether by merger, consolidation, sale or otherwise) of All or Substantially All of the Assets of a Group to one or more persons or entities, in one transaction or a series of related transactions.

1.9 "EA" shall mean (a) all of the businesses, assets and liabilities of the Company and its subsidiaries, other than the businesses, assets and liabilities of EA.com, and (b) a proportionate interest in EA.com (after giving effect to any options, other securities or debt issued or incurred by the Company and attributed to EA.com) equal to the Retained Interest Fraction; provided, however, that: (i) the Company may transfer assets from one Group to another Group in return for other assets or services rendered by that other Group in the ordinary course of business or in accordance with policies established by the Board from time to time, and (ii) if the Company transfers cash, other assets or securities to holders of shares of Class B Common Stock as a dividend or other distribution on shares of the Class B Common Stock (other than a dividend or distribution payable in shares of Class B Common Stock), or as payment in a redemption required by Section 3 of this Article V, then the Board shall transfer from EA.com to EA cash or other assets having a Fair Value equal to the aggregate Fair Value of the cash, other assets or securities so transferred to holders of the Class B Common Stock times the Retained Interest Proportion with respect to EA.com as of the record date for such dividend or distribution, or on the date of such redemption, as the case may be.

1.10 "EA.com" means all of the businesses, assets and liabilities of EA.com Inc., a Delaware corporation ("EA.com") and its subsidiaries, including
(a) any businesses, assets or liabilities of the Company or any of its subsidiaries that the Company has, as of the Effective Date, transferred to EA.com, (b) any businesses, assets or liabilities acquired or incurred by the Company or any of its

subsidiaries after the Effective Date that the Company transfers to EA.com or that the Company otherwise transfers to EA.com in accordance with policies established from time to time by the Board and (c) the rights and obligations of EA.com under any inter-Group debt deemed to be owed to or by EA.com (as such rights and obligations are defined in accordance with policies established from time to time by the Board); provided, however, that the Company may transfer assets from one Group to the other Group as provided in clauses (i) and (ii) in Section 1.9 above.

1.11 "Effective Date" shall mean the date on which this Amended and Restated Certificate of Incorporation becomes effective under Delaware law.

1.12 "Exempt Disposition" shall mean any of the following: (a) a Disposition in connection with the liquidation, dissolution or winding-up of the Company and the distribution of assets to stockholders, (b) a Disposition to any person or entity controlled by the Company (as determined by the Board in its sole discretion), (c) a dividend, out of EA.com's assets, to holders of Class B Common Stock (and a transfer of a corresponding amount of EA.com's assets to EA as required pursuant to clause (ii) of the proviso to the definition of EA above), (d) a dividend, out of EA's assets, to holders of Class A Common Stock and (e) any other Disposition, if (i) at the time of the Disposition there are no shares of Class A Common Stock outstanding, (ii) at the time of the Disposition there are no shares of Class B Common Stock outstanding, or (iii) before the 30th Trading Day following the Disposition the Company has mailed a notice stating that it is exercising its right to exchange all of the outstanding shares of Class B Common Stock for newly issued shares of Class A Common Stock as contemplated under Section 3.2 of this Article V.

1.13 "Fair Value" shall mean (a) in the case of cash, the amount thereof, (b) in the case of capital stock that is Publicly Traded, the Market Value thereof and (c) in the case of other assets or securities, the fair market value thereof as determined in good faith by the Board in consultation with outside valuation or appraisal experts selected by the Board in good faith (which determination shall be conclusive and binding on all stockholders).

1.14 "Group" shall mean EA or EA.com.

1.15 "Market Value" of a share of any class or series of capital stock on any Trading Day means the average of the high and low reported sales prices of a share of such class or series on such Trading Day or, in case no such reported sale takes place on such Trading Day, the average of the reported closing bid and asked prices of a share of such class or series on such Trading Day, in either case as reported on the New York Stock Exchange ("NYSE") Composite Tape or, if the shares of such class or series are not listed or admitted to trading on the NYSE on such Trading Day, on the principal national securities exchange on which the shares of such class or series are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange on such Trading Day, on the Nasdaq National Market ("Nasdaq NM") or, if the shares of such class or series are not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq NM on such Trading Day, the average of the closing bid and asked prices of a share of such class or series in the over-the-counter market on such Trading Day as furnished by any NYSE member firm selected from time to time by the Company or, if such closing bid and asked prices are not made available by any such NYSE member firm on such Trading Day, the Fair Value of a share of such class or series; provided, that, for purposes of determining the average Market Value of a share of any class or series of capital stock for any period, (a) the "Market Value" of a share of any class or series of capital stock on any day prior to any "ex-dividend" date or any similar date occurring during such period for any dividend or distribution (other than any dividend or distribution contemplated by clause (b)(ii) of this sentence) paid or to be paid with respect to such capital stock shall be reduced by the Fair Value of the per share amount of such dividend or distribution and (b) the "Market Value" of a share of any class or series of capital stock on

any day prior to (i) the effective date of any subdivision (by stock split or otherwise) or combination (by reverse stock split or otherwise) of outstanding shares of such class or series of capital stock occurring during such period or (ii) any "ex-dividend" date or any similar date occurring during such period for any dividend or distribution with respect to such capital stock to be made in shares of such class or series of capital stock or convertible securities that are convertible, exchangeable or exercisable for such class or series of capital stock shall be appropriately adjusted, as determined by the Board, to reflect such subdivision, combination, dividend or distribution; and provided further, if (a) the Company repurchases outstanding shares of Class B Common Stock (other than by virtue of a pro rata distribution on all outstanding shares of Class B Common Stock) and the Board attributes that repurchase (and the consideration therefor) to EA.com and (b) the Company determines to transfer to EA cash or other assets of EA.com in order to avoid a change in the Retained Interest Fraction, the "Market Value" of a share of Class B Common Stock used to compute the corresponding reduction in the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com will equal the Fair Value of the consideration paid per share of Class B Common Stock so repurchased; and provided further, if the Company redeems a portion of the outstanding shares of Class B Common Stock (and the Company transfers to EA cash or other assets of EA.com in the manner required by clause (ii) of the proviso to the definition of EA above), the "Market Value" of a share Class B Common Stock used to compute the corresponding reduction in the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com will equal the Fair Value of the consideration paid per share of Class B Common Stock so redeemed.

1.16 "Net Proceeds" of a Disposition of a Group means the positive amount, if any, remaining from the gross proceeds of such Disposition after any payment of, or reasonable provision (as determined in good faith by the Board at the time of the Disposition, which determination will be conclusive and binding on all stockholders) for, (a) any taxes payable by the Company or any subsidiary in respect of such Disposition or which would have been payable but for the utilization of tax benefits attributable to the Group not the subject of the Disposition, (b) any taxes payable by the Company in respect of any resulting dividend or redemption, (c) any transaction costs, including, without limitation, any legal, investment banking and accounting fees and expenses and (d) any liabilities (contingent or otherwise) of, attributed to or related to, such Group, including, without limitation, any liabilities for deferred taxes or any indemnity or guarantee obligations which are outstanding or incurred in connection with the Disposition or otherwise, any liabilities for future purchase price adjustments and any obligations with respect to outstanding securities (other than Common Stock) attributed to such Group as determined in good faith by the Board.

1.17 "Number of Shares Issuable with Respect to EA's Retained Interest" shall mean, with respect to EA.com, initially the number the Board designates (prior to the time the Company first issues shares of the Class B Common Stock) as the number of shares of Class B Common Stock that could be issued by the Company for the account of EA in respect of its retained interest in EA.com, as authorized by Article IV; provided, however, that such number as in effect from time to time shall automatically be adjusted as required by Section 6 of this Article V.

1.18 "Outstanding Interest Fraction" shall mean, (i) with respect to EA, at any time of determination, 1 and (ii) with respect to EA.com, at any time of determination, a fraction the numerator of which shall be the number of shares of the series of Class B Common Stock outstanding on such date and the denominator of which shall be the sum of the number of shares of Class B Common Stock outstanding on such date and the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com.

1.19 "Publicly Traded" with respect to any security means (a) registered under Section 12 of the Securities Exchange Act of 1934, as amended (or any successor provision of law), and (b) listed for trading on the NYSE (or any other national securities exchange registered under Section 7 of

the Securities Exchange Act of 1934, as amended (or any successor provision of law)) or listed on the Nasdaq NM (or any successor market system).

1.20 "Qualified Public Offering" shall mean the closing of a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, covering the offer and sale of the Class B Common Stock.

1.21 "Retained Interest Proportion" shall mean with respect to EA.com, at any time of determination, a fraction the numerator of which shall be the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com and the denominator of which shall be the number of shares of the Class B Common Stock outstanding on such date.

1.22 "Retained Interest Fraction" shall mean with respect to EA.com, at any time of determination, a fraction the numerator of which shall be the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com and the denominator of which shall be the sum of the number of shares of the Class B Common Stock outstanding on such date and the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com.

1.23 "Trading Day" shall mean each weekday on which the relevant security (or, if there are two relevant securities, each relevant security) is traded on the principal national securities exchange on which it is listed or admitted to trading or on the Nasdaq NM or, if such security is not listed or admitted to trading on a national securities exchange or quoted on the Nasdaq NM, traded in the principal over-the-counter market in which it trades.

2. Dividend Rights.

2.1 Dividends Payable at Discretion of Board. Subject to any preferences and relative, participating, optional or other special rights of any outstanding class or series of preferred stock of the Company and any qualifications or restrictions on any class of Common Stock created thereby, dividends may be declared and paid upon any class of Common Stock, upon the terms with respect to each such class, and subject to the limitations provided for below in this Section 2, as the Board may determine.

2.2 Limitations. Dividends on any class of Common Stock may be declared and paid only out of the lesser of (i) the funds of the Company legally available therefor and (ii) in the case of the Class A Common Stock, the Available Dividend Amount for EA, and, in the case of Class B Common Stock, the Available Dividend Amount for EA.com.

2.3 Discrimination in Dividends Between Classes of Common Stock. The Board, subject to the provisions of Section 2.1, may at any time declare and pay dividends exclusively on a single class of Common Stock, or on both classes of Common Stock, in equal or unequal amounts, notwithstanding the relative amounts of the Available Dividend Amount with respect to EA or EA.com, the amount of dividends previously declared on any class, the respective voting or liquidation rights of any class or any other factor.

2.4 Share Distributions. Except as permitted by Section 3, the Board may declare and pay dividends or distributions of shares of any class of Common Stock (or securities convertible into or exchangeable or exercisable for shares of any class of Common Stock) on shares of a class of Common Stock or on shares of a class or series of preferred stock of the Company only as follows: (i) dividends or distributions of shares of a class of Common Stock (or securities convertible into or exchangeable or exercisable for shares of a class of Common Stock) on shares of the same class of Common Stock or on

shares of preferred stock convertible into the same class of Common Stock; and (ii) dividends or distributions of shares of Class B Common Stock (or securities convertible into or exchangeable or exercisable for shares of Class B Common Stock) on shares of Class A Common Stock or on shares of preferred stock convertible into Class A Common Stock, but only if the sum of (1) the number of shares of Class B Common Stock to be so issued (or the number of such shares which would be issuable upon conversion, exchange or exercise of any securities to be so issued) and (2) the number of shares of Class B Common Stock which are issuable upon conversion, exchange or exercise of any securities then outstanding that are held by EA is less than or equal to the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com at such time, and provided that in such event the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com shall be decreased by the number of shares of Class B Common Stock so issued. For purposes of this Section 2.4, any outstanding securities that are convertible into or exchangeable or exercisable for any other securities which are themselves convertible into or exchangeable or exercisable for Class B Common Stock (or other securities that are so convertible, exchangeable or exercisable) shall be deemed to have been converted, exchanged or exercised in full for such securities.

3. Mandatory Dividend, Redemption or Exchange on Disposition of All or Substantially All of the Assets; Exchange of Class B Common Stock for Class A Common Stock or for Stock of a Subsidiary at the Company's Option; Optional Redemption of Class B Common Stock.

3.1 Mandatory Dividend, Redemption or Exchange.

3.1.1 In the event of a Disposition of All or Substantially All of the Assets of EA.com (other than an Exempt Disposition), the Company shall, on or prior to the 85th Trading Day after the consummation of such Disposition, either: (x) declare and pay a dividend to holders of the Class B Common Stock (in cash, securities (other than Common Stock) or other property, or a combination thereof), subject to the limitations on dividends set forth under

Section 2 of this Article V, in an amount having a Fair Value equal to the product of the Outstanding Interest Fraction with respect to such EA.com and the Fair Value of the Net Proceeds of such Disposition; (y) redeem from holders of the Class B Common Stock, for cash, securities (other than Common Stock) or other property (or a combination thereof) in an amount equal to the product of the Outstanding Interest Fraction with respect to EA.com and the Fair Value of the Net Proceeds of such Disposition, all of the outstanding shares of the Class B Common Stock (or, if EA.com continues after such Disposition to own any material assets other than the proceeds of such Disposition, a number of shares of Class B Common Stock (rounded, if necessary, to the nearest whole number) having an aggregate average Market Value, during the 20 consecutive Trading Day period beginning on (and including) the 16th Trading Day immediately following the date on which the Disposition is consummated, equal to such Fair Value); or

(z) issue, in exchange for all of the outstanding shares of the Class B Common Stock, a number of shares of the Class A Common Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 115% of the aggregate value of all of the outstanding shares of the Class B Common Stock (where in each case value is based on the average Market Value of a share of the relevant series of Common Stock during the 20 consecutive Trading Day period beginning on (and including) the 16th Trading Day immediately following the date on which the Disposition is consummated).

3.1.2 At any time within one year after completing any dividend or partial redemption pursuant to (x) or (y) of the preceding sentence, the Company may issue, in exchange for all of the remaining outstanding shares of the Class B Common Stock, a number of shares of the Class A Common Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 115% of the aggregate value of all of the outstanding shares of the Class B Common Stock (where in each case value is based on the average Market Value of a share of the relevant series of Common Stock

during the 20 consecutive Trading Day period ending on (and including) the 5th Trading Day immediately preceding the date on which the Company mails the notice of exchange to holders of the relevant series).

3.1.3 For purposes of this Section 3, if a Disposition is consummated in a series of related transactions, such Disposition shall not be deemed to have been completed until consummation of the last of such transactions.

3.2 Exchange of Stock of a Subsidiary for Class B Common Stock at

Company's Option. At any time after a Qualified Public Offering at which all of the assets and liabilities of EA.com (and no other assets or liabilities of the Company or any subsidiary thereof) are held directly or indirectly by one or more wholly owned subsidiaries of the Company (the "EA.com Subsidiaries"), the Board may, provided that there are funds of the Company legally available therefor, declare that all of the outstanding shares of the Class B Common Stock shall be exchanged, as of the exchange date described below, for the number of fully paid and nonassessable shares of common stock of each of such EA.com Subsidiaries as is equal to the product of the Outstanding Interest Fraction with respect to EA.com (determined as of the exchange date) and the number of shares of common stock of each such EA.com Subsidiary as will be outstanding immediately following such exchange. Such shares of common stock of such EA.com Subsidiaries (i) may be delivered directly or indirectly through the delivery of shares of one or more of such EA.com Subsidiaries that own directly or indirectly all of the other shares that are deliverable pursuant to the preceding sentence, and (ii) shall be listed for trading on a national securities exchange or the Nasdaq NM if the Class B Common Stock exchanged therefor is (at such time) so listed. If the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com is greater than zero (so that less than all of the shares of common stock of the EA.com Subsidiaries are being delivered to the holders of Class B Common Stock), the Company may retain the remaining shares of common stock of the EA.com Subsidiaries or distribute those shares as a dividend on Class A Common Stock.

3.3 Exchange of Class A Common Stock for Class B Common Stock at

Company's Option. The Company may, at any time after the first anniversary of a Qualified Public Offering, issue, in exchange for all of the outstanding shares of Class B Common Stock, a number of shares of Class A Common Stock (rounded, if necessary, to the nearest whole number) having an aggregate value equal to 115% of the aggregate value of all of the outstanding shares of Class B Common Stock (where in each case value is based on the average Market Value of a share of the relevant class of Common Stock during the 20 consecutive Trading Day period ending on (and including) the 5th Trading Day immediately preceding the date on which the Company mails the notice of exchange to holders of the Class B Common Stock).

3.4 General Dividend, Exchange and Redemption Provisions.

3.4.1 If the Company completes a Disposition of All or Substantially All of the Assets of EA.com (other than an Exempt Disposition), the Company shall, not more than 10 Trading Days after the consummation of such Disposition, issue a press release specifying (w) the Net Proceeds of such Disposition, (x) the number of shares of the Class B Common Stock then outstanding, (y) the number of shares of Class B Common Stock issuable upon conversion, exchange or exercise of any convertible or exchangeable securities, options or warrants and the conversion, exchange or exercise prices thereof and (z) the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com. The Company shall, not more than 40 Trading Days after such consummation, announce by press release which of the actions specified in

Section 3.1.1 of this Article V it has determined to take, and upon making that announcement, that determination will be irrevocable. In addition, the Company shall, not more than 40 Trading Days after such consummation and not less than 10 Trading Days before the applicable payment date, redemption date or exchange date, send a notice by first-class mail, postage

prepaid, to holders of the relevant class of Common Stock at their addresses as they appear on the transfer books of the Company, specifying:

(1) if the Company has determined to pay a special dividend, (A) the record date for such dividend, (B) the payment date of such dividend (which cannot be more than 85 Trading Days after such consummation) and (C) the aggregate amount and type of property to be paid in such dividend (and the approximate per share amount thereof);

(2) if the Company has determined to undertake a redemption, (A) the date of redemption (which cannot be more than 85 Trading Days after such consummation), (B) the aggregate amount and type of property to be paid as a redemption price (and the approximate per share amount thereof), (C) if less than all shares of the Class B Common Stock are to be redeemed, the number of shares to be redeemed and (D) the place or places where certificates for shares of Class B Common Stock, properly endorsed or assigned for transfer (unless the Company waives such requirement), should be surrendered in return for delivery of the cash, securities or other property to be paid by the Company in such redemption; and

(3) if the Company has determined to undertake an exchange, (A) the date of exchange (which cannot be more than 85 Trading Days after such consummation), (B) the number of shares of Class A Common Stock to be issued in exchange for each outstanding share of Class B Common Stock and (C) the place or places where certificates for shares of Class B Common Stock, properly endorsed or assigned for transfer (unless the Company waives such requirement), should be surrendered in return for delivery of the Class A Common Stock to be issued by the Company in such exchange.

3.4.2 If the Company is redeeming less than all of the outstanding shares of the Class B Common Stock pursuant to Section 3.1.1 of this Article V, the Company shall redeem such shares pro rata or by lot or by such other method as the Board determines to be equitable.

3.4.3 If the Company has determined to complete any exchange described in Section 3.2 or 3.3 of this Article V, the Company shall, not less than 10 Trading Days and not more than 30 Trading Days before the exchange date, send a notice by first-class mail, postage prepaid, to holders of the relevant class of Common Stock at their addresses as they appear on the transfer books of the Company, specifying (x) the exchange date and the other terms of the exchange and (y) the place or places where certificates for shares of such class of Common Stock, properly endorsed or assigned for transfer (unless the Company waives such requirement), should be surrendered for delivery of the stock to be issued or delivered by the Company in such exchange.

3.4.4 Neither the failure to mail any notice required by this Section 3.4 to any particular holder nor any defect therein would affect the sufficiency thereof with respect to any other holder or the validity of any dividend, redemption or exchange contemplated hereby.

3.4.5 No holder of shares of a class of Common Stock being exchanged or redeemed shall be entitled to receive any cash, securities or other property to be distributed in such exchange or redemption until such holder surrenders certificates for such shares, properly endorsed or assigned for transfer, at such place as the Company shall specify (unless the Company waives such requirement). As soon as practicable after the Company's receipt of certificates for such shares, the Company shall deliver to the person for whose account such shares were so surrendered, or to the nominee or nominees of such person, the cash, securities or other property to which such person shall be entitled, together with any fractional payment referred to below, in each case without interest. If less than all of the shares of Common Stock represented by any one certificate is exchanged or redeemed, the

Company shall also issue and deliver a new certificate for the shares of such Common Stock not exchanged or redeemed.

3.4.6 The Company shall not be required to issue or deliver fractional shares of any capital stock or any other fractional securities to any holder of Common Stock upon any exchange, redemption, dividend or other distribution described above. If more than one share of Common Stock shall be held at the same time by the same holder, the Company may aggregate the number of shares of any capital stock that would be issuable or any other securities that would be distributable to such holder upon any such exchange, redemption, dividend or other distribution. If there are fractional shares of any capital stock or any other fractional securities remaining to be issued or distributed to any holder, the Company shall, if such fractional shares or securities are not issued or distributed to such holder, pay cash in respect of such fractional shares or securities in an amount equal to the Fair Value thereof (without interest).

3.4.7 From and after the date of closing any exchange or redemption contemplated by this Section 3, all rights of a holder of shares of Common Stock being exchanged or redeemed shall cease except for the right, upon surrender of the certificates theretofore representing such shares, to receive the cash, securities or other property for which such shares were exchanged or redeemed, together with any fractional payment as provided above, in each case without interest (and, if such holder was a holder of record as of the close of business on the record date for a dividend not yet paid, the right to receive such dividend). A holder of shares of Common Stock being exchanged shall not be entitled to receive any dividend or other distribution with respect to shares of the other class of Common Stock until after certificates theretofore representing the shares being exchanged are surrendered as contemplated above. Upon such surrender, the Company shall pay to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date occurring after the exchange, but which were not paid by reason of the foregoing, with respect to the number of whole shares of the other class of Common Stock represented by the certificate or certificates issued upon such surrender. From and after the date set for any exchange, the Company shall, however, be entitled to treat the certificates for shares of a series of Common Stock being exchanged that were not yet surrendered for exchange as evidencing the ownership of the number of whole shares of the other class of Common Stock for which the shares of such Common Stock should have been exchanged, notwithstanding the failure to surrender such certificates.

3.4.8 The Company shall pay any and all documentary, stamp or similar issue or transfer taxes that might be payable in respect of the issue or delivery of any shares of capital stock and/or other securities on any exchange or redemption contemplated by this Section 3; provided, however, that the Company shall not be required to pay any tax that might be payable in respect of any transfer involved in the issue or delivery of any shares of capital stock and/or other securities in a name other than that in which the shares so exchanged or redeemed were registered, and no such issue or delivery will be made unless and until the person requesting such issue pays to the Company the amount of any such tax, or establishes to the satisfaction of the Company that such tax has been paid.

3.4.9 The Company may, subject to applicable law, establish such other rules, requirements and procedures to facilitate any dividend, redemption or exchange contemplated by this Section 3 as the Board may determine to be appropriate under the circumstances.

4. Voting Rights.

4.1 General. Subject to section 4.2, at every meeting of stockholders, the holders of Class A Common Stock and the holders of Class B Common Stock shall vote together as a single class on all matters as to which common stockholders generally are entitled to vote, unless a separate vote is

required by applicable law. On all such matters for which no separate vote is required, (a) holders of Class A Common Stock shall be entitled to one vote per share of Class A Common Stock held and (b) holders of Class B Common Stock shall be entitled (i) at any time prior to a Qualified Public Offering, to a number of votes per share of Class B Common Stock held (calculated to the nearest five decimal places) equal to the Market Value of a share of Class B Common Stock on the date the Company first issues shares of Class B Common Stock divided by the average Market Value of a share of Class A Common Stock during the 20 consecutive Trading Day period ending on (and including) the 5th Trading Day before such date, and (ii) at any time after a Qualified Public Offering, to a number of votes per share of Class B Common Stock held (calculated to the nearest five decimal places) equal to the initial public offering price of Class B Common Stock in the Qualified Public Offering divided by the average Market Value of a share of Class A Common Stock during the 20 consecutive Trading Day period ending on (and including) the 5th Trading Day before the date of such Qualified Public Offering.

4.2 Class B Protective Provisions. So long as any shares of Class B Common Stock remain outstanding, the Company shall not, without the approval of a majority of the Class B Common Stock then outstanding, voting separately as a class: (i) amend its Certificate of Incorporation in any manner that would alter or change the rights, preferences, privileges or restrictions of the Class B Common Stock so as to materially adversely affect the Class B Common Stock, or (ii) increase or decrease (other than by redemption, conversion or exchange) the total number of authorized shares of Class B Common Stock.

5. Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Class A Common Stock and holders of Class B Common Stock shall be entitled to receive in respect of shares of Class A Common Stock and shares of Class B Common Stock their proportionate interests in the net assets of the Company, if any, remaining for distribution to stockholders (after payment of or provision for all liabilities, including contingent liabilities of the Company). Each share of each class of Common Stock will be entitled to a share of net liquidation proceeds in proportion to the respective liquidation units per share of such class. Each share of Class A Common Stock shall have one liquidation unit and each share of Class B Common Stock shall have a number of liquidation units (including a fraction of one liquidation unit) equal to the quotient (rounded to the nearest five decimal places) of the Market Value of a share of Class B Common Stock on the date the Company first issues shares of Class B Common Stock divided by the average Market Value of a share of Class A Common Stock during the 20 consecutive Trading Day period ending on (and including) the 5th Trading Day before such date. Neither the merger nor consolidation of the Company with any other entity, nor a sale, transfer or lease of all or any part of the assets of the Company, would, alone, be deemed a liquidation, dissolution or winding-up for purposes of this Section 5. If the Company shall in any manner subdivide (by stock split, reclassification or otherwise) or combine (by reverse stock split, reclassification or otherwise) the outstanding shares of Class A Common Stock or Class B Common Stock, or declare a dividend in shares of either class to holders of such class, the per share liquidation units of either class shall be appropriately adjusted as determined by the Board, so as to avoid dilution (in the aggregate) of the relative liquidation rights of the shares of any class of Common Stock.

6. Adjustments to Number of Shares Issuable with Respect to EA's Retained

Interest in EA.com. The Number of Shares Issuable with Respect to EA's Retained Interest in EA.com, as in effect from time to time, shall, automatically without action by the Board or any other person, be: (a) adjusted in proportion to any changes in the number of outstanding shares of Class B Common Stock caused by subdivisions (by stock split, reclassification or otherwise) or combinations (by reverse stock split, reclassification or otherwise) of shares of Class B Common Stock or by dividends or other distributions of shares of Class B Common Stock on shares of Class B Common Stock (and, in each such case, rounded, if necessary, to the nearest whole number); (b) decreased by (i) if the Company

issues any shares of Class B Common Stock and the Board attributes that issuance (and the proceeds thereof) to EA, the number of shares of Class B Stock so issued, and (ii) if the Board transfers to EA any cash or other assets of EA.com in connection with a redemption of shares of Class B Common Stock (as required pursuant to clause (ii) of the proviso to the definition of EA) or in return for a decrease in the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com, the number (rounded, if necessary, to the nearest whole number) equal to (x) the aggregate Fair Value of such cash or other assets divided by (y) the Market Value of one share of Class B Common Stock as of the date of such transfer; and (c) increased by (i) if the Company repurchases any shares of Class B Common Stock and the Board attributes that repurchase (and the consideration therefor) to EA, the number of shares of Class B Common Stock so repurchased and (ii) if the Board transfers to EA.com any cash or other assets of EA in return for an increase in the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com, the number (rounded, if necessary, to the nearest whole number) equal to (x) the Fair Value of such cash or other assets divided by (y) the Market Value of one share of Class B Common Stock as of the date of such transfer. Neither the Company nor the Board shall take any action that would, as a result of any of the foregoing adjustments, reduce the Number of Shares Issuable with Respect to EA's Retained Interest in EA.com to below zero. Subject to the preceding sentence, the Board may attribute the issuance of any shares of Class B Common Stock (and the proceeds therefrom) or the repurchase of Class B Common Stock (and the consideration therefor) to EA or to EA.com, as the Board determines in its sole discretion; provided, however, that the Board must attribute to EA the issuance of any shares of Class B Common Stock that are issued (1) as a dividend or other distribution on, or as consideration for the repurchase of, shares of Class A Common Stock or (2) as consideration to acquire any assets or satisfy any liabilities attributed to EA.

7. Determinations by the Board. Subject to applicable law, any determinations made by the Board in good faith under this Amended and Restated Certificate of Incorporation or in any certificate of designation filed pursuant hereto, including without limitation any such determinations with respect to the businesses, assets and liabilities of either Group, transactions between the Groups or the rights of holders of any class of Common Stock or Preferred Stock made pursuant to or in the furtherance hereof or thereof, shall be final and binding on all stockholders of the Company. A record of all formal determinations of the Board made as contemplated hereby shall be filed with the records of the actions of the Board.

ARTICLE VI

The stockholders of the Company shall have the power to adopt, amend or repeal the Bylaws. The Board of Directors of the Company shall also have the power to adopt, amend or repeal Bylaws of the Company, except insofar as Bylaws adopted by the stockholders shall otherwise provide.

ARTICLE VII

Election of Directors need not be by written ballot unless a stockholder demands election by written ballot at a stockholder meeting and before voting begins, or unless the Bylaws of the Company shall so provide.

ARTICLE VIII

A Director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the Director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transactions from which the Director derived an improper personal benefit.

If the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a Director, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Company existing at the time of such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX

Any action required or permitted to be taken by the stockholders of the Company must be taken at a duly called annual or special meeting of such holders and may not be taken by consent in writing by such holders, except that until such time as there has been a Qualified Public Offering matters subject solely to a vote of the holders of the Class B Common Stock may be taken by consent in writing by such holders. Except as otherwise provided for herein or required by law, special meetings of stockholders of the Company for any purpose or purposes may be called only by the Chairman of the Board of Directors pursuant to a resolution stating the purpose or purposes thereof, and stockholders shall not

have any power to call a special meeting.

EXHIBIT 5.01
(Includes Exhibit 23.01)

June 16, 2000

Securities and Exchange Commission
Division of Corporation Finance
450 5th/ Street, N.W.
Washington, D.C. 20549

Re: Electronic Arts Inc. ("EA")
Registration Statement on Form S-8

Ladies/Gentlemen:

I am an attorney licensed to practice law in the states of California and New York and I am Senior Vice President, General Counsel and Secretary of EA. I have examined EA's Registration Statement on Form S-8 (the "Registration Statement") to be filed by EA on or about June 16, 2000 in connection with the registration under the Securities Act of 1933, as amended, of 3,100,000 shares of Class A Common Stock that may be sold by EA to eligible employees, and Directors of EA pursuant to EA's 2000 Class A Equity Incentive Plan (the "Plan").

As General Counsel for EA, I have examined the proceedings taken by EA in connection with the Plan and the shares being registered hereby.

It is my opinion that the 3,100,000 shares of Class A Common Stock that may be issued and sold by EA pursuant to the Plan, when issued and sold in the manner referred to in the Prospectus associated with the Registration Statement and the Plan, as applicable, will be legally issued, fully paid and nonassessable.

I consent to the use of this opinion as an exhibit to the Registration Statement and further consent to all references to this opinion, if any, in the Registration Statement and amendments thereto.

Very truly yours,
ELECTRONIC ARTS INC.

/s/ Ruth A. Kennedy

Ruth A. Kennedy
Senior Vice President,

General Counsel and Secretary

EXHIBIT 23.02

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Electronic Arts Inc.

We consent to incorporation by reference in the registration statement dated June 16, 2000 on Form S-8 of Electronic Arts Inc. of our report dated April 30, 1999, relating to the consolidated balance sheets of Electronic Arts Inc. and subsidiaries, as of March 31, 1999 and 1998, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 1999, and the related schedule, which reports appear in the March 31, 1999 annual report on Form 10-K of Electronic Arts Inc.

/s/ KPMG LLP

*Mountain View, California
June 16, 2000*

End of Filing

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