

# ELECTRONIC ARTS INC.

## **FORM 8-K** (Current report filing)

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 9, 2017, the Board of Directors (the “Board”) of Electronic Arts Inc. (the “Company”), on the recommendation of the Compensation Committee of the Board, determined to amend and restate the Electronic Arts Inc. Key Employee Continuity Plan and rename the plan the Electronic Arts Inc. Change in Control Plan (the “Amended Plan”). The Amended Plan, which would have expired on February 7, 2018, was extended to February 9, 2023. The plan was originally adopted in 2008 and provides for certain payments and benefits to eligible employees of the Company or its affiliates if an eligible employee’s employment is terminated without “cause” or for “good reason” (each as defined in the Amended Plan) in connection with a “change in control” (as defined in the Amended Plan), provided such eligible employee executes a severance agreement and release.

The Amended Plan, among other things, changes certain definitions, certain benefits to be paid and certain legal and administrative mechanics. As amended and restated, upon a participant’s termination of employment without “cause” or for “good reason,” in either case within three months before or within 18 months after a “change in control,” eligible employees are entitled to the following payments in exchange for a release of claims against the Company and its affiliates: (i) a lump sum cash payment equal to the sum of that employee’s annual base salary and target bonus multiplied by: 2 for the chief executive officer; 1.5 for executive vice presidents; and 1.0 for senior vice presidents; (ii) 100% acceleration of such employee’s unvested stock options, restricted stock units and other non-performance based equity awards; (iii) pro-rata acceleration of unearned performance-based restricted stock units subject to the terms of the employee’s applicable award agreement; (iii) pro rata payout of all outstanding performance cash awards granted prior to the date of termination based on actual performance in the completed fiscal years prior to the date of termination and (iv) payment of medical, dental and vision coverage for a period ranging from six to 24 months depending on the eligible employee’s position.

The Amended Plan is effective February 9, 2017. The Amended Plan will terminate on February 9, 2023 unless the Board extends the Amended Plan term or terminates the Amended Plan early.

The foregoing description of the Amended Plan does not purport to be complete and is qualified in its entirety by reference to the Amended Plan (including the schedule and appendix thereto), a copy of which is filed as Exhibit 10.1 hereto and is incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

<i>Exhibit No.</i>	<i>Description</i>
10.1	Electronic Arts Inc. Change in Control Plan, dated as of February 9, 2017*

\*Management contract or compensatory plan or arrangement.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ELECTRONIC ARTS INC.**

Dated: February 15, 2017

By: /s/ Jacob J. Schatz

Jacob J. Schatz

Senior Vice President, General Counsel and Secretary

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## INDEX TO EXHIBITS

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**ELECTRONIC ARTS INC.  
CHANGE IN CONTROL PLAN**

The Company hereby adopts the Electronic Arts Inc. Change in Control Plan for the benefit of certain employees of the Company and its Affiliates, on the terms and conditions set forth in this plan. Capitalized terms are defined in Section 1.

**SECTION 1. DEFINITIONS** . As hereinafter used:

- 1.1 “*Affiliate*” shall have the meaning set forth in Rule 12b-2 under Section 12 of the Exchange Act.
- 1.2 “*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 under the Exchange Act.
- 1.3 “*Board*” means the Board of Directors of the Company.

1.4 “*Cause*” means (i) the continued failure by the Eligible Employee to substantially perform the Eligible Employee’s duties with the Employer (other than any such failure resulting from the Eligible Employee’s incapacity due to physical or mental illness) which is not remedied within thirty (30) days after receipt of written notice from the Company specifying such failure, (ii) the engagement by the Eligible Employee in acts of fraud, embezzlement, dishonesty, gross negligence, willful misconduct, bad faith or moral turpitude, (iii) the Eligible Employee’s indictment for, conviction of or plea of *nolo contendere* to any felony or of any other crime involving fraud, breach of trust or misappropriation, (iv) a breach by the Eligible Employee of his or her fiduciary duties that has a material adverse effect on the Company’s business, operations, prospects or reputation or (iv) any breach or violation of any agreement or written code of conduct relating to the Eligible Employee’s employment with the Employer that materially and adversely affects the Company or any of its Affiliates.

1.5 A “*Change in Control*” shall be deemed to have occurred if the event set forth in any one of the following subsections shall have occurred:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of (A) the then outstanding common stock of the Company or (B) the total voting power represented by the Company’s then outstanding voting securities; or

(ii) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, which would result in the common stock or voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least

fifty percent (50%) of the outstanding shares or common stock or total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such sale or disposition; or

(iii) The consummation of a merger or consolidation of the Company or any direct or indirect subsidiary of the Company by virtue of the closing or effective date of such merger or consolidation with any other corporation, other than a merger or consolidation which would result in the common stock or voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the outstanding shares or common stock or total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(iv) A change in the composition of the Board during any twelve-month period, as a result of which less than a majority of the Directors are Incumbent Directors. “*Incumbent Directors*” shall mean Directors who either (A) are Directors of the Company as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those Directors whose election or nomination was not in connection with any transaction described in subsections (i), (ii) or (iii) or in connection with an actual or threatened proxy contest relating to the election of directors of the Company.

1.6 “*Code*” means the Internal Revenue Code of 1986, as it may be amended from time to time.

1.7 “*Company*” means Electronic Arts Inc., a Delaware corporation, or any successor thereto.

1.8 “*Disability*” means long-term disability under the terms of the Employer’s long-term disability plan, as then in effect.

1.9 “*Effective Date*” means February 9, 2017, the date as of which the Plan has been adopted.

1.10 “*Eligible Employee*” means any employee who is a Tier 1, Tier 2, Tier 3 or Tier 4 Employee.

1.11 “*Employer*” means the Company or any of its Affiliates that is an employer of an Eligible Employee.

1.12 “*Equity Award*” means stock options, restricted stock, restricted stock units, stock appreciation rights and other similar equity-based awards, in each case whether settled in stock, cash or otherwise, but excluding any performance share or performance share unit awards and performance cash awards, which are granted to an Eligible Employee under the Electronic Arts Inc. 2000 Equity Incentive Plan and any other equity-based incentive plan or award adopted or assumed by the Company at any time prior to a Change in Control. For purposes of this Plan, Equity Awards

shall also include any shares of common stock acquired upon the exercise of an option, warrant or other similar right that constitutes an Equity Award.

1.13 “*ERISA*” means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.14 “*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time.

1.15 “*Good Reason*” means:

(i) for all Eligible Employees, the occurrence without the affected Eligible Employee’s written consent, of any of the following on or after the date of a Change in Control:

(A) a change in the location of such Eligible Employee’s principal place of business by more than 50 miles when compared to the Eligible Employee’s principal place of business immediately before the Change in Control; or

(B) at the time the Eligible Employee incurs a Severance, (1) a more than 10% reduction in the Eligible Employee’s annual base salary, (2) a more than 10% reduction in the Eligible Employee’s target annual bonus; or (3) a more than 10% reduction in the Eligible Employee’s total target annual cash compensation, including without limitation, annual base salary and target annual bonus; or

(C) the Company’s material breach of any provision of this Plan; or

(D) the failure of acquiring or successor entity to expressly assume the Plan and the Company’s obligations thereunder in connection with a Change of Control.

(ii) for Specified Employees, in addition to the events described in clause (i) above, the occurrence without the Specified Employee’s written consent, on or after the date of a Change in Control, of either (a) a material reduction in the Specified Employee’s authority, duties or responsibilities relative to the Specified Employee’s authority or responsibilities in effect immediately prior to the Change of Control; or (b) a material change in reporting.

Notwithstanding the foregoing, an event described in this Section shall not constitute Good Reason unless it is communicated by the Eligible Employee to the Company by written notice pursuant to Section 5.10 of this Plan within ninety (90) days after the initial occurrence of the event and at least thirty (30) days in advance of the date of termination and the Company fails to cure the alleged Good Reason prior to the expiration of such thirty (30) day notice period.

1.16 “*Person*” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or

indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.17 “*Plan*” means the Electronic Arts Inc. Change in Control Plan, as set forth herein, as it may be amended from time to time.

1.18 “*Plan Administrator*” means the person or persons appointed from time to time by the Board, which appointment may be revoked at any time by the Board. If no Plan Administrator has been appointed by the Board (or if the Plan Administrator has been removed by the Board and no new Plan Administrator has been appointed by the Board), the Compensation Committee of the Board shall be the Plan Administrator.

1.19 A “*Potential Change in Control*” shall be deemed to have occurred if the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control.

1.20 “*Potential Change in Control Period*” means the period of time beginning on the date of a Potential Change in Control and ending on either the date that such Change in Control occurs, or the date of termination of the agreement that constituted the Potential Change in Control.

1.21 “*Severance*” means during the three (3) months immediately preceding a Change in Control and ending eighteen months after the Change in Control, a termination of an Eligible Employee’s employment with the Employer (A) by the Employer without Cause or (B) by the Eligible Employee for Good Reason, which termination is made in connection with the Change in Control, as determined by the Plan Administrator in its sole discretion, provided that if and to the extent required by Code Section 409A, such employment termination meets the criteria for a “separation from service” as defined in Treas. Reg. § 1.409A-1(h). Termination of an Eligible Employee’s employment on account of death or Disability shall not be treated as a Severance.

1.22 “*Severance Agreement and Release*” means the written separation agreement and release substantially in the form attached hereto as Appendix I, as may be amended from time to time to accord for local or foreign laws or as determined by the Plan Administrator in accordance with Section 3.1.

1.23 “*Severance Date*” means, subject to the terms of Section 1.21, the effective date on which an Eligible Employee’s employment by the Employer terminates due to a Severance as specified in a prior written notice by the Company or the Eligible Employee, as the case may be, delivered to the other pursuant to Section 5.10.

1.24 “*Severance Payment*” means the payment determined pursuant to Section 2.1.

1.25 “*Severed Employee*” is an Eligible Employee once he or she incurs a Severance.

1.26 “*Specified Employee*” means any Eligible Employee that serves in one or more of the positions or roles for the Company set forth on Schedule A, as such list may be amended from time to time by the Plan Administrator. The Tier level of each Specified Eligible Employee will be

determined in accordance with such employee's corporate title or level or in the absence thereof, as designated by the Plan Administrator.

1.27 " *Tier 1 Employee* " means the Chief Executive Officer of the Company and any other employee of the Company or any of its Affiliates designated as such by the Plan Administrator in writing.

1.28 " *Tier 2 Employee* " means any President or Executive Vice President of the Company or any of its Affiliates, and any other employee of the Company or any of its Affiliates designated as such by the Plan Administrator in writing.

1.29 " *Tier 3 Employee* " means any Senior Vice President of the Company or any of its Affiliates, and any other employee of the Company or any of its Affiliates designated as such by the Plan Administrator in writing.

1.30 " *Tier 4 Employee* " means any employee of the Company or any of its Affiliates designated as such by the Plan Administrator in writing.

## **SECTION 2. SEVERANCE PAYMENTS; 280G PAYMENTS .**

2.1 Each Eligible Employee who incurs a Severance shall be entitled, subject to the timely execution, return, and non-revocation of the Severance Agreement and Release, to receive from the Company, subject to the conditions set forth in Sections 2.2, 3.4 and 4.2:

### **(A) Cash Payments .**

(i) A cash payment equal to the product of (A) the sum of (x) such Eligible Employee's annual base salary as in effect immediately prior to the Severance Date, plus (y) such Eligible Employee's target annual bonus or incentive opportunity for the year in which the Severance Date occurs; multiplied by (B) in the case of a Tier 1 Employee, 2; in the case of a Tier 2 Employee, 1.5; in the case of a Tier 3 Employee, 1; and in the case of a Tier 4 Employee, 0.5. For purposes of clauses (x) and (y) above, annual base salary and target annual bonus or incentive opportunity shall be the amount in effect immediately prior to the Severance Date without regard to any reductions therein which constitute Good Reason. The cash payment shall be made in a lump sum within 74 days of the Severance Date.

(ii) A cash payment in satisfaction of any unearned performance cash awards granted to such Eligible Employee prior to the Change in Control, equal to the product of (A) the Company's actual achievement of the applicable performance measures for the completed fiscal year(s) prior to the beginning of the fiscal year in which the Severance Date occurs, as determined by the Compensation Committee in its sole discretion; multiplied by (B) a fraction the numerator of which shall be the number of days the Eligible Employee was employed by the Employer during the performance cycle prior to the Eligible Employee's Severance Date and the denominator of which shall be the total number of days in the incomplete performance cycle. Any such performance cash award shall be paid in accordance with its terms.

**(B) Equity Awards .**

(i) All outstanding, unvested Equity Awards granted prior to the Change in Control will accelerate and vest in full as of the later of the Eligible Employee's Severance Date and last day of employment. Notwithstanding the foregoing, in the event of a Severance within three (3) months preceding a Change in Control, the Severed Employee shall not forfeit or further vest in any unvested Equity Awards between the Severance Date and the date of the Change in Control but all such Equity Awards shall vest in full upon the effective date of the Change in Control. Such Equity Awards shall be settled in accordance with their terms.

(ii) Unless the Eligible Employee's applicable award agreement provides for different treatment on a Change in Control and/or a Severance following a Change in Control, all performance share or performance share unit awards granted to such Eligible Employee prior to the Change in Control which remain unearned and unvested as of the Severance Date shall vest and be earned on the later of the Eligible Employee's Severance Date or last day of employment. The number of shares underlying the performance shares or performance share units that shall vest and be earned will be based on the product of (A) the Company's actual achievement of the applicable performance measures for the completed fiscal year(s) prior to the beginning of the fiscal year in which the Change in Control occurs, as determined by the Compensation Committee in its sole discretion; multiplied by (B) a fraction the numerator of which shall be the number of days the Eligible Employee was employed by the Employer during the performance cycle prior to the Eligible Employee's Severance Date and the denominator of which shall be the total number of days in the incomplete performance cycle, rounded down to the next whole share. Notwithstanding the foregoing, in the event of a Severance within three (3) months preceding a Change in Control, the Severed Employee shall not forfeit or further vest in any unearned or unvested performance share or performance share unit awards between the Severance Date and the date of the Change in Control but all such awards shall be earned and vest in accordance with the above product upon the effective date of the Change in Control. Such performance share or performance share unit awards shall be settled in accordance with their terms.

(C) **Employee Health Benefits .** Provided that the Eligible Employee timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (" *COBRA* "), the Company shall pay the COBRA premiums of such Eligible Employee's group medical, dental and vision coverage (including coverage for the Eligible Employee's eligible dependents who were covered as of the Severance Date), commencing on the date immediately following such Eligible Employee's Severance Date and continuing for the period set forth in the last sentence of this Section (the "*Continuation Period*"). Such COBRA premium payments (or the remaining applicable portion(s) thereof if the Eligible Employee becomes covered under the health plan of a subsequent employer that does not provide each of the three types of benefits described below) shall continue until the earlier of the expiration of the Continuation Period and the date on which the Eligible Employee becomes covered by a medical, dental or vision insurance plan of a subsequent employer. Each Eligible Employee shall be required to notify the Company immediately if the Eligible Employee becomes covered by a medical, dental or vision insurance plan of a subsequent employer or otherwise becomes ineligible for COBRA continuation coverage. Subject to earlier expiration in whole or part as described in this subsection (C), the Continuation

Period shall be as follows: (i) in the case of a Tier 1 Employee, for twenty-four months from the Severance Date, (ii) in the case of a Tier 2 Employee, for eighteen months from the Severance Date; (iii) in the case of a Tier 3 Employee, for twelve months from the Severance Date; and (iv) in the case of a Tier 4 Employee, for six months from the Severance Date.

If the Eligible Employee is entitled to have the Company pay COBRA premiums for the Continuation Period under this Section, the Company shall reimburse the Eligible Employee for any COBRA premiums paid during the period between the Severance Date and the date that is 74 days after the Severance Date. No provision of this Plan will affect the continuation coverage rules under COBRA, except that the Company's payment of any applicable insurance premiums during the Continuation Period will be credited as payment by the Eligible Employee for purposes of the Eligible Employee's payments required under COBRA. Therefore, the period during which an Eligible Employee may elect to continue the Company's group health coverage at his or her own expense under COBRA, the length of time during which COBRA coverage will be made available to the Eligible Employee, and all other rights and obligations of the Eligible Employee under COBRA (except the obligation to pay insurance premiums that the Company pays during the Continuation Period) will be applied in the same manner that such rules would apply in the absence of this Plan. At the conclusion of the Continuation Period, the Eligible Employee shall be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA continuation period. For purposes of this Section, applicable premiums that will be paid by the Company during the Continuation Period shall not include any amounts payable by the Eligible Employee under a Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of the Eligible Employee. In addition, if the Company determines in its sole discretion that it cannot provide the foregoing COBRA benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to the Eligible Employee a taxable lump-sum payment in an amount equal to the monthly (or then remaining) COBRA premium payments in effect on the Termination Date (which amount shall be based on the premium for the first month of COBRA coverage).

**2.2 280G Payments** . This Section 2.2 shall apply with respect to any Eligible Employee who, taking into account the benefit provided under the Plan and all other payments that would be deemed to be "parachute payments" within the meaning of Code Section 280G (collectively, the "*280G Payments*"), would be subject to the excise tax under Code Section 4999 (a "*Section 2.2 Participant*"). Notwithstanding any provision of the Plan to the contrary, a Section 2.2 Participant's benefit under the Plan shall be reduced to an amount equal to (i) 2.99 times the Section 2.2 Participant's "base amount" (within the meaning of Code Section 280G) (ii) minus the value of all other payments that would be deemed to be "parachute payments" within the meaning of Code Section 280G (but not below zero); provided, however, that the reduction provided by this sentence shall not be made if it would result in a smaller aggregate after-tax payment to the Section 2.2 Participant after taking into account all applicable federal, state and local taxes, including the excise tax under Code Section 4999. Unless the Company and the Section 2.2 Participant otherwise agree in writing, all determinations required to be made under this Section, including the manner and amount of any reduction in the Section 2.2 Participant's benefits under this Section 2, and the assumptions to be used in arriving at such determinations, shall be made in writing in good faith by the accounting firm serving as the Company's independent public accountants immediately prior

to the events giving rise to the payment of such benefits (the “ *Accountants* ”). For the purposes of making the calculations required under this Section, the Accountants may make reasonable assumptions and approximations concerning the application of Code Sections 280G and 4999. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section. Any reduction shall be made in the following manner: first a reduction of (i) cash payments subject to Code Section 409A as deferred compensation and (ii) cash payments not subject to Code Section 409A, and second a cancellation of (i) equity-based compensation subject to Code Section 409A as deferred compensation and (ii) equity-based compensation not subject to Code Section 409A.

### **SECTION 3. PLAN ADMINISTRATION .**

3.1 The Plan Administrator shall administer the Plan and shall have the full, discretionary authority to (i) construe and interpret the Plan, (ii) adopt amendments to the Plan which are deemed necessary or desirable to bring the Plan in compliance with all applicable laws and regulations, including without limitation, Code Section 409A and the regulations thereunder, (iii) prescribe, amend and rescind rules and regulations necessary or desirable for the proper and effective administration of the Plan, (iv) prescribe, amend, modify and waive the various forms and documents to be used in connection with the operation of the Plan and also the times for giving any notice required by the Plan, and (v) make all other determinations necessary or advisable for the administration of the Plan.

3.2 The Plan Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate, with the exception of duties relating to Eligible Employees whom are subject to Section 16 of the Exchange Act.

3.3 The Plan Administrator is empowered, on behalf of the Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under the Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the management of the Plan. All reasonable expenses thereof shall be borne by the Employer.

3.4 Unless such requirement is waived pursuant to Section 3.1, the Plan Administrator shall promptly provide the Severance Agreement and Release to an Eligible Employee who becomes eligible for a payment and benefits under Section 2.1 and shall require an executed Severance Agreement and Release to be returned to the Plan Administrator within no more than forty-five (45) days (or such shorter time period as the Plan Administrator may impose, subject to compliance with applicable law) from the Severance Date. Unless such requirement is waived under Section 3.1, if the Eligible Employee does not execute and return the Severance Agreement and Release to the Plan Administrator within the specified time period, he or she will not be entitled to any payments or benefits under the Plan.

### **SECTION 4. PLAN MODIFICATION OR TERMINATION .**

4.1 The Plan may be amended or terminated by the Board at any time; provided, however, that, except as provided in Section 3.1 above and Section 4.2 below, any termination of the Plan or modification of the Plan in any material manner shall be void and of no force and effect if such action is taken during any of the following periods and is not required by law: (i) during the period commencing on a Change in Control and ending on the first anniversary of the Change in Control or (ii) during the period commencing on a date twelve (12) months prior to a Change in Control, or (iii) during the period commencing on a date twelve (12) months prior to a Potential Change in Control and ending on the date that is the end of the Potential Change in Control Period.

4.2 Notwithstanding Section 4.1, above, the Plan shall, to the extent possible, be administered to prevent the adverse tax consequences described in Code Section 409A(a)(1) from applying to any payment made under the Plan, and any provision of the Plan that does not further this purpose shall be severed from the Plan and of no force and effect unless the General Counsel in his sole discretion, determine that the provision shall apply. To the extent that any payment under the Plan is subject to a delay pursuant to Code Section 409(A)(a)(2)(B)(i) and the regulations and guidance thereunder, such payment shall be delayed until the date that is 6 months after the Eligible Employee's separation from service, and no interest shall be paid on any amounts so delayed.

4.3 The Plan shall terminate on the sixth anniversary of the Effective Date unless extended by the Company or unless a Change in Control shall have occurred prior thereto and the Plan was not assumed, in which case the Plan shall terminate automatically eighteen months and one day after a Change in Control or, if later, when all benefits payable under the Plan are paid.

## **SECTION 5. GENERAL PROVISIONS .**

5.1 **409A** . Any deadline established by the Plan Administrator shall ensure that the payment of any benefit under Section 2.1 is made no more than two and one-half months after the end of the calendar year in which the Severance occurs pursuant to the short-term deferral exemption of Code Section 409A. Notwithstanding anything contained herein to the contrary, to the extent required by Code Section 409A, if the period during which the Eligible Employee is permitted to review and revoke the Severance Agreement and Release overlaps two taxable years (regardless of whether such agreement becomes effective during such first taxable year), then any amount payable that is "non-qualified deferred compensation" within the meaning of Code Section 409A and that would have otherwise been paid during such first taxable year shall instead be withheld and paid in the second taxable year.

5.2 **No Assignment of Benefits** . Except as otherwise provided herein or by law, no right or interest of any Eligible Employee under the Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, without limitation, by execution, levy, garnishment, attachment, pledge or in any manner; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Eligible Employee under the Plan shall be liable for, or subject to, any obligation or liability of such Eligible Employee. When a payment is due under this Plan to a Severed Employee who is unable to care for his or her affairs, payment may be made directly to his or her legal guardian or personal representative.

5.3 **No Right to Continued Service** . Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Eligible Employee, or any person whomsoever, the right to be retained in the service of the Employer, and all Eligible Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.

5.4 **Notice Period** . If an Employer is obligated by law, contract, policy or otherwise to pay severance, a termination indemnity, notice pay, or the like, or if an Employer is obligated by law to provide advance notice of separation (“*Notice Period*”), then any Severance Payment hereunder shall be reduced by the amount of any such severance pay, termination indemnity, notice pay or the like, as applicable, and by the amount of any compensation received during any Notice Period.

5.5 **No Duty to Mitigate** . A Severed Employee shall not be required to mitigate the amount of any payment provided for in this Plan by seeking other employment or otherwise, nor, except as otherwise provided in Section 2.1(C), shall the amount of any payment or benefit provided for in this Plan be reduced by any compensation earned by such a Severed Employee as a result of employment by another employer after the Severance Date or otherwise.

5.6 **Withholding** . An Employer shall be entitled to withhold from amounts to be paid to the Severed Employee hereunder any U.S. or foreign federal, state, local or foreign withholding or other taxes or charges which it is from time to time reasonably believes it is required to withhold.

5.7 **Successors** . This Plan shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties, including, without limitation, each Eligible Employee, present and future, and any successor to the Employer. If a Severed Employee shall die while any amount would still be payable to such Severed Employee under the Plan if the Severed Employee had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the executor, personal representative or administrators of the Severed Employee’s estate.

5.8 **Severability** . If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

5.9 **Plan is Unfunded** . The Plan shall not be funded. No Eligible Employee shall have any right to, or interest in, any assets of any Employer which may be applied by the Employer to the payment of benefits or other rights under this Plan.

5.10 **Notice** . Any notice or other communication required or permitted pursuant to the terms hereof shall be in writing and shall be given when delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed to the intended recipient at his, her or its last known address. A written notice of an Eligible Employee’s Severance Date by the Company or the Eligible Employee, as the case may be, to the other shall (i) indicate the specific termination provision of the Plan that is being relied upon; (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Eligible

Employee's employment under the provision so indicated and (iii) specify the termination date (which date, in the case of a termination by the Eligible Employee for Good Reason, shall be not less than thirty (30), and in all other cases shall be not less than fifteen (15) days nor more than sixty (60) days after the giving of such notice). The failure by the Company or the Eligible Employee to provide such notice or to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Company or the Eligible Employee hereunder or preclude the Company or Eligible Employee from asserting such fact or circumstance in enforcing the Company's or the Eligible Employee's rights hereunder.

5.11 **No Right to Other Benefits** . Nothing in the Plan shall require the Employer to provide any payment that duplicates any payment, benefit, or grant that an Eligible Employee is entitled to receive under any Employer compensation or benefit plan, award agreement, or other arrangement. Any severance benefit provided under any Employer compensation or benefit plan, award agreement, or other arrangement, including without limitation the Electronic Arts Inc. Severance Benefit Plan, shall offset, on a dollar for dollar basis, any benefits owed under the Plan. The amounts paid or provided under the Plan shall not be treated as compensation for purposes of determining any benefits payable under any Employer retirement, life insurance, or other employee benefit plan unless otherwise required by the terms of the plan or local law.

5.12 **Plan Conflicts/Integration** . Except to the extent explicitly provided in this Plan, any awards made under any Employer compensation or benefit plan or program shall be governed by the terms of that plan or program and any applicable award agreement thereunder as in effect from time to time. The Plan, as amended from time to time, constitutes the entire agreement between the Company and any Eligible Employee concerning the subject matter hereof and supersedes in its entirety any and all plans, agreements and understandings related to the subject matter hereof except as otherwise stated in this Section 5.12 or the Plan.

5.13 **Governing Law** . This Plan shall be construed and enforced according to the laws of the State of California (not including any California law that would require the substantive law of another jurisdiction to apply), to the extent not preempted by federal law, which shall otherwise control.

5.14 **ERISA** . Because the Plan is not intended to provide retirement income or result in the systematic deferral of income to termination of employment, the Plan is intended to be an "employee welfare benefit plan" within the meaning of Section 3(1) of the ERISA, and not an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA. However, to the extent that the Plan (without regard to this Section 5.14) is determined to be an "employee pension benefit plan" because (i) with respect to certain participants the Plan provides for payments in excess of the amount specified in 29 C.F.R. Section 2510.3-2(b) (the "*Severance Pay Regulation* ") and (ii) the facts and circumstances indicate the Plan (without regard to this Section 5.14) is not otherwise an "employee welfare benefit plan," then the following provisions shall apply: The Plan shall be treated as two plans, one of which provides the benefits required by Section 2 not in excess of the safe harbor described in the Severance Pay Regulation and the other of which provides for all other payments and benefits required by Section 2 pursuant to a plan maintained "primarily for the purpose

of providing deferred compensation to a select group of management or highly compensated employees” as described in Section 201(2) of ERISA.

**5.15 Claim Review Process .** In the event of a claim for benefits hereunder by an Eligible Employee, such Eligible Employee shall present the reason for his or her claim in writing to the Plan Administrator as set forth Section 5.10. The Plan Administrator shall, within 90 days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than 180 days after such receipt), send a written notification to the Eligible Employee as to the Plan Administrator’s determination of the claim. In the event the claim is wholly or partially denied, such written notification shall (i) state the specific reason or reasons for the denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Eligible Employee to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Eligible Employee may appeal the denial of his or her claim, including, without limitation, a statement of the claimant’s right to bring an action under Section 502(a) of ERISA, following an adverse determination on appeal. In the event an Eligible Employee wishes to perfect the claim and/or appeal the denial of his or her claim, he or she must request a review of such denial by making application in writing to the Plan Administrator within 60 days after receipt of such denial. Such Eligible Employee (or his or her duly authorized legal representative), upon written request to the Plan Administrator, shall be permitted to review any documents pertinent to his or her claim, and submit in writing, issues and comments in support of his or her position. Within 60 days after receipt of a written appeal (unless special circumstances, such as the need to hold a hearing, require an extension of time, but in no event more than 120 days after such receipt), the Plan Administrator shall notify the Eligible Employee of the final decision. The final decision shall be in writing and shall include (i) specific reasons for the decision, written in a manner calculated to be understood by the claimant, (ii) specific references to the pertinent Plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents relevant to the claim for benefits, and (iv) a statement describing the claimant’s right to bring an action under Section 502(a) of ERISA. No legal action for benefits under the Plan may be brought in any forum until the Eligible Employee has brought a claim for benefits under the Plan and exhausted the remedies set forth in this Section 5.15. Notwithstanding the foregoing, if the Plan Administrator does not respond to the Eligible Employees claim or appeal within the relevant time periods set forth above, the Eligible Employee’s claim is deemed to be denied and the Eligible Employee can proceed with a legal action for benefits.

**SCHEDULE A**  
**SPECIFIED EMPLOYEES**

Chief Executive Officer

EVP, Chief Financial Officer

EVP, EA Studios

EVP, Global Publishing

Chief Technology Officer

Chief Marketing Officer

Chief People Officer

SVP, General Counsel & Corporate Secretary

**APPENDIX I**

**FORM OF SEVERANCE AGREEMENT AND RELEASE**