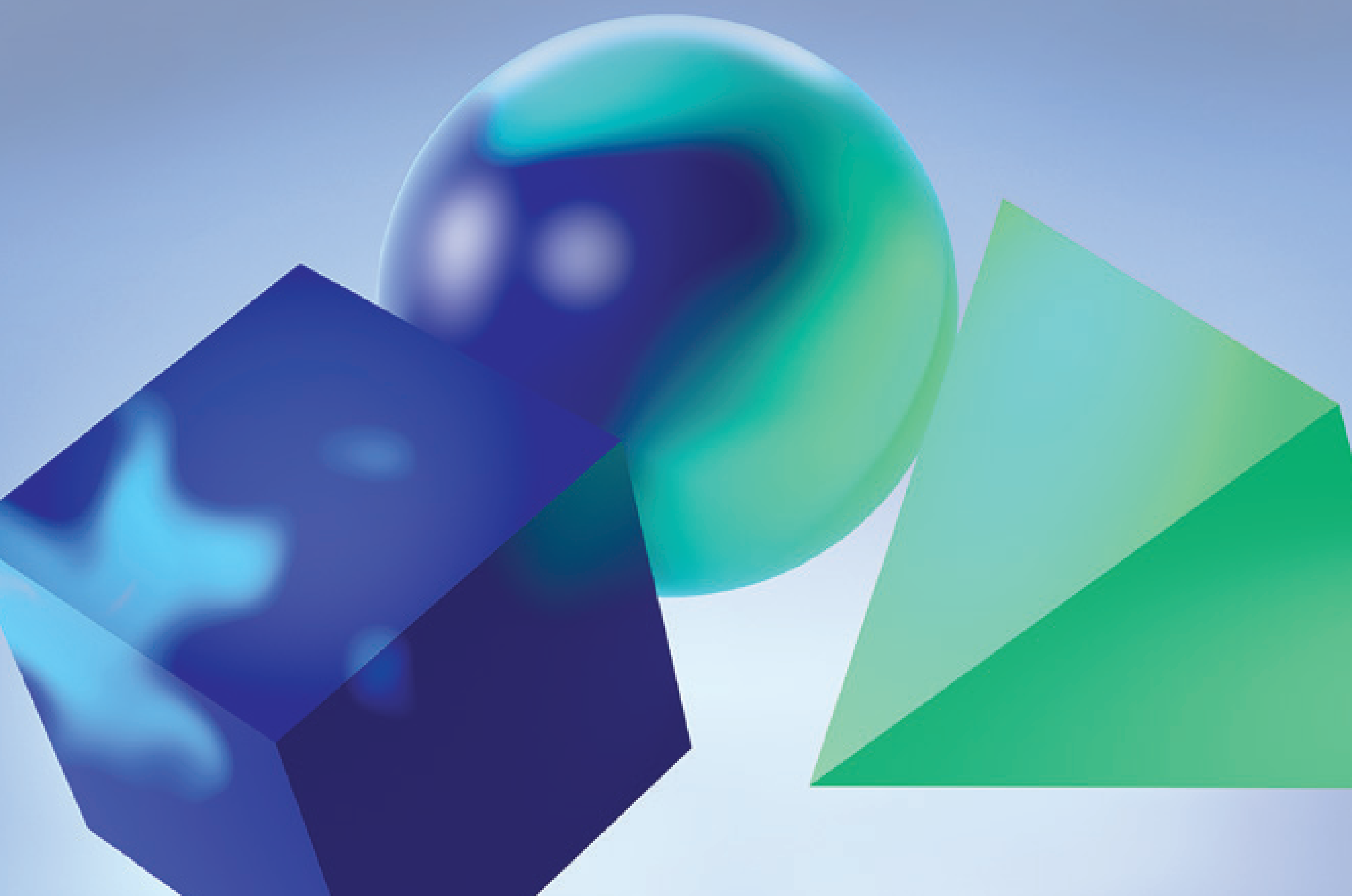
Electronic Arts

Notice of 2022 Annual Meeting and Proxy Statement



Our Purpose and Beliefs

At EA, our Purpose & Beliefs are the foundations of our shared culture. Our Purpose & Beliefs motivate us. Unite us. Inspire us.

CREATIVITY

Striving to bring imagination, original ideas, and excitement to everything we do.

PIONEERING

Acting with the curiosity and courage that it takes to experiment, innovate and lead.

PASSION

We are at our best when we pursue what we love, and have fun doing it.

DETERMINATION

Bringing focus, drive and conviction to our actions. Thriving on the journey, and being motivated to achieve excellence.

LEARNING

Listening, having humility and being open to new ways of thinking, and looking with a lens of inclusion. Challenging ourselves to grow and change as a company.

TEAMWORK

Committed to each other, and to the accountability and integrity it takes to be a successful diverse team.

To learn more about Our Purpose and Beliefs,

visit https://www.ea.com/about.

Letter from our CEO and Board Chair

We hope that you and your families are staying healthy and well. Looking back over the past year, I am incredibly proud of the amazing work our talented teams delivered, executing our strategy and fulfilling our mission to inspire the world to play. We believe that we are well-positioned for continued growth and impact in the years ahead.

FISCAL 2022 HIGHLIGHTS

Fiscal 2022 was a record year for Electronic Arts in every major measure – net revenue, net bookings, total players and engagement within our games and services. Our network of total players grew to more than half a billion unique active accounts. *FIFA 22* was the biggest and most successful game in franchise history, life-to-date. *Apex Legends* exceeded $2 billion in net bookings life-to-date, becoming one of the most successful live services in the industry. Thank you to our teams for continuing to execute during challenging times to deliver these exceptional results.

EVOLVING OUR MANAGEMENT TEAM

As our industry grows, we continue to innovate, evolve, and drive transformation for our players. During fiscal 2022, we elevated Laura Miele to Chief Operating Officer where she leads Company-wide operations; Chris Bruzzo became Chief Experience Officer leading a team building deeper social experiences in and around our games; and we welcomed Chris Suh as Chief Financial Officer as we accelerate and transform our business for a socially-connected, cloud-enabled future. After nearly a decade of impactful contributions, our former COO and CFO Blake Jorgensen decided to transition from Electronic Arts. Blake has been an incredible partner, advisor, and colleague.

OUR NEXT STEPS

As we look ahead, this is an exciting time for Electronic Arts. In fiscal 2023, we are excited to grow by expanding our mobile business and building on opportunities with our EA SPORTS portfolio, particularly within our global football franchise which will move under a new EA SPORTS FC brand in 2023. And longer term, the opportunity is extraordinary. We believe that the future of entertainment is interactive and that the consumption of entertainment and sports is deeply social, with players across our network using games to stay connected to friends and to express themselves. While we continue to anchor our business on delivering amazing content and services to more players whenever and wherever they want to play, we also will build from that core and invest in new areas which we believe will translate into sustained growth.

We're proud of our performance in service of our stockholders, employees, players, and communities. We thank you for your investment in Electronic Arts.

Sincerely,

Andrew Wilson
Chief Executive Officer and Board Chair

Letter from our Lead Director

We hope that you and your families remain well during this challenging time. We are incredibly proud of the accomplishments of our team over the past year and their ongoing commitment to our mission. We believe that Electronic Arts and its management team are well-positioned to enhance long-term value for EA's stockholders and other stakeholders.

STRONG AND REFRESHED BOARD

Last year, we were excited to welcome Kofi Bruce and Rachel Gonzalez to our Board as independent directors. Kofi brings financial and risk management expertise as well as experience with operational strategies associated with consumer-facing businesses. And Rachel brings valuable perspectives to the Board through her deep knowledge of corporate governance and evolving stakeholder expectations. We look forward to their continued contributions. After over two decades on our Board, Len Coleman has chosen to step down. Thank you, Len, for your incredible guidance and service during your time on the Board.

ENGAGEMENT WITH YOU

We have continued to engage with many of you and have gained valuable insights from those conversations, particularly around our executive compensation programs, governance and ESG efforts. We've heard positive feedback from many of you about how we have evolved our executive compensation programs to attract and retain critical leaders, incentivize them to deliver on our strategy, and create long-term value. We also continue to evolve our corporate governance practices and ESG disclosures, including enhancing stockholder rights.

FOCUS ON IMPACT

The Board is focused on Electronic Arts' efforts to create value for stockholders while creating positive impact in our workplaces and the world around us. We've continued to lead our industry in programs, practices and transparency with respect to diversity, equity and inclusion, including aligning our representation disclosures with the SASB framework and publishing our EEO-1 workforce diversity report. We supported accessibility in our games and services by announcing a patent pledge aimed at allowing royalty-free use and access to our innovative accessibility-centered technology patents for the broader game development community. And the Board continues to be actively engaged in overseeing important matters impacting EA's workforce and culture.

We look forward to continuing dialogue with our stockholders, and appreciate all of the feedback and engagement to date.

Sincerely,

Luis A. Ubiñas
Lead Independent Director

Notice of Annual Meeting of Stockholders

Date and Time

August 11, 2022 (Thursday)
2:00 pm (Pacific)

Location

Virtually at www.virtualshareholdermeeting.com/EA2022

Who Can Vote

Stockholders as of June 17, 2022 are entitled to vote.

Voting Items

PROPOSALS

1	2	3	4	5	6
To elect the eight nominees listed in the Proxy Statement to the Board of Directors to hold office for a one-year term.	To conduct an advisory vote to approve named executive officer compensation.	To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2023.	To approve our amended 2019 Equity Incentive Plan.	To approve an amendment to our Certificate of Incorporation to reduce the threshold for stockholders to call special meetings from 25% to 15%.	To consider and vote upon a stockholder proposal, if properly presented at the Annual Meeting.
"FOR" each director nominee	**"FOR"**	**"FOR"**	**"FOR"**	**"FOR"**	**"AGAINST"**
Page **70**	Page **71**	Page **72**	Page **73**	Page **81**	Page **83**

Stockholders will also act on any other matters that may properly come before the meeting. Any action on the items of business described above may be considered at the 2022 Annual Meeting of Stockholders (the "Annual Meeting") at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

This year, we will hold the Annual Meeting virtually. There will not be a physical location for the Annual Meeting, and you will not be able to attend the Annual Meeting in person. We have adopted a virtual format for the Annual Meeting this year in light of continuing public health and safety considerations posed by the COVID-19 pandemic. For more information on how to attend the Annual Meeting, please see page 86 of this Proxy Statement.

Your vote is important. You do not need to attend the Annual Meeting to vote if you have submitted your proxy in advance of the meeting. Whether or not you plan to attend the Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible so that your shares may be represented at the Annual Meeting. In the event of a technical malfunction or situation that makes it advisable to adjourn the Annual Meeting, the chair will convene the meeting at 2:30 p.m. Pacific Time on August 11, 2022 at the Company's principal business address solely for the purpose of adjourning the meeting to reconvene at a date, time and location announced by the meeting chair. If this happens, more information will be provided at https://ir.ea.com.

By Order of the Board of Directors,

JACOB J. SCHATZ
Chief Legal Officer and Corporate Secretary

How to Vote

Online Before the Meeting

Visit www.proxyvote.com and follow the instructions provided in the Notice.

Telephone

Follow the instructions provided on your proxy card or voting instruction card.

Mail

Submit your proxy by mail by signing your proxy card, and mail it in the enclosed, postage-paid-envelope.

Online at the Meeting

Attend the Annual Meeting virtually at www.virtualshareholdermeeting.com/EA2022 and follow the instructions on the website.

Important Notice Regarding the Availability of Proxy Materials for the Annual Stockholder Meeting to Be Held on August 11, 2022.

Please note that this Proxy Statement, as well as our Annual Report on Form 10-K (the "Annual Report") for the fiscal year ended March 31, 2022, is available at http://ir.ea.com.

Table of Contents

In this Proxy Statement, we make forward-looking statements regarding future events or the future financial performance of the Company. We use words such as "anticipate," "believe," "expect," "intend," "estimate," "plan," "predict," "seek," "goal," "will," "may," "likely," "should," "could" (and the negative of any of these terms), "future" and similar expressions to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our business, projections of markets relevant to our business, our corporate responsibility initiatives (including environmental, social and impact matters), uncertain events and assumptions and other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are aspirational, are not guarantees of future performance and reflect management's current expectations. Statements regarding our corporate responsibility initiatives may also be based on standards for measuring progress that are still developing, internal controls that are evolving, and on assumptions that are subject to change in the future; in the context of this disclosure, they may also not be considered material for purposes of reporting with the Securities and Exchange Commission. Our actual results could differ materially from those discussed in the forward-looking statements. Please refer to the Annual Report for a discussion of important factors that could cause actual events or actual results to differ materially from those discussed in this Proxy Statement. These forward-looking statements speak only as of the date of this Proxy Statement; we assume no obligation to revise or update any forward-looking statement for any reason, except as required by law.

Inspiring the World to Play in FY 2022

Fiscal year 2022 was a record year for Electronic Arts, with our highest-ever net revenue and net bookings driven by strong engagement across our broad portfolio of titles that span console, PC and mobile. Live services and other net revenue grew 24% to almost $5 billion, driven by strength across our portfolio, most notably Apex Legends and FIFA. Our mobile business continues to grow and generated over $1 billion in net revenue during fiscal year 2022. We expect new launches and acquired games, live services, expertise and technologies leveraged across our portfolio to drive further growth in mobile net revenue during fiscal year 2023. In addition, we continued to return capital to stockholders, repurchasing 9.5 million shares during fiscal year 2022 and continuing to pay a quarterly dividend. This Proxy Statement was first distributed and made available via the Internet to stockholders on or about June 24, 2022 along with the Electronic Arts Inc. Notice of 2022 Annual Meeting of Stockholders, Annual Report and form of proxy.

Fiscal Year 2022 GAAP Financial Results & Operating Highlights

$6.991B
net revenue

$2.76
diluted earnings per share

$7.515B
net bookings

Live services and other net revenue
$4.998B
representing 71% of total net revenue

$1.899B
operating cash flow

Repurchased
9.5M
shares during fiscal year 2022 for $1.3 billion

Quarterly cash dividend of
$0.17
per share

It Takes Two
won over 90 awards during fiscal year 2022

FIFA 22
was the biggest and most successful game in franchise history, launch to fiscal year end

Apex Legends
Season 12 set records for the highest engagement since launch

Launched
9 New Games
while our teams continued to work primarily from home

The EA player network has more than
580M
unique active accounts

ESG Focus and Highlights

EA is committed to making a positive impact in our world, and we continue to make progress on our initiatives supporting our players, our communities, our planet, and our company. Our Board and Board Committees review the Company's commitments and progress. See page 23 for more information about Board and Committee oversight of ESG.

We hold ourselves accountable to our commitments by transparently sharing the results of these efforts. In November 2021, we published our second annual Impact Report, detailing our commitments and progress in social, environmental, and governance areas that are of interest to our stakeholders. Our Impact Report was created with reference to the Sustainability Accounting Solutions Board (SASB) Materiality Map.

Our key focus areas include:

Building Diverse and Healthy Teams

We strive to create a workplace that is diverse, equitable, and inclusive, where people have the opportunity to fulfill their potential.

Investing in Privacy and Security

Privacy and security are critical to our business and our relationships with our players and employees. We are committed to thoughtful stewardship of their information.

Positive Play

We believe in the power of positive play. That gaming communities should be positive, fun, fair, and safe for all.

Protecting the Environment

We are committed to doing our part to combat climate change and are taking action to set a baseline for our emissions and implement the recommendations of the Task Force on Climate-Related Financial Disclosures.

Corporate Governance

We are a values-driven company, and our corporate governance practices reflect our commitment to following applicable laws and Nasdaq governance standards.

Social Impact

Our focus areas in the communities where we live, work and play include social justice and racial equity as well as investing in the future of the next generation of playmakers.

Key Highlights

Increased transparency regarding our workforce representation data by voluntarily disclosing EEO-1 diversity data.

Made additional commitments, including to publish quantitative representation goals before the end of fiscal 2023; disclose voluntary attrition data by gender and race/ethnicity in our 2022 Impact Report; and disclose hiring and promotion data when significant to understand progress towards our representation goals.

Support Accessibility in our Games and Services by announcing a patent pledge aimed at allowing royalty-free use and access to our innovative accessibility-centered technology patents for the broader game development community.

Supported a Safe and Healthy Culture by operationalizing and scaling our People Relations Team dedicated to investigating reports of misconduct, including those related to discrimination, harassment, and bullying, as well as recommending enforcement actions.

Continued our Commitment to Pay Equity by maintaining base pay equity on the basis of gender globally and on the basis of race/ethnicity in the United States, inclusive of the workforces of recently acquired companies.

Expanded our pay equity analysis to include annual bonus and equity compensation, identifying areas of focus, while working to correct them and eliminate bias across our elements of pay.

Furthered our Commitment to Positive Play by using our Inclusive Design Framework to help development teams build products and services that embed inclusivity throughout the development lifecycle.

Scaled our Environmental Sustainability Efforts by committing to use fiscal year 2023 as our baseline year to measure Scope 1 and 2 GHG emissions and building tools and systems to capture significant sources of Scope 3 emissions.

Proxy Highlights

This summary highlights information contained in this Proxy Statement, and it is qualified in its entirety by the remainder of this Proxy Statement. **You are encouraged to read the entire Proxy Statement carefully before voting**. In this Proxy Statement, the terms "Electronic Arts", "EA," "we," "our" and "the Company" refer to Electronic Arts Inc.

2022 Board Nominees

The following table provides summary information about our director nominees, each of whom is a current director of the Company. Current director Leonard Coleman will not be standing for re-election. As a result, effective with the election of directors at the Annual Meeting, the size of the Board of Directors will be reduced from nine members to eight members while the Board of Directors engages in succession planning.

NAME	PRINCIPAL OCCUPATION	DIRECTOR SINCE	INDEPENDENT	COMMITTEE MEMBERSHIPS
 **Mr. Kofi A. Bruce**	Chief Financial Officer, General Mills, Inc.	2021	✓	A
 **Ms. Rachel A. Gonzalez**	Former General Counsel & Corporate Secretary, Starbucks Corporation & Sabre Corporation	2021	✓	NG
 **Mr. Jeffrey T. Huber**	Founder & Managing Partner, Triatomic Capital; Former Vice Chairman, GRAIL, Inc.	2009	✓	A
 **Ms. Talbott Roche**	President and Chief Executive Officer, Blackhawk Network Holdings, Inc.	2016	✓	C (Chair)
 **Mr. Richard A. Simonson**	Managing Partner, Specie Mesa L.L.C.; Former Chief Financial Officer, Sabre Corporation	2006	✓	A (Chair)
 **Mr. Luis A. Ubiñas** **(Lead Independent Director*)**	Former President, Ford Foundation, Former Senior Partner, McKinsey & Company	2010	✓	NG (Chair)
 **Ms. Heidi J. Ueberroth**	President, Globicon	2017	✓	C
 **Mr. Andrew Wilson (Chair)**	Chief Executive Officer, Electronic Arts Inc.	2013		

* Elected by independent directors.

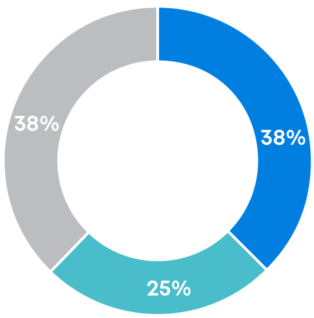
NG: Nominating and Governance Committee **C:** Compensation Committee **A:** Audit Committee

Board Diversity and Refreshment

The Board of Directors routinely assesses its composition and believes stockholder value can be driven by a board with the knowledge and understanding of the Company's business from longer-tenured directors balanced with the fresh perspective and ideas driven by the addition of new members. The Board of Directors believes that complementary and diverse perspectives, through business experience, diversity of gender, ethnicity, culture and other factors, contribute to the Board of Directors' effectiveness as a whole. The Nominating and Governance Committee and the Board of Directors are committed to actively seeking highly qualified women and individuals from underrepresented communities to include in the pool of potential new directors. When assessing potential new directors, the Nominating and Governance Committee considers the skills, background and experience of each candidate to evaluate the candidate's ability to contribute diverse perspectives to the Board of Directors. The primary consideration is to identify candidates who will best fulfill the Board of Directors' and the Company's needs at the time of the search. Therefore, the Nominating and Governance Committee does not believe it is appropriate to either nominate or exclude from nomination an individual solely based on gender, ethnicity, race, age, or similar factors.

Director Nominee Tenure

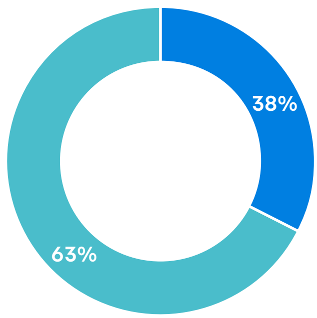
Median Tenure – 7 years
Average Tenure – 7 years



- 5 or fewer years - 38%
- 6 – 10 years - 25%
- 10+ years – 38%

Director Nominee Age

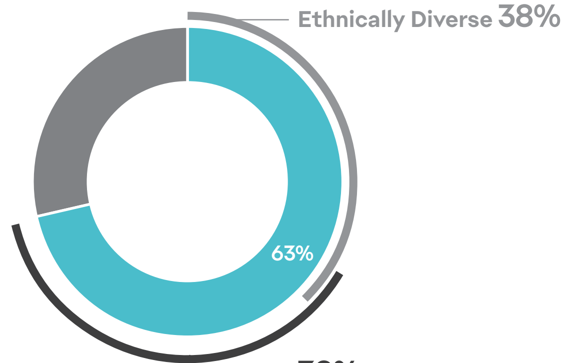
Median Age – 54 years old
Average Age – 55 years old



- 55 or younger - 38%
- 56 – 65 years old – 63%
- 66 or older – 0

Director Nominee Diversity

3 female: Ms. Gonzalez, Ms. Ueberroth, and Ms. Roche
2 Hispanic/Latino: Ms. Gonzalez and Mr. Ubiñas
1 African American: Mr. Bruce



- Diverse - 63%

Board Diversity Matrix (As of June 24, 2022)

Total Number of Directors				9
	FEMALE	**MALE**	**NON-BINARY**	**DID NOT DISCLOSE GENDER**
Part I: Gender Identity				
Directors	3	6	–	–
Part II: Demographic Background				
African American or Black*	–	2	–	–
Alaskan Native or Native American	–	–	–	–
Asian	–	–	–	–
Hispanic or Latinx	1	1	–	–
Native Hawaiian or Pacific Islander	–	–	–	–
White	2	3	–	–
Two or More Races or Ethnicities	–	–	–	–
LGBTQ+	–	–	–	–
Did Not Disclose Demographic Background	–	–	–	–

*Mr. Coleman is retiring at the 2022 Annual Meeting

Board Changes Since 2016

Added 4 highly skilled independent directors to our Board

Key Skills in Support of EA's Strategy

- Financial Expertise
- Corporate Governance
- Digital Commerce
- Sports, Media & Entertainment
- Risk Management
- Public Company C-Suite Leadership

Corporate Governance Highlights and Report

Board Independence

Independent director nominees	7 of 8
Independent Lead Director	Luis A. Ubiñas
100% Independent Board committees	Yes
Conflict of Interest Policy	Yes

Director Elections

Frequency of Board elections	All directors elected annually
Voting standard for uncontested elections	Majority of votes cast
Stockholder proxy access	Yes

Board Operations

Number of incumbent directors that attended at least 75% of all applicable meetings last year	9 of 9
Board evaluations	Annual
Committee evaluations	Annual
Director stock ownership requirement	Yes, 5x annual retainer
Code of Conduct applies to all Board members	Yes

Stockholder Rights

Voting rights for all shares	One share, one vote
Voting rights restrictions (e.g., non-voting shares, golden shares)	None
Poison pill	No
Supermajority voting provisions	None
Right to call special meetings	Yes, 15% threshold, if approved
Stockholder Action by Written Consent	Yes, 25% threshold
In-person annual stockholders' meeting with live broadcast	Yes, absent unusual circumstances
Stockholder access to directors and officers during annual stockholders' meeting	Yes
Robust stockholder engagement practices	Yes

Board Engagement with Stockholders

In fiscal year 2022, we continued our robust stockholder engagement efforts, and the Board of Directors continued its strong track record of stockholder responsiveness. Leading up to and following the 2021 annual meeting, we reached out to our top stockholders and the proxy advisors to discuss various topics, including our executive compensation program, governance and ESG issues. After considering stockholder feedback, market practice, the voting results at our 2021 annual meeting and other considerations, the Compensation Committee, Nominating and Governance Committee and the Board of Directors, respectively, enacted additional enhancements to our compensation programs, governance and ESG efforts.

Stockholder Engagement

After 2021 Annual Meeting

Offered Meetings	Engaged in Discussions	Director-Led Discussions
~54% of our outstanding common stock	**~35%** of our outstanding common stock	**~32%** of our outstanding common stock

An integrated outreach team

Compensation Committee Members (select meetings) + **Chief People Officer** + **VP, Investor Relations** + **VP, Total Rewards** + **VP, Legal Affairs**

What we discussed

Executive Compensation

- Say-on-Pay voting results
- Feedback on our program
- Additional program enhancements under consideration

Governance

- Board and Committee refreshment
- Stockholder rights

Environmental and Social Matters

- Our culture
- Diversity, equity and inclusion initiatives
- Environmental sustainability initiatives
- Positive Play initiatives

How we responded

Executive Compensation. See pages 31-34.

Following our 2021 annual meeting and robust stockholder outreach, we made additional enhancements to our executive compensation program based on feedback received:

- ***Quantum of Pay***: We reiterated our commitment to not grant any special equity awards to named executive officers through at least the end of fiscal year 2026 and confirmed that this commitment applies to enhanced annual equity awards. Further, the target value of Mr. Wilson's fiscal year 2022 equity award was 40% lower than the target value of his fiscal year 2021 equity award, and there was no increase to the target value of his fiscal year 2023 equity award from his fiscal year 2022 target value.
- ***Fiscal Year 2023 Peer Group***: With stockholder feedback regarding the quantum of pay in mind, we reviewed our peer group with a more critical lens to make sure it is appropriately scaled. We removed companies we deemed to no longer be a good fit due to their outsized market capitalization (e.g., Adobe Inc., NVIDIA Corporation and Salesforce, Inc.) or business fit (Hasbro, Inc.) and added companies in the consumer-oriented technology, software, and media/entertainment industries that we deemed to be a better fit based on the quantitative and qualitative factors we consider when selecting our peer group.
- ***Annual Performance Cash Bonus Program***: For fiscal year 2022, we added an assessment for each strategic and operating objective of the Company business performance component of our bonus pool funding formula to show attainment relative to target. Beginning with fiscal year 2023, we enhanced the rigor of our Company bonus pool funding formula by (1) increasing the financial performance weighting to *70%* for our CEO and *60%* for our Chief Financial Officer (CFO) and Chief Operating Officer (COO), and (2) implementing an enterprise-level scorecard for the strategic and operational performance objectives that drive funding of the business performance component of the Company bonus pool funding formula. The scorecard will measure our performance against goals across six key strategic objectives, each with an assigned weighting, established for the fiscal year.
- ***Fiscal Year 2023 ESG Goals***: Because human capital management (HCM) is a focus for our executives, we included ESG goals relating to HCM in our fiscal year 2023 enterprise-level scorecard described above.
- ***Long-Term Equity Incentives – PRSU Program***: We increased the portion of performance-based equity for our top executives—beginning in fiscal year 2023, the annual equity award for our CFO and COO will consist of *60% performance-based restricted stock unit*s, consistent with the award mix put in place for our CEO effective for fiscal year 2022.

These enhancements are in addition to the substantial changes that we made in fiscal year 2022 based on previous stockholder feedback, including, among others:

- We redesigned our fiscal year 2022 long-term performance-based equity incentive program to incorporate financial and operating metrics in addition to relative TSR and require three-year cliff vesting.
- We increased the rigor of the TSR payout scale in the PRSU program, continuing to require above median performance for target payout and no vesting for performance below the 25th percentile.
- We lowered our annual performance bonus cap, increased stock ownership guidelines, and expanded our clawback policy.

For more on our engagement program and changes to our compensation programs, please see the discussion beginning on page 31 under the heading "*Stockholder Engagement*" below.

Governance

- ***Added two highly qualified, skilled, and diverse members to our Board of Directors.***
- Continued to bring fresh perspectives to support an enhanced approach to executive compensation, ***appointing Ms. Talbott Roche as Chair of the Compensation Committee in November 2021.***
- ***Proposed to lower the threshold for stockholders to call a special meeting to 15%.***
- ***Reduced the number of permitted outside boards for our directors***. Directors cannot serve on more than four boards of public companies (including EA's Board of Directors). Directors that are Section 16 officers of a public company cannot serve on more than two boards of public companies (including EA's Board of Directors).
- ***Enhanced formal responsibilities of Lead Independent Director role –*** more detail can be found on page 18.

Environmental and Social Matters

- ***Continued to publish gender and racial/ethnicity representation data*** with reference to SASB and increased transparency with the ***voluntary publication of our EEO-1 representation data*** in December 2021.
- ***Made additional DEI disclosure commitments*** including to publish quantitative representation goals before the end of fiscal year 2023; disclose voluntary attrition data by gender and race/ethnicity in our 2022 Impact Report; and disclose hiring and promotion data when significant to understand progress towards our representation goals.
- ***Maintained base pay equity*** on the basis of gender globally and on the basis of race/ethnicity in the United States, inclusive of the workforces of recently acquired companies; *expanded our analysis* to include annual bonus and equity compensation, identifying areas of focus, while working to correct them and eliminate bias across our elements of pay.
- ***Committed to conduct a TCFD risks and opportunities analysis*** with public reporting expected before the end of fiscal 2023.
- ***Committed to use fiscal year 2023 as baseline year*** for Scope 1 and Scope 2 emissions reporting; and to develop tools to measure and quantify material Scope 3 emissions.

Board of Directors and Corporate Governance

Board Nominees and Structure

Each of the following director nominees has been nominated for election or re-election at the Annual Meeting. As set forth below, we believe each of these director nominees brings a valuable and unique perspective to the Board of Directors and has the necessary experience, skills and attributes to serve on the Board of Directors and contribute to its overall effectiveness. The Board of Directors has concluded that each is qualified to serve as a director based on the experiences, qualifications and attributes set forth below.

Kofi A. Bruce 51 Independent

Director since: 2021

Chief Financial Officer, General Mills, Inc.

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:	Diversity:
Audit Committee	None	None	Identifies as African American

Background and Affiliations:

- Chief Financial Officer, General Mills, Inc., a global manufacturer and marketer of branded consumer foods, 2020-present
- Vice President, Finance (2014-2020) and Corporate Controller (2017-2019), General Mills, Inc.

Education:

- B.A. in International Relations, Stanford University
- M.B.A., University of Michigan School of Business (Ross)

Director Qualifications:

Mr. Bruce brings to the Board of Directors extensive financial expertise and risk management experience as a current public company Chief Financial Officer. Prior to his appointment as Chief Financial Officer, Mr. Bruce had a 20-year career in finance leadership roles, including Treasury, Accounting and Controllership functions at public companies. In present and prior roles, he gained significant experience overseeing financial statement preparation, as well as the relationship with internal and external audit functions. In addition, Mr. Bruce brings to the Board of Directors his experience with operational strategies and risk management associated with consumer-facing businesses.

Rachel A. Gonzalez 52 Independent

Director since: 2021

Former General Counsel & Corporate Secretary, Starbucks Corporation & Sabre Corporation

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:	Diversity:
Nominating and Governance	None	Dana Incorporated	Identifies as Female Identifies as Hispanic/Latino

Background and Affiliations:

- EVP, General Counsel and Corporate Secretary of Starbucks Corporation, a global coffeehouse chain, April 2018-April 2022
- EVP, Chief Administrative Officer and Corporate Secretary of Sabre Corporation, a global travel technology company, May 2017-April 2018
- Executive Vice President and General Counsel of Sabre Corporation, September 2014-May 2017

Education:

- B.S. degree in Comparative Literature, University of California, Berkeley
- Law degree, Boalt Hall School of Law at the University of California, Berkeley

Key Qualifications:

Ms. Gonzalez's significant operational, regulatory and management experience as General Counsel and Corporate Secretary at Starbucks and Sabre, as well as during her time as a partner in the corporate group of Morgan, Lewis & Bockius, provides in-depth experience and perspective with respect to public company corporate governance, risk management, and ESG matters, as well as responding to evolving stockholder and other stakeholder expectations. In addition, Ms. Gonzalez's experience at companies with strong digital marketing and international operations provide valuable insight to the Board of Directors and management as they execute the Company's growth strategies.

Jeffrey T. Huber 53 Independent

Director since: 2009

Founder & Managing Partner, Triatomic Capital

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:
Audit	Upstart, Inc.	None

Background and Affiliations:

- Founder and Managing Partner of Triatomic Capital, an investment and advisory firm, January 2022–present.
- Founding CEO and Vice Chairman of GRAIL, Inc., a life sciences company, 2016-2021
- Former Senior Vice President, Alphabet Inc., 2003-2016
- Former Vice President of Architecture and Systems Development, eBay

Education:

- B.S. degree in Computer Engineering, University of Illinois
- Master's degree, Harvard University

Key Qualifications:

Mr. Huber has extensive operational and management experience at companies that apply rapidly changing technology. Mr. Huber's experience at Alphabet and eBay, in particular, provide background and experience, including risk management experience, with respect to consumer online companies that deploy large-scale technological infrastructure.

Talbott Roche 54 Independent

Director since: 2016

President and Chief Executive Officer, Blackhawk Network Holdings, Inc.

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:	Diversity:
Compensation (Chair)	None	Blackhawk Network Holdings, Inc. (formerly publicly-traded)	Identifies as Female

Background and Affiliations:

- President (2010-present) and Chief Executive Officer (2016-present), Blackhawk Network Holdings, Inc., a leading prepaid payment network
- Former Branding Consultant and Director, New Business Development, Landor Associates
- Director, Blackhawk Network Holdings, Inc. (currently private)

Education:

- B.A. in Economics, Stanford University

Key Qualifications:

Ms. Roche brings to the Board of Directors extensive operational and management experience as well as significant experience in corporate governance, risk management, compensation program design, and investor engagement as the Chief Executive Officer of a global organization, including during Blackhawk Network Holdings' time as a public company. In addition, Ms. Roche's understanding and experience with digital commerce, marketing and consumer trends provide the Board of Directors with valuable perspective.

Richard A. Simonson 62 Independent

Director since: 2006

Managing Partner, Specie Mesa L.L.C.; Former Chief Financial Officer, Sabre Corporation

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:
Audit (Chair)	Couchbase, Inc. Evercommerce, Inc.	Silver Spring Networks, Inc.

Background and Affiliations:

- Managing Partner, Specie Mesa L.L.C., an investment and advisory firm, 2018-present
- Former Chief Financial Officer (2013-2018) and Senior Adviser (2018-2019), Sabre Corporation, a global travel technology company
- Former Chief Financial Officer, Nokia Corporation
- Former Chief Financial Officer, Rearden Commerce

Education:

- B.S. degree, Colorado School of Mines
- M.B.A., Wharton School of Business, University of Pennsylvania

Key Qualifications:

Mr. Simonson brings to the Board of Directors extensive financial expertise, corporate governance and risk management experience as a former public company Chief Financial Officer. He also has extensive experience with the strategic and operational challenges of leading global companies, as well as partnering with, and overseeing, relationships with independent public registered accounting firms.

Luis A. Ubiñas (Lead Director) 58 Independent

Director since: 2010

Former President, Ford Foundation, Former Senior Partner, McKinsey & Company

Board Committees:	Other Public Company Directorships:	Other Trusteeships:	Directorships in Past 5 Years:	Diversity:
Nominating and Governance (Chair)	AT&T Inc. Tanger Factory Outlet Centers Inc.	Mercer Funds	CommerceHub, Inc. Boston Private Financial Holdings, Inc. FirstMark Horizon Acquisition Corp. (SPAC)	Identifies as Hispanic/Latino

Background and Affiliations:

- Former President, Ford Foundation
- Former Senior Partner, McKinsey & Company
- Fellow of the American Academy of Arts and Sciences (non-profit)
- Member of the Council on Foreign Relations

Education:

- B.A. degree, Harvard College
- M.B.A., Harvard Business School

Key Qualifications:

Mr. Ubiñas has extensive experience in business management, operations, governance, compensation program design and board functions from his work as an investor and advisor to companies across sectors. In addition, through his prior experience as a Senior Partner at McKinsey & Company, he has worked with technology, telecommunications and media companies in understanding the challenges and opportunities presented by digital distribution platforms and applications. Mr. Ubiñas has worked extensively with companies managing the transition from physical to digital distribution business models. Mr. Ubiñas' experience from his years of overseeing more than $12 billion in assets and over $500 million in annual giving at the Ford Foundation as its President provides unique insight, strategic direction and oversight of the Company's ESG efforts, including the Company's inclusion and diversity practices and programs, as well as, its community engagement efforts.

Heidi J. Ueberroth 56 Independent

President, Globicon

Director since: 2017

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:	Diversity:
Compensation	Stillwater Growth Corp. (SPAC)	Santander Consumer USA Holdings Inc.	Identifies as Female

Background and Affiliations:

- President, Globicon, a private investment and advisory firm focused on the media, sports, entertainment and hospitality industries, 2016–present
- Co-Chairman, Pebble Beach Company (private)
- Former President, NBA International
- Former President, Global Marketing Partnerships and International Business Operations, NBA

Education:

- B.A. degree, Vanderbilt University

Key Qualifications:

Ms. Ueberroth has extensive operational and management experience in the sports, media and entertainment industries, including with respect to developing consumer products and services in international and emerging markets. During her 19 year career with the NBA, she oversaw the league's international expansion and brings deep knowledge of television and digital media distribution, marketing and branding and strategic decision making of a global company. Her active role as the co-chairman of the Pebble Beach Company and her past and present board service bring experience with respect to compensation program design, investor engagement and ESG initiatives.

Andrew Wilson (Chair) 46

Chief Executive Officer, Electronic Arts Inc.

Director since: 2013

Board Committees:	Other Public Company Directorships:	Directorships in Past 5 Years:
None	None	Intel Corporation

Background and Affiliations:

- Chief Executive Officer, Electronic Arts Inc., 2013-present
- Chair of the Board, World Surf League (private)
- Board of Trustees, Paley Center for Media (non-profit)

Key Qualifications:

Mr. Wilson has served as the Company's Board Chair since 2021, Chief Executive Officer since September 2013 and has been employed by EA in several roles since 2000. Mr. Wilson has extensive experience and knowledge of the Company and the industry, and we believe it is crucial to have the perspective of the Company's Chief Executive Officer represented on the Board of Directors to provide direct insight into the Company's day-to-day operations and strategic vision.

Consideration of Director Nominees

In evaluating director nominees to recommend to the Board of Directors, the Nominating and Governance Committee will consider many factors within the context of the characteristics and the needs of the Board of Directors as a whole and EA's business and strategy at that time, including the traits discussion on Page 8 of this Proxy Statement under the heading "*Board Diversity and Refreshment*". During fiscal year 2022, the Board of Directors engaged a third-party search firm to help identify and vet director candidates. While the specific needs of the Board of Directors may change from time to time, all nominees for director are considered on the basis of the following minimum qualifications:

- The highest level of personal and professional ethics and integrity, including a commitment to EA's purpose and beliefs;
- Practical wisdom and mature judgment;
- Broad training and significant leadership experience in business, entertainment, technology, finance, corporate governance, public interest or other disciplines relevant to EA's long-term success;
- The ability to gain an in-depth understanding of EA's business; and
- A willingness to represent the best interests of all EA stockholders and objectively appraise management performance.

The Nominating and Governance Committee will evaluate candidates proposed by our stockholders under similar criteria, except that it also may consider as one of the factors in its evaluation, the amount of EA voting stock held by the stockholder and the length of time the stockholder has held such stock. A stockholder who wishes to suggest a candidate for the committee's consideration should send the candidate's name and qualifications to our Corporate Secretary.

Director Independence

Our Board of Directors has determined that each of our non-employee directors, including Mr. Coleman who is not standing for re-election, qualifies as an "independent director" as that term is used in the Nasdaq Stock Market Rules and that each member of our standing committees is independent in accordance with those standards. Mr. Wilson, our CEO, does not qualify as independent. The Nasdaq Stock Market Rules have both objective tests and a subjective test for determining independence. The Board of Directors has not established categorical standards or guidelines to make these subjective determinations but considers all relevant facts and circumstances.

In addition to the Board-level standards for director independence, the directors who serve on the Nominating and Governance, Audit and Compensation Committees each satisfy requirements established by the Securities and Exchange Commission ("SEC") and the Nasdaq Stock Market to qualify as "independent" for the purposes of membership on those committees.

Board Structure and Operations

Board Meetings

In fiscal year 2022, the Board of Directors met nine times. At regularly scheduled meetings, the independent members of the Board of Directors meet in executive session separately without management present.

DIRECTOR ATTENDANCE AT ANNUAL MEETING

Our directors are expected to make every effort to attend the Annual Meeting. All of the nine directors who were elected at the 2021 annual meeting attended the 2021 annual meeting.

Board of Directors Leadership Structure

The Board of Directors regularly evaluates its leadership structure and discusses Board leadership with stockholders. The Board of Directors believes that Mr. Wilson serving as Chair and Mr. Ubiñas serving as Lead Independent Director is the appropriate leadership structure for the Company. A strong and empowered Lead Independent Director provides an essential mechanism for independent viewpoints and accountability, and we have recently expanded the formal responsibilities of our Lead Independent Director role.

Andrew Wilson

Chief Executive Officer and Board Chair

The Board of Directors believes that Mr. Wilson has invaluable knowledge regarding the Company and the interactive entertainment industry and is uniquely positioned to lead the Board of Directors in its review of management's strategic plans. In addition, the Board of Directors believes that Mr. Wilson's combined role enables decisive leadership, promotes clear accountability, and enhances the Company's ability to communicate its strategy and message clearly and consistently to stockholders, employees and other stakeholders.

With Mr. Wilson as Chief Executive Officer and Chair, the Board of Directors is focused on practices and programs that promote and facilitate independent viewpoints and strengthen effective independent oversight of management. These considerations include a strong and empowered Lead Independent Director, the current membership of the Board of Directors, which has a balanced mix of shorter tenured and longer tenured directors and representation of diverse perspectives based on background, including business experience, gender, race, ethnicity, professional skills and experiences, and other factors. The Board of Directors also maintains strong standing committees, which are entirely composed of independent directors, and have empowered Committee Chairs.

Luis A. Ubiñas

Lead Independent Director

The Board of Directors understands and values the role of independent leadership. Mr. Ubiñas has served as our Lead Independent Director since 2015, and his current two-year term ends with our 2023 annual meeting, subject to Mr. Ubiñas' re-election to the Board of Directors. Mr. Ubiñas, the Chair of our Nominating and Governance Committee, has extensive experience as a public company director and deep knowledge and understanding of governance practices and board functions from his work with companies across sectors; he also has spoken directly with several of the Company's largest investors. Mr. Ubiñas plays an important role in providing institutional knowledge and brings the history of having experienced multiple lifecycles of our businesses. Given Mr. Ubiñas' strong qualifications and corporate governance expertise including his experience as our Lead Independent Director, the Board believes that Mr. Ubiñas' contributions continue to be of great value to the Board of Directors and to stockholders.

In fiscal year 2022, the Board of Directors reviewed the role of the Lead Independent Director and enhanced those responsibilities to provide best-in-class mechanisms for independent viewpoints and accountability. Mr. Ubiñas' key roles and responsibilities are contained in our Corporate Governance Guidelines which are available on our Investor Relations website at http://ir.ea.com and include:

- Calling special meetings of the independent directors, as needed;
- Presiding at meetings of the Board of Directors at which the Chair is not present, including executive sessions of the Board of Directors;
- Approving the agenda for Board of Directors meetings;
- Consulting with respect to materials provided to directors in advance and providing feedback to the Chair about the quality of those materials;
- Assessing the timeliness of information communicated from management and the Board of Directors;
- Along with the Chair, jointly determining the timing and length of meetings of the Board of Directors to assure there is sufficient time for discussion of all agenda items;
- Serving as a liaison between the Chair and the other independent directors;
- Facilitating open discussion and constructive feedback among independent directors and committee chairs and providing feedback and perspective to the Chair about discussions among the independent directors;
- Overseeing the process for the Board of Directors' annual self-evaluation along with the Nominating and Governance Committee;
- Leading the Board of Directors' evaluation of the Chief Executive Officer along with the Nominating and Governance Committee; and
- Overseeing the Board of Directors' stockholder communication policies and meeting with major stockholders.

Board Committees

The Board of Directors currently has a standing Audit Committee, Compensation Committee and Nominating and Governance Committee. Each of these standing committees operates under a written charter adopted by the Board of Directors. These charters are available in the Investor Relations section of our website at http://ir.ea.com.

All members of these committees are independent directors. During fiscal year 2022, all nine directors attended or participated in 90% or more of the aggregate of (1) the number of applicable meetings of the Board of Directors and (2) the number of applicable meetings held by each committee on which such director was a member. The members of our standing committees are set forth below:

Audit Committee

Members


RICHARD A. SIMONSON (Chair)


JEFFREY T. HUBER


KOFI A. BRUCE

Meetings in FY 2022:

8

Responsibilities of the Audit Committee

- Assists the Board of Directors in its oversight of the Company's financial reporting and is directly responsible for the appointment, compensation and oversight of our independent auditors.
- Establishes and maintains complaint procedures with respect to internal and external concerns regarding accounting or auditing matters.
- Oversees tax and treasury policies and practices as well as the Company's internal audit function.
- Although the Board of Directors retains ultimate risk management oversight of matters related to privacy and cybersecurity, the Audit Committee receives quarterly updates from EA's information security team and reviews the steps taken by management to monitor and control risks with respect to privacy and cybersecurity issues.

As determined by the Board of Directors, each of the three current Audit Committee members meets the independence requirements and the financial literacy standards of the Nasdaq Stock Market Rules, as well as the independence requirements of the SEC. The Board of Directors has determined that each of Mr. Simonson and Mr. Bruce meets the criteria for an "audit committee financial expert" as set forth in applicable SEC rules. The Audit Committee has the authority to obtain advice and assistance from outside advisors without seeking approval from the Board of Directors, and the Company will provide appropriate funding for payment of compensation to advisors engaged by the Audit Committee.

Nominating and Governance Committee

Members


LUIS A. UBIÑAS (Chair)


LEONARD S. COLEMAN


RACHEL A. GONZALEZ

Meetings in FY 2022:

4

Responsibilities of the Nominating and Governance Committee

- Applies the criteria outlined in our Corporate Governance Guidelines to recommend nominees for director and committee memberships to the Board of Directors.
- Reviews from time to time the appropriate skills, characteristics and experience required of the Board of Directors as a whole, as well as its individual members, including such factors as business experience and diversity.
- Reviews developments in corporate governance and recommends formal governance standards to the Board of Directors.
- Oversees the CEO's annual performance review.
- Manages the process for emergency succession planning in the event the CEO is unable to fulfill the responsibilities of the role, and also periodically evaluates internal and external CEO candidates for succession planning purposes.
- Oversees, periodically reviews, and reports to the Board of Directors with respect to ESG performance, disclosures, and engagement with investors and other key stakeholders.

The Nominating and Governance Committee currently is comprised of three directors, each of whom the Board of Directors determined meets the independence requirements of the Nasdaq Stock Market Rules.

Compensation Committee

Members

TALBOTT ROCHE (Chair)

LEONARD S. COLEMAN

HEIDI J. UEBERROTH

Meetings in FY 2022:

6

Responsibilities of the Compensation Committee

- Sets the overall compensation strategy for the Company.
- Recommends the compensation of the CEO to the Board of Directors and determines the compensation of our other executive officers.
- Oversees the Company's bonus and equity incentive plans and other benefit plans.
- Reviews and recommends to the Board of Directors compensation for non-employee directors and reviews and approves compensation for employees who qualify as a "Related Person" under our Related Person Transaction Policy.

As determined by the Board of Directors, each of the members of the Compensation Committee meets the independence requirements of the Nasdaq Stock Market Rules and the SEC rules. The Compensation Committee has the authority to engage the services of outside advisors after first conducting an independence assessment in accordance with applicable laws, regulations and exchange listing standards. During fiscal year 2022, the Compensation Committee directly engaged Semler Brossy Consulting Group, a national compensation consulting firm, to advise on executive compensation matters. Please refer to the section titled "*The Process for Determining Our NEOs' Compensation*" in the "*Compensation Discussion and Analysis*" section of this Proxy Statement, for additional information regarding the role of Semler Brossy in advising the Compensation Committee on our executive compensation program. The Compensation Committee has reviewed the independence of Semler Brossy and has determined that its engagement does not raise any conflicts of interest. The Compensation Committee may also delegate any of its authority and duties to subcommittees, individual committee members or management, as it deems appropriate in accordance with applicable laws, rules and regulations.

In September 2021, the Board of Directors appointed Talbott Roche as Chair of the Compensation Committee. Ms. Roche brings her valuable perspective as a current CEO in the technology industry and experience attracting and retaining top executive talent in a highly competitive market, as well as, her experience leading investor engagements and communicating compensation programs to key stakeholders.

For further information about the role of our Compensation Committee and executive officers in recommending the amount or form of executive compensation, please see "*The Process for Determining our NEOs' Compensation*" in the "*Compensation Discussion and Analysis*" section of this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2022, no member of the Compensation Committee was an employee or current or former officer of EA, nor did any member of the Compensation Committee have a relationship requiring disclosure by EA under Item 404 of Regulation S-K. No EA officer serves or has served since the beginning of fiscal year 2022 as a member of the board of directors or the compensation committee of a company at which a member of EA's Board of Directors and Compensation Committee is an employee or officer.

Annual Board and Committee Self-Evaluations

Our Board of Directors and each of our committees conducts an annual evaluation, which includes a qualitative assessment by each director of the performance of the Board of Directors, as a whole, and the committee or committees on which each director serves. The evaluation is intended to determine whether the Board of Directors and each committee are functioning effectively, and to provide them with an opportunity to reflect upon and improve processes and effectiveness. Our Lead Independent Director, Mr. Ubiñas, oversees the process for the Board of Directors' annual self-evaluation along with the Nominating and Governance Committee. A summary of the results is presented to the Nominating and Governance Committee and the Board of Directors on an aggregated basis, noting any themes or common issues.

Board's Role and Responsibilities

Oversight of Business Strategy

The Board's industry and management expertise is critical in overseeing our business strategy. In a rapidly evolving industry, our Board is an important resource for thoughtful and candid insights into strategic planning conversations, including product and service development, operational considerations, emerging industry trends, acquisitions, financial planning, and organizational design.

- The Board oversees our stockholders' interest in the long-term health and the overall success of our business and financial strength. This focus is reflected in the agenda for each Board meeting. The Board reviews our long-term strategy at a dedicated meeting at least annually.
- At the beginning of each fiscal year, the Board formally reviews and approves our annual financial and operational targets and plans for achieving those targets. The Board monitors performance against the company's strategic objectives and financial targets throughout the year and helps support the integrity of our financial results.
- The Board critically reviews how we allocate our capital resources, including acquisition activity, significant capital investments, and return of capital programs. These strategic actions and investments are reviewed and approved by the Board, or a committee, following open and engaged discussions.
- At each Board meeting, the Board reviews and discusses with management a set of detailed operating reports, including current financial performance versus plan. Focused discussions of key business issues, strategic developments and financial considerations are held at each Board meeting.
- At each Board meeting, the independent directors meet in executive session. These meetings are led by our Lead Independent Director.

Oversight of Risk Issues

Board of Directors

Our Board of Directors oversees our risk management processes and procedures as well as material risks to our business. The Board of Directors exercises this oversight responsibility directly and through its committees. The oversight responsibility of the Board of Directors and its committees is informed by reports from our management team that are designed to provide visibility into our key areas of material risk. Material business and strategic risks, including succession planning for our CEO and executive officers, are reviewed by the full Board of Directors. While the Board of Directors has ultimate risk oversight with respect to risks related to privacy and cybersecurity and receives periodic updates on these risks and mitigation strategies, the Audit Committee also receives quarterly updates from EA's information security team that review the steps taken by management to monitor and mitigate these risks. In addition, the Board of Directors has reviewed, overseen and continues to monitor risks related to COVID-19 and associated mitigation strategies related to the Company's efforts to maintain the mental and physical health and safety of its workforce and return-to-work procedures.

Audit Committee

- Risks related to financial reporting, internal controls and procedures, investments, tax and treasury matters and legal compliance.
- Oversees our enterprise risk management program, which identifies and prioritizes material risks for the Company.
- Risks related to ESG issues, including human capital matters, as they relate to financial and enterprise risks.

Nominating and Governance Committee

- Risks related to director and emergency CEO succession planning.
- Risks related to our corporate governance policies and practices.
- Risks related to human capital management and culture.

Compensation Committee

- Reviews compensation-related risks.
- Risks related to pay equity.

Each of the committees regularly reports to the full Board of Directors on matters relating to the specific areas of risk that each committee oversees.

Compensation Risk Assessment

As part of their risk oversight efforts, the Compensation Committee evaluates our compensation programs to determine whether the design and operation of our policies and practices could encourage executives or employees to take excessive or inappropriate risks that would be reasonably likely to have a material adverse effect on the Company and has concluded that they do not. In making that determination, the Compensation Committee considered the design, size and scope of our cash and equity incentive programs and program features that mitigate against potential risks, such as payout caps, clawbacks, the quality and mix of performance-based and "at risk" compensation, and, with regard to our equity incentive programs, the stock ownership requirements for our executives. The Compensation Committee reviewed the results of their evaluation with management and Semler Brossy. The Compensation Committee has concluded that our compensation policies and practices strike an appropriate balance of risk and reward in relation to our overall business strategy, and do not create risks that are reasonably likely to have a material adverse effect on the Company. The "*Compensation Discussion and Analysis*" section below generally describes the compensation policies and practices applicable to our named executive officers.

Oversight of ESG Matters

The Board of Directors oversees ESG matters directly and through its committees.

Human Capital Management

The Board reviews material human capital management programs, practices and strategies, including organizational health at least twice annually.

Overall ESG Performance

The Nominating and Governance Committee reviews topics such as our overall ESG performance, disclosures and investor engagement at least twice annually and surfaces our progress to the Board. These updates include a review of market developments, frameworks, evolving stakeholder expectations and EA's potential responses.

DEI

The Nominating and Governance Committee reviews our initiatives related to diversity, equity and inclusion, and will review our goals and progress towards achieving those goals at least twice annually.

Environmental Sustainability

The Nominating and Governance Committee oversees our commitments to environmental sustainability.

Talent and Culture

The Nominating and Governance Committee reviews efforts to maintain a safe and healthy culture, including key cultural indicators, at least twice annually.

Pay Equity

At least annually, the Compensation Committee reviews our commitments to pay equity.

Board Policies

Related Persons Transactions Policy

Our Board of Directors has adopted a written Related Person Transactions Policy that describes the procedures used to process, evaluate, and, if necessary, disclose transactions between the Company and its directors, officers, director nominees, greater than 5% beneficial owners, or an immediate family member of any of the foregoing. We review any transaction or series of transactions which exceeds $120,000 in a single fiscal year and in which any related person has a direct or indirect interest, as well as any transaction for which EA's Global Code of Conduct or Conflict of Interest Policy would require approval of the Board of Directors.

Once a transaction has been identified, the Audit Committee (if the transaction involves an executive officer) or the Nominating and Governance Committee (if the transaction involves a director) will review the transaction at the next scheduled meeting of such committee. Transactions involving our CEO will also be reviewed by our independent Chair or Lead Independent Director if the Chair is not independent. Transactions involving employee compensation will also be submitted to the Compensation Committee for approval. If it is not practicable or desirable to wait until the next scheduled meeting, the chairperson of the applicable committee considers the matter and reports back to the relevant committee at the next scheduled meeting. In determining whether to approve or ratify a transaction, our committees (or the relevant chairperson of such committee) consider all of the relevant facts and circumstances available and transactions are approved only if they are in, or not inconsistent with, the best interests of EA and its stockholders. No member of a committee reviewing a potential related person transaction may participate in any review, consideration or approval of any transaction if the member or their immediate family member is the related person.

Related Persons Transactions

Nicholas Bruzzo, the son of our Chief Experience Officer, is employed by the Company in our game development studios. The aggregate value of his total compensation in fiscal year 2022 (salary, bonus, and the value of any equity awards granted during fiscal year 2022) was consistent with compensation provided to other EA employees in similar positions and was less than $150,000. The Audit Committee and the Compensation Committee reviewed and approved Mr. Bruzzo's employment and compensation in accordance with our Related Person Transactions Policy.

Global Code of Conduct and Corporate Governance Guidelines

We have adopted a Global Code of Conduct that applies to our directors, and all employees, including our principal executive officer, principal financial officer, principal accounting officer, and other senior financial officers, as well as Corporate Governance Guidelines. These documents, along with our organizational documents and committee charters, form the framework of our corporate governance. Our Global Code of Conduct, Corporate Governance Guidelines and committee charters are available in the Investor Relations section of our website at http://ir.ea.com. We post amendments to or waivers from our Global Code of Conduct in the Investor Relations section of our website.

Stockholder Communications with the Board of Directors

EA stockholders may communicate with the Board of Directors as a whole, with a committee of the Board of Directors, or with an individual director by sending a letter to EA's Corporate Secretary at Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065, or by sending an email to StockholderCommunications@ea.com. Our Corporate Secretary will forward to the Board of Directors all communications that are appropriate for the Board of Directors' consideration. For further information regarding the submission of stockholder communications, please visit the Investor Relations section of our website at http://ir.ea.com.

Director Compensation

Our Compensation Committee is responsible for reviewing and recommending to our Board of Directors the compensation paid to our non-employee directors. Non-employee directors are paid a mix of cash and equity compensation consisting of (1) an annual board retainer, (2) committee fees, and committee chair, chair and lead director fees, as applicable, and (3) an annual equity award, as described below.

The Compensation Committee reviews our non-employee director compensation every two years, with the last review occurring in February 2022 in consultation with Semler Brossy. As part of its February 2022 review, Semler Brossy conducted a competitive analysis of our non-employee director compensation against our compensation peer group (as defined in the "*Compensation Discussion and Analysis*" below). Based on the Compensation Committee's review of the analysis prepared by Semler Brossy, the Compensation Committee recommended that the Board of Directors approve an increase in the Lead Director Fee from $25,000 to $50,000, effective May 1, 2022, to bring the service premium in line with the median for our peer group. No other changes to the compensation paid to our non-employee directors were recommended to our Board of Directors.

Cash Compensation

Our non-employee directors receive an annual cash retainer for service on the Board of Directors, plus fees for service on the Audit, Compensation and/or Nominating and Governance Committee, as applicable. In addition to those fees, the Chair of the Board, Lead Director and Chairs of the Audit, Compensation and Nominating and Governance Committees receive additional fees for their service in such roles. The table below reflects the annualized components of cash compensation for non-employee directors that were in place during fiscal year 2022. For more information regarding the specific compensation received by each non-employee director during fiscal year 2022, see the "*Fiscal Year 2022 Director Compensation Table*" table below.

ANNUAL BOARD RETAINER	AMOUNT ($)
Annual Board Retainer	60,000

COMMITTEE FEES	AMOUNT ($)
Service on the Audit Committee	15,000
Service on the Compensation Committee	12,500
Service on the Nominating and Governance Committee	10,000

CHAIR OF THE BOARD, LEAD DIRECTOR AND COMMITTEE CHAIR FEES	AMOUNT ($)
Lead Director*	25,000
Chair of the Audit Committee	15,000
Chair of the Compensation Committee	12,500
Chair of the Nominating and Governance Committee	10,000

* Effective May 1, 2022, the Lead Director fee was increased to $50,000.

In addition, individual directors are eligible to earn up to $1,000 per day, with the approval of the Board of Directors, for special assignments, which may include providing oversight to management in areas such as sales, marketing, public relations, technology and finance (provided, however, no independent director is eligible for a special assignment if the assignment or payment for the assignment would prevent the director from being considered independent under applicable Nasdaq Stock Market or SEC rules). No non-employee directors earned any compensation for special assignments during fiscal year 2022.

Equity Compensation

In fiscal year 2022, non-employee directors also received an annual equity award of restricted stock units ("RSUs") with a grant date fair value of approximately $260,000, pro-rated for any partial year of service. These RSUs were granted upon election or re-election to the Board of Directors at our 2021 annual meeting, or for Ms. Gonzalez, in November 2021 upon her appointment to the Board of Directors. RSUs vest in full on the first anniversary of the grant date (or, if earlier, the date of the next annual meeting of stockholders following the grant date), subject to the non-employee director's continuous service as a member of the Board of Directors through such date. The receipt of shares underlying vested RSUs may be deferred until the fifth or tenth anniversary of the original vesting date or the date the director terminates service with the Company.

Under the terms of our equity incentive plan, non-employee directors may elect to receive all or part of their cash compensation (as described above) in the form of shares of our common stock. As an incentive for our non-employee directors to increase their stock ownership in EA, non-employee directors making such an election receive vested shares of common stock valued at 110% of the cash compensation they otherwise would have received. These shares are awarded via the grant and immediate exercise of a stock option having an exercise price equal to the fair market value of our common stock on the grant date, which is the first trading day of each quarter of the Board year. Ms. Gonzalez, Mr. Hoag, Mr. Huber, Ms. Roche, Mr. Simonson, and Ms. Ueberroth received all or part of their cash compensation in the form of our common stock during fiscal year 2022.

Other Benefits

Non-employee directors who are not employed with any other company are offered an opportunity to purchase certain EA health, dental and vision insurance while serving as a director. Participating directors pay 100% of their own insurance premiums. In addition, we offer non-employee directors the opportunity to receive cybersecurity services to protect their privacy, home networks, and devices, where they may conduct EA business. The Company is charged an annual fee per participating director; currently, the per person annual fee is less than $4,000 for these services.

Fiscal Year 2022 Director Compensation Table

The following table shows compensation information for each of our non-employee directors during fiscal year 2022. Mr. Wilson, our CEO, does not receive any compensation for his service as Chair of our Board of Directors.

NAME	FEES EARNED OR PAID IN CASH ($)(1)	STOCK AWARDS ($)(2)	OPTION AWARDS ($)(3)	TOTAL ($)
Kofi A. Bruce*	56,250	259,911	–	316,161
Leonard S. Coleman	82,500	259,911	–	342,411
Rachel Gonzalez*	35,000	194,976	3,462	233,438
Jay C. Hoag**	36,250	–	3,688	39,938
Jeffrey T. Huber	75,000	259,911	7,581	342,492
Lawrence F. Probst III**	55,000	–	–	55,000
Talbott Roche	81,667	259,911	8,178	349,756
Richard A. Simonson	90,000	259,911	8,980	358,891
Luis A. Ubiñas	130,000	259,911	–	389,911
Heidi Ueberroth	72,500	259,911	5,371	337,782

* Mr. Bruce was elected to the Board of Directors on August 12, 2021. Ms. Gonzalez was appointed to the Board of Directors effective November 18, 2021.

** Mr. Hoag and Mr. Probst retired from the Board of Directors effective August 12, 2021.

(1) As discussed above, non-employee directors may elect to receive all or a portion of their cash fees in the form of EA common stock. See footnote 3 for additional information regarding the number of shares received in lieu of cash compensation by those non-employee directors who made such an election.

(2) Represents the aggregate grant date fair value of the annual RSU award granted to the non-employee directors and is calculated based on a closing price of $138.99 and $126.28 per share for our common stock on the August 12, 2021 and November 22, 2021 grant dates, respectively. Grant date fair value is determined for financial statement reporting purposes in accordance with FASB ASC Topic 718. For additional information regarding the valuation methodology for RSUs, see Note 15 "Stock-Based Compensation and Employee Benefit Plans," to the Consolidated Financial Statements in our Annual Report. As of April 2, 2022 (the last day of our fiscal year), each of our current non-employee directors held 1,870 unvested RSUs, other than Ms. Gonzalez, who held 1,544 unvested RSUs.

(3) Non-employee directors may elect to receive all or part of their cash compensation in the form of EA common stock, and directors making such an election receive common stock valued at 110% of the cash compensation they would have otherwise received. These shares are awarded via the grant and immediate exercise of a stock option having an exercise price equal to the fair market value of our common stock on the grant date. The values represent the premium received for shares in lieu of compensation. As of April 2, 2022 (the last day of fiscal year 2022), the aggregate number of outstanding and unexercised shares of our common stock subject to stock options beneficially owned by our non-employee directors was as follows: Mr. Huber, 11,872; Mr. Probst, 76,861; Mr. Simonson, 11,872; and Mr. Ubiñas, 4,872.

The following table presents information regarding the shares received upon immediate exercise of the option(s) granted to each director who elected to receive all or part of his or her cash compensation in the form of EA common stock during fiscal year 2022:

NAME	GRANT DATE	EXERCISE PRICE ($)	SHARES SUBJECT TO IMMEDIATELY EXERCISED STOCK OPTION GRANTS	GRANT DATE FAIR VALUE ($)
Rachel Gonzalez	2/1/2022	129.94	296	38,462
				38,462
Jay C. Hoag*	5/3/2021	141.18	141	19,906
	8/2/2021	144.11	139	20,031
				39,937
Jeffrey T. Huber	5/3/2021	141.18	146	20,612
	8/2/2021	144.11	144	20,752
	11/1/2021	141.77	145	20,557
	2/1/2022	129.94	159	20,660
				82,581
Talbott Roche	5/3/2021	141.18	146	20,612
	8/2/2021	144.11	143	20,608
	11/1/2021	141.77	178	25,235
	2/1/2022	129.94	180	23,389
				89,844
Richard A. Simonson	5/3/2021	141.18	175	24,707
	8/2/2021	144.11	172	24,787
	11/1/2021	141.77	174	24,668
	2/1/2022	129.94	191	24,819
				98,981
Heidi Ueberroth	8/2/2021	144.11	138	19,887
	11/1/2021	141.77	140	19,848
	2/1/2022	129.94	154	20,011
				59,746

* Mr. Hoag retired from the Board of Directors effective August 12, 2021.

Letter from our Compensation Committee

Dear Fellow Stockholders,

We Are Engaged, Listening, and Responding to Our Stockholders

As members of the Compensation Committee, we seek to ensure that our executive compensation program closely aligns the interests of our executives with those of our stockholders. We have conducted extensive engagement with our stockholders to obtain feedback on topics including our executive compensation program, governance, and ESG. Over the past two years, we have reached out to stockholders holding approximately 75% of our outstanding stock and have held 41 calls, with members of the Compensation Committee leading 29 of these calls. We listened to the feedback we heard, analyzed it, and then evaluated every aspect of our executive compensation program with this feedback in mind.

In direct response to stockholder feedback, we have made substantial changes to our executive compensation program. We believe these changes enhance our pay-for-performance philosophy, further align the interests of our executives with stockholders and advance our objectives to attract and retain critical leaders given the exceptionally competitive landscape for executive talent.

- Following our 2020 annual meeting, we redesigned our long-term performance-based equity incentive program to incorporate financial and operating metrics in addition to relative TSR, require three-year cliff vesting and strengthen the rigor of the TSR payout scale. We also lowered our annual performance bonus cap, increased stock ownership guidelines, and expanded our clawback policy. To address investor concerns regarding the use of special equity awards, we made a commitment to not grant additional special equity awards (including enhanced annual awards) to our named executive officers through at least the end of fiscal year 2026. Further, we reduced the target value of our CEO's equity award by 40% for fiscal year 2022, and there was no increase to the target value of his fiscal year 2023 equity award from his fiscal year 2022 target value.
- Following our 2021 annual meeting, with stockholder feedback regarding quantum of pay in mind, we revised our peer group and removed companies with outsized market capitalizations. We enhanced the rigor of our Company bonus pool funding formula for fiscal year 2023 by increasing the financial performance weighting to 70% for our CEO and 60% for our CFO and COO and implementing an enterprise-level scorecard for the strategic and operational performance objectives that drive the remaining portion of Company bonus pool funding. The scorecard will measure our performance against goals across six key strategic objectives, each with an assigned weighting. Because human capital management is a focus for our executives, we included ESG goals relating to HCM in our fiscal year 2023 enterprise-level scorecard. We also increased the performance-based portion of annual equity awards for our top executives.

Evolution of Our Executive Compensation Program

We believe the many changes that we have made to our executive compensation program over the past two years further our objectives to attract and retain critical leaders, incentivize them to deliver on our strategy, and create long-term value for stockholders. We also believe these changes are welcomed by our stockholders based on our engagement meetings. Following our 2021 annual meeting, we reengaged with our stockholders to obtain feedback and understand their concerns regarding our executive compensation program. The feedback we heard was overwhelmingly positive. Stockholders expressed appreciation for the substantive changes we made to our executive compensation program, our continued desire to evaluate and evolve our compensation practices, and our commitment to responsiveness.

Despite the positive investor feedback regarding these changes, we learned that many investors did not support our 2021 say-on-pay vote primarily because of the quantum of the one-time enhanced fiscal year 2021 annual equity award we made to our CEO in June 2020. Although this was disappointing to us, we remain encouraged by the positive feedback from our stockholders regarding the evolution of our executive compensation program, and we responded to the concerns regarding pay quantum.

We continuously review ways to evolve our executive compensation program to attract, motivate and retain our executives because they are critical to our ongoing success and long-term stockholder value creation. We have greatly benefited from and appreciated this dialogue and look forward to continuing it with you.

Thank you for your continued support and investment in Electronic Arts.

Sincerely,

THE COMPENSATION COMMITTEE

TALBOTT ROCHE (Chair)
LEONARD S. COLEMAN
HEIDI UEBERROTH

Compensation Discussion & Analysis

For fiscal year 2022, EA's named executive officers ("NEOs") were:

- **Andrew Wilson**, Chief Executive Officer;
- **Chris Suh**, Chief Financial Officer;
- **Laura Miele**, Chief Operating Officer;
- **Kenneth Moss**, Chief Technology Officer;
- **Chris Bruzzo**, Chief Experience Officer; and
- **Blake Jorgensen**, Executive Vice President, Strategic Projects; former Chief Financial and Operating Officer.

Executive Summary

Fiscal year 2022 was a record year in every important measure of our business: total players, engagement in our games and live services, net bookings, and underlying profit. We created amazing games and services for our players, saw deep player engagement, and generated strong financial and operating results. Hundreds of millions of players around the world came together and connected through our games, live services, and content during the year. We continued our efforts to build more diverse and inclusive teams and games, support our communities, and ensure that our workplace culture is one of respect and allyship, where our people feel empowered, and their well-being is prioritized. And because we seek to ensure that our executive compensation program closely aligns the interests of our executives with our stockholders, we conducted formal engagement with our top institutional stockholders to understand their views on topics including executive compensation, governance, and ESG issues.

Key Highlights for the Fiscal Year Included:

Drove strong financial performance and executed on our key strategic objectives	■ Generated net revenue of $6.991 billion, up 24% year-over, and diluted earnings per share of $2.76 ■ Returned nearly $1.5 billion to stockholders through share repurchases and dividends ■ Delivered on our fiscal year 2022 title slate, launching 9 major new games, all during the challenges of the COVID-19 pandemic ■ Achieved 24% growth in live services and other net revenue year-over-year ■ Grew our EA player network 16% year-over-year to more than 580 million unique active accounts
Continued to strengthen our ESG programs and practices, particularly with respect to diversity, equity, and inclusion	■ Added two highly-qualified, skilled, and diverse members to our Board of Directors ■ Hired a Chief Diversity Officer to continue building on our strong foundational efforts; and strengthened our progress on supporting a safe and healthy culture ■ Increased transparency regarding our workforce representation data by voluntarily disclosing our 2021 EEO-1 diversity data ■ Maintained base pay equity on the basis of gender globally and on the basis of race/ethnicity in the United States, inclusive of the workforces of recently acquired companies; expanded our analysis to include annual bonus and equity compensation, identifying areas of focus, while working to correct them and eliminate bias across our elements of pay ■ Strengthened our commitment to accessibility and inclusion in our games and experiences, including by launching an industry-first patent pledge to help make games more accessible to players of all abilities
Engaged with top institutional stockholders and further enhanced our executive compensation program and governance	■ Leading up to and following our 2021 annual meeting, we reached out to stockholders collectively holding approximately 75% of our outstanding stock and held over 41 calls to understand stockholders' views on executive compensation, governance and ESG issues ■ Considered stockholder feedback and made additional enhancements to our executive compensation program for fiscal year 2023 ■ Continued to bring fresh perspectives to support an enhanced approach to executive compensation, appointing Ms. Talbott Roche as Chair of the Compensation Committee in November 2021

Fiscal Year 2022 Performance Highlights

Fiscal year 2022 was a record year for Electronic Arts, with our highest-ever net revenue and net bookings driven by strong engagement across our broad portfolio of titles that span console, PC and mobile. Live services and other net revenue grew 24% to almost $5 billion, a record, driven by strength across our portfolio, most notably Apex Legends and FIFA. Our mobile business continues to grow and generated over $1 billion in net revenue during fiscal year 2022. In addition, we continued to return capital to stockholders, repurchasing 9.5 million shares during fiscal year 2022 and continuing to pay a quarterly dividend.

Our executive compensation program is designed to reward our NEOs for the achievement of Company-wide financial, operating, and strategic objectives and the creation of long-term stockholder value. As highlighted below, our financial performance, operating achievements, and execution on our strategic objectives provide context for the fiscal year 2022 executive compensation decisions made by the Compensation Committee and Board of Directors.

Fiscal Year 2022 GAAP Financial Results and Operating Highlights

$6.991B
net revenue

$2.76
diluted earnings per share

$7.515B
net bookings

Live services and other net revenue
$4.998B
representing 71% of total net revenue

$1.899B
operating cash flow

Repurchased
9.5M
shares during fiscal year 2022 for $1.3 billion

Quarterly cash dividend of
$0.17
per share

It Takes Two
won over 90 awards during fiscal year 2022

FIFA 22
was the biggest and most successful game in franchise history, launch to fiscal year end

Apex Legends
Season 12 set records for the highest engagement since launch

Launched
9 New Games
while our teams continued to work primarily from home

The EA player network has more than
580M
unique active accounts

Fiscal Year 2022 Executive Leadership Changes

We announced several key leadership changes to a subset of our NEOs in fiscal year 2022 that we believe position us to drive continued transformation for our players, and growth for EA.

In September 2021, Blake Jorgensen, formerly EA's Executive Vice President, Chief Financial and Operating Officer, announced his decision to begin transitioning from EA, with an expected departure in 2022. In connection with Mr. Jorgensen's announcement, Laura Miele, formerly our Chief Studios Officer, was promoted to Chief Operating Officer, effective November 1, 2021. As Chief Operating Officer, Ms. Miele is responsible for managing company-wide operations.

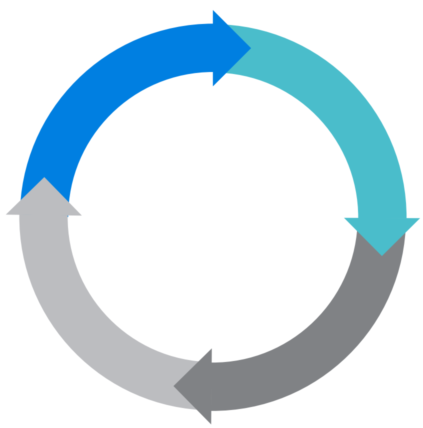
On March 1, 2022, Chris Suh joined EA as our Chief Financial Officer. Mr. Suh joined EA from Microsoft Corporation where he served in various roles for nearly 25 years, most recently as Corporate Vice President and Chief Financial Officer of Microsoft's Cloud + AI group. Mr. Suh's deep experience in a rapidly growing and in-demand technology sector, particularly in the areas of cloud services, AI and advanced technology development, his extensive investor relations background, together with his leadership in all core financial aspects of a large public company made him the best candidate to help us deliver our long-term strategy. For a discussion of Mr. Suh's new hire compensation arrangements for fiscal year 2022, please see the discussion under the heading *"—Our NEOs' Fiscal Year 2022 Compensation—Fiscal Year 2022 Compensation for Our New CFO"* below.

As part of our efforts to engage players beyond the boundaries of the traditional gaming experience, Chris Bruzzo, formerly our Executive Vice President, Marketing, Commercial and Positive Play, assumed the role of Chief Experience Officer on September 30, 2021. In his new role, Mr. Bruzzo is responsible for building social ecosystems that forge stronger connections and create amazing player experiences in and around our games.

Stockholder Engagement

We have a robust year-round stockholder outreach program, with formal engagement efforts occurring in two phases during the summer and winter.

JUNE - AUGUST
Ahead of our annual meeting, we engage with investors to answer questions and understand their views on matters relating to our annual proxy statement



SEPTEMBER - NOVEMBER
Review stockholder votes at our most recent annual meeting, identify potential areas of concern, and evaluate our governance and executive compensation practices

DECEMBER - MARCH
Conduct meetings with stockholders and proxy advisors to consider any issues raised and to solicit feedback on governance, executive compensation, and other topics of interest

APRIL - MAY
Review feedback from winter engagement, and consider any enhancements to our executive compensation program, governance and ESG

2021 Say-on-Pay Vote

At our 2021 annual meeting, we were disappointed that the advisory say-on-pay proposal received 42% support, especially given the substantive changes we made to our executive compensation program in response to our 2020 say-on-pay vote and our strong fiscal year 2021 financial performance. We learned through direct engagement leading up to the 2021 annual meeting that the primary objection to our 2021 say-on-pay proposal was the enhanced annual equity award to our CEO, which was granted in the beginning of fiscal year 2021 (June 2020).

Following the 2021 annual meeting, we continued our extensive engagement with stockholders. We specifically requested feedback from stockholders on our executive compensation program to consider ways to further evolve our program, and we also solicited feedback on governance and ESG matters to better understand stockholders' views on these issues.

Winter 2022 Stockholder Engagement: After Our 2021 Annual Meeting

Offered Meetings	Engaged in Discussions	Director-Led Discussions
~54%	~35%	~32%
of our outstanding common stock	of our outstanding common stock	of our outstanding common stock

During our winter engagement, we received positive feedback from nearly all stockholders with whom we engaged. Investors expressed appreciation for the substantive changes we made to our executive compensation program for fiscal year 2022 and the Compensation Committee's commitment to responsiveness.

Despite the positive investor feedback regarding these changes, many investors reiterated that they did not support our 2021 say-on-pay vote primarily because of the quantum of the one-time enhanced fiscal year 2021 annual equity award we made to our CEO in June 2020. Although this was disappointing to us, we were encouraged by the positive feedback from our investors regarding the evolution of our executive compensation program and the Compensation Committee's commitment to responsiveness.

What We Heard / Our Actions and Perspective

Below is a summary of the feedback we heard during our winter 2022 engagement and our actions and perspective in response.

WHAT WE HEARD FROM STOCKHOLDERS	OUR ACTIONS AND PERSPECTIVE
Quantum of Pay Concerns with the overall quantum of pay in fiscal year 2021, particularly the enhanced annual equity award granted to our CEO.	**Action:** We ***reiterated our commitment to not grant any special equity awards to NEOs through at least the end of fiscal year 2026*** and confirmed that this commitment applies to enhanced annual equity awards. Our stockholders were pleased with this action and did not raise any concerns regarding this commitment during our calls, including with respect to the length of the time commitment. With respect to quantum of pay, the target value of Mr. Wilson's fiscal year 2022 equity award was 40% lower than the target value of his fiscal year 2021 equity award, and there was no increase to the target value of his fiscal year 2023 equity award from his fiscal year 2022 target value.
Fiscal Year 2023 Peer Group Consider our peer group to ensure it is appropriately scaled.	**Action:** We reviewed our compensation peer group and ***removed companies we deemed to no longer be a good fit due to their outsized market capitalization*** (e.g., Adobe Inc., NVIDIA Corporation and Salesforce, Inc.) or business (Hasbro, Inc.) and added companies in the consumer-oriented technology, software, and media/entertainment industries that we deemed to be a better fit based on the quantitative and qualitative factors we consider when selecting our peer group. **Perspective:** We operate in a highly competitive market and industry, and in a geographic region that is exceptionally competitive for executive talent. As we experienced this past year with the recent hire of our Chief Financial Officer, we compete against larger, well-funded technology companies that are pursuing and strengthening their interactive entertainment capabilities. However, we heard the stockholder feedback regarding the quantum of pay and we took appropriate steps to adjust our peer group so that it is appropriately scaled based on the quantitative and qualitative factors we consider.

WHAT WE HEARD FROM STOCKHOLDERS	OUR ACTIONS AND PERSPECTIVE
Annual Performance Cash Bonus Program Would like to see a more formulaic approach to the annual bonus payouts.	**Action:** For fiscal year 2022, ***added an assessment for each strategic and operating objective*** of the Company business performance component of our bonus pool funding formula to show attainment relative to target. Beginning with fiscal year 2023, we enhanced the rigor of our Company bonus pool funding formula: ■ ***Increased the financial performance weighting of Company bonus pool funding to 70% for our CEO and 60% for our CFO and COO***, with the remaining portion of Company bonus pool funding based on business performance, including ESG goals (instead of the 50/50 funding split that applies to all other employees). ■ ***Implemented an enterprise-level scorecard for the strategic and operating objectives*** that drive funding of the business performance component of the Company bonus pool. The scorecard will measure our performance against goals across six key strategic objectives established for the fiscal year: Strategy; Amazing Content and Experiences; Social Ecosystems and Creative Autonomy; Aggregation and Distribution; Talent; and Culture and Work. Each key objective is weighted at 20% of the business performance component of the Company bonus pool funding formula, except that Talent and Culture and Work (our ESG goals relating to HCM) are together weighted at 20%.
Fiscal Year 2023 ESG Goals Would like ESG goals to feature more prominently in our compensation program.	**Action:** ESG goals are included in the fiscal year 2023 enterprise-level scorecard, and our achievement against them will impact funding of the business performance component of the Company bonus pool funding formula. **Perspective:** HCM is a focus for our executives. A diverse and inclusive workforce is key to our success and our global reach requires a workforce that reflects and respects the different identities and experiences of our players. Moreover, we believe that fostering an inclusive, diverse, safe, and respectful workplace sets us apart from our competitors and will enhance our ability to attract and retain diverse talent.
Long-Term Equity Incentives: PRSU Program Some stockholders would like to see the weighting of long-term equity incentives to be more heavily weighted towards PRSUs. Stockholders appreciated that we moved to three-year vesting, but some would ideally like to see a three-year measurement period for the portion of the annual PRSU award tied to net bookings and operating income.	**Action:** We increased the portion of performance-based equity for our top executives—beginning in fiscal year 2023 the annual equity award for our CFO and COO will consist of ***60% performance-based restricted stock units***, consistent with the award mix put in place for our CEO, effective for fiscal year 2022. **Perspective:** After thoroughly considering the factors below, the Compensation Committee determined that it was appropriate to retain one-year measurement periods for the portion of the PRSU award tied to net bookings and operating income to properly incentivize and reward our executives' performance. We shared these considerations with stockholders during our engagement, and the vast majority of stockholders with whom we spoke understood and appreciated the Compensation Committee's perspective. ■ ***Three-Year Cliff Vesting***: PRSUs earned after the end of an annual measurement period do not vest until after the end of the three-year performance period. This promotes retention and encourages our executives to continue to drive long-term performance. ■ ***Relative TSR PRSU Performance Measured Over Three Years***: One-third of each annual PRSU award is tied to our relative TSR performance measured over a full three-year performance period, which aligns the interests of our NEOs with our stockholders and incentivizes long-term stockholder value creation. ■ ***Our Business Supports Annual Operating Metrics***: Due to the rapidly changing nature of our business and industry, the multi-year long development cycles, and the significant investment and resources required to produce games, it is challenging to predict our net bookings and operating income over a three-year time horizon. We believe that utilizing a three-year measurement period for net bookings and operating income could require us to be more conservative in setting targets that would be viewed as reasonably achievable by our executives to compensate for this uncertainty. ■ ***Our Practice Aligns with Peer and Technology Industry Practice***: Setting one-year measurement periods for operational metrics is in line with peer and technology industry practices and, as described above, enables us to set more rigorous targets for each year.

Summer 2021 Stockholder Engagement: Before Our 2021 Annual Meeting

The actions described above build on the prior responsive enhancements that we made to our executive compensation program following our 2020 annual meeting and 2021 winter engagement with stockholders. Prior to our 2021 annual meeting, we continued our investor outreach contacting stockholders representing approximately 75% of our outstanding common stock and offering meetings to discuss the changes we made to our executive compensation program. Stockholders representing approximately 46% of our outstanding common stock accepted our offer to engage, and members of our Board of Directors led discussions with stockholders representing approximately 36% of our outstanding common stock. During these meetings, we discussed the substantial enhancements we made to our executive compensation program, as summarized below. We implemented these enhancements after careful consideration of investor feedback and input from management and the Compensation Committee's independent compensation consultant.

Substantial Enhancements to Our Executive Compensation Program Following Our 2020 Annual Meeting

ELEMENT/ PRACTICE	ACTIONS TAKEN IN RESPONSE TO OUR 2020 SAY-ON-PAY VOTE
Special Equity Awards	■ Committed to not grant any further special equity awards to NEOs through at least the end of fiscal year 2026
Performance-Based Long-Term Equity Incentives	■ Added two additional performance metrics, net bookings and operating income, for fiscal year 2022 PRSUs ■ Increased vesting to three-year cliff vesting beginning with fiscal year 2022 ■ Eliminated the lookback feature from the relative TSR component of PRSUs ■ Increased the threshold and adjusted the relative TSR payout scale, with no vesting for performance below the 25^{th} percentile and above median performance required for target payout ■ Determined that the CEO's annual equity award will consist of 60% PRSUs
Annual Performance Bonus	■ Enhanced disclosure of our program structure, non-financial goals, and how payouts are determined ■ Capped NEO bonuses at 2x target bonus percentage, beginning in fiscal year 2022
Stock Ownership	■ Increased stock ownership guidelines, including from 5x to 10x salary for CEO
Clawback	■ Expanded our Clawback Policy to cover cash as well as equity incentives

Compensation Principles

Philosophy and Objectives

EA is a global leader in digital interactive entertainment. We believe that the skills, expertise, and experience of our employees, including our NEOs, are the critical factors that contribute to our overall performance and enhance stockholder value. To drive continued successful operational and financial performance, we must attract, motivate, reward, and retain top executive talent. Accordingly, our executive compensation program is designed to:

- Provide highly competitive compensation to attract and retain top executive talent;
- Create direct alignment with our stockholders by providing equity ownership in the Company;
- Pay for performance by creating incentives tied to our business results;
- Reward and motivate strong individual performance and leadership; and
- Avoid undue compensation-related risk.

Recruiting and Retention Challenges and Considerations

We operate in a highly competitive market and industry, and in a geographic region that is exceptionally competitive for executive talent. As the gaming, technology/internet, and entertainment industries have converged in recent years, competition for talent in our space has intensified. Larger, well-funded technology companies such as Microsoft, Alphabet, Amazon, Apple, Netflix and Meta Platforms are aggressively pursuing and strengthening their interactive entertainment capabilities and new entrants continue to emerge. Our executives, seasoned leaders with deep industry experience and expertise, are prime targets for recruiting from large technology companies as well as emerging growth companies. This intensely competitive market for talent is one of the ongoing key challenges we face as we balance (1) our desire to offer a market competitive executive compensation program, (2) the need to continue to attract top talent and retain and incentivize our NEOs, and (3) the need to maintain a competitive pay-for-performance compensation philosophy in the long-term best interests of our stockholders. The Compensation Committee considers these additional challenges when reviewing and making executive compensation decisions.

Compensation and Governance Practices

The Compensation Committee regularly reviews our executive compensation program to ensure that we maintain strong governance standards in our executive compensation program. Below is a summary of our key compensation and governance practices.

What We Do

- ✔ Structure executive compensation to link pay and performance
- ✔ Provide a high percentage of variable, at-risk pay; approximately 93% of NEO compensation is variable and at-risk*
- ✔ Cap performance-based annual bonus and long-term equity incentive payouts for NEOs
- ✔ Require our executives to satisfy robust stock holding requirements
- ✔ Conduct regular stockholder outreach
- ✔ Perform an annual risk assessment of our executive compensation program
- ✔ Maintain a clawback policy covering cash and equity incentives
- ✔ Evaluate our compensation peer group at least annually
- ✔ Engage an independent compensation consultant to advise the Compensation Committee
- ✔ Conduct formal executive succession planning

What We Don't Do

- ✖ No "single-trigger" change in control arrangements
- ✖ No excise tax gross-ups upon a change in control
- ✖ No executive employment contracts (other than as required by local jurisdictions)
- ✖ No repricing of options without stockholder approval
- ✖ No hedging or pledging of EA stock
- ✖ No excessive perquisites
- ✖ No payment of dividends or dividend equivalents on unearned or unvested equity awards

* Excludes Mr. Suh, who became our Chief Financial Officer on March 1, 2022.

The Process for Determining Our NEOs' Compensation

PARTICIPANT	ROLE IN THE EXECUTIVE COMPENSATION DETERMINATION PROCESS
Board of Directors	■ Approves the target total direct compensation for our CEO, in consultation with the Compensation Committee and the Compensation Committee's independent compensation consultant.
Compensation Committee	■ Approves the target total direct compensation for our NEOs (other than our CEO) after receiving input, at the Compensation Committee's request, from our CEO, our Chief People Officer, and the Compensation Committee's independent compensation consultant. ■ Reviews, approves, and recommends to the Board of Directors, CEO pay.
Independent Compensation Consultant	■ Semler Brossy advises on our executive compensation program, our broad-based compensation programs, and advises on changes to our compensation program and other executive compensation-related developments and trends. ■ Semler Brossy also assisted the Compensation Committee with its review of our non-employee director compensation in fiscal year 2022. ■ Attended all meetings held by the Compensation Committee. ■ The Compensation Committee has reviewed the independence of Semler Brossy and determined that Semler Brossy's engagement did not raise any conflicts of interest.
Management	■ Our CEO and Chief People Officer assist the Compensation Committee by providing information on corporate and individual performance, market compensation data and practices, and other executive compensation matters. ■ At the beginning of each fiscal year, our CEO and Chief People Officer review the performance of our other NEOs for the prior fiscal year and make recommendations to the Compensation Committee regarding the annual base salary, bonus targets, and annual equity awards for our NEOs (other than with respect to themselves).

Executive Compensation Decision-Making Approach

The Board of Directors and the Compensation Committee believe that executive compensation should be evaluated holistically. They consider a variety of factors to guide their compensation decision-making process for our NEOs. These include an evaluation of market trends and the competitive landscape for executive talent, which includes a review of the market practices of our peer group and other larger technology companies with which we compete for talent. In addition, the Board of Directors and Compensation Committee consider corporate performance; individual performance, including the NEO's level of responsibilities, scope and complexity of the role, experience, and tenure, as well as other factors unique to each NEO; and internal compensation alignment.

Peer Group

Each year, the Compensation Committee, with the independent compensation consultant's advice and input, reviews and selects a group of peer companies ("peer group") to use as a reference to better understand the competitive market for executive talent in our industry sectors and geographic region. The purpose of the annual review is to validate our current peers and identify potential changes, based on characteristics such as size, scope, business fit, M&A activity, and the pool for executive talent. The Compensation Committee believes that the ideal peer group should be comprised of companies of similar-size and with similar economics as EA, reflect the market for executive-level talent, provide reasonable guidelines for pay levels and practices, and be robust enough to avoid distortions.

Based on these guiding principles, the Compensation Committee annually engages in a quantitative and qualitative assessment to identify companies for the peer group that are similar to us, based on a combination of factors including: revenue and market capitalization; whether they are in relevant industry pillars or are companies with which we compete for executive talent; and other relevant factors, including the number of current peer companies that identify EA as a peer. Where some companies may not be similar in size to us based on quantitative factors, they still may be included in our peer group based on the qualitative factors described above.

Fiscal Year 2022 Peer Group

The Compensation Committee approved a peer group of 18 companies for fiscal year 2022 executive compensation decisions. For each member of our peer group, one or more of the factors listed above was an appropriate reason for inclusion in our peer group. This peer group was the same as the fiscal year 2021 peer group, except that the Compensation Committee removed AMC Networks (due to size) and added ServiceNow and Workday to replace CBS Corporation and Symantec Corporation (companies that the Compensation Committee had previously determined to remove due to M&A activity once predecessor executive compensation data was no longer available for these companies). Based on public filings through June 1, 2021, EA was at the 44th percentile with respect to annual revenues and at the 35th percentile with respect to market capitalization compared to our fiscal year 2022 peers.

Gaming	Consumer-Oriented Technology / Software		Media / Entertainment
Activision Blizzard, Inc.	Adobe Inc.*	NVIDIA Corporation*	Warner Bros. Discovery, Inc.
Take-Two Interactive Software, Inc.	Autodesk, Inc.	Salesforce, Inc.*	Hasbro, Inc.*
Zynga Inc.	Booking Holdings Inc.	**ServiceNow, Inc.**	IAC/InteractiveCorp
	eBay, Inc.	**Workday, Inc.**	Netflix, Inc.
	Expedia Group, Inc.	VMware, Inc.	
	Intuit Inc.		

* Removed from our fiscal year 2023 peer group.

Looking Ahead to Fiscal Year 2023

In February 2022, with stockholder feedback regarding the quantum of pay in mind, we reviewed our peer group with a more critical lens. After undergoing a quantitative and qualitative analysis of our peer group utilizing the factors described above, the Compensation Committee approved a peer group of 19 companies for fiscal year 2023 executive compensation decisions. As described above, the Compensation Committee, in consultation with its independent compensation consultant, reviewed the factors above to validate current peer companies and identify potential new peers. As a result of this review, the Compensation Committee removed Adobe Inc., Salesforce, Inc., and NVIDIA Corporation due to their outsized market capitalization, and Hasbro, Inc. due to it no longer being deemed a relevant business fit. To replace these companies and ensure the peer group was of sufficient size to provide meaningful insight regarding the competitive market for executive talent, the Compensation Committee added Airbnb, Inc., Block, Inc., Snap Inc., Synopsys, Inc., and Sirius XM Holdings, Inc., companies that met all or some of the quantitative and qualitative factors described above, including size, whether the company is in a relevant industry pillar and/or has a similar business model, and whether we compete with the company for executive talent.

Gaming	Consumer-Oriented Technology / Software		Media / Entertainment
Activision Blizzard, Inc.*	**Airbnb, Inc.**	Intuit Inc.	Warner Bros. Discovery, Inc.
Take-Two Interactive Software, Inc.	Autodesk, Inc.	ServiceNow, Inc.	IAC/InteractiveCorp
Zynga Inc.*	**Block, Inc.**	**Synopsys, Inc.**	Netflix, Inc.
	Booking Holdings Inc.	Workday, Inc.	**Sirius XM Holdings, Inc.**
	eBay, Inc.	VMware, Inc.	**Snap Inc.**
	Expedia Group, Inc.		

* Activision Blizzard, Inc. and Zynga Inc. will be removed from the peer group upon the later of the closing of the pending acquisitions by Microsoft Corporation and Take-Two Interactive Software, Inc., respectively, and the date that relevant executive compensation data for these companies is no longer available.

Comparative Market Data

As part of its decision-making process, the Board of Directors and the Compensation Committee review peer group data when assessing the appropriateness and reasonableness of compensation levels and mix to determine if our compensation program aligns pay with performance, fairly rewards our executives for individual performance and contributions to our corporate performance and provides adequate retention and incentive value. The independent compensation consultant conducts a comprehensive analysis of our executive compensation program using publicly available compensation information on our peer group. The analysis includes a comparison of the base salary, target total cash compensation, long-term incentives, and target total direct compensation of each of our NEOs against executives holding similar positions in our peer group. The Compensation Committee and the Board of Directors use the peer group data provided by the independent compensation consultant as a reference rather than as a strict guide for compensation decisions and retain flexibility in determining NEO compensation.

Fiscal Year 2022 Compensation for Our New CFO

In connection with Mr. Suh's appointment as Chief Financial Officer, we entered into an offer letter with him that sets forth the terms of his employment and compensation.

Annual Base Salary and Target Bonus Opportunity

Under the terms of his offer letter, Mr. Suh's annual base salary is $700,000 and he will be eligible for an annual cash bonus with a target bonus opportunity of 100% of annual base salary. Due to his start date, Mr. Suh did not participate in our annual bonus program for fiscal year 2022 but he is a participant in our fiscal year 2023 annual bonus program.

Looking ahead to fiscal year 2023:

As described above under *"—Stockholder Engagement—Winter 2022 Engagement: After Our 2021 Annual Meeting—What We Heard / Our Actions and Perspective,"* the Company bonus pool funding for Mr. Suh's annual cash bonus for fiscal year 2023 will be based 60% on our financial performance and 40% on our business performance.

New Hire Compensation

We offered Mr. Suh a one-time new hire sign-on bonus and new hire equity award to induce him to assume the role of Chief Financial Officer at EA, make him whole for the estimated value of compensation he would forfeit upon joining EA, incentivize long-term performance, and align his interests with our stockholders. In determining the structure and value of Mr. Suh's new-hire compensation package, the Compensation Committee, in consultation with its independent compensation consultant, considered the following factors:

- The estimated value of Mr. Suh's compensation with his prior employer that he would forfeit if he joined EA;
- The compensation paid to chief financial officers among our peer group of companies;
- The highly competitive landscape in order to induce Mr. Suh to join EA in light of opportunities with his prior employer and with other public companies, including alternative public company CFO opportunities that he was considering prior to accepting our offer of employment; and
- The importance of creating immediate alignment with our stockholders through long-term equity incentives.

New Hire Sign-On Bonus

Mr. Suh received a one-time cash sign-on bonus of $4,000,000 in March 2022. The sign-on bonus is subject to full repayment if Mr. Suh voluntarily resigns from EA prior to March 1, 2023, and pro-rata repayment if he voluntarily resigns between March 1, 2023 and February 29, 2024. The Compensation Committee, in consultation with its independent compensation consultant, determined that the amount of the sign-on bonus was necessary to induce Mr. Suh to join EA by making him whole for:

- the estimated value of unvested equity awards that were due to vest over the next 12 months that he would forfeit upon his departure from his prior employer; and
- the lost opportunity to receive his annual cash bonus from his prior employer given the timing of his departure.

As described above, due to the timing of his start date, Mr. Suh was not eligible to participate in our annual cash bonus program for fiscal year 2022 and payments of fiscal year 2023 annual cash bonuses, if earned, will not be made until June 2023.

New Hire Equity Award

The Compensation Committee approved the grant of a new hire equity award consisting of RSUs with a grant date value of $3,000,000, and PRSUs with a target grant date value of $3,000,000. The new hire equity award was granted on March 16, 2022 and was structured to put a significant portion of Mr. Suh's compensation at risk, align his interests with those of our stockholders, and promote long-term retention. The target grant date value of the award was determined in consideration of:

- the estimated value of the unvested equity awards that would have vested in years after 2022 that Mr. Suh would forfeit when he joined EA;
- the market compensation paid to chief financial officers among our peer group; and
- the competitive landscape to induce Mr. Suh to join EA in light of alternative opportunities that he was considering prior to accepting our offer.

Mr. Suh's new hire RSU award vests over three years, with 1/3rd vesting on the first anniversary of the grant date, and 1/6th vesting every six months thereafter until the award is fully vested. The terms of Mr. Suh's new hire PRSU award are the same as the fiscal year 2022 PRSU awards for our other NEOs (as described below under "*—Long-Term Equity Incentives—Fiscal Year 2022 Annual Equity Awards—Performance-Based Restricted Stock Units*"), except that the three-year performance period covers fiscal years 2023 through 2025 and the award cliff vests on May 20, 2025.

Looking ahead to fiscal year 2023:

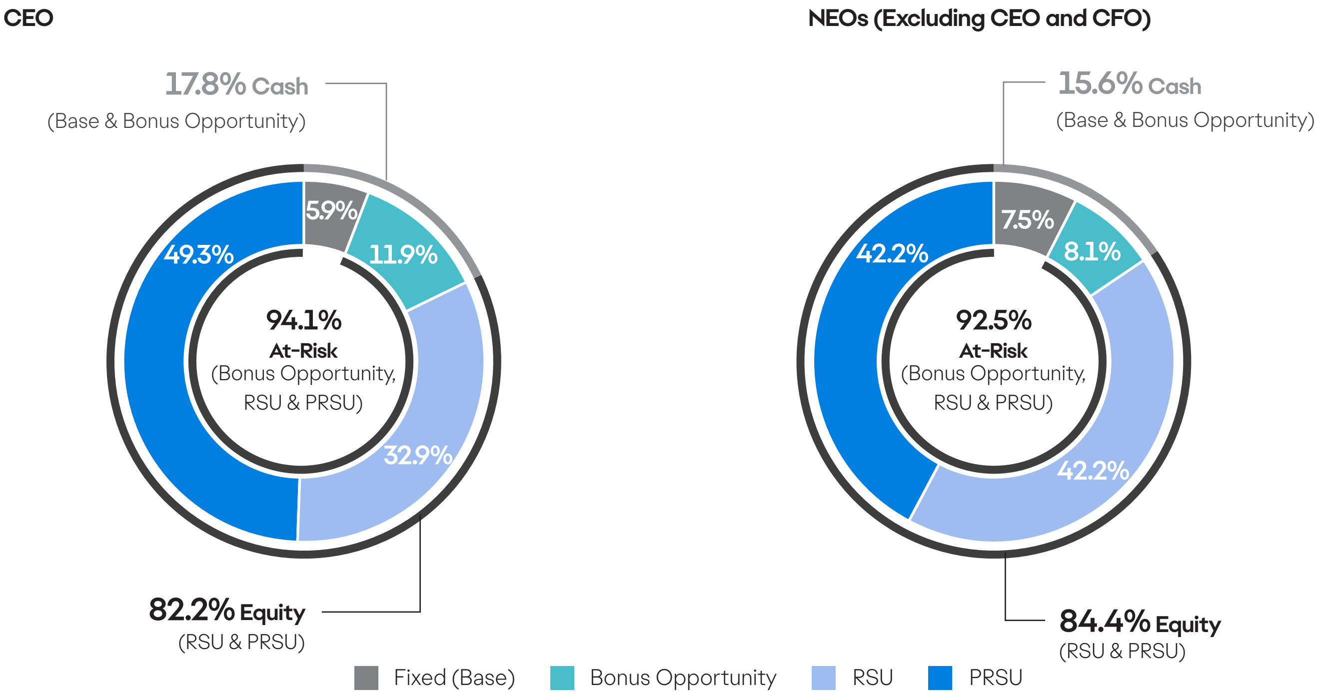
As described above under *"—Stockholder Engagement—Winter 2022 Engagement: After Our 2021 Annual Meeting—What We Heard / Our Actions and Perspective,"* beginning in fiscal year 2023, the annual equity award mix for Mr. Suh will consist of 60% PRSUs and 40% RSUs.

Our NEOs' Fiscal Year 2022 Compensation

Target Total Direct Compensation for Fiscal Year 2022

Our executive compensation program is designed to motivate and reward performance and consists of three main components: annual base salary, annual performance cash bonuses, and long-term equity incentives. Our pay-for-performance approach rewards the achievement of Company-wide financial and business objectives, individual performance, and the creation of long-term value for stockholders, while also recognizing the dynamic and highly competitive nature of our business and the market for top executive talent.

For fiscal year 2022, 94% of our CEO's target total direct compensation opportunity and nearly 93% of the average of our NEOs' (excluding our CEO and Mr. Suh, who joined in March 2022) target total direct compensation opportunity was at-risk in the form of an annual performance cash bonus opportunity, and long-term equity awards comprised of PRSUs and RSUs, as set forth below.



Our Elements of Pay

The Compensation Committee believes that the target total direct compensation for each NEO should be consistent with market practices for executive talent, allow us to attract and retain the highest caliber of executive talent in our industry, and reflect each NEO's individual experience, responsibilities, and performance. There are three main elements of NEO compensation: (1) annual base salary, (2) annual performance cash bonuses, and (3) long-term equity incentive awards.

	PROGRAM DESIGN	PURPOSE	FISCAL YEAR 2022 ACTIONS/RESULTS
Annual Base Salary	Fixed cash component	Base salary serves to attract and retain high-performing executives.	Our NEOs received base salary increases ranging between 2.8% and 4.6% based on an evaluation of their performance and contributions during fiscal year 2021.
Annual Performance Cash Bonus Awards	Annual payout based on: 1. **Company bonus pool funding**—based 50% on Company financial performance and 50% on Company business performance; and 2. **NEO individual performance**, based on an individual performance modifier (IPM). **NEW** Cap bonuses at 2x target bonus percentages. **NEW** **Looking ahead to fiscal year 2023:** We increased the financial performance weighting of the Company bonus pool funding formula for our CEO, CFO and COO. Company financial performance will be weighted at 70% for our CEO and 60% for our CFO and COO, and Company business performance will be weighted at 30% and 40%, respectively. Implemented an enterprise-level scorecard for the business performance component of our bonus pool funding formula. The scorecard will measure our performance against specific goals for six key strategic objectives established for fiscal year 2023 and includes ESG goals.	Our annual performance cash bonus program is designed to motivate our executives to achieve challenging short-term performance goals that are important to the Company's long-term growth.	Our annual bonus pool was funded at 126.25% of target based on our financial and business performance, with NEO IPMs ranging between 110% and 140%. This resulted in fiscal year 2022 NEO bonus payouts between 138% and 177% of target.
Long-Term Equity Incentive Awards	**RSUs** 35-month vesting schedule. **PRSUs** **NEW** Redesigned fiscal year 2022 PRSU program. For our CEO, PRSUs are weighted at 60% of the annual equity award. Payouts are tied to our three-year TSR performance relative to the Nasdaq-100 Index, and our net bookings and operating income performance, measured annually. All fiscal year 2022 PRSUs vest at the end of a 3-year performance period. Eliminated the lookback feature for the relative TSR component of fiscal year 2022 PRSUs and strengthened the rigor of the payout scale. **RSU / PRSU Mix** Consistent with fiscal year 2021, 60% of the CEO's fiscal year 2022 annual equity award consisted of PRSUs. **NEW** **Looking ahead to fiscal year 2023:** We increased the weighting of annual performance-based equity awards to 60% for our CFO and COO, consistent with the current award mix in place for our CEO.	The majority of each NEO's target total direct compensation should be provided in the form of long-term equity incentives to align NEO interests with stockholders, incentivize performance that creates stockholder value and promote long-term retention. Our new PRSU program structure incentivizes our NEOs to drive top-line and bottom-line growth, ties a portion of PRSU payouts to our relative TSR performance against the Nasdaq-100 Index, and promotes long-term retention.	**Fiscal Year 2022 PRSUs**: Based on our net bookings and operating income performance for fiscal year 2022, the payout percentage for the first sub-tranches of the fiscal year 2022 net bookings and operating income PRSUs was 114% and 180% of target, respectively. Any earned net bookings and operating income PRSUs will vest on May 16, 2024, subject to continued employment with us on this date. The relative TSR PRSUs are measured over a three-year performance period ending in fiscal year 2024. **Fiscal Year 2021 PRSUs**: The second tranche of our fiscal year 2021 relative TSR PRSUs was earned at 18% of target, based on our two-year relative TSR performance. Earned PRSUs vested in May 2022. **Fiscal Year 2020 PRSUs**: The third tranche of our fiscal year 2020 relative TSR PRSUs was earned at 66% of target, based on our three-year relative TSR performance. Earned PRSUs vested in May 2022.

Base Salary

Key features

- Fixed cash component that is market competitive for the role to attract and retain high-performing executives
- The following factors are considered when determining NEO salaries: individual performance; the market for similar positions, including the pay practices for comparable positions at the companies in our peer group; level of responsibilities; complexity of role; experience; and internal compensation alignment

As part of its May 2021 annual compensation review, the Compensation Committee, and the Board of Directors, in the case of Mr. Wilson, approved fiscal year 2022 base salary increases, effective June 1, 2021, as set forth below. The increases for Messrs. Wilson, Jorgensen, Moss and Bruzzo were between 2.8% and 4.2% of base salary (as shown in the table below). These increases were made in recognition of their performance and contributions during the previous year and were in line with Company-wide base salary merit increases for strong performers. Ms. Miele received a 4.6% increase in base salary in recognition of her increased scope of responsibilities, as well as her exceptional performance and contributions during the previous year. In determining a market competitive annual base salary for Mr. Suh, the Compensation Committee, with assistance from its independent compensation consultant, reviewed the base salaries paid to chief financial officers among our peer group and considered additional factors including the competitive landscape and competing offers that Mr. Suh was considering prior to accepting EA's offer.

NEO	ANNUAL BASE SALARY FOR FISCAL YEAR 2021 ($)	ANNUAL BASE SALARY FOR FISCAL YEAR 2022 ($)	% INCREASE
Mr. Wilson	1,260,000	1,300,000	3.2
Mr. Suh[(1)]	N/A	700,000	N/A
Ms. Miele	765,000	800,000	4.6
Mr. Moss	720,000	750,000	4.2
Mr. Bruzzo	720,000	750,000	4.2
Mr. Jorgensen	900,000	925,000	2.8

(1) Mr. Suh assumed the role of Chief Financial Officer on March 1, 2022.

Annual Performance Cash Bonus Awards

Key features

- Designed to motivate our executives to achieve challenging annual performance goals important to our long-term growth
- Capped at 2x target bonus percentages
- Payouts based on (1) Company Bonus Pool Funding, which is based 50% on Company financial performance and 50% on Company business performance to balance our annual financial performance with our execution against strategic and operating objectives, and (2) individual performance
- A threshold level of Company financial performance must be achieved to fund that portion of the Company bonus pool

Our NEOs participate in the Executive Bonus Plan, which governs bonuses paid to our Section 16 officers and operates in conjunction with the EA Bonus Plan, our Company-wide bonus plan. The structure of the annual performance cash bonus program for our NEOs is described below.

BASE SALARY	X	TARGET BONUS PERCENTAGE (% OF BASE SALARY)	X	COMPANY PERFORMANCE (COMPANY BONUS POOL FUNDING) **50%** Company Financial Performance **50%** Company Business Performance	X	INDIVIDUAL PERFORMANCE MODIFIER (IPM)	=	NEO BONUS PAYOUT

Looking ahead to fiscal year 2023:

We increased the financial performance weighting of the Company Bonus Pool funding formula for our CEO, CFO, and COO. Company financial performance will be weighted at 70% for our CEO and 60% for our CFO and COO, and Company business performance will be weighted at 30% and 40%, respectively.

Process to Determine Performance Cash Bonus Awards

During the first quarter of each fiscal year, the Compensation Committee selects the Executive Bonus Plan participants, performance period, and performance measures. All NEOs at the time were selected to participate in the Executive Bonus Plan for fiscal year 2022. Mr. Suh became our Chief Financial Officer on March 1, 2022 and therefore was not eligible to participate in our fiscal year 2022 annual bonus program.

1. Approve target bonus percentages and maximum award amounts
2. Set performance goals
3. Determine Company bonus pool funding
4. Conduct individual performance assessments and determine individual performance modifiers (IPMs)

Step 1: Approve Target Bonus Percentages and Maximum Award Amounts

APPROVE TARGET BONUS PERCENTAGES

Each fiscal year, the Compensation Committee, and the Board of Directors for Mr. Wilson, sets the amounts of the target annual performance cash bonus awards as a percentage of each NEO's base salary ("target bonus") based on factors including individual performance, the market for similar positions, level of responsibilities, complexity of role, pay practices at our peer group for comparable positions, and internal compensation alignment. For fiscal year 2022, the Board of Directors, in the case of Mr. Wilson, and the Compensation Committee, in the case of the other NEOs then serving, determined that there would be no increases in the target bonus percentages for any NEOs.

Fiscal Year 2022 Target Bonus Percentages

	BONUS ELIGIBLE SALARY FOR FISCAL YEAR 2022 ($)	TARGET BONUS PERCENTAGE FOR FISCAL YEAR 2022 (%)
Mr. Wilson	1,293,333	200%
Ms. Miele	794,167	110%
Mr. Moss	745,000	100%
Mr. Bruzzo	745,000	100%
Mr. Jorgensen	920,833	125%

Performance cash bonus awards represented approximately 9% of the average of our NEOs' (other than Mr. Suh, who was not eligible for a fiscal year 2022 annual bonus) annual target total direct compensation for fiscal year 2022.

MAXIMUM AWARD AMOUNTS

Our Compensation Committee believes that annual bonus awards should be capped to ensure that we maintain strong governance standards in our executive compensation program and to mitigate incentives for undue risk taking. Effective for fiscal year 2022, we amended our Executive Bonus Plan to cap NEO bonuses at two times the target bonus percentage for each NEO to better align to market practice.

As in previous years, no bonus payout is made to our CEO if our net income is less than 80% of our fiscal year 2022 financial plan.

Step 2: Set Performance Goals

Each NEO's annual performance cash bonus award is tied to the bonus funding percentage applied to our overall Company bonus pool. Funding of the Company bonus pool is based 50% on our financial performance, and 50% on our business performance, tied to pre-established goals based on our financial and strategic plan for fiscal year 2022 that our Board of Directors and Compensation Committee reviewed with management in April 2021 and approved in May 2021. The Compensation Committee believes that this mixed funding formula is appropriate because it balances our annual financial performance with our execution against strategic and operating objectives, which are critical drivers of our long-term success.

Looking ahead to fiscal year 2023:

We enhanced the rigor of our Company bonus pool funding formula. Effective for fiscal year 2023, we:

- Increased the financial performance weighting of Company bonus pool funding to 70% for our CEO and 60% for our CFO and COO; and
- Implemented an enterprise-level scorecard regarding the strategic and operational performance objectives that drive funding of the Company bonus pool. The scorecard will measure our performance against specific goals for six key strategic objectives established for fiscal year 2023, with ESG goals relating to HCM weighted at 20%.

COMPANY FINANCIAL PERFORMANCE

For the financial performance component of our fiscal year 2022 Company bonus pool funding, the Compensation Committee approved the following two equally weighted Company financial performance goals: non-GAAP net revenue and non-GAAP diluted earnings per share. We believe these objective financial measures serve as clear goals for management to drive top-line growth and profitability with responsible cost management. A threshold level of performance must be met for each of the relevant metrics in order to fund that component of the bonus pool.

Fiscal Year 2022 Targets

The fiscal year 2022 non-GAAP net revenue and non-GAAP diluted earnings per share bonus funding targets were each set higher than our fiscal year 2021 actuals and are set forth below.

Non-GAAP Net Revenue of	Non-GAAP Diluted Earnings Per Share of
$7.325 billion	**$6.80**
(50% weighting)	(50% weighting)

Bonus pool funding is tied to our achievement of threshold, target, and maximum levels of performance for the relevant metric, with no funding if the threshold levels of performance are not achieved.

When making compensation decisions for our NEOs, we use non-GAAP financial measures to evaluate the Company's financial performance and the performance of our management team against non-GAAP targets. These measures adjust for certain items that may not be indicative of the Company's core business, operating results, or future outlook.

For more information regarding our use of non-GAAP financial measures for our compensation programs, please refer to the information provided under the heading *"About Non-GAAP Financial Measures"* in Appendix A below.

COMPANY BUSINESS PERFORMANCE

For the Company business performance component of our bonus pool funding, the Compensation Committee assesses performance against the Company's strategic priorities and objectives established for the fiscal year and approved by our Board of Directors. Our fiscal year 2022 strategic and operating objectives map to four key focus areas that align with our three strategic pillars as well as objectives relating to our people, as highlighted below. The Compensation Committee reviews Company attainment against these goals and objectives periodically during the fiscal year. See "*Step 3: Determine Company Bonus Pool Funding*" below, for more information on these goals and objectives.

Amazing games and content	Powered by services	Delivered to a global audience	Support, develop, and inspire our people
Games Create the greatest and most innovative games and content that surprise and amaze our players, creators, and viewers.	**Services** Offer the services players want that extend gameplay and enhance how they interact with and connect to their games and friends, across games and platforms.	**Audience** Expand frictionless access to a connected world of play, by helping more players discover, buy, and enjoy amazing game experiences.	**People** Maintain the health and productivity of our global workforce as we navigate the Company through a series of unprecedented crises.

Step 3: Determine Company Bonus Pool Funding

In May 2022, the Compensation Committee approved an overall Company bonus pool funding percentage of 126.25% of aggregate employee target bonuses. This funding percentage was based on equally weighted funding percentages of 133.0% for our Company financial performance and 119.5% for our Company business performance, as described below.

COMPANY FINANCIAL PERFORMANCE

For purposes of measuring attainment against our fiscal year 2022 financial targets for bonus funding, our non-GAAP net revenue was $7.430 billion and our non-GAAP diluted earnings per share was $7.76. Our fiscal year 2022 attainment against plan funding targets reflected an increase over our fiscal year 2021 actuals. Based on our attainment against our non-GAAP net revenue and diluted earnings per share targets, the Compensation Committee approved a combined funding percentage of 133.0% for the Company financial performance component.

	THRESHOLD	TARGET	MAXIMUM	
Non-GAAP Net Revenue (in billions)	$6.593	$7.325	$8.424	Actual $7.430
Non-GAAP Diluted EPS	$5.78	$6.80	$8.50	Actual $7.76
Funding Percentage(1)	50%	100%	200%	Actual 133.0%

(1) The funding percentage for achievement between the percentages designated above is interpolated on a straight-line basis.

Appendix A to this Proxy Statement provides a reconciliation between our non-GAAP financial measures and our audited financial statements.

COMPANY BUSINESS PERFORMANCE

For fiscal year 2022, the Compensation Committee approved a funding percentage of 119.5% for the business performance component, based on its evaluation of our achievements against the strategic and operating objectives highlighted below.

STRATEGIC AND OPERATING OBJECTIVES	KEY MEASURES	KEY PERFORMANCE HIGHLIGHTS	ASSESSMENT
Games: Create the greatest and most innovative games and content that surprise and amaze our players, creators, and viewers	■ Release 100% of fiscal year 2022 SKU plan	■ Launched 9 major new games, achieving our fiscal year 2022 title offerings, while our global game development teams continued to work remotely ■ *FIFA 22* was the strongest FIFA ever, launch to fiscal year end; grew Apex Legends into one of the most successful live services in the industry, with monthly active players up more than 35% year-over-year; offset by Battlefield 2042 performance	■ Achieved Target
	■ Growth in Mobile net bookings year-over-year	■ Achieved growth in mobile net bookings, although results were slightly below our fiscal year 2022 growth target	■ Slightly Below Target
	■ Number of Mobile titles soft launched	■ Soft launched UFC Mobile, Apex Mobile, and FIFA Mobile	■ Achieved Target
	■ Integrate and onboard recently acquired companies	■ Integrated Codemasters, Metalhead Software, Glu Mobile, and Playdemic	■ Achieved Target

STRATEGIC AND OPERATING OBJECTIVES	KEY MEASURES	KEY PERFORMANCE HIGHLIGHTS	ASSESSMENT
Services: Offer the services players want that extend gameplay and enhance how they interact with and connect to their games and friends, across games and platforms	■ Total service availability to players ■ Year-over-year growth in live services and other net bookings	■ Achieved over 99.65% service availability for fiscal year 2022, while our global workforce remained predominately distributed ■ Delivered $5.370 billion in net bookings in live services and other net bookings	■ Achieved Target ■ Exceeded Target
Audience: Expand frictionless access to a connected world of play, by helping more players discover, buy, and enjoy amazing game experiences	■ Grow our player base, measured by the number of player accounts and EA Play quarterly active users ■ Increase engagement, retention, and viewership in competitive gaming	■ Achieved 6% year-over-year growth in unique HD player accounts year-to-date ■ Reached quarterly active users target in Q3 ■ Year-over-year growth targets in total content views slightly below target; average minute audience delivered on target	■ Exceeded Target ■ Slightly Below Target
People: Maintain the health and productivity of our global workforce as we navigate the Company through a series of unprecedented crises	■ Maintain employee engagement eSat scores ■ Strengthen workforce diversity representation year-over-year	■ Achieved employee engagement eSat scores greater than target ■ Achieved year-over-year growth for women across all categories ■ Achieved year-over-year growth for underrepresented minorities as percentage of total employees and within people management roles	■ Exceeded Target ■ Achieved Target

Step 4: Conduct Individual Performance Assessments and Determine IPMs

Individual performance is a key factor in determining the amount of each NEO's annual bonus. Each year, the Board of Directors for Mr. Wilson, and the Compensation Committee, in consultation with Mr. Wilson and our Chief People Officer, for all NEOs except Mr. Wilson, review and approve the individual performance objectives for the NEOs. Mr. Wilson's individual performance objectives for fiscal year 2022 are based on non-GAAP financial objectives and strategic and operating objectives. For all other NEOs, the individual objectives are based on strategic and operating objectives tailored to the functions led by each NEO and aligned to the achievement of our overall fiscal year 2022 plan approved by the Board of Directors, as well as qualitative factors including leadership and talent development.

At the end of each fiscal year, the Board of Directors for Mr. Wilson, and the Compensation Committee, in consultation with Mr. Wilson and our Chief People Officer, assess the individual performance of our NEOs and determine each NEO's individual performance modifier, or IPM, at a percentage between 0% and 200% (subject to the overall cap of 2x target bonus for the annual cash bonus award). Consistent with our pay-for-performance philosophy, a higher individual performance assessment would result in a higher IPM, and vice-versa, so that an executive with a lower assessment could receive less than his or her target bonus. If an executive meets a high level of performance expectations, he or she would receive an IPM of 100%. To receive an IPM of 200%, the NEO must demonstrate sustained, truly extraordinary performance, and the Board of Directors and Compensation Committee expect that assigning an IPM at this level would occur in rare circumstances only.

With the exception of our CEO, the performance assessment for each of our NEOs is based on a qualitative assessment of each executive's performance, considering his or her overall performance for the year; impact on our business and culture; demonstrated results; the executive's strong leadership; and execution of key objectives. No single factor is determinative. For Mr. Wilson, the Board of Directors considers achievement of the financial and strategic objectives that were established for him for the fiscal year.

Determination of Fiscal Year 2022 Performance Cash Bonus Awards for our NEOs

FISCAL YEAR 2022 PERFORMANCE CASH BONUS AWARD FOR OUR CEO

The key results that influenced the Board of Directors' decisions regarding Mr. Wilson's performance are listed below. The Board of Directors takes a holistic approach to evaluating the achievement of the CEO's financial and strategic and operating objectives and does not assign a specific weighting to any one factor within each of these two categories.

Mr. Wilson

Chief Executive Officer

Individual Performance Modifier

After reviewing his achievements for fiscal year 2022, the Board of Directors approved an IPM of 140% for Mr. Wilson.

Key Highlights for Fiscal Year 2022

The Board of Directors considered Mr. Wilson's performance against the financial and strategic and operating objectives for fiscal year 2022, as highlighted below.

Non-GAAP Financial Objectives:

(IN MILLIONS, EXCEPT EARNINGS PER SHARE)	TARGET	ACTUAL[1]
Net Revenue	$ 7,325	$ 7,515
Gross Profit	$ 5,530	$ 5,795
Operating Expenses	$ 3,278	$ 3,298
Diluted Earnings Per Share[2]	$ 6.15	$ 7.02
Operating Cash Flow	$ 1,750	$ 1,899

(1) Appendix A to this Proxy Statement provides a reconciliation between our non-GAAP financial measures and our audited financial statements.

(2) For purpose of measuring achievement of Mr. Wilson's diluted earnings per share objective, a share count of 286 million was used.

Strategic and Operating Objectives:

Under Mr. Wilson's leadership, the Company executed on key strategic and operating objectives that were established for fiscal year 2022 and that our CEO is responsible for delivering. As described above, these objectives were designed to position Electronic Arts as a leading digital interactive entertainment platform by, among other things, investing in the next generation of gaming, growing our portfolio, and enabling more players to connect with and engage with each other and our games. In addition to these overarching strategic and operating objectives, the Board of Directors considered the following key achievements when evaluating Mr. Wilson's performance for fiscal year 2022.

Growth in Live Services and Player Network

Under Mr. Wilson's leadership we delivered exceptional growth in live services and expanded our audience by:

- launching *FIFA 22*, which was the strongest FIFA ever, launch to fiscal year end;
- growing Apex Legends into one of the most successful ongoing live services in the industry, with more than 25 million new players joining in the last year and monthly active players up more than 35% year-over-year;
- continuing to grow EA SPORTS with *Madden NFL 22* being the #3 top-selling game in the U.S. for calendar year 2021, *F1 2021* continuing to perform well above expectations, and the successful launch of the latest version of our EA SPORTS *FIFA Mobile* game around the world;
- expanding our portfolio via the acquisitions of Codemasters, Glu Mobile, Metalhead Software, and Playdemic, building strength in sports, racing and mobile; and
- expanding our player network to more than 580 million unique active accounts.

Evolution of Our Leadership Team to Position EA for Continued Success

Under Mr. Wilson's leadership we made key changes to our leadership team to enable us to continue to innovate, evolve, and drive transformation for our players by appointing:

- Chris Suh, a 25-year veteran of Microsoft, where he served as Corporate Vice President and Chief Financial Officer of the Cloud + AI group, as our Chief Financial Officer, following Blake Jorgensen's decision to transition from EA;
- Laura Miele as our Chief Operating Officer to oversee our company-wide operations; and
- Chris Bruzzo as our Chief Experience Officer to oversee our efforts to build social ecosystems to forge stronger connections and create amazing player experiences in and around our games.

Commitments and Progress Across Our People, Players, and Communities

Under Mr. Wilson's leadership we:

- continued to foster an inclusive, diverse, safe, and respectful workplace culture by strengthening our processes that enable our people to raise concerns about the work environment, with a People Relations team dedicated to investigating reports of misconduct, including those related to discrimination, harassment and bullying, as well as recommending enforcement actions;
- accelerated our investments in organizations working to advance equality and social justice, and continued to build on our commitments to ESG, publishing our second annual Impact Report in November 2021; and
- continued to navigate the challenges of the pandemic by supporting the health, safety, and wellbeing of our global workforce, including by providing pandemic care leave and additional mental health and wellbeing services; and evolving our work models.

Fiscal Year 2022 Performance Cash Bonus Awards for Our Other NEOs

In determining the actual performance cash bonus awards for our other NEOs, Mr. Wilson and our Chief People Officer reviewed each NEO's achievements against the individual performance objectives for fiscal year 2022 and provided their recommendations to the Compensation Committee for review and approval. The key results that influenced the Compensation Committee's decisions regarding each NEO's individual performance are listed below.

Ms. Miele

Chief Operating Officer

Ms. Miele manages company-wide operations. Before assuming the role of Chief Operating Officer, she served as Chief Studios Officer, where she oversaw 25+ studios, bringing her expertise to empower transformative innovation at the creative heart of EA to deliver amazing experiences for players around the world.

Individual Performance Modifier

After reviewing her achievements for fiscal year 2022, the Compensation Committee approved an IPM of 130% for Ms. Miele.

Key Highlights for Fiscal Year 2022

During fiscal year 2022, Ms. Miele:

- assumed increased responsibility upon her promotion to Chief Operating Officer, with responsibility for managing company-wide operations;
- oversaw the delivery of new games, services, and content, generating revenue and platform growth, including:
  - launching 9 major new games during fiscal year 2022, while our teams continue to work primarily from home: *Knockout City, Mass Effect Legendary Edition, F1 2021, FIFA 22, Lost in Random, Madden NFL 22, Battlefield 2042, NHL 22,* and *GRID Legends*;
  - growing Apex Legends into one of the most successful ongoing live services in the industry, with more than 25 million new players joining in the last year and monthly active players up more than 35% year-over-year;
  - launching *FIFA 22*, which was the strongest FIFA ever, launch to fiscal year end;
  - integrating teams and products from our acquisitions of Codemasters, Glu Mobile, Metalhead Software, and Playdemic, with notable successes including *F1 2021* performing well above expectations;
  - the announcement of a new agreement with Disney & Lucasfilm Games to develop new experiences in the Star Wars universe, with Respawn leading development of the next game in our action-adventure Star Wars Jedi series, as well as two additional Star Wars titles;
  - developing a deep pipeline of announced and unannounced projects with our wholly-owned IP, including Need for Speed, The Sims, Skate, Dead Space, and more; and
- recruited new leaders into our EA Studios organization, and further developed our talent pipeline.

Mr. Moss

Chief Technology Officer

Mr. Moss leads the strategy and vision behind EA's Digital Platform, Frostbite Engine, and Information Technology organizations. He oversees mechanisms to ensure the most seamless experience for players, including Identity & Fraud, Security, Data, Games Services, Infrastructure, Mobile Platform and Frostbite Engine to drive the future of the gameplay experience.

Individual Performance Modifier

After reviewing his achievements for fiscal year 2022, the Compensation Committee approved an IPM of 110% for Mr. Moss.

Key Highlights for Fiscal Year 2022

During fiscal year 2022, Mr. Moss:

- enhanced infrastructure performance, security, stability, and availability to support on time delivery and ongoing operations of EA's games and services;
- advanced EA's security posture against increasingly sophisticated cybersecurity threats;
- enabled our evolving operational response to the pandemic and supported workforce productivity as our workforce transitions from a distributed workforce to new work models at our global locations;
- expanded EA's proprietary game engine technology, Frostbite, to support more EA Sports games (added support for NHL, UFC) as well as more platforms like Nintendo Switch and Android, and enhanced content creator workflows; and
- achieved critical technology integrations for four newly acquired organizations.

Mr. Bruzzo

Chief Experience Officer

Mr. Bruzzo oversees EA's marketing team, the Worldwide Customer Experience team, and the Positive Play Group as a collection of functions that create unified and rewarding experiences for our players. The Experience organization leads the Company's efforts to build a social ecosystem in and around our games to deepen engagement and build stronger connections between our players and fans.

Individual Performance Modifier

After reviewing his achievements for fiscal year 2022, the Compensation Committee approved an IPM of 130% for Mr. Bruzzo.

Key Highlights for Fiscal Year 2022

During fiscal year 2022, Mr. Bruzzo:

- assumed increased responsibility upon his promotion to Chief Experience Officer, with responsibility for overseeing Worldwide Customer Experience and our efforts to build a social ecosystem in and around our games;
- launched successful multichannel global marketing campaigns for EA's major titles, including *FIFA 22* and *Apex Legends*, to help increase sales across EA's broad portfolio and diverse business models, including live services;
- developed marketing campaigns to broaden the reach of EA's subscription services;
- scaled our social impact efforts around volunteerism and philanthropy, including relief efforts for Ukraine and our global celebration honoring Juneteenth; and
- continued to strengthen EA's Positive Play mandate, which is focused on building better, healthier communities inside and outside of our games.

Mr. Jorgensen

Executive Vice President, Strategic Projects, and former Chief Financial and Operating Officer

As EA's Chief Operating Officer through October 2021 and Chief Financial Officer through February 2022, Mr. Jorgensen was responsible for EA's financial management, operational effectiveness, and development of business strategies and opportunities for EA's long-term growth. Mr. Jorgensen currently serves as EVP, Strategic Projects and is assisting with the CFO transition and special projects.

Individual Performance Modifier

After reviewing his achievements for fiscal year 2022, the Compensation Committee approved an IPM of 110% for Mr. Jorgensen.

Key Highlights for Fiscal Year 2022

Under Mr. Jorgensen's leadership during fiscal year 2022, the Company:

- generated net revenue of $6.991 billion, a 24% increase over fiscal year 2021;
- achieved cash flow provided by operations of $1.899 billion, while continuing to efficiently manage our operating expenses;
- saw growth across EA's broad portfolio and diverse business models, including live services, for which we achieved net bookings of $7.515 billion for the fiscal year;
- returned nearly $1.5 billion to stockholders through share repurchases and quarterly dividends;
- completed the acquisitions of Glu Mobile, Metalhead Software, and Playdemic, further accelerating the growth of our mobile and sports business, while also adding valuable IP to our portfolio and strengthening our global talent pool; and
- assisted with the CFO transition and special projects.

Fiscal Year 2022 Performance Cash Bonus Awards

The Board of Directors for Mr. Wilson, and the Compensation Committee, in consultation with Mr. Wilson and our Chief People Officer, for all other NEOs, approved actual performance cash bonus payouts for the NEOs for fiscal year 2022, as set forth below. Mr. Suh became our Chief Financial Officer on March 1, 2022, and therefore was not eligible for a fiscal year 2022 performance cash bonus award.

	TARGET ANNUAL BONUS AWARD	COMPANY BONUS POOL FUNDING PERCENTAGE (126.25%)	INDIVIDUAL PERFORMANCE MODIFIER	ACTUAL FISCAL YEAR 2022 PERFORMANCE CASH BONUS
Mr. Wilson	$2,586,667	$3,265,667	140%	$4,571,933
Ms. Miele	$ 873,583	$1,102,899	130%	$1,433,769
Mr. Moss	$ 745,000	$ 940,563	110%	$1,034,619
Mr. Bruzzo	$ 745,000	$ 940,563	130%	$ 1,222,731
Mr. Jorgensen	$1,151,042	$1,453,190	110%	$1,598,509

Long-Term Equity Incentives

Key features

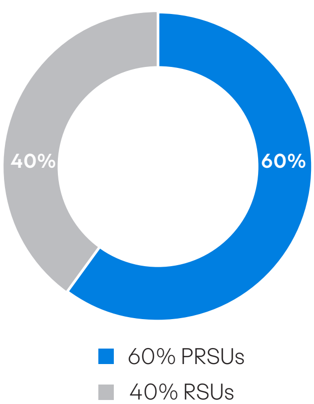
- Approximately 84%[1] of our NEOs' aggregate annual target total direct compensation is delivered in the form of long-term equity incentives
- Long-term equity incentives reward absolute long-term stock price appreciation, promote long-term retention, provide incentives based on the attainment of performance objectives that are key indicators of our growth and long-term success, and align our NEOs' interests with those of our stockholders
- Long-term equity incentives consist of performance-based restricted stock units (PRSUs) and time-based restricted stock units (RSUs). The award mix consists of 60% PRSUs and 40% RSUs for our CEO, and 50% PRSUs and 50% RSUs for all other NEOs
- Redesigned our PRSU program for fiscal year 2022—PRSUs pay out after the end of a three-year performance period, based on our three-year relative TSR performance, and our net bookings and operating income performance measured annually over the three-year performance period
- Target vesting of relative TSR PRSUs is tied to above-median performance (55th percentile)
- RSUs vest over thirty-five months and PRSUs cliff vest at the end of the three-year performance period

(1) Excluding Mr. Suh, who joined EA on March 1, 2022.

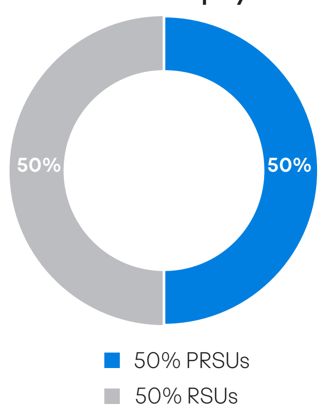
Fiscal Year 2022 Annual Equity Awards

Annual equity awards for fiscal year 2022 were granted in June 2021 to our NEOs at the time and consisted of a mix of performance-based and time-based RSUs. Mr. Suh joined EA in March 2022 and did not receive a fiscal year 2022 annual equity award. The terms of Mr. Suh's fiscal year 2022 new hire equity award are described under the heading "*—Fiscal Year 2022 Compensation for Our New CFO*" above. The award mix serves to align the interests of our NEOs and our stockholders and to promote long-term retention of a strong leadership team in an industry and geographic area that is highly competitive for executive talent.

CEO Mix



All Other NEOs' Equity Mix[1]



(1) Excluding Mr. Suh, who joined EA on March 1, 2022.

Looking ahead to fiscal year 2023:

Beginning in fiscal year 2023, the annual equity award for our CFO and COO will consist of 60% PRSUs and 40% RSUs, consistent with the current annual equity award mix for our CEO.

Target Value of Fiscal Year 2022 Annual Equity Awards

In May 2021, the Compensation Committee, and the Board of Directors for Mr. Wilson, approved fiscal year 2022 annual equity awards for our NEOs at the time based on their evaluation of Company performance; each NEO's role and responsibilities; individual performance; retention considerations; competitive market practices, including comparative market data; and internal compensation alignment among our executive officers. In determining award size, the Compensation Committee and the Board of Directors also considered competitive recruiting pressures and the NEOs' leadership in response to the ongoing challenges of the COVID-19 pandemic.

The following table shows the target value of the annual equity awards granted to our NEOs on June 16, 2021, as approved by the Compensation Committee on May 19, 2021, and the Board of Directors on May 20, 2021, for Mr. Wilson. The values set forth below were converted into a number of PRSUs or RSUs, as applicable, based on the June 16, 2021 closing price of our common stock of $142.60, rounded down to the nearest whole unit. Mr. Suh joined EA in March 2022 and did not receive a fiscal year 2022 annual equity award. The terms of Mr. Suh's fiscal year 2022 new hire equity award are described under the heading "*—Fiscal Year 2022 Compensation for Our New CFO*" above.

	TARGET PRSUs ($)	RSUs ($)
Mr. Wilson	10,800,000	7,200,000
Ms. Miele	5,000,000	5,000,000
Mr. Moss	4,200,000	4,200,000
Mr. Bruzzo	4,200,000	4,200,000
Mr. Jorgensen	4,800,000	4,800,000

Performance-Based Restricted Stock Units

In May 2021, the Compensation Committee approved substantive changes to our fiscal year 2022 PRSU program. These changes were made after considering feedback from stockholders. As described in our fiscal year 2021 proxy statement, two common themes we heard from stockholders were that (1) our PRSU program should incorporate financial and operating metrics in addition to relative TSR, and (2) the annual vesting feature of our PRSU program was contrary to the long-term nature of the program.

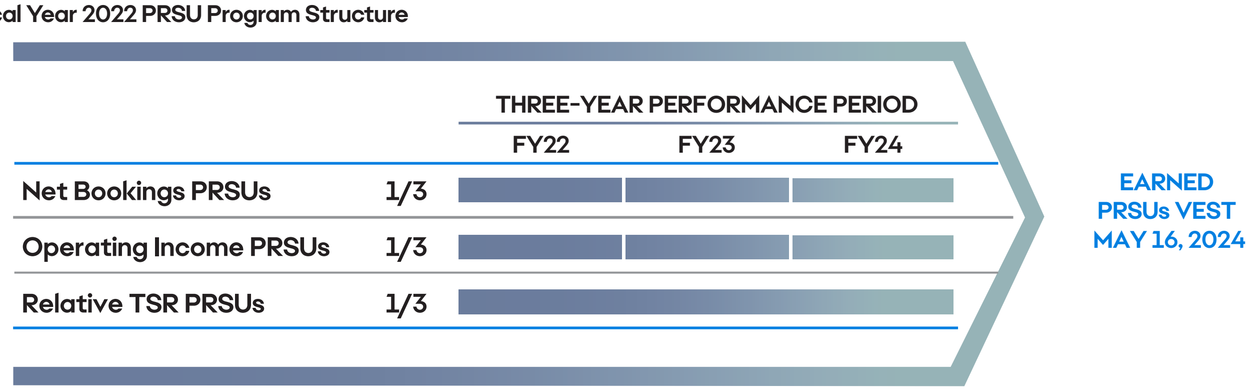
The key changes and features of our fiscal year 2022 PRSU program are highlighted below.

- ***Added two operating metrics—net bookings and operating income***: We transitioned from a program that pays out annually based solely on our Relative TSR performance measured over one-, two-, and three-year measurement periods, to a program that pays out after the end of a three-year performance period, based on our three-year Relative TSR performance, and our net bookings and operating income performance measured annually over the three-year performance period.
- ***Three-year cliff vesting***: PRSU awards cliff vest after the end of the three-year performance period to encourage our executives to focus on long-term stock price performance and to promote long-term retention.

We selected net bookings and operating income as the operating metrics for the reasons below.

- Net bookings and operating income are ***key indicators of our top-line and bottom-line performance*** and balance growth and investment spending to deliver long-term results and generate stockholder return. These metrics provide our NEOs and management team with increased control over performance as compared to relative TSR and align our long-term incentive program with our broader business strategy, while maintaining strong alignment to results for our stockholders.
- ***Attainment of annual metrics is based on organic growth***: Contributions from mergers and acquisitions do not count towards achievement of net bookings and operating income metrics unless they already were included in the targets set forth for the relevant measurement period.

Fiscal Year 2022 PRSU Program Structure



TRANCHES AND VEST DATE

Each tranche of the PRSU award is eligible to vest based on the achievement of:

- Relative TSR performance over a three-year performance period covering fiscal years 2022 through 2024;
- Annual net bookings performance for each fiscal year during the three-year performance period; and
- Annual operating income performance for each fiscal year during the three-year performance period.

Any earned PRSUs are eligible to cliff vest after the end of the three-year performance period on May 16, 2024 (the "Vest Date"), subject to the NEO's continued employment on this date.

NET BOOKINGS PRSUs AND OPERATING INCOME PRSUs:

- **Payout Scale:** The number of Net Bookings PRSUs and Operating Income PRSUs that are earned and eligible to vest will range from 0% to 200% of the target number of PRSUs for the applicable sub-tranche, in accordance with the payout scale below.

	BELOW THRESHOLD	THRESHOLD	TARGET	MAXIMUM
Net Bookings (as a % of Financial Plan[1])	< 90%	≥ 90%	≥ 100%	≥ 110%
Operating Income (as a % of Financial Plan[1])	< 88%	≥ 88%	≥ 100%	≥ 112%
Payout Percentage[2] (as a % of Target)	0%	50%	100%	200%

(1) Financial Plan is the Company's Board-approved financial plan for each relevant fiscal year.

(2) The payout percentage is expressed as a % of target for each sub-tranche; the payout percentage for achievement between the percentages designated above will be interpolated on a straight-line basis.

- **Fiscal Year 2022 Performance:** Based on achievement of the fiscal year 2022 net bookings and operating income performance goals relative to target, the payout percentage for these PRSUs will be 114% and 180%, respectively. These PRSUs will vest on May 16, 2024, subject to the NEO's continued employment on this date, and will be reflected in the applicable compensation tables included in our fiscal year 2025 proxy statement.

	THRESHOLD	TARGET	MAXIMUM	ACTUAL RESULTS
Net Bookings (in billions)	$6.593	$ 7.325	$ 8.058	$7.430
Non-GAAP Operating Income (in billions)	$1.982	$ 2.252	$ 2.522	$2.467
Payout Percentage (as % of target)	50%	100%	200%	147%

Appendix A to this Proxy Statement provides a reconciliation between our non-GAAP financial measures and our audited financial statements.

RELATIVE TSR PRSUs:

- **Payout Scale:** The number of Relative TSR PRSUs that are earned and eligible to vest on May 16, 2024 will range from 0% to 200% of target. Target vesting of Relative TSR PRSUs is tied to ***above-median performance*** compared to the Nasdaq-100 Index. No Relative TSR PRSUs will be earned if our Relative TSR percentile is below the 25th percentile and payouts are capped at 200% of target, subject to the negative TSR cap described below.

	PERFORMANCE	PAYOUT[1] (AS % OF TARGET PRSUs)
Below Threshold	0-24th percentile	0%
Threshold	25th percentile	30%
Target	55th percentile	100%
Maximum	90th percentile	200%

(1) The payout percentage for performance between the 25th and 90th percentiles will be interpolated on a straight-line basis.

- **Negative TSR Cap:** If our TSR is negative on an absolute basis at the end of the three-year performance period, the number of Relative TSR PRSUs that can be earned is capped at 100% of target, regardless of whether the Company's Relative TSR percentile is ranked above the 55th percentile at the end of the three-year performance period.

Restricted Stock Units

RSUs reward absolute long-term stock price appreciation, promote retention, facilitate stock ownership, and align our NEOs' interests with those of our stockholders.

- RSU awards granted to our NEOs as part of their fiscal year 2022 annual equity awards cliff vest as to 50% of the award eleven months following the grant date, with 12.5% of the award vesting every six months thereafter until the award is fully vested.
- 40% of the total target value of our CEO's annual equity award was made in the form of RSUs, and 50% of the total target value of each of our other NEOs' annual equity awards was made in the form of RSUs.

Vesting of Performance Awards with Performance Periods Ending in Fiscal Year 2022

The following disclosure is with respect to PRSUs granted in fiscal years 2020 and 2021 that were earned at the end of fiscal year 2022 based on our Relative TSR performance. Although the relevant performance goals were satisfied, the awards discussed below did not vest until May 2022 and, as a result, the vesting will be reflected in the applicable compensation tables included in our fiscal year 2023 proxy statement. See our fiscal year 2021 proxy statement for a description of the awards included in this year's compensation tables.

As described in our fiscal year 2021 and fiscal year 2020 proxy statements, our fiscal year 2021 and fiscal year 2020 PRSUs vest based solely on our relative TSR performance. Each of the fiscal year 2020 and 2021 PRSU awards is comprised of three tranches. The first, second, and third tranches of each award are eligible to vest after the conclusion of 12-month, 24-month and 36-month measurement periods, respectively, that correspond to our fiscal year or years (each, a "Vesting Measurement Period"), based on our Relative TSR percentile over the applicable Vesting Measurement Period. Target vesting is tied to above-median performance compared to the Nasdaq-100 Index. If our Relative TSR percentile is at the 60th percentile at the end of a Vesting Measurement Period, 100% of the target PRSUs for the applicable tranche will be earned. The percentage of PRSUs earned will be adjusted upward by 3% or downward by 2% for each percentile above or below the 60th percentile, respectively, with the percentage of PRSUs earned ranging from 0% to 200% of target, with no PRSUs earned if our Relative TSR percentile is below the 11th percentile. Earned PRSUs generally will vest and be converted into shares one month prior to the first, second, and third anniversaries of the date of grant (which we call "Vesting Opportunities").

The graphic below illustrates the percentage of target PRSUs for the (1) second tranche of the fiscal year 2021 PRSU awards, and (2) third tranche of the fiscal year 2020 PRSU awards, in each case, that were earned for the 24-month and 36-month measurement periods ending April 2, 2022, respectively, and that vested in May 2022.

	MEASUREMENT PERIOD	BEGINNING AVERAGE STOCK PRICE (90 DAY AVERAGE)	ENDING AVERAGE STOCK PRICE (90 DAY AVERAGE)	EA TSR	RELATIVE TSR PERCENTILE	VEST DATE	PERCENTAGE OF TARGET PRSUs VESTED MAY 2022
FY 2021 Award (FY 2021 - FY 2023) Granted June 2020	Tranche Two: 24-month measurement period ending April 2, 2022	$117.12	$130.93	11.8%	19th	May 2022 (Second Vesting Opportunity)	18%
FY 2020 Award (FY 2020 - FY 2022) Granted June 2019	Tranche Three: 36-month measurement period ending April 2, 2022	$95.27	$130.93	37.4%	43rd	May 2022 (Third Vesting Opportunity)	66%

As an incentive to keep our executives focused on long-term TSR performance and to balance the overall payout opportunity, our PRSU program for fiscal years 2020 and 2021 provided an opportunity for our executives to earn PRSUs at the second and third Vesting Opportunities that were not earned at the first and second Vesting Opportunities, respectively, in an amount capped at 100% of the target number of PRSUs unearned from the previous Vesting Opportunities ("Remaining Award Units"). Shares subject to any Remaining Award Units are earned only if our Relative TSR percentile improves over the subsequent cumulative 24-month and/or 36-month Vesting Measurement Periods for the award. Under this scenario, all unearned PRSUs in excess of the target number of PRSUs eligible to be earned are forfeited. ***We eliminated this lookback feature from our equity program beginning with our fiscal year 2022 PRSU awards.***

Appendix A to this Proxy Statement provides a reconciliation between our non-GAAP financial measures and our audited financial statements. For more information regarding our use of non-GAAP financial measures for our compensation programs, please refer to the information provided under the heading "*About Non-GAAP Financial Measures*" in Appendix A below.

Benefits and Retirement Plans

We provide a wide array of employee benefit programs to our regular employees, including our NEOs, based upon their country of employment. In the United States, our employee benefit programs for eligible employees include medical, dental, prescription drug, vision care, disability insurance, life insurance, accidental death, and dismemberment ("AD&D") insurance, flexible spending accounts, business travel accident insurance, an educational reimbursement program, an adoption assistance program, an employee assistance program, an employee stock purchase plan, paid time off, and relocation assistance.

We offer retirement plans to our employees based upon their country of employment. In the United States, our employees, including our NEOs, are eligible to participate in a tax-qualified 401(k) plan, with a Company discretionary matching contribution of up to 6% of eligible compensation. The amount of the total matching contribution is determined based on the Company's fiscal year performance. We also maintain a nonqualified deferred compensation plan in which executive-level employees, including our NEOs and our directors, are eligible to participate. None of our NEOs participated in the deferred compensation plan during fiscal year 2022.

Perquisites and Other Personal Benefits

While our NEOs generally receive the same benefits that are available to our other regular employees, they also receive certain additional benefits, including access to a Company-paid physical examination program, and greater maximum benefit levels for life insurance, AD&D, and long-term disability coverage. We consider these benefits to be standard components of a competitive executive compensation package. Our officers with a ranking of vice president and above and certain worldwide studio organization employees are also eligible to participate in the EA Executive and Studio Leadership Digital Game Benefit program. We also offer our NEOs the opportunity to receive cybersecurity services to protect their privacy, home networks, and devices, where they may conduct EA business. Company reimbursed or provided air and ground transportation generally is limited to business travel.

Other Compensation Practices and Policies

Change in Control Arrangements and Severance

Our executives with a ranking of senior vice president and above are eligible to participate in the Electronic Arts Inc. Amended and Restated Change in Control Severance Plan (the "CIC Plan"). The CIC Plan was last amended in November 2021 and provides "double-trigger" severance benefits if participants incur a qualifying termination of employment in connection with a change in control. As part of the plan review, the Compensation Committee's independent consultant undertook a market check of the severance benefits and noted that they were in line with the practices of our peer group. For more information on the CIC Plan, please refer to the information included under "*Executive Compensation Tables—Potential Payments Upon Termination or Change in Control*" below.

We also maintain a severance plan (the "Severance Plan") that applies generally to our regular full-time U.S.-based employees. Under the Severance Plan, eligible employees (including our executive officers) whose employment is involuntarily terminated in connection with a reduction in force may receive a cash severance payment and premiums for continued health benefits, if such benefits are continued pursuant to COBRA. Any severance arrangements with our NEOs, whether paid pursuant to the Severance Plan or otherwise, require the prior approval of the Compensation Committee. In the event of a change in control of the Company, any cash severance payable under the Severance Plan may be reduced, in whole or in part, by any amount paid under the CIC Plan.

Stock Ownership Holding Requirements for Section 16 Officers

Section 16 officers must maintain stock ownership equal to the minimum ownership requirements in our stock ownership guidelines. Please see the section of this Proxy Statement under "*Stock Ownership Information—Stock Ownership Requirements—Section 16 Officers*" below for additional information on these requirements.

Compensation Recovery (Clawbacks)

Our Board of Directors adopted an expanded Clawback Policy in February 2021. The expanded Clawback Policy applies to current and former Section 16 officers of the Company. Under the expanded Clawback Policy, if the Company is required to restate its financial results and the Board of Directors (or a committee thereof) determines that a covered officer engaged in an act of misconduct that resulted in the restatement, the Board of Directors (or a committee thereof) has the authority to recoup any excess incentive compensation (including cash and equity incentives) paid to a covered officer during the three years before the restatement.

In addition, our equity award agreements provide that if an employee engages in fraud or other misconduct that contributes to an obligation to restate the Company's financial statements, the Compensation Committee may terminate the equity award and recapture any equity award proceeds received by the employee within the 12-month period following the public issuance or filing of the financial statements required to be restated.

Risk Considerations

The Compensation Committee considers, in establishing and reviewing our compensation programs, whether the programs encourage unnecessary or excessive risk taking and has concluded that they do not. See the section of this Proxy Statement entitled "*Board's Role and Responsibilities–Oversight of Risk Issues—Compensation Risk Assessment*" above for an additional discussion of risk considerations.

Impact of Tax Treatment

The Tax Cuts and Jobs Act of 2017 (the "Tax Act") amended Section 162(m) of the Internal Revenue Code by removing the exception for qualified performance-based compensation and expanding it to cover the chief financial officer, thereby reducing the potential for deductible executive compensation for 2017 and later years. Further, once any of our employees is considered a "covered employee" under Section 162(m) of the Internal Revenue Code, that person will remain a "covered employee" so long as the individual receives compensation from us.

We have not changed our pay-for-performance approach to awarding executive pay even though the Tax Act effectively eliminated the tax benefits of awarding qualifying performance-based compensation. The Compensation Committee believes it is important to retain discretion and maximum flexibility in designing appropriate executive compensation programs and establishing competitive forms and levels of executive compensation that are in the best interests of the Company and our stockholders.

Section 409A of the Internal Revenue Code imposes additional significant taxes and penalties on the individual if an executive officer, director, or other service provider is entitled to "deferred compensation" that does not comply with the requirements of Section 409A of the Internal Revenue Code. We have structured deferred compensation in a manner intended to comply with or be exempt from Section 409A of the Code, and the regulations and other guidance promulgated thereunder. We do not provide any executive officer, including any NEO, with any excise tax "gross-up" or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G or 4999 of the Internal Revenue Code.

Compensation Committee Report on Executive Compensation

The following Compensation Committee Report on Executive Compensation shall not be deemed to be "soliciting material" or to be "filed" with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act") except to the extent that EA specifically incorporates it by reference into a filing.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion & Analysis. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion & Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE MEMBERS

Talbott Roche (Chair)
Leonard S. Coleman
Heidi Ueberroth

Executive Compensation Tables

Fiscal Year 2022 Summary Compensation Table

The following table shows information concerning the compensation earned by or awarded to our Chief Executive Officer, our current Chief Financial Officer, our former Chief Financial Officer, and our next three most highly compensated executive officers, in each case, for fiscal year 2022, and, where applicable, fiscal years 2021 and 2020. We refer to these individuals collectively as the “Named Executive Officers” or “NEOs.”

NAME AND PRINCIPAL POSITION FOR FISCAL YEAR 2022	FISCAL YEAR	SALARY ($)	BONUS ($)	STOCK AWARDS ($)(1)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)(2)	ALL OTHER COMPENSATION ($)(3)	TOTAL ($)
Andrew Wilson							
Chief Executive Officer	2022	1,292,923	–	13,973,702	4,571,933	19,981	19,858,539
	2021	1,249,615	–	32,870,225	5,000,000	45,980	39,165,820
	2020	1,200,000	–	16,022,956	4,000,000	142,795	21,365,751
Chris Suh							
Chief Financial Officer	2022	51,154	4,000,000	4,153,236	–	2,587	8,206,977
Laura Miele							
Chief Operating Officer	2022	793,808	–	8,135,896	1,433,769	20,264	10,383,737
	2021	752,928	–	8,637,819	1,773,162	19,248	11,183,157
	2020	691,745	–	14,137,880	1,175,000	79,900	16,084,525
Kenneth Moss							
Chief Technology Officer	2022	744,692	–	6,834,253	1,034,619	20,315	8,633,879
	2021	715,716	–	7,558,024	1,420,296	18,905	9,712,941
	2020	691,745	–	12,367,266	1,125,000	79,710	14,263,721
Chris Bruzzo							
Chief Experience Officer	2022	744,692	–	6,834,253	1,222,731	20,044	8,821,720
	2021	715,716	–	7,558,024	1,420,296	18,457	9,712,493
	2020	691,745	–	5,340,920	1,125,000	71,597	7,229,262
Blake Jorgensen							
Executive Vice President, Strategic Projects; Former Chief Financial and Operating Officer	2022	920,577	–	7,810,429	1,598,509	20,086	10,349,601
	2021	891,346	–	8,637,819	2,211,333	18,226	11,758,724
	2020	850,000	–	16,864,334	1,700,000	96,247	19,510,581

(1) Represents the aggregate grant date fair value of RSUs and PRSUs calculated according to the assumptions set forth in the Fiscal Year 2022 Grants of Plan-Based Awards Table. Grant date fair value is determined for financial statement reporting purposes in accordance with FASB ASC Topic 718 and the amounts shown may not reflect the actual value realized by the recipient. PRSU values are included in this column to the extent that the PRSUs have a grant date under FASB ASC Topic 718 in the fiscal year. For purposes of the PRSUs, the grant date occurs when the applicable performance targets are set, and therefore this column includes the grant date fair value of 5/9ths of the target value of the fiscal year 2022 PRSUs, of which 1/3rd of the target award is based on a 3-year relative TSR metric target and 2/9ths of the target award is based on annual operating metric targets for fiscal year 2022.

For RSUs, grant date fair value is calculated using the closing price of our common stock on the grant date. For the portion of fiscal year 2022 PRSUs that vest based on the achievement of operating metrics, the grant date fair value reported is based upon the closing price of our common stock and the assessed probability of achievement of the operating metrics, on the grant date. For the 3-year relative TSR portion of fiscal year 2022 PRSUs, the grant date fair value reported is based upon the probable outcome of such conditions using a Monte-Carlo simulation model. For additional information regarding the valuation methodology for RSUs and PRSUs, see Note 15, “Stock-Based Compensation and Employee Benefit Plans,” to the Consolidated Financial Statements in our Annual Report. The PRSUs granted to our NEOs in fiscal year 2022 that vest based on our 3-year relative TSR performance are referred to as “Market-Based Restricted Stock Units” in Note 15, “Stock-Based Compensation and Employee Benefit Plans,” to the Consolidated Financial Statements in our Annual Report.

The actual vesting of the PRSUs will be between 0% and 200% of the target number of PRSUs granted. The grant date fair value of the PRSUs granted in fiscal year 2022, assuming the highest level of performance conditions will be achieved, is $13,547,655 for Mr. Wilson, $2,306,630 for Mr. Suh, $6,271,824 for Ms. Miele, $5,268,510 for Mr. Moss, $5,268,510 for Mr. Bruzzo, and $6,021,026 for Mr. Jorgensen. For additional information regarding the specific terms of the PRSUs granted to our NEOs in fiscal year 2022, see the *“Fiscal Year 2022 Grants of Plan-Based Awards Table”* below.

(2) Represents amounts awarded to each NEO under the Executive Bonus Plan. For additional information about the annual performance cash bonuses paid to our NEOs in fiscal year 2022, see *“Our NEOs’ Fiscal Year 2022 Compensation—Annual Performance Cash Bonus Awards”* in the *“Compensation Discussion and Analysis”* above.

(3) Amounts shown for fiscal year 2022 include (a) $1,270 in premiums paid on behalf of each NEO other than Mr. Suh, and $106 on behalf of Mr. Suh, under Company sponsored group life insurance, AD&D and long-term disability programs and (b) Company matching contributions under the Company’s 401(k) plan of $17,446, $808, $17,602, $17,538, $17,538, and $17,573 for Mr. Wilson, Mr. Suh, Ms. Miele, Mr. Moss, Mr. Bruzzo, and Mr. Jorgensen, respectively.

Fiscal Year 2022 Grants of Plan-Based Awards Table

The following table shows information regarding non-equity incentive and equity incentive plan-based awards granted to our NEOs during fiscal year 2022.

NAME	GRANT DATE	APPROVAL DATE(1)	ESTIMATED POSSIBLE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS(2) TARGET ($)	MAXIMUM ($)	ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS(3) THRESHOLD (#)	TARGET (#)	MAXIMUM (#)	ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS(4) (#)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS ($)(5)
Andrew Wilson									
Annual Bonus Opportunity	–	–	2,586,667	5,173,333	–	–	–	–	–
PRSUs-rTSR	6/16/2021	5/20/2021	–	–	7,573	25,246	50,492	–	4,373,870
PRSUs-OM	6/16/2021	5/20/2021	–	–	4,208	16,830	33,660	–	2,399,958
RSUs	6/16/2021	5/20/2021	–	–	–	–	–	50,490	7,199,874
Chris Suh									
PRSUs-rTSR	3/16/2022	2/9/2022	–	–	2,423	8,077	16,154	–	1,153,315
RSUs	3/16/2022	1/14/2022	–	–	–	–	–	24,232	2,999,922
Laura Miele									
Annual Bonus Opportunity	–	–	873,583	1,747,167	–	–	–	–	–
PRSUs-rTSR	6/16/2021	5/19/2021	–	–	3,506	11,687	23,374	–	2,024,773
PRSUs-OM	6/16/2021	5/19/2021	–	–	1,948	7,792	15,584	–	1,111,139
RSUs	6/16/2021	5/19/2021	–	–	–	–	–	35,063	4,999,984
Kenneth Moss									
Annual Bonus Opportunity	–	–	745,000	1,490,000	–	–	–	–	–
PRSUs-rTSR	6/16/2021	5/19/2021	–	–	2,945	9,817	19,634	–	1,700,795
PRSUs-OM	6/16/2021	5/19/2021	–	–	1,637	6,546	13,092	–	933,460
RSUs	6/16/2021	5/19/2021	–	–	–	–	–	29,453	4,199,998
Chris Bruzzo									
Annual Bonus Opportunity	–	–	745,000	1,490,000	–	–	–	–	–
PRSUs-rTSR	6/16/2021	5/19/2021	–	–	2,945	9,817	19,634	–	1,700,795
PRSUs-OM	6/16/2021	5/19/2021	–	–	1,637	6,546	13,092	–	933,460
RSUs	6/16/2021	5/19/2021	–	–	–	–	–	29,453	4,199,998
Blake Jorgensen									
Annual Bonus Opportunity	–	–	1,151,042	2,302,083	–	–	–	–	–
PRSUs-rTSR	6/16/2021	5/19/2021	–	–	3,366	11,220	22,440	–	1,943,865
PRSUs-OM	6/16/2021	5/19/2021	–	–	1,870	7,480	14,960	–	1,066,648
RSUs	6/16/2021	5/19/2021	–	–	–	–	–	33,660	4,799,916

(1) Each grant was approved on the approval date indicated above by our Compensation Committee, or the Board of Directors for our CEO, for the grant on the specific grant date indicated above.

(2) The amounts shown represent the target and maximum amount of annual performance cash bonus awards provided for under the Executive Bonus Plan for the NEOs. Mr. Suh joined EA on March 1, 2022 and was not eligible to participate in the plan for fiscal year 2022. The target amounts are pre-established as a percentage of salary and the maximum amounts represent 2x the target amounts, the maximum amount that could be paid to the NEO under the Executive Bonus Plan. For more information regarding our NEOs' bonus targets for fiscal year 2022, an explanation of the amount of salary and bonus targets in proportion to total compensation and the actual performance cash bonus earned by each NEO for fiscal year 2022, see the section titled *"Our NEOs' Fiscal Year 2022 Compensation"* in the *"Compensation Discussion and Analysis"* above.

(3) Represents the threshold, target, and maximum units for PRSUs with a grant date under FASB ASC Topic 718 in fiscal year 2022. Because the grant date under FASB ASC Topic 718 occurs when the performance targets are approved, the reported number of PRSUs is calculated as the target number for the portion of the PRSUs for which performance targets were set in fiscal year 2022 (5/9ths of the fiscal year 2022 PRSUs for all NEOs except Mr. Suh, and 1/3rd for Mr. Suh). For the PRSUs that vest based on annual net bookings and operating income performance, the threshold is calculated assuming threshold performance was achieved for one of the metrics only. For all PRSUs, the maximum is calculated assuming maximum performance was met for all metrics. For purposes of this table, PRSUs-rTSR represent PRSUs that vest based on EA's Relative TSR Percentile measured over a three-year performance period and PRSUs-OM represent PRSUs that vest based on the attainment of annual operating metric targets over a three-year performance period. If any of these PRSUs become eligible to vest, they will cliff vest after the end of the applicable three-year performance period (May 16, 2024 for all NEOs except Mr. Suh, and May 20, 2025 for Mr. Suh), subject to the NEO's continuous employment with us on the applicable vest date.

For additional information regarding the specific terms of the PRSUs granted in fiscal year 2022, see the sections titled *"Our NEOs' Fiscal Year 2022 Compensation–Long-Term Equity Incentives–Fiscal Year 2022 Annual Equity Awards–Performance-Based Restricted Stock Units"* and *"Fiscal Year 2022 Compensation for Our New CFO–New Hire Equity Award"* in the *"Compensation Discussion and Analysis"* above.

(4) Represents awards of RSUs. The RSUs granted to our NEOs other than Mr. Suh vested as to fifty percent (50%) of the units on May 16, 2022; the remainder of the units will vest in approximately equal increments every six months thereafter until the award is fully vested on May 16, 2024, subject to the NEO's continued employment with us through each applicable vesting date. The New Hire RSUs granted to Mr. Suh on March 16, 2022 vest over three years, with one-third vesting on the first anniversary of the grant date, and one-sixth vesting every six months thereafter until the awards is fully vested. For additional information regarding the specific terms of the RSUs granted to our NEOs in fiscal year 2022, see the section titled *"Our NEOs' Fiscal Year 2022 Compensation–Long-Term Equity Incentives–Fiscal Year 2022 Annual Equity Awards–Restricted Stock Units"* and *"Fiscal Year 2022 Compensation for Our New CFO–New Hire Equity Award"* in the *"Compensation Discussion and Analysis"* above.

(5) Amounts determined pursuant to FASB ASC Topic 718. For grants of RSUs, represents the aggregate grant date fair value of RSUs calculated using the closing price of our common stock on the grant date. For grants of PRSUs that vest based on the achievement of operating metrics, the grant date fair value reported is based upon the closing price of our common stock and the assessed probability of achievement of the operating metrics, on the grant date. For grants of PRSUs that are subject to market conditions related to total stockholder return, the grant date fair value reported is based upon the probable outcome of such conditions using a Monte-Carlo simulation method. For a more detailed discussion of the valuation methodology and assumptions used to calculate grant date fair value, see Note 15 "Stock-Based Compensation and Employee Benefit Plans," to the Consolidated Financial Statements in our Annual Report. The Relative TSR PRSUs granted to our NEOs in fiscal year 2022 are referred to as "Market-Based Restricted Stock Units" in Note 15 to the Consolidated Financial Statements in our Annual Report.

Outstanding Equity Awards at Fiscal Year 2022 Year-End Table

The following tables show information regarding outstanding stock options, RSUs, and PRSUs held by our NEOs as of the end of fiscal year 2022.

All outstanding equity awards were granted pursuant to our 2000 Equity Incentive Plan, as amended (the "2000 EIP") or, for grants after August 8, 2019, our 2019 Equity Incentive Plan (the "2019 EIP"). The market value of the unvested RSUs and PRSUs is determined by multiplying the number of unvested units by $125.23, the per share closing price of the Company's common stock on April 1, 2022, the last trading day of fiscal year 2022.

		OPTION AWARDS[1]			
		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)			
NAME (A)	OPTION GRANT DATE	EXERCISABLE (B)	UNEXERCISABLE (C)	OPTION EXERCISE PRICE ($)(E)	OPTION EXPIRATION DATE (F)
Laura Miele	6/16/2014	10,275	–	35.70	6/16/2024
Kenneth Moss	7/16/2014	122,850	–	37.12	7/16/2024
Chris Bruzzo	9/16/2014	9,902	–	37.02	9/16/2024

(1) All outstanding options were vested and exercisable as of April 2, 2022, the last day of fiscal year 2022.

NAME (A)	GRANT DATE	STOCK AWARDS: NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)(G)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ($)(H)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#)(I)	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED ($)(J)
Andrew Wilson	6/16/2021	–	–	25,246[1]	3,161,557
	6/16/2021	24,740[2]	3,098,190	–	–
	6/17/2019	17,849[3]	2,235,230	–	–
	6/16/2020	8,589[4]	1,075,600	121,213[5]	15,179,504
	6/17/2019	13,522[6]	1,693,360	–	–
	6/16/2020	47,721[6]	5,976,101	–	–
	6/16/2021	50,490[7]	6,322,863	–	–
Chris Suh	3/16/2022	–	–	2,423[8]	303,432
	3/16/2022	24,232[9]	3,034,573	–	–
Laura Miele	6/16/2021	–	–	11,687[1]	1,463,563
	6/16/2021	11,454[2]	1,434,384	–	–
	6/17/2019	6,544[3]	819,505	–	–
	11/18/2019	–	–	46,001[10]	5,760,705
	6/16/2020	1,908[4]	238,939	26,937[5]	3,373,321
	6/17/2019	4,958[6]	620,890	–	–
	6/16/2020	15,907[6]	1,992,034	–	–
	6/16/2021	35,063[7]	4,390,939	–	–
Kenneth Moss	6/16/2021	–	–	9,817[1]	1,229,383
	6/16/2021	9,622[2]	1,204,963	–	–
	6/17/2019	6,544[3]	819,505	–	–
	11/18/2019	–	–	36,144[10]	4,526,313
	6/16/2020	1,670[4]	209,134	23,569[5]	2,951,546
	6/17/2019	4,958[6]	620,890	–	–
	6/16/2020	13,918[6]	1,742,951	–	–
	6/16/2021	29,453[7]	3,688,399	–	–
Chris Bruzzo	6/16/2021	–	–	9,817[1]	1,229,383
	6/16/2021	9,622[2]	1,204,963	–	–
	6/17/2019	5,949[3]	744,993	–	–
	6/16/2020	1,670[4]	209,134	23,569[5]	2,951,546
	6/17/2019	4,507[6]	564,412	–	–
	6/16/2020	13,918[6]	1,742,951	–	–
	6/16/2021	29,453[7]	3,688,399	–	–
Blake Jorgensen	6/16/2021	–	–	11,220[1]	1,405,081
	6/16/2021	10,995[2]	1,376,904	–	–
	6/17/2019	8,924[3]	1,117,553	–	–
	11/18/2019	–	–	49,287[10]	6,172,211
	6/16/2020	1,908[4]	238,939	26,937[5]	3,373,321
	6/17/2019	6,761[6]	846,680	–	–
	6/16/2020	15,907[6]	1,992,034	–	–
	6/16/2021	33,660[7]	4,215,242	–	–

(1) Represents the PRSUs granted in June 2021 that vest based on our Relative TSR performance over the three-year performance period covering fiscal years 2022 through 2024. Any earned PRSUs are eligible to vest on May 16, 2024. For additional information regarding the specific terms of these PRSUs, see the discussion under the section titled *"Our NEOs' Fiscal 2022 Compensation—Long-Term Equity Incentives—Fiscal Year 2022 Annual Equity Awards—Performance-Based Restricted Stock Units"* in the *"Compensation Discussion and Analysis"* above.

(2) For the PRSUs granted in June 2021 that vest based on performance against annual operational metrics, the amount includes only PRSUs relating to the portion of the award for which the fiscal year 2022 performance targets were approved and reflects the number of PRSUs earned based on performance against the fiscal year 2022 goals. Any earned PRSUs are eligible to vest on May 16, 2024. The portion of the PRSUs that vest based on net bookings and operating income targets

for fiscal years 2023 and 2024 will be disclosed in the compensation tables for the fiscal year in which the related performance targets are approved. For additional information regarding the specific terms of these PRSUs, see the discussion under the section titled *"Our NEOs' Fiscal 2022 Compensation—Long-Term Equity Incentives—Fiscal Year 2022 Annual Equity Awards—Performance-Based Restricted Stock Units"* in the *"Compensation Discussion and Analysis"* above.

(3) Represents the third tranche of PRSUs granted in June 2019 that were earned based on EA's Relative Nasdaq-100 TSR Percentile for the 36-month measurement period ending April 2, 2022. The earned PRSUs vested on May 17, 2022. For additional information regarding the specific terms of the PRSUs granted to our NEOs, including the actual percentage attainment for the PRSUs that were earned at the end of fiscal year 2022 and vested in May 2022, see the discussion under the section titled *"Our NEOs' Fiscal Year 2022 Compensation—Long-Term Equity Incentives—Vesting of Performance Awards with Performance Periods Ending in Fiscal Year 2022"* in the *"Compensation Discussion and Analysis"* above.

(4) Represents the second tranche of PRSUs granted in June 2020 that were earned based on EA's Relative Nasdaq-100 TSR Percentile for the 24-month measurement period ending April 2, 2022. The earned PRSUs vested on May 16, 2022. For additional information regarding the specific terms of the PRSUs granted to our NEOs, including the actual percentage attainment for the PRSUs that were earned at the end of fiscal year 2022 and vested in May 2022, see the discussion under the section titled *"Our NEOs' Fiscal Year 2022 Compensation—Long-Term Equity Incentives—Vesting of Performance Awards with Performance Periods Ending in Fiscal Year 2022"* in the *"Compensation Discussion and Analysis"* above.

(5) Represents the third tranche of PRSUs granted in June 2020 assuming target achievement, plus Remaining Award Units for each of the first and second tranches. These PRSUs (plus, if applicable, any Remaining Award Units) are available to be earned at the end of the 36-month measurement period ending April 1, 2023 based on EA's Relative Nasdaq-100 TSR Percentile for such measurement period. Any earned PRSUs are eligible to vest in May 2023. For additional information regarding the terms of these PRSUs, see the discussion under the section titled *"Our NEOs' Fiscal Year 2022 Compensation—Long-Term Equity Incentives—Vesting of Performance Awards with Performance Periods Ending in Fiscal Year 2022"* in the *"Compensation Discussion and Analysis"* above.

(6) Represents an award of RSUs that vested or will vest as to one-third of the units one month prior to the first anniversary of the grant date, with the remainder of the units to vest in approximately equal increments every six months thereafter until the award is fully vested.

(7) Represents an award of RSUs that vested or will vest as to one-half of the units one month prior to the first anniversary of the grant date, with 12.5% of the award vesting every six months thereafter until the award is fully vested.

(8) Represents the PRSUs granted in March 2022 that vest based on our Relative TSR performance over the three-year performance period covering fiscal years 2023 through 2025. Any earned PRSUs are eligible to vest on May 20, 2025. The PRSUs that were granted to Mr. Suh in March 2022 and vest based on annual net bookings and operating income performance for fiscal years 2023, 2024, and 2025 will be disclosed in the compensation tables for the fiscal year in which the related performance targets are approved. For additional information regarding the specific terms of the PRSUs granted in March 2022, see the discussion under the section titled *"Fiscal Year 2022 Compensation for Our New CFO—New Hire Compensation—New Hire Equity Award"* in the *"Compensation Discussion and Analysis"* above.

(9) Represents an award of RSUs that vested or will vest as to one-third of the units on the first anniversary of the grant date, with the remainder of the units to vest in approximately equal increments every six months thereafter until the award is fully vested.

(10) Represents the second tranche of the November 2019 PRSUs, assuming target achievement, plus Remaining Award Units for the first tranche of the award. Any earned PRSUs are eligible to vest on November 18, 2023, based on EA's Relative Nasdaq-100 TSR Percentile for the second measurement period beginning September 29, 2019 and ending September 30, 2023.

Fiscal Year 2022 Option Exercises and Stock Vested Table

The following table shows all stock options exercised and the value realized upon exercise, as well as all RSUs and PRSUs that vested, and the value realized upon vesting by our NEOs during fiscal year 2022.

	OPTION AWARDS		STOCK AWARDS	
NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ON EXERCISE ($)(1)	NUMBER OF SHARES ACQUIRED ON VESTING (#)(2)	VALUE REALIZED ON VESTING ($)(3)
Andrew Wilson	—	—	250,978	35,406,817
Chris Suh	—	—	—	—
Laura Miele	3,431	365,196	68,691	9,522,087
Kenneth Moss	—	—	118,934	16,757,472
Chris Bruzzo	9,500	992,940	38,280	5,317,312
Blake Jorgensen	—	—	162,309	22,883,396

(1) The value realized upon the exercise of stock options is calculated by: (a) subtracting the option exercise price from the market value of EA common stock on the date of exercise to determine the realized value per share, and (b) multiplying the realized value per share by the number of shares of EA common stock underlying the options exercised.

(2) Represents shares of EA common stock released upon vesting of RSUs, PRSUs, and performance-based incremental restricted stock units (PIRSUs) during fiscal year 2022. The PIRSUs were granted to Messrs. Wilson, Moss, and Jorgensen. As described in our fiscal year 2021 proxy statement, PIRSUs were earned after the end of a four-year performance period covering fiscal years 2018 through 2021 and vested in May 2021.

(3) The value realized upon vesting of RSUs, PIRSUs, and PRSUs is calculated by multiplying the number of units vested by the closing price of EA common stock on the trading day prior to the vesting date.

Potential Payments Upon Termination or Change in Control

Termination of Employment

Our NEOs have not entered into employment agreements with the Company. In connection with a termination of employment, all outstanding equity awards held by our NEOs will be forfeited unless the applicable NEO's employment is terminated for reasons due to death, disability, or in connection with a change in control of the Company.

Treatment of Equity Awards Upon Death or Disability

Time-Based RSUs. Our equity award agreements for all award recipients, including our NEOs, provide that any unvested RSUs will vest in full on the date of a participant's death, as long as the participant has been employed by us for at least 12 months prior to the date of death. In addition, our award agreements provide that if a participant's employment terminates due to disability after the first anniversary of the grant date for an award, a pro-rata portion of the next tranche of RSUs scheduled to vest after the termination date will vest as of the date of such termination. The purpose of the accelerated vesting is to assist the employee's family given a death or disability can have a devastating financial impact.

Performance-Based RSUs. The equity award agreements for our PRSUs provide that in the event of an NEO's death, any unvested PRSUs as of the date of death will remain eligible to vest on the regularly scheduled vest dates for the applicable award, based on actual performance, as long as the NEO has been employed by us for at least 12 months prior to the date of death. The same treatment applies if an NEO terminates employment due to disability, except that the number of unvested PRSUs that remain eligible to vest on the regularly scheduled vest dates for the applicable award is determined on a pro-rata basis, based on the number of months worked by the NEO from the beginning of the performance period through the date of termination, divided by the number of months in the applicable measurement period.

Termination of Employment in Connection with a Change in Control

Electronic Arts Change in Control Severance Plan

Our NEOs participate in the Electronic Arts Inc. Amended and Restated Change in Control Severance Plan (the "CIC Plan"). The CIC Plan is a "double-trigger" plan, which provides Senior Vice Presidents and above with payments and benefits if their employment is terminated without "cause" or if they resign for "good reason" (each, as defined in the CIC Plan) during the three-month period preceding or 18-month period following a change in control of the Company (and the Compensation Committee determines the termination of employment was made in connection with the change in control) (a "Qualifying Termination"). The CIC Plan payments and benefits include a lump sum cash severance payment, consisting of 1.5 times (or 2 times for the CEO) the sum of the NEO's annual base salary, as in effect immediately prior to the date of termination, and the NEO's target annual cash bonus opportunity for the year of termination, a payment equal to the applicable monthly COBRA premium for continued health benefits for 18 months (or 24 months for our CEO), and full vesting of all outstanding and unvested equity awards, other than performance-based equity awards, the vesting of which is governed by the terms of the applicable equity award agreements, as described below. As a condition to our NEOs' right to receive the payments and benefits provided under the CIC Plan, the NEO is required to execute a release of claims against the Company (unless the requirement is waived) that includes a non-defamation provision.

The CIC Plan does not provide for any additional payments or benefits (for example, tax gross-ups or reimbursements) in the event that the payments under the CIC Plan and other arrangements offered by the Company or its affiliates cause an executive officer to owe an excise tax under Sections 280G and 4999 of the Code ("Section 280G"). However, the CIC Plan provides that if an executive officer would receive a greater net after-tax benefit by having his or her CIC Plan payments reduced to an amount that would avoid the imposition of the Section 280G excise tax, then his or her payment will be reduced accordingly.

Performance-Based RSUs

Pursuant to the terms of PRSU awards, if a change in control of the Company occurs prior to the expiration of the performance period and the NEO remains employed by the Company or the Company's successor entity, the PRSUs may vest on their scheduled vesting date(s) following the change in control of the Company. The number of outstanding and unvested PRSUs that remain eligible to vest on the applicable vest dates (or vesting opportunities), which we refer to as "Eligible Units," will be determined based on actual or target performance, as follows.

FY2020 and FY2021 Relative TSR PRSUs	■ The number of Eligible Units will be based on the Company's Relative Nasdaq-100 TSR Percentile as of the effective date of the change in control.
FY2022 Relative TSR PRSUs	■ If the change in control occurs during the first measurement period of the performance period, the number of Eligible Units will be based on target performance. ■ If the change in control occurs on or after completion of the first measurement period of the performance period, the number of Eligible Units will be based on actual performance through the last business day preceding the change in control.
FY2022 Net Bookings and Operating Income PRSUs	■ If the change in control occurs during the first measurement period of the performance period, the number of Eligible Units will be based on target performance. ■ If the change in control occurs on or after completion of the first measurement period of the performance period, the number of Eligible Units will be equal to actual performance for each completed measurement period, and target performance for each remaining measurement period.

If the employment of the NEO is terminated due to a Qualifying Termination (i.e., a termination without "cause" or a resignation for "good reason" during the three-month period preceding or 18-month period following a change in control of the Company, and the Compensation Committee determines the termination of employment was made in connection with the change in control), the Eligible Units will vest in full upon the date of such Qualifying Termination, subject to the timely execution of a severance agreement and release of claims against the Company. Any reduction of the recipient's awards in respect of Section 280G would be applied in the same manner with respect to the PRSUs as under the CIC Plan.

Estimated Potential Payments Upon Termination

The following table sets forth an estimate of the potential payments and benefits under the terms of our equity award agreements and the CIC Plan that would be payable to our NEOs assuming they incurred a qualifying termination of employment due to death, disability or in connection with a change in control, in each case, on April 2, 2022, the last day of fiscal year 2022. For purposes of the estimates below, we used the closing price of our common stock on April 1, 2022 (the last trading day of fiscal year 2022) of $125.23 per share.

NAME	CASH SEVERANCE ($)[1]	RSUs ($)[2]	PRSUs ($)[3]	OTHER ($)[4]	TOTAL ($)
Andrew Wilson					
Termination due to Death	–	13,992,324	–[3]	–	13,992,324
Termination due to Disability	–	3,378,204	–[3]	–	3,378,204
Qualifying Termination	7,800,000	13,992,324	13,185,717	59,455	35,037,496
Chris Suh					
Termination due to Death	–	–	–[3]	–	–
Termination due to Disability	–	–	–[3]	–	–
Qualifying Termination	2,100,000	3,034,573	3,034,573	40,663	8,209,809
Laura Miele					
Termination due to Death	–	7,003,863	–[3]	–	7,003,863
Termination due to Disability	–	1,177,663	–[3]	–	1,177,663
Qualifying Termination	2,520,000	7,003,863	8,071,324	40,663	17,635,850
Kenneth Moss					
Termination due to Death	–	6,052,241	–[3]	–	6,052,241
Termination due to Disability	–	1,101,523	–[3]	–	1,101,523
Qualifying Termination	2,250,000	6,052,241	6,781,330	40,152	15,123,723

NAME	CASH SEVERANCE ($)[1]	RSUs ($)[2]	PRSUs ($)[3]	OTHER ($)[4]	TOTAL ($)
Chris Bruzzo					
Termination due to Death	–	5,995,762	–[3]	–	5,995,762
Termination due to Disability	–	1,049,803	–[3]	–	1,049,803
Qualifying Termination	2,250,000	5,995,762	4,585,171	40,152	12,871,085
Blake Jorgensen[5]					
Termination due to Death	–	7,053,955	–[3]	–	7,053,955
Termination due to Disability	–	1,384,668	–[3]	–	1,384,668
Qualifying Termination	3,121,875	7,053,955	8,399,301	28,553	18,603,684

(1) Represents the sum of each NEO's annual base salary as of April 2, 2022 and target cash bonus opportunity for fiscal year 2022, respectively, multiplied by 2 for Mr. Wilson and by 1.5 for Mr. Suh, Ms. Miele, Mr. Moss, Mr. Bruzzo and Mr. Jorgensen.

(2) *Termination due to Death*: Represents the value of unvested RSUs that would accelerate and vest in full assuming a termination date of April 2, 2022.

Termination due to Disability: Represents the value of unvested RSUs that would accelerate on a pro-rata basis assuming a termination date of April 2, 2022, based on the number of months the NEO worked during the 12-month period preceding the next regularly scheduled vest date following the termination date, divided by twelve. The RSUs will only accelerate and vest if the first anniversary of the grant date has passed.

Qualifying Termination: Represents the value of unvested RSUs that would accelerate and vest in full assuming a Qualifying Termination occurred on April 2, 2022.

(3) *Termination due to Death*: Upon a termination due to death, PRSUs remain eligible to vest on their regularly scheduled vest dates, based on actual performance for the applicable metric at the end of the applicable measurement periods. For purposes of this table, no value is attributed to outstanding PRSUs which would have remained eligible to vest based on actual performance at the end of the applicable measurement periods because neither the level of performance that will be achieved nor the market price of our common stock at the time of vesting could be determined as of April 2, 2022.

Termination due to Disability: Upon a termination due to disability, PRSUs remain eligible to vest on their regularly scheduled vest dates on a pro-rata basis, based on actual performance at the end of the applicable measurement periods. For purposes of this table, no value is attributed to outstanding PRSUs which would have remained eligible to vest based on actual performance at the end of the applicable measurement periods because neither the level of performance that will be achieved nor the market price of our common stock at the time of vesting could be determined as of April 2, 2022.

Qualifying Termination: Represents the estimated value of unvested PRSUs that would accelerate and vest assuming a Qualifying Termination occurred on April 2, 2022. For the unvested PRSUs granted in June 2019 and June 2020, we applied the actual vesting percentages based on our Relative Nasdaq-100 TSR Percentiles as of April 2, 2022. For the unvested PRSUs granted in November 2019, the estimated value assumes actual performance based on how the award was tracking at the end of fiscal year 2022. For the PRSUs granted in June 2021, the estimated values assume: (i) actual performance through April 2, 2022 for the Relative TSR PRSUs, (ii) actual performance for the Net Bookings and Operating Income PRSUs that vest based on fiscal year 2022 performance, and (iii) target performance for the Net Bookings and Operating Income PRSUs that vest based on fiscal year 2023 and 2024 performance. For the PRSUs granted in March 2022 that vest based on performance for fiscal years 2023 through 2025, the estimated value assumes target performance.

(4) Represents a payment equal to the estimated monthly COBRA premiums for 18 months (or 24 months for our CEO).

(5) As discussed in the "*Compensation Discussion and Analysis*" above, in September 2021, Mr. Jorgensen announced his decision to begin transitioning from EA, with an expected departure in 2022.

Fiscal Year 2022 Pay Ratio

For fiscal year 2022, the annual total compensation of our median employee was $115,569, and the annual total compensation of Mr. Wilson, was $19,858,539. The ratio of these amounts is 172 to 1. This ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Exchange Act.

To identify our median employee, we used a consistently applied compensation measure ("CACM") for all employees on our worldwide payroll as of March 31, 2022, including full time, part-time, regular, and temporary employees. We changed the median employee identification date from January 4, the date used in fiscal year 2021, to March 31 to provide our internal teams with more time to gather the required compensation data.

Our CACM consisted of the following elements of compensation, as obtained from our internal payroll systems:

- base salary as of March 31, 2022 (annualized for permanent employees on leave of absence or not employed for the full year);
- discretionary bonuses (performance or other one-time payments) paid to employees in fiscal year 2022;
- the grant date fair market value of equity awards granted to employees in fiscal year 2022; and
- exchange rates were applied as of the determination date to convert all non-U.S. currencies into U.S. dollars.

Other than annualizing base salary for permanent employees, we did not make any compensation adjustments whether for cost of living or otherwise in the identification process.

The median employee's annual total compensation for fiscal year 2022 was calculated in USD and determined using the same methodology used to determine Mr. Wilson's annual total compensation set forth in the "Fiscal Year 2022 Summary Compensation Table."

SEC regulations permit companies to adopt a variety of methodologies, apply certain exclusions and to make reasonable estimates and assumptions that reflect their compensation practices and other factors unique to their workforce and business operations when calculating their pay ratio. Therefore, the pay ratio reported by other companies may not be comparable to the pay ratio reported above.

Equity Compensation Plan Information

The following table shows information, as of April 2, 2022, regarding shares of our common stock authorized for issuance under our 2019 EIP, our 2000 EIP, which terminated on August 8, 2019, and our 2000 Employee Stock Purchase Plan, as amended ("ESPP"). The table does not include information with respect to shares subject to outstanding awards assumed by us in connection with the acquisition of Glu Mobile Inc. As of April 2, 2022, 279,366 shares of our common stock were issuable upon exercise of outstanding options and the release of restricted stock units assumed in connection with this acquisition. The weighted average exercise price of such outstanding options was $61.58 per share. Other than the awards we assumed in connection with this acquisition, no additional equity awards may be granted under any assumed arrangement related to the acquisition.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) (C)
Equity compensation plans approved by security holders	8,320,224[(1)]	$36.04[(2)]	16,751,931[(3)]
Equity compensation plans not approved by security holders	–	–	–
Total	8,320,224		16,751,931

(1) Includes (a) 249,324 shares of common stock issuable upon exercise of outstanding options under the 2000 EIP with a weighted-average exercise price of $36.04; (b) 985,105 unvested time-based and performance-based restricted stock unit awards outstanding under the 2000 EIP; and (c) 7,085,795 unvested time-based and performance-based restricted stock unit awards outstanding under the 2019 EIP.

(2) Outstanding restricted stock unit awards subject to time-based and/or performance-based vesting do not have an exercise price and therefore are not included in the calculation of the weighted-average exercise price.

(3) Each full value award granted under the 2019 EIP reduces the number of shares available for issuance under our 2019 EIP by 1.43 shares and each stock option granted reduces the number of shares available for issuance by 1 share. Thus, if future awards under the 2019 EIP consisted exclusively of full value awards (such as time-based and performance-based restricted stock units), awards covering a maximum of 12,493,804 shares (or 8,736,926 shares based on the 1.43 reduction for full-value awards) are available for issuance under the 2019 EIP, and 4,258,127 shares available for purchase by our employees under the ESPP.

Audit Matters

Selection and Engagement of Independent Registered Public Accounting Firm

KPMG LLP has audited the financial statements of the Company and its consolidated subsidiaries since fiscal year 1987. The Audit Committee and the Board of Directors believe that KPMG LLP's long-term knowledge of EA and its subsidiaries is valuable to the Company as set forth in more detail below. Representatives from KPMG have direct access to the members of the Audit Committee and Board of Directors. We expect one or more representatives of KPMG LLP to attend the Annual Meeting in order to respond to appropriate questions from stockholders and make a statement if they desire to do so.

Services Provided by the Independent Auditor

KPMG LLP audits our consolidated operations and provides statutory audits for legal entities within our international corporate structure. Having one audit firm with a strong global presence responsible for these audits supports a coordinated approach to address issues that may impact our businesses across multiple geographies and legal entities. Few audit firms have the knowledge of our sector and the capability of servicing our global audit requirements. KPMG LLP has the geographical scope that our operations require and the accounting expertise in the matters relevant to our sector. In addition, KPMG LLP's experience working with the Company gives them the institutional knowledge to understand our operations and processes, which we believe helps them address the relevant issues and improves the quality of the audit.

In appointing KPMG LLP as our independent auditors for fiscal year 2023, the Audit Committee and the Board of Directors have considered the performance of KPMG LLP in fiscal year 2022, as well as in prior years, and have taken into account the alternative options available to the Company. The Audit Committee and the Board of Directors have determined that it is in the best interests of the Company and its stockholders to continue KPMG LLP's engagement.

We believe the experience and expertise held by the members of the Audit Committee give them the necessary skills to evaluate the relationship between the Company and its independent auditors and to oversee auditor independence. The Audit Committee periodically considers whether there should be rotation of our independent external audit firm. The Audit Committee is empowered under its charter to obtain advice and assistance from outside legal, accounting and other advisors as it deems appropriate.

At each meeting of the Audit Committee, Company management is provided the opportunity to meet in private session with the Audit Committee to discuss any issues relating to KPMG LLP's engagement. Similarly, KPMG LLP regularly meets in private session with the Audit Committee with no members of Company management present.

Audit Partner Rotation

Our KPMG LLP lead audit partner has been working on the Company's audit since the first quarter of fiscal year 2021. Our KPMG LLP concurring audit partner has been working on the Company's audit since the first quarter of fiscal year 2020. Each audit partner may serve a maximum of five years on the Company's audit. Candidates are proposed by KPMG LLP based on their expertise and experience and are vetted by Company management and a recommendation is made to the Audit Committee. The Audit Committee has final approval of the lead audit partner and the concurring audit partner.

Fees of Independent Auditors

The aggregate fees billed for the last two fiscal years for each of the following categories of services are set forth below:

DESCRIPTION OF FEES	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
Audit Fees[(1)]	$5,585,000	$5,127,000
Audit-related Fees[(2)]	80,000	38,000
Tax Fees[(3)]	130,000	20,000
All Other Fees	–	–
Total	$5,795,000	$5,185,000

(1) Audit Fees: This category includes the annual audit of the Company's financial statements and internal controls over financial reporting (including quarterly reviews of financial statements included in the Company's quarterly reports on Form 10-Q), and services normally provided by the independent auditors in connection with regulatory filings. This category also includes consultation on matters that arose during, or as a result of the audit or review of financial statements, statutory audits required for our non-U.S. subsidiaries, and other documents filed with the SEC, and Sarbanes-Oxley Section 404 compliance consultation.

(2) Audit-Related Fees: This category consists of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees." In both fiscal years 2022 and 2021, these fees were for accounting consultations and services in the U.S. and in connection with other regulatory filings in our international jurisdictions.

(3) Tax Fees: This category includes compliance services rendered for U.S. and foreign tax compliance and returns, and transfer pricing documentation.

Pre-approval Procedures

The Audit Committee is required to pre-approve the engagement of, and fees incurred by, KPMG LLP to perform audit and other services for the Company and its subsidiaries. The Company's procedures for the pre-approval by the Audit Committee of all services provided by KPMG LLP and the related fees comply with SEC regulations regarding pre-approval of services. Services subject to these SEC requirements include audit services, audit-related services, tax services and other services. In some cases, pre-approval for a particular category or group of services and the related fees are provided by the Audit Committee for up to a year, subject to a specific budget and to regular management reporting. In other cases, the Chair of the Audit Committee has the delegated authority from the Audit Committee to pre-approve additional services and the related fees up to a specified dollar limit, and such pre-approvals are then communicated to the full Audit Committee. The Audit Committee reviews quarterly the status of all pre-approved services and the related fees to date and approves any new services and the related fees to be provided.

In determining whether to grant a pre-approval, the Audit Committee considers the level of non-audit fees incurred to date as a percentage of the total annual fees paid to KPMG LLP. In addition, the Audit Committee considers additional factors to assess the potential impact on auditor independence of KPMG LLP performing such services, including whether the services are permitted under the rules and recommendations of the Public Company Accounting Oversight Board, the American Institute of Certified Public Accountants, the Nasdaq Stock Market, whether the proposed services are permitted under EA's policies, and whether the proposed services are consistent with the principles of the SEC's auditor independence rules. The Company also annually confirms with each of its directors and executive officers whether there are any relationships that they are aware of with KPMG LLP that may impact the auditor independence evaluation. The Audit Committee considered and determined that fees for services other than audit and audit-related services paid to KPMG LLP during fiscal year 2022 are compatible with maintaining KPMG LLP's independence.

Report of the Audit Committee of the Board of Directors

The following Report of the Audit Committee shall not be deemed to be "soliciting material" or to be "filed" with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that EA specifically incorporates it by reference into a filing.

The Audit Committee of the Board of Directors operates under a written charter, which was most recently amended in May 2018. The Audit Committee is currently comprised of three non-employee directors, each of whom in the opinion of the Board of Directors meets the current independence requirements and financial literacy standards of the Nasdaq Stock Market Rules, as well as the independence requirements of the SEC. During fiscal year 2022, the Audit Committee consisted of Richard A. Simonson, Jeffrey T. Huber, Kofi A. Bruce (from August 12, 2021), and Talbott Roche (until September 7, 2021). The Board of Directors has determined that each of Mr. Simonson and Mr. Bruce meets the criteria for an "audit committee financial expert" as set forth in applicable SEC rules.

The Company's management is primarily responsible for the preparation, presentation and integrity of the Company's financial statements. EA's independent registered public accounting firm, KPMG LLP (the "independent auditors"), is responsible for performing an independent audit of the Company's (1) financial statements and expressing an opinion as to the conformity of the financial statements with U.S. generally accepted accounting principles, and (2) internal control over financial reporting in accordance with the auditing standards of the Public Company Accounting Oversight Board (the "PCAOB") and issuing an opinion thereon.

The Audit Committee assists the Board of Directors in its oversight responsibility with respect to the integrity of EA's accounting policies, internal control function and financial reporting processes. The Audit Committee reviews EA's quarterly and annual financial statements prior to public earnings releases and submission to the SEC; oversees EA's internal audit function; consults with the independent auditors and EA's internal audit function regarding internal controls and the integrity of the Company's financial statements; oversees tax and treasury matters; oversees EA's enterprise risk management program; assesses the independence of the independent auditors; and is directly responsible for the appointment, retention, compensation and oversight of the independent auditors. In this context, the Audit Committee has met and held discussions with members of management, EA's internal audit function and the independent auditors. Company management has represented to the Audit Committee that the Company's consolidated financial statements for the most recently completed fiscal year were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed the consolidated financial statements with Company management and the independent auditors. Company management has represented to the Audit Committee that the Company's internal control over financial reporting was effective as of the end of the Company's most recently completed fiscal year, and the Audit Committee has reviewed and discussed the Company's internal control over financial reporting with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by the applicable requirements of the PCAOB and SEC, including the quality and acceptability of the Company's financial reporting and internal control processes. The Audit Committee also has discussed with the Company's independent auditors the scope and plans for their annual audit and reviewed the results of that audit with management and the independent auditors.

In addition, the Audit Committee received and reviewed the written disclosures and the letter from the independent auditors required by the applicable requirements of the PCAOB regarding their communications with the Audit Committee concerning independence and has discussed with the independent auditors the auditors' independence from the Company and its management. The Audit Committee also has considered whether the provision of any non-audit services (as described above under the heading "*Audit Matters*" — "*Fees of Independent Auditors*") and the employment of former KPMG LLP employees by the Company are compatible with maintaining the independence of KPMG LLP.

The members of the Audit Committee are not engaged in the practice of auditing or accounting. In performing its functions, the Audit Committee necessarily relies on the work and assurances of the Company's management and the independent auditors.

In reliance on the reviews and discussions referred to in this report, and in light of its role and responsibilities, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements for fiscal year 2022 be included for filing with the SEC in the Company's Annual Report. The Audit Committee also has approved the selection of KPMG LLP as the Company's independent auditors for fiscal year 2023.

AUDIT COMMITTEE

Richard A. Simonson (Chair)
Kofi A. Bruce
Jeffrey T. Huber

Stock Ownership Information

Security Ownership of Certain Beneficial Owners and Management

The following table shows, as of June 3, 2022, the number of shares of our common stock owned by our directors, NEOs, our current directors and executive officers as a group, and beneficial owners known to us holding more than 5% of our common stock. As of June 3, 2022, there were 279,595,874 shares of our common stock outstanding. Except as otherwise indicated, the address for each of our directors and executive officers is c/o Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065.

STOCKHOLDER NAME	SHARES OWNED(1)	RIGHT TO ACQUIRE(2)	PERCENT OF OUTSTANDING SHARES(3)
Blackrock, Inc.(4)	23,528,573	–	8.42%
The Vanguard Group Inc.(5)	21,652,850	–	7.74%
State Street Corporation(6)	14,242,761	–	5.09%
The Public Investment Fund(7)	14,210,000	–	5.08%
Andrew Wilson(8)	180,971	–	*
Christopher Suh	–	–	*
Blake Jorgensen	78,075	–	*
Laura Miele	36,700	10,275	*
Kenneth Moss	249,539	122,850	*
Chris Bruzzo	25,524	9,902	*
Kofi A. Bruce	–	–	*
Leonard S. Coleman	39,810	12,114	*
Rachel A. Gonzalez	456	–	*
Jeffrey T. Huber(8)	88,296	11,872	*
Talbott Roche	16,972	–	*
Richard A. Simonson	56,094	54,906	*
Luis A. Ubiñas	–	55,406	*
Heidi J. Ueberroth	5,161	4,499	*
All current executive officers and directors as a group (16) persons(10)	760,402	281,824	0.37%

* Less than 1%

(1) Unless otherwise indicated in the footnotes, includes shares of common stock for which the named person has sole or shared voting and investment power. This column excludes shares of common stock that may be acquired through stock option exercises, which are included in the column "Right to Acquire."

(2) Includes (a) shares of common stock that may be acquired through stock option exercises and releases of RSUs within 60 days of June 3, 2022, (b) in the case of Mr. Simonson, reflects 43,034 RSUs that have vested but have been deferred, (c) in the case of Mr. Coleman, reflects 12,114 RSUs that have vested but have been deferred, (c) in the case of Mr. Ubiñas, reflects 50,534 RSUs that have vested but have been deferred and (d) in the case of Ms. Ueberroth, reflects 4,499 RSUs that have vested but have been deferred.

(3) Calculated based on the total number of shares owned plus the number of shares that may be acquired through stock option exercises and the release of vested RSUs within 60 days of June 3, 2022.

(4) As of December 31, 2021, based on information contained in a report on Schedule 13G/A filed with the SEC on February 1, 2022 by Blackrock, Inc., reporting sole voting power over 20,097,353 shares of common stock, sole dispositive power over 23,528,573 shares of common stock, and shared voting and dispositive power over no shares. The address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(5) As of December 31, 2021, based on information contained in a report on Schedule 13G/A filed with the SEC on February 9, 2022 by The Vanguard Group, reporting shared voting power over 447,157 shares of common stock, sole dispositive power over 20,510,256 shares of common stock, shared dispositive power over 1,142,594 shares of common stock, and sole voting power over no shares of common stock. The address for The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(6) As of December 31, 2021, based on information contained in a report on Schedule 13G/A filed with the SEC on February 11, 2022 by State Street Corporation, reporting shared voting power over 12,465,134 shares of common stock, shared dispositive power over 14,178,078 shares of common stock, and sole voting and dispositive power over no shares. The address for State Street Corporation is 1 Lincoln Street, Boston, MA 02111.

(7) As of December 31, 2021, based on information contained in a report on Schedule 13G filed with the SEC on February 14, 2022 by The Public Investment Fund, reporting sole voting and dispositive power over 14,210,000 shares of common stock, and shared voting and dispositive power over no shares. The address for The Public Investment Fund is P.O. Box 6847, Riyadh 11425, Kingdom of Saudi Arabia.

(8) Includes 107,487 shares of common stock are held by Mr. Wilson's family trust and 73,484 shares of common stock held in trust for the benefit of Mr. Wilson's descendants. Mr. Wilson has investment control over, and pecuniary interest in, shares held in his family trust. Mr. Wilson has investment control over shares held in trusts for his descendants.

(9) Includes 304 shares of common stock held directly by Mr. Huber, 67,412 shares of common stock held by Mr. Huber's family trust and 20,580 shares of common stock and 11,872 vested options held by trusts over which Mr. Huber maintains investment control and pecuniary interest.

(10) Includes all executive officers and directors of EA as of the date of this filing.

Stock Ownership Requirements

Directors

Each non-employee director is required, within five years of becoming a director, to own a number of shares of EA common stock having a value of at least five years' annual retainer for service on our Board of Directors.

Non-employee directors are permitted to include the value of vested, but deferred, RSUs toward their ownership requirement. As of the end of fiscal year 2022, each of our directors had fulfilled his or her ownership requirements. Mr. Huber is eligible to satisfy his ownership requirements through holdings of EA common stock through certain trusts over which Mr. Huber maintains investment control and pecuniary interest.

Section 16 Officers

In accordance with our stock ownership guidelines, Section 16 officers must maintain stock ownership equal to the minimum ownership requirements listed in the table below. Our CEO is required to own stock with a value equal to ten times his base salary. Each of our NEOs (other than the CEO) is an Executive Vice President and therefore is required to own stock with a value equal to three times his or her base salary.

POSITION	STOCK OWNERSHIP VALUE AS A MULTIPLE OF BASE SALARY
CEO	10x
Executive Vice President	3x
Senior Vice President	1x

We test the stock ownership holding requirement on an annual basis, and any Section 16 officer not in compliance with these guidelines must hold 50% of any net after-tax shares vesting from equity awards until the applicable requirement is met. The Compensation Committee last reviewed the stock ownership requirements in May 2022. As of that date, each of our executive officers had either met his or her then-applicable stock ownership holding requirement or had not yet reached the date on which he or she is required to meet his or her ownership requirements, which is generally 50 months from the date of hire, appointment, or promotion. For promotions, executives must maintain their prior-level minimum holding requirements during any applicable transition period.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than ten percent of our ordinary shares to file reports of their beneficial ownership and changes in ownership (Forms 3, 4 and 5, and any amendment thereto) with the SEC.

Based solely on a review of forms filed in the SEC's EDGAR database and written representations from executive officers and directors, we believe that during the fiscal year ended April 2, 2022, all required reports were filed on a timely basis, except that, due to administrative error: (A) a Form 4 was filed one day late for Ms. Heidi Ueberroth on August 5, 2021 with respect to one transaction that occurred on August 2, 2021 and (B) a Form 3 was filed one day late for Mr. Eric Kelly on August 24, 2021 in connection with his appointment as our Chief Accounting Officer on August 13, 2021.

Insider Trading, Anti-Hedging and Anti-Pledging Policies

We maintain an insider trading policy designed to promote compliance by our employees and directors with both federal and state insider trading laws. In addition, our insider trading policy prohibits our directors, executive officers, employees and family members of any director, executive officer or employee or others living in their respective households, from engaging in any hedging transaction with the Company's securities, buying the Company's securities on margin, or otherwise trading in any derivative of the Company's securities (including put and/or call options, swaps, forwards or futures contracts, short sales or collars). Our directors and Section 16 officers also are prohibited from pledging our stock as collateral for any loan.

Proposals to be Voted on

PROPOSAL 1

Election of Directors

At the Annual Meeting, stockholders will elect eight directors to hold office for a one-year term until the next annual meeting (or until their respective successors are appointed). All nominees have consented to serve a one-year term, if elected. For additional information regarding the nominees and our corporate governance practices, including our director resignation policies and refreshment practices, please see the sections of this Proxy Statement entitled "*Proxy Highlights*," and "*Board of Directors and Corporate Governance*."

The 2022 election of directors will be uncontested. Accordingly, EA's Amended and Restated Bylaws provide that in an uncontested election of directors each nominee must receive more votes cast "for" than "against" his or her election or re-election in order to be elected or re-elected to the Board of Directors.

The Board of Directors has nominated the following directors to stand for re-election. Each of our director nominees currently serves on the Board of Directors and was elected to a one-year term at the 2021 annual meeting, except for Ms. Gonzalez, who was appointed to the Board of Directors on November 18, 2021 and was recommended by a third-party search firm.

- Kofi A. Bruce
- Rachel A. Gonzalez
- Jeffrey T. Huber
- Talbott Roche
- Richard A. Simonson
- Luis A. Ubiñas
- Heidi J. Ueberroth
- Andrew Wilson

The Board of Directors recommends a vote FOR each of the nominees.

PROPOSAL 2

Advisory Vote to Approve Named Executive Officer Compensation

In accordance with the SEC's proxy rules, we seek an advisory, non-binding stockholder vote with respect to the compensation of our named executive officers for fiscal year 2022. This vote, which is undertaken by us annually, is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the compensation philosophy, policies, and practices, as disclosed in this Proxy Statement. Approval of this proposal, commonly known as a "say-on-pay" proposal, requires the affirmative vote of a majority of the voting shares present at the Annual Meeting in person or by proxy and voting for or against the proposal. We are asking our stockholders to vote on the following resolution at the Annual Meeting:

> **"RESOLVED, that the Company's stockholders approve, on a non-binding, advisory basis, the compensation of the named executive officers for fiscal year 2022, as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosures in this Proxy Statement."**

Our Board of Directors recommends a vote "FOR" this resolution. Our Board of Directors, Compensation Committee and EA management are committed to maintaining pay-for-performance alignment in our executive compensation program. Our pay-for-performance approach is designed to reward the achievement of Company-wide financial and business objectives, individual performance, and the creation of long-term value for stockholders, while also recognizing the dynamic and highly competitive nature of our business and the market for top executive talent.

Following last year's say-on-pay vote, we reached out to stockholders collectively holding approximately 54% of our outstanding common stock and engaged in discussions with stockholders collectively holding approximately 35% of our outstanding stock to obtain feedback regarding our executive compensation program. The feedback we received was overwhelmingly positive. Stockholders expressed appreciation for the substantive changes we have made to our executive compensation program over the past two years, our continued desire to evaluate and evolve our compensation practices, and our commitment to responsiveness. On our calls, we learned that many investors did not support our 2021 say-on-pay vote primarily because of the quantum of our CEO's fiscal year 2021 annual equity award. We reiterated our commitment to not grant any special equity awards to our named executive officers through at least the end of fiscal year 2026, confirmed that the commitment applies to enhanced annual equity awards, and noted that the target value of our CEO's fiscal year 2022 annual equity award was 40% lower than the target value of his fiscal year 2021 annual equity award. In addition, there was no increase to the target value of our CEO's fiscal year 2023 equity award from his fiscal year 2022 target value.

In addition, after considering stockholder feedback, the Compensation Committee approved more enhancements to our executive compensation program for fiscal year 2023 that we believe further align the interests of our executives with stockholders.

- ***Peer Group:*** We removed companies we deemed to no longer be a good fit due to their outsized market capitalization and added companies in the consumer-oriented technology, software, and media/entertainment industries that we deemed to be a better fit.
- ***Annual Performance Cash Bonus Program:*** We enhanced the rigor of our Company bonus pool funding formula by (1) increasing the financial performance weighting to *70%* for our CEO and *60%* for our CFO and COO, and (2) implementing an enterprise-level scorecard for the strategic and operating performance objectives that drive funding of the business performance component of the Company bonus pool funding formula. The scorecard will measure our performance against goals across six key strategic objectives, each with an assigned weighting, established for the fiscal year.
- ***ESG Goals in Annual Performance Cash Bonus Program:*** Because human capital management (HCM) is a focus for our executives, we included ESG goals relating to HCM in our fiscal year 2023 enterprise-level scorecard described above.
- ***Long-Term Equity Incentives – PRSU Program:*** We increased the portion of performance-based equity for our top executives—beginning in fiscal year 2023, the annual equity award for our CFO and COO will consist of *60%* performance-based restricted stock units, consistent with the award mix put in place for our CEO effective for fiscal year 2022.

The evolution of our executive compensation program ensures that it continues to support our strategic goals and demonstrates pay and performance alignment. Our Board of Directors and Compensation Committee carefully consider our investors' feedback throughout the year when evaluating our executive compensation program, and we implement changes that we believe are in the best interests of our stockholders. We believe that our fiscal year 2022 pay outcomes demonstrate our pay-for-performance philosophy and the enhancements we have made to our executive compensation program over the past two years are consistent with stockholder feedback. We encourage you to review carefully the "*Compensation Discussion and Analysis*" and accompanying compensation tables and narrative discussion for a more detailed description of our executive compensation program and decisions.

Although the vote is advisory and non-binding, our Board of Directors and Compensation Committee value the opinions of our stockholders and will consider the outcome of the vote, along with other relevant factors, in evaluating the future compensation of our named executive officers. We currently intend to hold the next non-binding advisory vote to approve the compensation of our named executive officers at our 2023 Annual Meeting.

The Board of Directors recommends a vote FOR the approval of the foregoing resolution.

PROPOSAL 3

Ratification of the Appointment of KPMG LLP, Independent Public Registered Accounting Firm

The Audit Committee has appointed KPMG LLP as the Company's independent auditors for the fiscal year ending March 31, 2023. Ratification of the appointment of KPMG LLP as our independent auditors is not required by our Amended and Restated Bylaws or otherwise. The Board of Directors has determined to submit this proposal to the stockholders as a matter of good corporate practice. Approval of this proposal requires the affirmative vote of a majority of the voting shares present at the meeting in person or by proxy and voting for or against the proposal. If the stockholders do not ratify the appointment, the Audit Committee will review its future selection of auditors. Even if the appointment is ratified, the Audit Committee may, in its discretion, direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Company and the stockholders.

The Board of Directors recommends a vote FOR the ratification of KPMG LLP as our independent auditors for the fiscal year ending March 31, 2023.

PROPOSAL 4

Approval of Our Amended 2019 Equity Incentive Plan

We are asking our stockholders to approve an amendment and restatement of the Electronic Arts Inc. 2019 Equity Incentive Plan (the "2019 EIP"). The amended and restated version of our 2019 EIP (the "Amended 2019 EIP") was adopted, subject to stockholder approval, by our Board of Directors on May 19, 2022.

- We are seeking to increase the number of shares of common stock, par value $0.01 per share, available for issuance under the Amended 2019 Plan by 16,000,000 shares.
- The additional shares, together with the shares currently available for future grants, are expected to cover grants for approximately three more years based on our current grant practices and other factors.

We believe that equity compensation is a critical tool for employee motivation and retention and are proposing the share increase to enable us to continue offering effective equity compensation to our employees. Stockholder approval of the Amended 2019 EIP will enable us to continue to provide these important incentives.

If approved by our stockholders, the Amended 2019 EIP will become effective on the date it is approved by our stockholders at the 2022 Annual Meeting (the "Effective Date"). If the Amended 2019 EIP is not approved by our stockholders, then it will not become effective and the current 2019 EIP will continue in full force and effect, without giving effect to the amendments, including to increase the number of shares available for grant under the plan.

Why Stockholders Should Approve the Amended 2019 EIP

We are asking our stockholders to approve the amendment and restatement of our 2019 EIP so that we have a sufficient reserve of common stock to incentivize, attract and retain talent in a highly competitive market and industry, and align the interests of our executives with those of our stockholders. As described further below under "Our Equity Grant Practices," if we do not increase the number of shares available for issuance under the Amended 2019 EIP, based on historical and current grant practices, we anticipate that we could deplete our share reserve prior to March 2024, putting us at a severe competitive disadvantage by eliminating our ability to offer equity incentives to motivate, attract and retain our employees.

The only material changes as a result of the amendment and restatement of the 2019 EIP are to authorize an increase in the overall limit on the number of shares of common stock that may be issued under the plan by an additional 16,000,000 shares and extend the period during which incentive stock options may be granted under the plan to ten years following the date the Amended 2019 EIP is approved by stockholders. In addition, we have made certain clarifying and other housekeeping changes to the plan that do not require stockholder approval.

Our Broad-Based Equity Program Is Critical to Attract and Retain Talent

Under our equity compensation program, approximately 92% of awards in fiscal year 2022 were granted to employees other than our named executive officers. The digital interactive entertainment industry is undergoing rapid change and transformation and is intensely competitive for talent at all levels. Attracting and retaining innovative, highly-talented and high-performing talent in this competitive and rapidly evolving market is critical to both our short-term and long-term success. As discussed below under "*Eligibility*," all of our employees, non-employee directors, and individual consultants are eligible to receive equity awards under our 2019 EIP, as determined by the plan administrator.

Equity Incentives Align the Interests of Our Named Executive Officers with Our Stockholders

Equity awards are designed to provide key leaders with a stake in the long-term success of the Company as well as align executive and stockholder interests. Our philosophy is to provide a significant portion of executive compensation in the form of long-term equity incentives that are at-risk and performance-based. Equity awards represented approximately 82% of the target total direct compensation of our CEO in fiscal year 2022, and approximately 84% on average of the target total direct compensation of our other named executive officers (other than Mr. Suh, who joined on March 1, 2022) in fiscal year 2022. Under our fiscal year 2022 long-term equity incentive program for our named executive officers, 60% of the target value of our CEO's annual equity award was granted in the form of performance-based restricted stock units. Beginning in fiscal year 2023, the annual equity award for our CFO and COO will consist of 60% performance-based restricted stock units, consistent with the award mix put in place for our CEO, effective for fiscal year 2022.

Our Equity Grant Practices

Our 2019 EIP authorizes the grant of equity-based compensation in the form of options, restricted stock, restricted stock units, stock appreciation rights (SARs) or other share-based awards, to attract, retain and motivate individuals whose present and potential contributions are important to our success. Historically, we have made a significant portion of our equity awards in June in connection with our annual reviews and merit increases. We believe that an additional 16,000,000 shares, in addition to the shares available under the current 2019 EIP, is sufficient to support our equity incentive programs for approximately three more years based on our estimates and historical grant practices. We last requested additional shares for our equity plan at our 2019 annual meeting in connection with the approval of the current 2019 EIP.

Grant Practices Provide for Prudent Use of Equity

The Amended 2019 EIP includes provisions designed to protect our stockholders' interests and reflect corporate governance best practices, as highlighted below. The summary below is qualified in its entirety by the full text of the Amended 2019 EIP, which is included as Appendix B to the Company's Definitive Proxy Statement filed with the SEC on June 24, 2022.

- **No Liberal Share Recycling:** Prohibits the following shares from being added back to the share pool: (1) shares not issued as a result of the net settlement of an option or SAR; (2) shares tendered or withheld by the Company in payment of the exercise price of an option or SAR; (3) shares tendered or withheld to satisfy any tax or similar withholding obligation with respect to an award; and (4) shares repurchased by the Company on the open market with the proceeds of the exercise price from an option.
- **Fungible Share Counting:** Counts awards of shares or the right to receive shares (or their cash equivalent or combination of both) in the future without exercise prices (i.e., full value awards) against the share limits of the plan as 1.43 shares of common stock.
- **Director Award Limits:** Limits the aggregate amount of equity compensation a non-employee director may receive in a fiscal year.
- **No Repricing or Cash Buyout of Stock Options or SARs:** Does not permit repricing of stock options and SARs without stockholder approval, other than an equitable adjustment in connection with a capitalization event or change in control.
- **No Single-Trigger Vesting:** Does not provide for automatic vesting of awards upon a change in control.
- **Dividends and Dividend Equivalents Not Payable on Awards until Vesting:** Does not permit dividend or dividend equivalent payments on unvested awards.
- **No Evergreen Share Replenishment Feature:** Does not have an evergreen share pool provision.
- **No 280G Excise Tax Gross-Ups:** Does not provide for 280G tax gross-ups to officers, non-employee directors or other plan participants.
- **No In-the-Money Stock Options or SARs:** Does not permit option or SAR exercise prices to be less than 100% of the fair market value on the date of grant.
- **Clawback Policy:** Authorizes the clawback of awards under Company clawback policies and/or any recoupment requirements imposed under applicable laws.

We Carefully Manage Share Usage

While equity is a strategic tool for recruitment and retention, we also carefully manage the number of equity incentives we grant and strive to keep the dilutive impact of the equity incentives we offer within a reasonable range. Our Compensation Committee monitors share usage to manage the dilutive impact of awards granted under the plan. Further, our stock repurchase program has offset the dilutive effect of our equity award practices, which has been one goal, among others, of this program.

Amendment to Our 2019 Equity Incentive Plan

The only material changes as a result of the amendment and restatement of the 2019 EIP are to (1) authorize an increase in the overall limit on the number of shares of common stock that may be issued under the plan by an additional 16,000,000 shares and (2) extend the period during which incentive stock options may be granted under the Amended 2019 EIP to ten years following the date the Amended 2019 EIP is approved by stockholders. In addition to these material changes, we made certain clarifying and other housekeeping changes to the plan that do not require stockholder approval.

Under the current 2019 EIP, each full value award granted reduces the number of shares available for issuance under the plan by 1.43 shares and each stock option and SAR granted reduces the number of shares available for issuance by 1 share. This fungible share counting ratio of 1.43 to 1 will continue under the Amended 2019 EIP. The additional 16,000,000 shares we are requesting, together with the shares currently available under the 2019 EIP for future grants, is expected to meet our equity grant needs for approximately three years based on our current grant practices and other factors. The shares reserved may, however, last for a greater or fewer number of years depending on currently unknown factors, such as the number of grant recipients, future grant practices, M&A activity, and our stock price.

If approved, these shares will be added to the 12,493,804 shares remaining available for issuance (or 8,736,926 full-value awards) under the current 2019 EIP as of April 2, 2022, meaning that a total of 28,493,804 shares would be available for issuance (or 19,925,737 full-value awards) under the Amended 2019 EIP, plus any shares subject to outstanding awards under the 2000 Equity Incentive Plan (the "2000 EIP"), which terminated in August 2019 upon stockholder approval of the current 2019 EIP, that are not issued or delivered for any reason. Our request for an additional 16,000,000 shares is based on an analysis of various factors, including historical burn rate, potential dilution, industry plan cost standards, and anticipated equity compensation needs.

Historical Award Information

As of May 28, 2022, 12,554,087 shares remained available for future grant under the current 2019 EIP which, based on the 1.43 reduction, would permit us to grant 8,779,082 full-value awards or 12,554,087 stock options, enabling us to meet our equity grant needs for approximately one more year. The closing price of our common stock on the Nasdaq Stock Market was $138.53 per share on May 27, 2022.

The following table provides detailed information regarding historical awards granted and earned performance-based awards under the current 2019 EIP and gross burn rate for each fiscal year.

FISCAL YEAR	GRANTED APPRECIATION AWARDS (OPTIONS AND SARs[1]	GRANTED TIMED-BASED RESTRICTED STOCK UNITS[2]	GRANTED PERFORMANCE-BASED RESTRICTED STOCK UNITS[3]	EARNED PERFORMANCE-BASED RESTRICTED STOCK UNITS[4]	WEIGHTED AVERAGE COMMON SHARES OUTSTANDING[5]	GROSS BURN RATE[6]
2022	3,000	4,598,000	475,000	537,000	284,000,000	1.8%
2021	3,000	3,322,000	874,000	157,000	289,000,000	1.5%
2020	5,000	4,297,000	1,313,000	93,000	293,000,000	1.9%

(1) Reflects number of shares used. Does not reflect subsequent forfeitures, cancellations or any awards assumed in connection with our acquisition of Glu Mobile.

(2) Reflects number of shares used based on the awards granted without applying the fungible share counting provisions. Does not reflect subsequent forfeitures, cancellations or awards assumed in connection with our acquisition of Glu Mobile.

(3) Reflects performance-based restricted stock units granted at the maximum number of shares that could potentially vest for each fiscal year.

(4) Reflects performance-based restricted stock units earned and vested for each fiscal year.

(5) As reported in our Annual Report on Form 10-K for the respective fiscal year.

(6) Burn rate is calculated as the total number of shares granted as appreciation awards, time-based RSUs and performance-based RSUs throughout the year divided by weighted-average common shares outstanding at fiscal year-end. The burn rate calculation also excludes awards assumed in connection with our acquisition of Glu Mobile. The burn rate is not adjusted for forfeitures and expirations of awards, which would reduce the burn rate if taken into account. The burn rates in the table do not take into account the 1.43 fungible ratio for full-value awards. Burn rates after applying the fungible ratio to full-value awards is 2.6% for fiscal year 2022, 2.1% for fiscal year 2021 and 2.7% for fiscal year 2020.

The potential dilution (or "overhang") from the Amended 2019 EIP would be 13.5% (or 11.9% on a diluted basis) and assumes that the 16,000,000 new shares are available to grant as of April 2, 2022, and is calculated as follows.

SHARES AVAILABLE AND OUTSTANDING UNDER EQUITY PLANS		WEIGHTED-AVERAGE EXERCISE PRICE	SHARES
New shares available under the Amended 2019 EIP			*16,000,000*
Shares remaining available under the current 2019 EIP			*12,493,804*
(A) Total Shares Available for Issuance			**28,493,804**
Shares underlying previously granted outstanding stock options under the 2000 EIP	$	36.04	*249,324*
Shares underlying previously granted outstanding full-value awards the 2000 EIP			*985,105*
Shares underlying previously granted outstanding full-value awards under the current 2019 EIP			*7,805,795*
Shares underlying previously granted and outstanding options and full-value awards under the acquired company's equity plans	$	61.58	*279,366*
(B) Total Outstanding full-value awards and stock options			**9,319,590**
(C) Common Shares Outstanding			**280,050,976**
Overhang (A+B) / C			**13.5[1]%**
Diluted overhang (A+B) / (A+B+C)			**11.9%**

(1) Overhang is calculated as counting all awards as 1-to-1 basis. Each full value award granted under the 2019 EIP reduces the number of shares available for issuance under the 2019 EIP by 1.43 shares and each stock option granted reduces the number of shares available for issuance by 1 share.

For more information regarding our equity compensation plans, including the 2000 Employee Stock Purchase Plan and the equity plans we assumed in connection with our acquisition of Glu Mobile, please refer to the full text of the 2019 EIP, which is included as Appendix B to the Company's Definitive Proxy Statement filed with the SEC on June 24, 2022, and the "*Equity Compensation Plan Information*" table on page 64.

Eligibility

Awards under the Amended 2019 EIP may be granted to employees, consultants, and directors of the Company or any of its subsidiaries ("eligible individuals"). Incentive stock options may be granted only to eligible individuals who are employees of EA or any of our subsidiaries. As of March 31, 2022, we had approximately 12,900 employees (including six incumbent NEOs), eight non-employee directors, and approximately 310 consultants, each of whom would be eligible to be granted awards under the Amended 2019 EIP. In principle, any consultant to the Company or any of its subsidiaries would be eligible to participate in the Amended 2019 EIP, subject to certain SEC limitations. However, historically we have not granted, and our current practice generally is not to grant, equity awards to consultants.

New Plan Benefits

The amount and timing of awards under the Amended 2019 EIP are determined in the sole discretion of the Compensation Committee, as administrator, or the Board of Directors with respect to awards granted to our CEO, and cannot be determined in advance. Future awards under the Amended 2019 EIP to non-employee directors, consultants, officers, and other employees are discretionary, and therefore not determinable at this time.

Registration of Shares Under the Amended 2019 EIP

If the Amended 2019 EIP is approved by our stockholders, the Board of Directors intends to cause the shares of common stock that will become available for issuance under the Amended 2019 EIP to be registered on a Form S-8 Registration Statement to be filed with the SEC at the Company's expense prior to the issuance of any such shares.

Required Vote and Board of Directors' Recommendation

The Board of Directors recommends a vote FOR the approval of our Amended 2019 EIP.

Approval of this Proposal 4 requires the affirmative vote of a majority of the voting shares present at the 2022 Annual Meeting in person or by proxy and voting for or against the proposal. Abstentions and broker non-votes will not be counted as either votes cast "FOR" or "AGAINST" Proposal 4 and will have no effect on the vote for this Proposal 4.

GENERAL DESCRIPTION OF THE AMENDED AND RESTATED 2019 EQUITY INCENTIVE PLAN

As Proposed to be Approved by Our Stockholders on August 11, 2022

General

The current 2019 EIP was originally adopted by our Board of Directors on May 16, 2019 and was approved by our stockholders on August 8, 2019. The principal terms of the 2019 EIP, as proposed to be amended and restated, are summarized below.

As described in this Proposal 4, the 2019 EIP has been amended to increase the number of shares of common stock available for issuance under the plan by an additional 16,000,000 shares. The Amended 2019 EIP is otherwise substantially the same as our current 2019 EIP, which was approved by our stockholders at our 2019 annual meeting. The following summary is qualified in its entirety by reference to the text of the Amended 2019 EIP, which is included as Appendix B to the Company's Definitive Proxy Statement filed with the SEC on June 24, 2022.

Material Terms of the Amended 2019 EIP

Purpose	The purpose of the Amended 2019 EIP is to provide incentives to attract, retain and motivate eligible individuals whose present and potential contributions are important to the success of the Company and its subsidiaries by offering them an opportunity to participate in the Company's future performance through the grant of equity-based awards.
Duration/Term	Unless earlier terminated in accordance with its terms, the Amended 2019 EIP will continue in effect until August 8, 2039.
Governing Law	The Amended 2019 EIP and all award agreements under the plan are governed by the laws of the State of Delaware.
Administration	The Amended 2019 EIP is administered by the Compensation Committee (or if no such committee is appointed, by the Board of Directors). All the members of the Compensation Committee are "non-employee directors" and "independent directors" under applicable federal securities laws and NASDAQ listing requirements, and "outside directors" as defined under applicable federal tax laws. The Compensation Committee's authority includes, but is not limited to, the authority to: construe and interpret the Amended 2019 EIP, any award agreement or any other document related to the Amended 2019 EIP; prescribe, amend and rescind rules and regulations related to the Amended 2019 EIP; select eligible individuals to receive awards; determine the terms and conditions of any award; determine the number of shares or other consideration subject to awards; establish, adopt or revise any rules and regulations, including adopting sub-plans, for the Amended 2019 EIP; correct any defect, supply any omission or reconcile any inconsistency in the Amended 2019 EIP, any award or any award agreement; and make all other determinations necessary or advisable for the administration of the Amended 2019 EIP. The Compensation Committee may delegate to a committee of one or more members of the Board of Directors, or to one or more officers of the Company, the authority to construe and interpret the Amended 2019 EIP, any award agreement and any other agreement or document executed pursuant to the 2019 EIP, and grant an award under the 2019 EIP to eligible individuals other than to employees who are subject to Section 16 of the Exchange Act and to certain other officers of the Company.
Eligibility	Incentive stock options may only be granted to employees of the Company or its subsidiaries. All other awards may be granted to employees, consultants, and directors of the Company or any of its subsidiaries ("eligible individuals"). As of April 2, 2022, there were approximately 12,900 employees (including six incumbent NEOs), eight non-employee directors, and approximately 310 consultants, each of whom would be eligible to be granted awards under the Amended 2019 EIP. In principle, any consultant to EA or any of its subsidiaries would be eligible to participate in the Amended 2019 EIP, subject to certain SEC limitations. However, our current practice is generally not to grant equity awards to consultants.
Awards	Awards granted under the Amended 2019 EIP may be options, restricted stock, restricted stock units, stock appreciation rights ("SARs") or other share-based awards. Awards may be granted singly or in combination with other awards.
Shares	Shares of Company common stock issuable under the Amended 2019 EIP may come from authorized but unissued shares, treasury shares, shares purchased on the open market or any combination of the foregoing.
Share Limits	The maximum number of shares available to be granted under the Amended 2019 EIP will be 28,493,804, which includes the 16,000,000 additional shares being requested under this Proposal 4, plus any shares authorized for grants or subject to awards under the 2000 EIP that are not issued or delivered for any reason. To the extent that an award terminates, expires, or lapses for any reason, or is settled in cash, any shares subject to the award will again be available for the grant of an award. The following shares will not be added back into the share pool: (i) shares not issued as a result of the net settlement of an option or SAR; (ii) shares tendered or withheld by the Company in payment of the exercise price of an option or a SAR; (iii) shares tendered or withheld to satisfy any tax or similar withholding obligation with respect to an award; and (iv) shares repurchased by the Company on the open market with the proceeds of the exercise price from an option.

Adjustment	In the event of any increase, decrease, or change in the number or characteristic of outstanding shares of the Company effected without receipt of consideration by the Company or by reason of a share split, reverse share split, spin-off, share or extraordinary cash dividend or other distribution, share combination or reclassification, recapitalization or merger, change in control, or similar event, the Compensation Committee may substitute or adjust proportionately, as the Compensation Committee in its sole discretion deems equitable (a) the aggregate number and kind of shares that may be issued under the Amended 2019 EIP; (b) the number and kind of securities subject to outstanding awards; (c) the terms and conditions of any outstanding awards (including, without limitation, any applicable performance goals or criteria with respect thereto); and (d) the exercise price or purchase price per share for any outstanding awards under the Amended 2019 EIP; provided, however, that in the case of any "equity restructuring" (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)), the Compensation Committee shall make an equitable or proportionate adjustment to outstanding awards to reflect such equity restructuring.
Award Types:	
Options	Options granted under the Amended 2019 EIP may be either incentive stock options, which are tax qualified under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or nonqualified options, which are not tax-qualified for purposes of the Code. The exercise period of an option is determined by the Compensation Committee but, in no event, may an option be exercisable more than ten years from the date it is granted. The Compensation Committee determines the exercise price of each option granted under the Amended 2019 EIP. The exercise price for each incentive stock option and nonqualified stock option must not be less than 100% of the fair market value of a share at the time the option is granted.
Restricted Stock	A restricted stock award is an award of shares that are subject to time-based or performance-based restrictions established by the Compensation Committee. The purchase price, if any, for a restricted stock award is determined by the Compensation Committee at the time of grant.
Restricted Stock Units	Restricted stock units are unfunded, unsecured rights to receive Company shares upon the satisfaction of time-based or performance-based vesting criteria. Restricted stock units are generally granted for no consideration, however the purchase price, if any for the restricted stock units will be determined by the Compensation Committee at the time of grant. Each restricted stock unit represents one share of common stock. Participants in the Amended 2019 EIP ("participants") have no rights to the shares underlying the restricted stock units unless and until the restrictions on the restricted stock units have lapsed and the shares have been released.
SARs	The Compensation Committee determines the terms and conditions of a SAR, including whether the SAR will be settled in shares or cash. A SAR may not be exercisable more than ten years from the date it is granted and the exercise price for a SAR may not be less than 100% of the fair market value of a share at the time the SAR is granted.
Other Share - Based Awards	Other share-based awards consist of awards that involve (or may involve) the issuance of shares, are denominated, payable or valued in, or otherwise relate to shares. The Compensation Committee determines the terms and conditions of other share-based awards consistent with the terms of the Amended 2019 EIP, provided any exercise price for any other share-based award may not be less than 100% of the fair market value of a share at the time the award is granted.
Payment for Share Purchases	Where expressly approved by the Compensation Committee and as permitted by law, payment methods for shares underlying an award granted under the Amended 2019 EIP (if applicable to the award type) will be set forth in the award agreement.
No Repricings or Exchange of Options or SARs Without Stockholder Approval	The Compensation Committee may authorize the Company, with the consent of the affected participants, to issue new awards in exchange for the surrender and cancellation of any or all outstanding awards; provided that no such exchange program may, without the approval of the Company's stockholders, allow for the cancellation of an outstanding option or SAR in exchange for a new option or SAR having a lower exercise price. The Compensation Committee may also, subject to approval by the Company's stockholders, buy a previously granted award with payment in cash, shares (including restricted stock) or other consideration, based on such terms and conditions as the Compensation Committee and the participant may agree.
Grants to Non-Employee Directors	Non-employee directors are eligible to receive any award granted under the Amended 2019 EIP except for incentive stock options, in the sole discretion of the Board of Directors. The terms and conditions of these awards, including vesting, exercisability and settlement will be determined by the Board of Directors. In the event of the Company's dissolution or liquidation, or a "change of control" transaction, awards granted to the Company's non-employee directors will become 100% vested and exercisable in full immediately prior to the consummation of the applicable transaction. In addition, the Company's non-employee directors may elect to receive all or a portion of their cash compensation from the Company in shares. Directors making this election are eligible to receive shares having a value equal to 110% of the amount of the cash compensation foregone. Under the Amended 2019 EIP, in any fiscal year of the Company, no non-employee director may be granted awards with a grant date value of more than $1,200,000 in total whereby (1) shares-in-lieu of cash compensation may not have a grant date fair value of more than $600,000; and (2) an annual equity award may not have a grant date fair value of more than $600,000.

Performance-Based Awards	Awards may be performance-based awards with vesting or exercisability conditioned on one or more performance factors and may be granted individually or in tandem with other awards. The awards will be subject to a specific performance period that may be as short as a quarter or as long as five (5) years.
Performance Factors	Performance factors are any of the factors selected by the Compensation Committee in its sole discretion and specified in the award agreement, and may include the following measures, or any other measures the Compensation Committee may deem appropriate, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or subsidiary, either individually, alternatively or in any combination on a GAAP or non-GAAP basis to be measured to the extent applicable on an absolute basis or relative to a pre-established target to determine whether the performance goals established by the Compensation Committee have been satisfied: (a) profit before tax; (b) revenue (on an absolute basis or adjusted for currency effects); (c) net revenue; (d) earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings); (e) operating income; (f) operating margin; (g) operating profit; (h) controllable operating profit, or net operating profit; (i) net profit; (j) gross margin; (k) operating expenses or operating expenses as a percentage of revenue; (l) net income; (m) earnings per share; (n) total stockholder return; (o) market share; (p) return on assets or net assets; (q) the Company's stock price; (r) growth in stockholder value relative to a pre-determined index; (s) return on equity; (t) return on invested capital; (u) cash flow (including free cash flow or operating cash flows); (v) cash conversion cycle; (w) economic value added; (x) individual confidential business objectives; (y) contract awards or backlog; (z) overhead or other expense reduction; (aa) credit rating; (bb) strategic plan development and implementation; (cc) succession plan development and implementation; (dd) improvement in workforce diversity; (ee) customer indicators; (ff) new product invention or innovation; (gg) attainment of research and development milestones; (hh) improvements in productivity; (ii) attainment of objective operating goals and employee metrics; or (jj) criteria relating to human capital management. In addition, the Compensation Committee may, in its sole discretion and in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more adjustments to the performance factors to preserve the Compensation Committee's original intent regarding the performance factors at the time of the initial grant.
Dividend Equivalents; Dividends	The Compensation Committee may grant a participant dividend equivalent rights based on any dividends, if any, declared during the period between the date the award is granted and the date the award is vests or is settled. The Amended 2019 EIP prohibits the current payment of dividend equivalent rights or dividends on unvested awards, and also prohibits the payment of dividend equivalents rights or dividends on options and SARs generally.
Forfeiture or Clawback of Awards	Subject to applicable laws, an award agreement may provide that the award will be forfeited or canceled if a participant engages in activity that is in conflict with or adverse to the interest of the Company or its subsidiaries (including conduct contributing to financial restatements, material noncompliance in the financial reports requirements or similar financial or accounting irregularities), as determined by the Compensation Committee. The Compensation Committee may provide in an award agreement that, if within the time period specified in the award agreement, a participant engages in an activity referred to in the preceding sentence, a participant will forfeit any gain realized with respect to the award and must repay such gain to the Company.
Transferability	Awards granted under the Amended 2019 EIP are generally not transferable other than by will or the laws of descent or distribution.
Change in Control	In the event of a merger, consolidation, dissolution or liquidation of the Company, the sale of substantially all of its assets or any other similar corporate transaction, the successor corporation may assume, replace, or substitute equivalent awards in exchange for those granted under the Amended 2019 EIP or provide substantially similar consideration, shares, or other property as was provided to our stockholders (after taking into account the provisions of the awards). In the event that the successor corporation does not assume, replace, or substitute awards and provided the applicable award agreement does not preclude the following, awards based solely on continued service will become fully vested and/or exercisable in full prior to the consummation of the transaction at the time and upon the conditions as the Compensation Committee determines. Any awards not exercised or vested prior to the consummation of the transaction will terminate. Performance-based awards will be subject to the provisions of the award agreement governing the impact of a change in control.
Amendment/ Termination of the Amended 2019 EIP	The Board of Directors or the Compensation Committee may at any time terminate or amend the Amended 2019 EIP in any respect, including any form of award agreement, provided the Board of Directors may not, without stockholder approval, amend the Amended 2019 EIP in any manner which would require such approval.

Certain U.S. Federal Income Tax Consequences

The following discussion is a brief summary of the principal United States federal income tax consequences of awards granted under the Amended 2019 EIP pursuant to the provisions of the Code as currently in effect. The Code and its regulations are subject to change. This summary is not intended to be exhaustive and does not describe, among other things, state, local, or foreign income and other tax consequences. The specific tax consequences to a participant will depend upon that participant's individual circumstances.

Options and Stock Appreciation Rights

Under existing law and regulations, the grant of nonqualified stock options and SARs will not result in income taxable to a participant in the Amended 2019 EIP. However, at the time of the exercise of a nonqualified stock option, the participant will be taxed at ordinary income tax rates on the excess of the fair market value of the shares purchased over the option's exercise price. At the time of the exercise of a SAR, the participant will be taxed at ordinary income tax rates on the amount of the cash, or the fair market value of the shares, received by the employee upon exercise. Upon disposition of the shares received upon exercise of the non-qualified stock option, the participant will recognize long-term or short-term capital gain or loss, depending upon the length of time he or she held such shares.

The grant of an incentive stock option will not result in income taxable to the participant. The participant will not recognize income when the incentive stock option is exercised but the participant must treat the excess of the fair market value of the underlying shares on the date of exercise over the exercise price as an item of adjustment for purposes of the alternative minimum tax. If the participant disposes of the underlying shares after he or she has held the shares for at least two years after the incentive stock option was granted and one year after the incentive stock option was exercised, the amount the participant receives upon the disposition over the exercise price is treated as long-term capital gain for the participant. If the participant makes a "disqualifying disposition" of the underlying shares by disposing of the shares before they have been held for at least two years after the date the incentive stock option was granted and one year after the date the incentive stock option was exercised, the participant will recognize compensation income equal to the excess of (i) the fair market value of the underlying shares on the date the incentive stock option was exercised or, if less, the amount received on the disposition over (ii) the exercise price. The gain (if any) in excess of the amount recognized as ordinary income on a disqualifying disposition will be long-term or short-term capital gain, depending upon the length of time the participant held the shares.

Restricted Stock Awards

A participant in the Amended 2019 EIP who is granted a restricted stock award will not be taxed upon the acquisition of such shares so long as the interest in such shares is subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code and provided the participant does not make an election with the Internal Revenue Service pursuant to Section 83(b) of the Code as discussed below. Upon lapse or release of the restrictions, the participant will generally be taxed at ordinary income tax rates on an amount equal to the then current fair market value of the shares. Any such awards that are not subject to a substantial risk of forfeiture will be taxed at the time of grant.

Pursuant to Section 83(b) of the Code, a participant may elect within 30 days of receipt of an award of restricted shares to be taxed at ordinary income tax rates on the fair market value of the shares comprising such award at the time of award (determined without regard to any restrictions which may lapse) less any amount paid for the shares. In that case, a deduction corresponding to the amount of income recognized will be allowable to the Company (subject to Section 162(m) of the Code). In addition, the participant will acquire a tax basis in the shares equal to the ordinary income that the participant recognizes at the time of grant. No tax will be payable upon the lapse or release of the restrictions or at the time the shares first become transferable, and any gain or loss upon subsequent disposition will be a capital gain or loss. In the event of a forfeiture of shares of common stock with respect to which a participant previously made a Section 83(b) election, the participant will not be entitled to a loss deduction.

Restricted Stock Units

A participant in the Amended 2019 EIP who is granted restricted stock units will not be taxed upon the grant of the award. Upon receipt of payment of cash or common stock pursuant to restricted stock units, the participant will realize ordinary income in an amount equal to any cash received and the fair market value of any shares received. The participant's tax basis in the shares will equal the amount recognized as ordinary income, and on subsequent disposition the participant will realize long-term or short-term capital gain or loss, depending on how long the participant holds the shares before disposing of them.

Dividend Equivalents

A participant in the Amended 2019 EIP who is granted dividend equivalents generally will realize ordinary income at the time the underlying shares relating to the dividend equivalent vest.

Deductibility

The Company is generally entitled to a deduction equal to the compensation realized by the holders of the nonqualified stock options, incentive stock options with a disqualifying disposition, stock appreciation rights, restricted stock, restricted stock units, performance awards/incentive awards and dividend equivalents. However, the Company's deduction will be limited by Section 162(m) of the Code for certain covered executive officers to the extent that their total compensation in any one year exceeds $1 million.

Section 409A

Section 409A of the Code ("Section 409A") imposes certain requirements on nonqualified deferred compensation arrangements. These include requirements on an individual's election to defer compensation and the individual's selection of the timing and form of distribution of the deferred compensation. For certain individuals who are officers, Section 409A requires that such individual's distribution commence no earlier than six months after such officer's separation from service. Certain awards under the Amended 2019 EIP may be designed to be subject to the requirements of Section 409A in form and in operation. For example, restricted stock units that provide for a settlement date following the vesting date may be subject to Section 409A. If an award under the Amended 2019 EIP is subject to and fails to satisfy the requirements of Section 409A, the recipient of that award may recognize ordinary income on the amounts deferred under the award, to the extent vested, which may be prior to when the compensation is actually or constructively received. Also, if an award that is subject to Section 409A fails to comply with the requirements of Section 409A, Section 409A imposes an additional 20% federal penalty tax on compensation recognized as ordinary income, as well as interest on that compensation.

ERISA

The Amended 2019 EIP is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended, and is not qualified under Section 401(a) of the Code.

PROPOSAL 5

Amend our Certificate of Incorporation to Reduce the Threshold for Stockholders to Call Special Meetings from 25% to 15%

Our Board of Directors has unanimously approved, and recommends that our stockholders approve, an amendment to our Amended and Restated Certificate of Incorporation (the "Charter") to reduce the ownership threshold required for stockholders to call a special meeting of stockholders from 25% or more of our common stock to 15% or more of our common stock. The proposed amendment to Article VIII, subsection (b) of the Charter is below, marked to show the proposed modification.

> *Except as otherwise required by law, special meetings of stockholders of the Company for any purpose or purposes may be called only (i) by the Chairman of the Board of Directors pursuant to a resolution stating the purpose or purposes thereof or (ii) by the Board of Directors upon written request by one or more stockholders owning, in the aggregate, at least ~~25~~ 15% of the Company's outstanding shares entitled to vote on the matter or matters to be brought before the proposed special meeting, determined in accordance with the provisions of the Company's Bylaws, and who otherwise comply with such other requirements and procedures set forth in the Company's Bylaws, as now or hereinafter in effect.*

If Proposal 5 is approved by our stockholders, we will promptly file the Charter amendment with the Secretary of State of the State of Delaware. The Board of Directors has also approved amendments to our Bylaws to reflect the 15% threshold contingent on the approval of Proposal 5.

Reasons for the Special Meeting Proposal

Our Board of Directors has a history of responsiveness to investor feedback and enhancing stockholder rights, including adopting a proxy access right in 2016, a right for stockholders to call special meetings in 2019, and the right for stockholders to act by written consent in 2021. As of March 31, 2022, only a small minority of our fiscal year 2022 peers (as set forth on pages 36-37 of this Proxy Statement) also offered all three of these mechanisms to stockholders.

At our 2021 annual meeting, a Board-supported proposal to permit action by written consent – if 25% or more of our stockholders agree with such a process – received significant support from our stockholders with 69.1% of shares outstanding supporting the proposal. At the same meeting, a stockholder proposal that did not specify the percentage of stockholders that should be required to initiate a written consent process received a lower percentage of support, 57.9% of shares voted, but still a majority.

In our conversations with investors after our 2021 annual meeting, we heard mixed feedback on how they viewed our mechanisms through which stockholders can raise matters of concern outside of an annual meeting. Many of our largest stockholders expressed support for our current rights, while a smaller number of other stockholders indicated they would prefer lower thresholds embedded in these rights. The majority of these stockholders indicated that they viewed special meeting rights as the preferred vehicle for taking action as compared to written consent rights, and some stockholders acknowledged that they would view reducing our special meeting threshold to be responsive in light of the voting results for the written consent stockholder proposal at our 2021 annual meeting.

Our Board of Directors believes that special meetings should only be called to discuss critical, time-sensitive issues that cannot be delayed until EA's next annual meeting. Further, special meetings impose significant costs to EA and its stockholders, both administrative and operational. Our Board of Directors and executive management must devote significant time and attention to preparing for a special meeting, taking their attention away from their primary focus of overseeing and operating EA's business in the best interest of its stockholders and creating long-term stockholder value.

After considering (1) the voting results at our 2021 annual meeting of stockholders, (2) direct feedback from investors, and (3) the potential administrative and operational costs that would result from a special meeting, the Board of Directors recommends lowering the Company's special meeting threshold to 15%. The Board of Directors believes that a 15% ownership threshold, while maintaining the Company's current procedural requirements, sets an appropriate level that promotes stockholder rights in the event of a critical, time-sensitive issue, while still adequately protecting the long-term interests of the Company and its stockholders.

The 15% Special Meeting threshold will add to EA's existing strong corporate governance practices that are designed to promote Board accountability and responsiveness to stockholders.

The Board of Directors believes that EA's governance practices demonstrate and promote accountability and advance long-term value creation. The 15% special meeting threshold as set forth in Proposal 5 will add to EA's key substantive stockholder rights and strong corporate governance practices, which include:

- **Written Consent Right:** Our stockholders are able to take action outside of a stockholders meeting and by written consent so long as 25% of our stockholders agree to set a record date for the written consent process.
- **Active Stockholder Engagement Program:** We regularly engage with our stockholders to solicit their feedback regarding issues including executive compensation and corporate governance and have taken actions to implement stockholder feedback as appropriate.
- **Robust Lead Director Structure:** Our Lead Independent Director, who is selected by the independent directors, has clearly enumerated powers and authorities, such as chairing executive sessions of the Board and other meetings of the Board in the absence of the Chair and the ability to call meetings of the independent directors.
- **Diverse Board:** All director nominees, except our CEO, are independent under Nasdaq rules and reflect a diverse skill set. Our Board of Directors is also diverse with respect to race, ethnicity, age and gender. 38% of our director nominees identify as female, and 38% identify from an underrepresented community.
- **Strong Director Succession and Refreshment Practices**: Our Board of Directors has an appropriate mix of shorter-tenured directors and longer-tenured directors. 38% of our director nominees have served for five years or less.
- **Annual Elections of Board:** We do not have a classified Board. All of our directors are elected annually by our stockholders.
- **Majority Voting:** We have a majority voting standard for the election of directors in uncontested elections and a director resignation policy in the event a director fails to receive a majority of votes cast.
- **No Dual Class:** We have a single class of common stock, with equal voting rights (one vote per share) for all stockholders.
- **Proxy Access:** We adopted a proxy access right applying corporate best practices, allowing stockholders holding 3% or more of our common stock for 3 or more years to include director nominations in our proxy statement.
- **No Supermajority Provisions:** Our governance documents do not contain provisions requiring a supermajority stockholder vote on any issue.
- **No Stockholder Rights Plan (or Poison Pill) in Place:** We do not maintain a stockholder rights plan.

Required Vote and Impact of Vote

To pass, the Special Meeting Proposal requires the affirmative vote of a majority of the outstanding stock entitled to vote thereon. If the Company's stockholders approve the Special Meeting Proposal, we will promptly file with the Secretary of State of the State of Delaware the Charter amendment set forth above, and we will adopt amendments to the Bylaws to reflect the 15% threshold. If the Company's stockholders do not approve the Special Meeting Proposal, our existing provision will continue in effect and only stockholders who own 25% or more of our common stock will have the ability to require the Company to call a special meeting.

The Board of Directors recommends a vote FOR the amendment of our Charter to reduce the threshold for stockholders to call special meetings from 25% to 15%.

PROPOSAL 6

Stockholder Proposal on Termination Pay

The Company has been advised that James McRitchie and Myra K. Young, 9295 Yorkship Ct, Elk Grove, CA 95758, the beneficial owners of 25 shares of EA's common stock, intend to present the following proposal for consideration at the Annual Meeting.

Proposal 6 — Shareholder Ratification of Termination Pay

Resolved: Shareholders of Electronic Arts (Company) request the Board seek shareholder approval of any senior manager's new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus.

"Severance or termination payments" include cash, equity or other compensation that is paid out or vests due to a senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans, but not life insurance, pension benefits, or deferred compensation earned and vested prior to termination.

"Estimated total value" includes: lump-sum payments; payments offsetting tax liabilities; perquisites or benefits not vested under a plan generally available to management employees; post-employment consulting fees or office expense; and equity awards if vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

Supporting Statement: Generous performance-based pay can be good but shareholder ratification of "golden parachute" severance packages with a total cost exceeding 2.99 times base salary plus target short-term bonus better aligns management pay with shareholder interests.

For instance, at one company if the CEO is terminated without cause, whether or not his termination follows a change in control, he will receive $39 million in termination payments, nearly 7-times his base salary plus short-term bonus.

It is in the best interest of Company shareholders to be protected from such lavish management termination packages.

It is important to have this policy in place so that Company management focuses on improving company performance, instead of possible business combinations to trigger a golden parachute windfall.

This proposal is more important at our Company because of the tendency to overpay management or provide the wrong management pay incentives. Pay was rejected by 58% of shares in 2021 and 74% in 2020, whereas a 5% rejection is more the norm.

This proposal topic won 58% support at the 2021 FedEx annual meeting.

A 2015 General Electric shareholder proposal similar to the FedEx proposal won 40% GE shareholder support with 2.2 billion votes in favor. That may have represented 51% support from the GE shares that had access to independent proxy voting advice and are not forced to rely on the biased recommendations of management, especially on issues of management pay.

Please vote yes:

Shareholder Ratification of Termination Pay – Proposal 6
Enhance Shareholder Value, Vote FOR

The Company's Opposition Statement to Proposal 6

Our Board of Directors recommends a vote **"AGAINST"** this proposal because it is unnecessary and not in the best interests of the Company or its stockholders.

- **This proposal, which would require a binding stockholder vote on any cash and equity severance arrangement where pay would exceed 2.99 times salary and bonus, is not in the best interests of stockholders because it could place us at a severe competitive disadvantage by limiting our ability to retain and attract highly qualified executives.**
- **The proposal is inappropriate because the Company's current cash severance benefits are under the 2.99x cap and are only payable in limited circumstances.**
- **The proposal is unnecessary because we provide stockholders with a voice on executive pay through our annual say-on-pay vote and our robust, year-round stockholder outreach program and, further, stockholders would be entitled to an additional vote with respect to any payments made in connection with a potential change in control transaction.**

The proposal, which would require a binding stockholder vote on any cash and equity severance arrangement where pay would exceed 2.99 times salary and bonus, is not in the best interests of stockholders because it could place us at a severe competitive disadvantage by limiting our ability to retain and attract highly qualified executives.

We operate in a highly competitive market and industry, and in a geographic region that is exceptionally competitive for executive talent. To support our objective of attracting, retaining, and motivating executives, our Board of Directors and Compensation Committee believe it is necessary to provide our key executives with market competitive severance benefits upon a qualifying termination of employment, especially in connection with a change in control. A substantial majority of public companies and nearly all of our peer companies provide change-in-control severance benefits, including uncapped provisions to accelerate equity, to their executives. In our experience most executive-level candidates expect change-in-control severance benefits as part of their compensation package, and if we did not provide these benefits our offer would be less attractive to candidates, jeopardizing our ability to attract qualified executives to join EA.

Moreover, if our offers to top candidates contained severance benefits that were contingent upon stockholder ratification (which could occur potentially months after an offer is extended), these benefits likely would be viewed as too uncertain, putting us at a severe competitive disadvantage in our efforts to recruit and retain highly qualified executives, particularly as our industry undergoes a period of consolidation. None of our peers have a similar cap on the value of accelerated equity awards in connection with a qualifying termination of employment, and it is an extremely rare practice in the market. Therefore, our Board of Directors and Compensation Committee believe that stockholder interests are best protected by providing flexibility to the Compensation Committee, which consists solely of independent directors and oversees all matters regarding executive compensation, to assess the needs of the Company, the competition for talent and other relevant factors in making decisions regarding whether, and how, to offer severance benefits to executives.

In addition, calling a special meeting of stockholders to obtain prior approval of a severance arrangement that would provide benefits in excess of the specified cap would be expensive and impractical and could severely disadvantage the Company's ability to recruit qualified executives. Top candidates, when informed that the terms of their compensation arrangements first require a binding stockholder approval, would likely be unwilling to sit on the sidelines pending such approval and may instead seek employment elsewhere, including at one of the Company's competitors who do not face similar restrictions on their ability to offer severance protection. Even if the severance arrangement could instead be ratified by stockholders after the fact, as the proposal suggests, the potential for stockholders to reject the severance arrangement—potentially many months after entering an agreement—would likely result in the promised severance benefits being viewed by a potential candidate as too uncertain to merit serious consideration. Delay and uncertainty would be injected into the hiring process, disadvantaging the Company in its efforts to recruit and retain the best available executive talent.

The proposal is inappropriate because the Company's current cash severance benefits are under the 2.99x cap and are only payable in limited circumstances.

As described above under "*—Executive Compensation Tables—Potential Payments Upon Termination or Change in Control,*" we do not have any employment agreements with our executive officers providing for severance benefits. All outstanding equity awards held by our executive officers will be forfeited on a termination of employment unless the executive is terminated due to death, disability or in connection with a change in control of the Company. All of our employees who meet certain service requirements are entitled to full vesting of outstanding equity awards upon death and pro rata vesting of outstanding equity awards in the event of their termination due to disability, in each case with vesting of performance-based restricted stock units (PRSUs) based on actual performance. The purpose of the accelerated vesting under these circumstances is to assist our employees' families because a death or disability can have a devastating financial impact.

Our Board of Directors believes that the cash severance benefits provided to our executive officers under our Amended and Restated Change in Control Severance Plan ("CIC Plan") demonstrate that the proposal is unnecessary for cash severance payments because they are well below the proposed cap. Under the CIC Plan, in the event of a termination without cause or for good reason within a specified period of time before or after a change-in-control transaction (a "double trigger" termination), our CEO would be entitled to cash severance equal to 2x base salary and target bonus, and our other named executive officers would be entitled to cash severance equal to 1.5x base salary and target bonus. In addition to these reasonable and appropriate limits on severance payments, the CIC Plan does not include excise tax gross ups, consulting fees, additional equity grants or special retirement provisions.

Furthermore, we do not believe a cap on the value of any accelerated equity awards received in connection with a qualifying termination of employment is appropriate. Upon a qualifying termination of employment in connection with a change in control (a "double trigger" termination), vesting of all outstanding equity awards will accelerate with vesting of PRSUs at actual or target, depending on when in the performance period the change in control occurs. Our Board of Directors and Compensation Committee believe it would be inappropriate to include an estimated value of these amounts in the severance calculation because performance awards are earned by executives during the course of their employment. PRSUs vest at the end of a three-year performance period based on our three-year relative TSR performance against the Nasdaq-100 Index, and our annual net bookings and operating income performance over a three-year performance period. As a significant portion of our executives' annual equity awards are granted in the form of PRSUs (as described in the "*Compensation Discussion & Analysis* above), these awards are a fundamental element of their compensation and are granted and accepted with the expectation that the executives will be given a fair opportunity to realize the full value of these awards over the three-year performance period.

The proposal would potentially trigger a binding stockholder approval requirement in order for executives to realize the value of these awards upon a double-trigger termination of employment or upon their death or termination due to disability. As a result, our Board of Directors and Compensation Committee believe the proposal could have the effect of discouraging the use of long-term equity incentive awards, which directly conflicts with one of the main objectives of our executive compensation program, namely, the alignment of stockholder and executive interests.

The proposal is unnecessary because we provide stockholders with a voice on executive pay through the annual say-on-pay vote and our robust, year-round stockholder outreach program.

We hold an annual say-on-pay advisory vote giving our stockholders the ability to vote on our executive compensation program each year. In addition, SEC rules further require a separate approval, on an advisory basis, by stockholders of golden parachute compensation agreements or understandings payable to named executive officers in connection with change-in-control transactions. If we were to undergo a change in control transaction, stockholders would have the opportunity to vote on any golden parachute arrangements with our executives.

Supplementing this vote, we have a robust year-round stockholder outreach program, with formal engagement efforts having occurred in two phases, leading up to and following our annual meeting. As described above under "*—Compensation Discussion & Analysis—Stockholder Engagement,*" following our 2021 annual meeting, we conducted extensive stockholder outreach to request feedback on our executive compensation program. We reached out to stockholders holding approximately 54% of our outstanding common stock and engaged with stockholders holding approximately 35% of our common stock. Members of our Compensation Committee led calls with top investors holding approximately 32% of our common stock. As discussed in our "*Compensation Discussion & Analysis—Stockholder Engagement,*" the feedback we heard from our stockholders on our executive compensation program was overwhelmingly positive. Stockholders expressed appreciation for the substantive changes we have made to our executive compensation program, our continued desire to evaluate and evolve our compensation practices, and our commitment to responsiveness. Importantly, on these calls, none of our stockholders raised the topic of our severance practices as an area of concern.

We believe these avenues of communication, along with the annual say-on-pay votes, are the most effective method of providing stockholders with a voice on our executive compensation program. Requiring additional stockholder approval of specific elements of our compensation program is unlikely to provide stockholders with more effective input and, as discussed above, carries the risk of jeopardizing our ability to attract and retain highly qualified candidates.

For the reasons described above, our Board of Directors and Compensation Committee do not believe that a separate binding stockholder vote on severance pay is appropriate. Rather, they believe that stockholder interests are best protected by providing flexibility to the Compensation Committee, which consists solely of independent directors, to assess the needs of the Company, the competition for talent and other relevant factors in making decisions regarding whether, and how, to offer severance benefits to executives.

Required Vote

Approval of this proposal requires the affirmative vote of a majority of the voting shares present at the meeting or by proxy and voting for or against the proposal.

The Board of Directors recommends a vote AGAINST the stockholder proposal regarding shareholder ratification of termination pay.

Other Information

Commonly Asked Questions and Answers

1. **Why am I receiving these materials and how do I attend the virtual meeting?**

   You are receiving these materials in connection with the Company's solicitation of proxies for use at our Annual Meeting, which will take place virtually at www.virtualshareholdermeeting.com/EA2022 on Thursday, August 11, 2022 at 2:00 p.m. local time. In structuring the virtual meeting, our goal is to provide stockholders the same opportunity to participate as they would have at an in-person meeting.

   This Proxy Statement describes proposals on which you, as a stockholder, are being asked to vote. It also gives you information on the proposals that will be considered at the Annual Meeting, as well as other information so that you can make an informed decision. As a stockholder, you are invited to attend the Annual Meeting online and are requested to vote on the items of business described in this Proxy Statement.

2. **How do I attend the virtual meeting?**

   This year's Annual Meeting will be accessible only through the Internet. You can participate in the Annual Meeting if you were a stockholder as of the close of business on the record date, June 17, 2022. To participate in the Annual Meeting, including to vote and ask questions, go to www.virtualshareholdermeeting.com/EA2022 and log-in using the 16-digit control number on your Notice or proxy card next to the label "Control Number" for postal mail recipients or within the email for electronic delivery recipients, and follow the instructions on the website. If your shares are held in street name and your voting instruction form or Notice indicates that you may attend and vote those shares through the http://www.proxyvote.com website, then you may vote at the Annual Meeting with the 16-digit access code indicated on that voting instruction form or Notice. Otherwise, stockholders who hold their shares in street name should contact their bank, broker or other nominee and obtain a "legal proxy" in order to attend and vote at the Annual Meeting.

   We encourage you to join 15 minutes before the start time. Stockholders may submit questions online during the Annual Meeting at www.virtualshareholdermeeting.com/EA2022. A copy of the Annual Meeting rules of conduct will be available online at the Annual Meeting. The list of registered stockholders as of June 17, 2022 will be available for inspection by stockholders during the meeting at www.virtualshareholdermeeting.com/EA2022. There will not be a physical location for the Annual Meeting, and you will not be able to attend the Annual Meeting in person. If you have difficulty accessing or participating in the virtual Annual Meeting, please call the technical support number that will be posted on the Annual Meeting website log-in page. We will have technicians available to assist you.

3. **Why did I receive a Notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?**

   In accordance with rules adopted by the SEC, we may furnish proxy materials, including this Proxy Statement and our Annual Report, to our stockholders by providing access on the Internet instead of mailing printed copies. Stockholders will receive printed copies of the proxy materials only if they request them. Instead, the Notice, which was mailed to our stockholders, provides instructions on how to access and review all the proxy materials on the Internet. The Notice also describes how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting those materials in the Notice or you may contact the Company directly. ***The Company will provide you without charge, upon request, a paper or email copy of our proxy materials, including the Company's Annual Report on Form 10-K (paper copies will be sent by first class mail).*** Any such request should be directed as follows: Corporate Secretary, Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065 or call (650) 628-1500.

4. **How can I get electronic access to the proxy materials?**

   The Notice or proxy card provides instructions on how to inform us to send future proxy materials to you electronically by email. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to our proxy website. Your election to receive proxy materials by email will remain in effect until you terminate it. ***We encourage you to receive future proxy materials by email. Doing so will allow us to provide you with the information you need in a timelier manner, will save us the cost of printing and mailing documents to you, and will help reduce paper use.***

5. **Can I vote my shares by filling out and returning the Notice?**

   No. However, the Notice provides instructions on how to vote on the Internet or by attending the Annual Meeting virtually at www.virtualshareholdermeeting.com/EA2022 and following the instructions on the website.

6. **Who can vote at the Annual Meeting?**

   Stockholders who owned common stock as of the close of business on June 17, 2022 may attend and vote at the Annual Meeting. If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to vote at the Annual Meeting. If your shares are held in a brokerage account or by another nominee or trustee, you are considered the beneficial owner of shares held in "street name." As the beneficial owner, you are also invited to attend the Annual Meeting. As a beneficial owner, you are not the stockholder of record and, as described in Question 1, may not in certain cases be able to vote these shares at the Annual Meeting unless you obtain a "legal proxy" from your broker, nominee, or trustee that holds your shares, giving you the right to vote the shares at the meeting. Each share of common stock is entitled to one vote. There were 279,306,146 shares of common stock outstanding on the record date, June 17, 2022.

A quorum is required to conduct business at the Annual Meeting. A quorum exists if a majority of EA's outstanding voting shares, or at least 139,653,074 shares, as of June 17, 2022 is present or represented by proxies at the Annual Meeting. On June 17, 2022, a total of 279,306,146 shares of common stock were outstanding and entitled to vote.

Shares are counted as present or represented at the Annual Meeting if:

- They are entitled to vote at the Annual Meeting and are present at the Annual Meeting, or
- The stockholder has voted on the Internet, by telephone or a properly submitted proxy card prior to 11:59 p.m. Eastern Time on August 10, 2022.

If a quorum is not present, we may propose to adjourn the Annual Meeting to solicit additional proxies and reconvene the Annual Meeting at a later date.

7. What am I voting on?

We are asking you to:

- Elect Kofi A. Bruce, Rachel A. Gonzalez, Jeffrey T. Huber, Talbott Roche, Richard A. Simonson, Luis A. Ubiñas, Heidi J. Ueberroth and Andrew Wilson to the Board of Directors to hold office for a one-year term (Proposal 1);
- Cast an advisory vote to approve named executive officer compensation (Proposal 2);
- Ratify the appointment of KPMG LLP as the Company's independent public registered accounting firm for the fiscal year ending March 31, 2023 (Proposal 3);
- Approve our amended 2019 Equity Incentive Plan (Proposal 4);
- Approve an amendment to our Certificate of Incorporation to reduce the threshold for stockholders to call a special meeting from 25% to 15% (Proposal 5); and
- Consider and vote upon a stockholder proposal, if properly presented at the Annual Meeting, on termination pay (Proposal 6).

8. How do I vote my shares if I won't be able to attend the Annual Meeting?

You do not need to attend the Annual Meeting in order to vote. You may, instead, vote on the Internet or by telephone or mail (if you have received printed proxy materials) prior to 11:59 p.m. Eastern Time on August 10, 2022. By doing so, you are giving a proxy appointing Andrew Wilson (the Company's Chief Executive Officer), Christopher Suh (the Company's Chief Financial Officer) and Jacob Schatz (the Company's Chief Legal Officer and Corporate Secretary) or any of them, each with power of substitution, to vote your shares at the Annual Meeting, or any adjournment thereof, as you have instructed. If a proposal comes up for a vote at the Annual Meeting for which you have not indicated an instruction, Mr. Wilson, Mr. Suh and Mr. Schatz, or any one of them, will vote your shares in the manner recommended by the Board of Directors and according to their best judgment. Even if you currently plan to attend the Annual Meeting, it is a good idea to vote on the Internet or, if you received printed proxy materials, by telephone or by completing and returning your proxy card before the meeting date, in case your plans change.

On the Internet or by Telephone

If you have Internet access, you may submit your proxy online by following the instructions provided in the Notice or, if you receive printed proxy materials, the proxy card. You may also vote by telephone by following the instructions provided on your proxy card or voting instruction card.

By Mail

If you receive printed proxy materials, you may submit your proxy by mail by signing your proxy card or, for shares held in street name, by following the voting instructions included by your broker, trustee or nominee, and mailing it in the enclosed, postage-paid envelope. If you provide specific voting instructions, your shares will be voted as you have instructed.

9. What does it mean if I receive more than one Notice or proxy card?

It means that you have multiple accounts at the transfer agent or with brokers. Please complete and return all proxy cards or follow the instructions on each proxy card to vote on the Internet or by telephone, to ensure that all your shares are voted.

10. I share an address with another stockholder, and we received only one paper copy of the proxy materials. How can I obtain an additional copy of the proxy materials?

The Company has adopted an SEC-approved procedure called "householding." Under this procedure, the Company may deliver a single copy of the Notice or the Annual Report and this Proxy Statement to multiple stockholders who share the same last name and address and who have consented to householding, unless the Company has received contrary instructions from one or more of those stockholders. This procedure reduces the environmental impact of the Company's annual meetings and reduces the Company's printing and mailing costs. Stockholders who participate in householding will continue to receive separate proxy cards. Upon written or oral request, the Company will deliver promptly a separate copy of the Notice, Annual Report and this Proxy Statement to any stockholder at a shared address to which the Company delivered a single copy of any of these documents.

To receive free of charge a separate copy of the Notice or Annual Report and this Proxy Statement, or separate copies of these documents in the future, stockholders may write to our Corporate Secretary at 209 Redwood Shores Parkway, Redwood City, CA 94065 or call (650) 628-1500.

If you are receiving more than one copy of the proxy materials at a single address and would like to participate in householding, please contact the Company using the mailing address or phone number above. Stockholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer or other similar organization to request information about householding.

11. What if I change my mind after I give my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the Annual Meeting. You may do this by:

- Sending a signed statement to the Company that the proxy is revoked (you may send such a statement to the Corporate Secretary at our corporate headquarters address listed above);
- Signing and returning another proxy with a later date;
- Voting on the Internet or by telephone at any time prior to 11:59 p.m. Eastern Time on August 10, 2022 (your latest vote is counted); or
- Voting at the Annual Meeting.

If your shares are held by a broker, bank or other nominee or trustee, you may contact the record holder of your shares directly.

Your proxy will not be revoked if you attend the Annual Meeting but do not vote.

12. Who will count the votes?

A representative of Broadridge Financial Solutions will tabulate the votes and act as the inspector of elections for our Annual Meeting.

13. How are votes counted?

You may vote "for," "against" or "abstain" with respect to each of the nominees to the Board of Directors and on each of the proposals. A share voted "abstain" with respect to any proposal is considered present at the Annual Meeting for purposes of establishing a quorum and entitled to vote with respect to that proposal but is not considered a vote cast with respect to that proposal. Thus, abstentions will not affect the outcome of Proposals 1, 2, 3, 4 or the stockholder proposal. Under the Delaware General Corporation Law ("DGCL"), Proposal 5 requires that a majority of our outstanding common stock vote "for" Proposal 5 in order for it to be approved. Thus, a share voted "abstain" with respect to Proposal 5 has the same impact as a share voted "against" Proposal 5. If you are a registered stockholder and you sign and return your proxy without voting instructions, your shares will be voted as recommended by the Board of Directors and according to the best judgment of Mr. Wilson, Mr. Suh and Mr. Schatz, or any one of them.

14. What is the effect of a "broker non-vote" on the proposals to be voted on at the Annual Meeting?

If your shares are held by a broker, bank or other nominee or trustee and you do not provide your broker, bank or other nominee or trustee with voting instructions, your shares may constitute "broker non-votes." Broker non-votes occur on a matter when a broker is not permitted to vote on that matter (or even when a broker is permitted to vote on that matter but chooses not to do so) without instructions from the beneficial owners and instructions are not given. Shares that constitute broker non-votes are considered present for purposes of establishing a quorum and entitled to vote with respect to that proposal but are not considered votes cast on that proposal. Broker non-votes, if any, will have the same impact as a vote "against" on Proposal 5. Broker non-votes, if any, will not affect the outcome of Proposals 1, 2, 3, 4 or the stockholder proposal. Even with respect to routine matters, some brokers are choosing not to exercise discretionary voting authority. As a result, if your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker or other nominee as to how you wish your shares to be voted.

15. How many votes must the nominees receive to be elected as directors?

In an uncontested election, our Amended and Restated Bylaws require each nominee to receive more votes cast "for" than "against" his or her re-election in order to be re-elected to the Board of Directors. Since we are not aware of any intention by any stockholder to nominate one or more candidates to compete with the Board of Directors' nominees for re-election at the Annual Meeting, the 2022 election will be uncontested.

In accordance with our Corporate Governance Guidelines, the Board of Directors expects an incumbent director to tender his or her resignation if he or she fails to receive the required number of votes for re-election in an uncontested election. In such an event, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board of Directors. The director whose resignation is under consideration will abstain from participating in any decision regarding his or her resignation. The Nominating and Governance Committee and the Board of Directors may consider any factors they deem relevant in deciding whether to recommend and accept, as applicable, a director's resignation. The Board of Directors will act on the Nominating and Governance Committee's recommendation within 90 days from the date of the certification of election results and will publicly disclose its decision promptly thereafter.

Shares represented by your proxy will be voted by EA's management "for" the election or re-election of the eight nominees recommended by EA's Board of Directors unless you vote against any or all of such nominees or you mark your proxy to "abstain" from so voting.

16. What happens if one or more of the nominees is unable to serve or for good cause will not serve?

If, prior to the Annual Meeting, one or more of the nominees notifies us that he or she is unable to serve, or for good cause will not serve, as a member of the Board of Directors, the Board of Directors may reduce the number of directors or select a substitute nominee or substitute nominees, as the case may be. In the latter case, if you have completed and returned your proxy card, Mr. Wilson, Mr. Suh and Mr. Schatz, or any of them, may vote for any nominee designated by the incumbent Board of Directors to fill the vacancy. They cannot vote for more than eight nominees.

17. How many votes are required to approve each of the other proposals?

The advisory vote to approve named executive officer compensation (Proposal 2), the ratification of KPMG LLP as our independent auditor (Proposal 3), the approval of our amended 2019 Equity Incentive Plan (Proposal 4), and the stockholder proposal (Proposal 6) must receive a "for" vote from a majority of the voting shares present at the Annual Meeting in person or by proxy and voting for or against these proposals. Under the DGCL, the proposal to approve an amendment to our Certificate of Incorporation to reduce the threshold for stockholders to call a special meeting from 25% to 15% (Proposal 5) must receive a "for" vote from a majority of our outstanding common stock. As advisory votes, the results of voting on Proposal 2 and the stockholder proposal are non-binding. Although these votes are non-binding, the Board of Directors and its committees value the opinions of our stockholders and will consider the outcome of these votes, along with other relevant factors, in evaluating the compensation program for our named executive officers and evaluating the matters presented by the stockholder proposal.

Shares represented by your proxy will be voted by EA's management in accordance with the Board of Directors' recommendation unless you vote otherwise on your proxy or you mark your proxy to "abstain" from voting. Abstentions and broker non-votes will have no effect on the outcome of Proposals 2, 3, 4 or the stockholder proposal. Abstentions and broker non-votes will have the same impact as a vote "against" Proposal 5.

18. What is the deadline to propose matters for consideration at the 2023 annual meeting of stockholders?

Proposals to be considered for inclusion in our proxy materials: No later than the close of business (6:00 p.m. Pacific Time) on February 24, 2023. All proposals must comply with Rule 14a-8 under the Exchange Act.

Other proposals to be brought at our 2023 annual meeting: No earlier than April 13, 2023 and no later than the close of business (6:00 p.m. Pacific Time) on May 13, 2023. The submission must include certain information concerning the stockholder and the proposal, as specified in the Company's Amended and Restated Bylaws.

19. What is the deadline to nominate individuals for election as directors at the 2023 annual meeting of stockholders?

Director nominations for inclusion in our proxy materials (proxy access nominees): No earlier than March 14, 2023 and no later than the close of business (6:00 p.m. Pacific Time) on April 13, 2023. The nomination must include certain information concerning the stockholder or stockholder group and the nominee, as specified in Section 1.6 of the Company's Amended and Restated Bylaws.

Director brought pursuant to our advance notice bylaws: No earlier than April 13, 2023 and no later than the close of business (6:00 p.m.) on May 13, 2023. The nomination must include certain information concerning the stockholder and the nominee, as specified in Section 1.5 of the Company's Amended and Restated Bylaws. In addition to satisfying the deadlines in the advance notice provisions of our bylaws, a stockholder who intends to solicit proxies in support of nominees submitted under these advance notice provisions for the 2023 Annual Meeting must provide the notice required under Rule 14a-19 to the Company's Corporate Secretary no later than the close of business (6:00 p.m.) on June 12, 2023.

20. Where should I send proposals and director nominations for the 2023 annual meeting of stockholders?

Stockholder proposals and director nominations should be sent in writing to Jacob Schatz, Corporate Secretary at Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065.

21. How can I obtain a copy of the Company's Amended and Restated Bylaws?

Our Amended and Restated Bylaws as of the date of this Proxy Statement are included as an exhibit to a Current Report on Form 8-K we filed with the SEC on August 9, 2019, which you may access through the SEC's electronic data system called EDGAR at www.sec.gov. You may also request a copy of our Amended and Restated Bylaws by contacting our Corporate Secretary at the address above.

22. How can I listen to the live audio webcast of the Annual Meeting?

You can listen to the live audio webcast of the Annual Meeting by going to the Investor Relations section of our website at http://ir.ea. com. An archived copy of the webcast will also be available on our website for one year following the Annual Meeting. Please note that participation in the question and answer portion of the Annual Meeting will be limited to those stockholders attending.

23. Where do I find the voting results of the meeting?

We may announce preliminary voting results at the Annual Meeting. We will also publish the final results on Form 8-K, which we will file with the SEC within four business days after the Annual Meeting. Once filed, you can request a copy of the Form 8-K by contacting our Investor Relations department at (650) 628-0406. You can also get a copy on the Internet at http://ir.ea.com or through the SEC's electronic data system called EDGAR at www.sec.gov.

24. Who will pay for this proxy solicitation?

We will bear the costs of soliciting proxies from our stockholders. These costs include preparing, assembling, printing, mailing and distributing the notices, proxy statements, proxy cards and annual reports. In addition, some of our officers, directors, employees and other agents may also solicit proxies personally, by telephone and by electronic and regular mail, and we will pay these costs. EA will also reimburse brokerage houses and other custodians for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to the beneficial owners of the Company's common stock.

25. How is the Company's fiscal year calculated?

The Company's fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for fiscal year 2022 contained 52 weeks and ended on April 2, 2022. For simplicity of disclosure, fiscal year periods are referred to as ending on a calendar month end, even if the technical end of a fiscal year period was not the last day of a calendar month.

26. Who can I call with any questions about my shares?

If you hold shares in street name, you may contact your broker. If you are a stockholder of record, you may call our transfer agent, Computershare, at (800) 736-3001 or (781) 575-3100 for international callers or visit their website at www.computershare.com/investor.

Other Business

The Board of Directors does not know of any other matter that will be presented for consideration at the Annual Meeting except as specified in the notice of the Annual Meeting. If any other matter does properly come before the Annual Meeting, or at any adjournment or postponement of the Annual Meeting, it is intended that the proxies will be voted in respect thereof in accordance with the judgment of the persons voting the proxies.

Appendix A: Supplemental Information for CD&A

The "*Compensation Discussion and Analysis*" above contains certain non-GAAP financial measures, which are used internally by our management and Board of Directors in our compensation programs. The table below reconciles these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP").

Calculation of Non-GAAP Financial Measures for FY22 Results

(IN MILLIONS, EXCEPT EARNINGS PER SHARE)	FISCAL YEAR ENDED MARCH 31, 2022
GAAP net revenue	$ 6,991
Change in deferred net revenue (online-enabled games)	524
Non-GAAP net revenue	$ 7,515
GAAP gross profit	$ 5,132
Acquisition-related expenses	133
Change in deferred net revenue (online-enabled games)	524
Stock-based compensation	6
Non-GAAP gross profit	$ 5,795
GAAP operating expenses	$4,003
Acquisition-related expenses	(183)
Stock-based compensation	(522)
Non-GAAP operating expenses	$ 3,298
GAAP net income	$ 789
Acquisition-related expenses	316
Change in deferred net revenue (online-enabled games)	524
Stock-based compensation	528
Income tax rate adjustments	(149)
Non-GAAP net income	$2,008
GAAP diluted earnings per share	$ 2.76
Non-GAAP diluted earnings per share	$ 7.02
GAAP diluted shares	286
Non-GAAP diluted shares	286

Calculation of Non-GAAP Financial Measures for Company Bonus Funding and PRSU Attainment

(IN MILLIONS, EXCEPT EARNINGS PER SHARE)	FISCAL YEAR ENDED MARCH 31, 2022
GAAP net revenue	$ 6,991
Change in deferred net revenue (online-enabled games) and certain acquisition-related impacts	439
Non-GAAP net revenue	$ 7,430
GAAP gross profit	$ 5,132
Acquisition-related expenses	133
Change in deferred net revenue (online-enabled games)	464
Stock-based compensation	6
Non-GAAP gross profit	$ 5,735
GAAP operating expenses	$4,003
Acquisition-related expenses	(213)
Stock-based compensation	(522)
Non-GAAP operating expenses	$ 2,469
Non-GAAP operating income	$ 2,467
GAAP net income	$ 789
Acquisition-related expenses	346
Change in deferred net revenue (online-enabled games) and certain acquisition-related impacts	464
Stock-based compensation	528
Income tax rate adjustments, excluding certain acquisition-related impacts	(144)
Bonus expense, net of tax	237
Non-GAAP net income	$ 2,220
GAAP diluted earnings per share	$ 2.76
Non-GAAP diluted earnings per share	$ 7.76
GAAP diluted shares	286
Non-GAAP diluted shares	286

About Non-GAAP Financial Measures

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same names and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

We compute non-GAAP financial measures using the same consistent method. We may consider whether other significant items that arise in the future should be excluded from our non-GAAP financial measures. The Company uses certain non-GAAP financial measures when establishing performance-based targets. These measures adjust for certain items that may not be indicative of the Company's core business, operating results or future outlook. We believe that these non-GAAP financial measures provide meaningful supplemental information about the Company's operating results primarily because they exclude amounts that we do not consider part of ongoing operating results when planning and forecasting for future periods and when assessing the performance of the organization. When making compensation decisions for our executives, we utilize non-GAAP financial measures to evaluate the Company's financial performance and the performance of our management team.

The Company's target and actual non-GAAP financial measures are calculated with reference to adjustments to GAAP financial measures. These adjustments exclude the following items, as applicable:

- Change in deferred net revenue (online-enabled games) and certain acquisition-related impacts
- Acquisition-related expenses
- Stock-based compensation
- Income tax rate adjustments
- Bonus expense

We believe it is appropriate to exclude these items for the following reasons:

Change in Deferred Net Revenue (Online-enabled Games) and Certain Acquisition-Related Impacts

The majority of our games, and related extra-content and services have online connectivity whereby a consumer may be able to download updates on a when-and-if-available basis ("future update rights") for use with the offline core game content ("software license"). In addition, we may also offer a hosted connection for online playability ("online hosting"), that permits consumers to play against each other without a separate fee. Because the majority of our sales of our online-enabled games include future update rights and/or online hosting performance obligations, GAAP requires us to allocate a portion or all of the transaction price to these performance obligations which are recognized ratably over an estimated offering period. Our deferred net revenue balance is increased by the revenue being deferred for current sales and is reduced by the recognition of revenue from prior sales (this is referred to as the "change in the deferred revenue" balance). Our management excludes the impact of the net change in deferred net revenue related to online-enabled games in its non-GAAP financial measures for the reasons stated above and also to facilitate an understanding of our operations because all related costs of revenue are expensed as incurred instead of deferred and recognized ratably.

In addition to the above, for purposes of determining the funding of the Company's bonus pool and to measure performance for certain PRSU awards, management excluded the impact of certain mergers and acquisitions activity to our non-GAAP financial measures in the assessment of our financial performance for the fiscal year.

Acquisition-Related Expenses

GAAP requires expenses to be recognized for various types of events associated with a business acquisition. These events include expensing acquired intangible assets, post-closing adjustments associated with changes in the estimated amount of contingent consideration to be paid in an acquisition, and the impairment of accounting goodwill created as a result of an acquisition and/or acquired intangible assets when future events indicate there has been a decline in its value. Offsetting these expenses are certain cost exclusions related to impacts from current year acquisitions activity. When analyzing the operating performance of an acquired entity, our management focuses on the total return provided by the investment (i.e., operating profit generated from the acquired entity as compared to the purchase price paid including the final amounts paid for contingent consideration, if any) without taking into consideration any allocations made for accounting purposes. When analyzing the operating performance of an acquisition in subsequent periods, our management excludes the GAAP impact of any adjustments to the fair value of these acquisition-related balances to its financial results.

Stock-Based Compensation

When evaluating the performance of its individual business units, the Company does not consider stock-based compensation charges. Likewise, the Company's management teams exclude stock-based compensation expense from their short and long-term operating plans. In contrast, the Company's management teams are held accountable for cash-based compensation and such amounts are included in their operating plans. Further, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants.

Income Tax Rate Adjustments

The Company uses a fixed, long-term projected tax rate internally to evaluate its operating performance, to forecast, plan and analyze future periods, and to assess the performance of its management team. Accordingly, the Company applies the same tax rate to its non-GAAP financial results and generally does not include one-time tax benefits. During fiscal year 2022, the Company applied a tax rate of 18% to determine the non-GAAP income tax expense.

Bonus Expense

The Company determines the funding for its bonus pool under the EA Bonus Plan based in part on financial performance, which includes a non-GAAP diluted earnings per share component. The Company excludes bonus expense under the EA Bonus Plan when establishing the non-GAAP diluted earnings per share target, and measuring performance against that target because its effect on non-GAAP earnings per share is not indicative of the Company's financial performance.

Appendix B

ELECTRONIC ARTS INC.

2019 EQUITY INCENTIVE PLAN

As Amended on May 20, 2022
As Approved by Stockholders on August [11], 2022

1. **PURPOSE.** The purpose of this Plan is to provide incentives to attract, retain and motivate Eligible Individuals whose present and potential contributions are important to the success of the Company and its Subsidiaries by offering them an opportunity to participate in the Company's future performance through Awards. Capitalized terms not defined in the text are defined in Section 25.

2. **SHARES SUBJECT TO THIS PLAN.**

2.1 Number of Shares Available for Awards. Subject to Sections 2.2, 2.3, 2.4 and 19, the aggregate number of Shares that have been reserved pursuant to this Plan is 16,000,000 Shares (including for Incentive Stock Options) plus any Shares authorized for grants or subject to Awards under the Electronic Arts Inc. 2000 Equity Incentive Plan, as amended and restated on July 28, 2016 (the "***Prior Plan***") that are not issued or delivered to a Participant for any reason, including, without limitation, Shares subject to an Award that terminates, expires, or lapses for any reason, or that is settled in cash. Any Shares distributed pursuant to an Award may consist in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased in the open market.

2.2 Share Usage. Any Shares that are subject to Awards of Options or SARs or any other Award that is not a Full-Value Award shall be counted against this limit as one (1) Share for every one (1) Share granted or subject to grant for any such Award. Any Shares that are subject to a Full-Value Award (other than Options or SARs) shall be counted against this limit as 1.43 Shares for every one (1) Share granted or subject to grant for any such Award. To the extent that an Award terminates, expires, or lapses for any reason, or that is settled in cash, any Shares subject to the Award shall again be available for the grant of an Award. Any Shares that become available for the grant of Awards pursuant to this Section 2.2 shall be added back as one (1) Share if such Shares were subject to Options or SARs granted under this Plan and as 1.43 Shares if such Shares were subject to Full-Value Awards granted under this Plan. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under this Section 2.2: (i) Shares not issued or delivered as a result of the net settlement of an outstanding Option or SAR; (ii) Shares tendered by a Participant or withheld by the Company in payment of the Exercise Price of an Option or a SAR; (iii) Shares tendered by a Participant or withheld by the Company to satisfy any Tax-Related Items withholding obligation with respect to an Award; and (iv) Shares repurchased by the Company on the open market with the proceeds of the Exercise Price from Options. The payment of Dividend Equivalent Rights, if any, in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under this Plan. Notwithstanding the provisions of this Section 2.2, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

2.3 Substitute Awards. To the extent permitted by applicable securities law or any rule of the securities exchange on which the Shares are then listed or traded, Substitute Awards issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against Shares available for grant pursuant to this Plan. Additionally, to the extent permitted by applicable securities law or any rule of the securities exchange on which the Shares are then listed or traded, in the event that an entity acquired by (or combined with) the Company or any Subsidiary has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the Shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of ordinary shares of the entities party to such acquisition or combination) may, at the discretion of the Committee, be used for Substitute Awards under this Plan in lieu of awards under the applicable pre-existing plan of the other company and shall not reduce the Shares authorized for grant under this Plan; *provided* that Substitute Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Non-Employee Directors of the Company or any Subsidiary prior to such acquisition or combination.

2.4 Adjustment of Shares. In the event of any increase, decrease or change in the number or characteristic of outstanding Shares of the Company effected without receipt of consideration by the Company or by reason of a share split, reverse share split, spin-off, share or extraordinary cash dividend or other distribution, share combination or reclassification, recapitalization or merger, Change in Control, or similar event, the Committee may substitute or adjust proportionately, as the Committee in its sole discretion deems equitable, (a) the aggregate number and kind of Shares that may be issued under this Plan (including, but not limited to, adjustments of the limitations in Section 2.1); (b) the number and kind of securities subject to outstanding Awards; (c) the terms and conditions of any outstanding Awards (including, without limitation, any applicable Performance Goals or criteria with respect thereto); and (d) the Exercise Price or purchase price per Share for any outstanding Awards under this Plan, subject to any required action by the Board or the stockholders of the Company and compliance with Applicable Laws; *provided, however,* that in the case of any "equity restructuring" (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring; and *provided, further,* 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 in its sole discretion. Any adjustment affecting an Award that is subject to Section 409A of the Code shall be made consistent with the requirements of Section 409A.

3. **ELIGIBILITY AND PARTICIPATION.**

3.1 Eligibility. Unless otherwise set forth in Section 5.5, each Eligible Individual shall be eligible to be granted one or more Awards.

3.2 Participation. Subject to the provisions of this Plan, the Committee, from time to time, may select from among all Eligible Individuals those to whom Awards shall be granted, and shall determine the nature and amount of each Award. No Eligible Individual shall have any right to be granted an Award pursuant to this Plan and the grant of an Award to an Eligible Individual shall not imply any entitlement to receive future Awards.

4. **ADMINISTRATION.**

4.1 Committee Authority. This Plan will be administered by the Committee. 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 Eligible Individuals to receive Awards;

(d) determine the terms and conditions of any Award, including, without limitation, the vesting, exercisability and payment of Awards, whether the Awards are subject to any Performance Goals or Performance Factors; the effect of a Participant's leave of absence or Termination of Service on any Award, and accelerations or waivers thereof, any provisions related to recoupment of an Award or a gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be cancelled, forfeited, or surrendered;

(f) determine the number of Shares or other consideration subject to Awards;

(g) 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 Subsidiary;

(h) establish, adopt or revise any rules and regulations, including adopting sub-plans to this Plan, for the purposes of facilitating compliance with foreign laws, easing the administration of this Plan and/or taking advantage of tax-favorable treatment for Awards granted to Participants outside the U.S., in each case as it may deem necessary or advisable;

(i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(j) determine whether a Performance-Based Award has been earned; and

(k) prescribe the form of each Award Agreement, which need not be identical for each Participant and may vary for Participants within and outside of the U.S.; and

(l) make all other determinations necessary or advisable for the administration of this Plan.

4.2 Committee Discretion. 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.

4.3 Action by the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of this Plan.

4.4 Delegation of Authority. To the extent permitted by Applicable Laws, the Committee, from time to time, may delegate to a committee of one or more members of the Board or to one or more officers of the Company the authority to (i) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan, and (ii) grant an Award under this Plan to Participants other than (a) Employees who are subject to Section 16 of the Exchange Act, or (b) officers of the Company (or Non-Employee Directors) to whom authority have been delegated pursuant to the foregoing clauses (i) and (ii). Furthermore, if the authority to grant or amend Awards has been delegated to a committee pursuant and subject to the preceding sentence, such authority may be further delegated by such committee to one or more officers of the Company. For the avoidance of doubt, *provided* it meets the limitations of this Section 4.4, any delegation hereunder shall include the right to modify Awards as necessary to accommodate changes in Applicable Laws or regulations, including, without limitation, in jurisdictions outside the U.S. Furthermore, any delegation hereunder shall be subject to the restrictions and limitations that the Committee specifies at the time of such delegation, and the Committee may rescind at any time the authority so delegated and/or appoint a new delegatee. At all times, the delegatee appointed under this Section 4.4 shall serve in such capacity at the pleasure of the Committee.

5. **OPTIONS.** The Committee is authorized to grant Options to Eligible Individuals on the following terms and conditions, and the Committee may specify such additional terms and conditions as:

5.1 Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement; *provided* that, subject to Section 2.4 and except with respect to Substitute Awards, the per-Share exercise price for any Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant.

5.2 Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part; *provided* that the term of any Option granted under this Plan shall not exceed ten (10) years. The Committee also shall specify the vesting conditions, if any, as it deems appropriate that must be satisfied before all or part of an Option may be exercised. The vesting conditions, if any, may be based on, among other conditions, a Participant's continued Service, the attainment of Performance Goals, or a combination of both.

5.3 Payment. The Committee shall determine the methods by which the exercise price of an Option and any applicable withholding of Tax-Related Items may be paid, including the following methods: (i) cash or check; (ii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Committee may require (including withholding of Shares otherwise deliverable upon exercise of the Option) which have a Fair Market Value on the date or surrender of attestation equal to the aggregate exercise price of the Shares as to which the Option is to be exercised; (iii) promissory note from a Participant to the Company or a third-party loan guaranteed by the Company (in either case, with such loan bearing interest at no less than such rate as shall then preclude the imputation of interest under the Code or similar local tax law); (iv) through the delivery of a notice that a Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price, *provided* that payment of such proceeds is then made to the Company upon settlement of such sale; (v) by a "net exercise" arrangement pursuant to which the number of Shares issuable upon exercise of the Option shall be reduced by the largest whole number of Shares having an aggregate Fair Market Value that does not exceed the aggregate exercise price (plus Tax-Related Items, if applicable) and any remaining balance of the aggregate exercise price (and/or applicable withholding taxes) not satisfied by such reduction in the number of whole Shares to be issued shall be paid by Participant in cash or other form of payment approved by the Committee; (vi) other property acceptable to the Committee; or (vii) any combination of the foregoing methods of payment. The Award Agreement will specify the methods of paying the exercise price available to each Participant. The Committee also shall determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of this Plan to the contrary, no Participant who is a Non-Employee Director or an "executive officer" of the Company within the meaning of Item 401(b) of Regulation S-K of the Securities Act or Sections 16a-1(f) and 3b-7 of the Exchange Act shall be permitted to pay the exercise price of an Option, or continue any extension of credit with respect to the exercise price of an Option, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

5.4 Exercise of Option.

(a) Procedure for Exercise. An Option may not be exercised for a fraction of a Share. An Option shall be deemed exercised when the Company receives: (A) a notice of exercise (in such form as the Committee may specify from time to time) from the person entitled to exercise the Option, and (B) full payment for the Shares with respect to which the Option is exercised (together with applicable Tax-Related Items). Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and this Plan. Shares issued upon exercise of an Option shall be issued in the name of a Participant.

(b) Termination of Service. If a Participant's Service is Terminated, including as a result of a Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the Termination Date (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). Unless otherwise provided by the Committee, if on the date of Termination of Service, a Participant is not vested as to his or her entire Option, the unvested portion of the Option shall be forfeited, and the Shares covered by the unvested portion of the Option shall revert to this Plan. If, after Termination of Service, a Participant does not exercise his or her Option within the time specified by the Committee, the Option shall terminate, and the Shares covered by such Option shall revert to this Plan.

5.5 Incentive Stock Options. Incentive Stock Options shall be granted only to Employees of the Company or any "subsidiary corporation," as defined in Section 424(f) of the Code and any applicable U.S. Department of Treasury regulations promulgated thereunder, of the Company, and the terms of any Incentive Stock Options, in addition to the requirements of Sections 5.1 through 5.4 must comply with the provisions of this Section 5.5.

(a) Expiration. Subject to Section 5.5(c) an Incentive Stock Option shall expire and may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten (10) years from the date of grant, unless an earlier time is set in the Award Agreement;

(ii) Three (3) months after a Participant's Termination Date on account of any reason other than death or Disability (within the meaning of Section 22(e)(3) of the Code); and

(iii) One (1) year after the date of a Participant's Termination of Service on account of death or Disability (within the meaning of Section 22(e)(3) of the Code).

(b) Dollar Limitation. The aggregate Fair Market Value of all Shares underlying an Incentive Stock Option may not exceed US$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision at the time the Incentive Stock Option is first exercisable by a Participant in any given calendar year. The US$100,000 limit is determined based on the aggregate Fair Market Value of the Option on the date the Incentive Stock Option is granted, not at the time the Option is exercisable by a Participant. If the Incentive Stock Option is first exercisable by a Participant in excess of such limitation, the excess shall be considered a Non-Qualified Stock Option.

(c) Ten Percent Owners. An Incentive Stock Option may be granted to any individual who, at the date of grant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of Shares of the Company only if such Incentive Stock Option is granted with an Exercise Price that is not less than 110% of Fair Market Value on the date of grant and the Incentive Stock Option is exercisable for no more than five (5) years from the date of grant.

(d) Notice of Disposition. A Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Stock Option within (i) two (2) years from the date of grant of such Incentive Stock Option or (ii) one (1) year after the transfer of such Shares to the Participant.

(e) Right to Exercise. During a Participant's lifetime, only the Participant may exercise an Incentive Stock Option.

(f) Failure to Meet Requirements. Any Option (or portion thereof) purported to be an Incentive Stock Option, which, for any reason, fails to meet the requirements of Section 422 of the Code shall be considered a Non-Qualified Stock Option.

5.6 Substitution of SARs. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have the right to substitute a SAR for such Option at any time prior to or upon exercise of such Option; *provided*, that such substitution complies with Section 2 of this Plan and that the SAR shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable.

6. **RESTRICTED STOCK.** The Committee is authorized to grant Restricted Stock to any Eligible Individual selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. Unless otherwise provided in the Award Agreement, beginning on the date of grant of the Restricted Stock and subject to execution of the Award Agreement, a Participant shall become a stockholder of the Company with respect to all Shares subject to the Restricted Stock and shall have all of the rights of a stockholder, including the right to vote such Shares and the right to receive dividends and other distributions made with respect to such Shares.

6.1 Purchase Price. At the time of the grant of Restricted Stock, the Committee shall determine the price, if any, to be paid by a Participant for each Share subject to the Restricted Stock.

6.2 Issuance, Vesting and Restrictions. The Committee shall determine the vesting or other conditions, if any, and such other restrictions on transferability and other restrictions to which Restricted Stock may or may not be subject (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends and other distributions on the Restricted Stock), subject to the provisions of Section 18.3. The vesting conditions may be based on, among other vesting conditions, a Participant's continued Service, the attainment of Performance Goals, or a combination of both.

6.3 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon Termination of Service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited; *provided, however,* that the Committee may (a) provide in any Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of Termination of Service resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

6.4 Legend. Restricted Stock granted pursuant to this Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are issued in the name of a Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

7. **RESTRICTED STOCK UNITS.** The Committee is authorized to grant Restricted Stock Units to any Eligible Individual selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee.

7.1 Vesting Conditions. A Participant receiving a Restricted Stock Unit Award shall not possess the rights of a stockholder of the Company with respect to the Shares subject to such grant until the Award is settled and the Shares have been issued to a Participant. The Committee shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. The vesting conditions may be based on, among other vesting conditions, a Participant's continued Service, the attainment of Performance Goals, or a combination of both.

7.2 Purchase Price. At the time of the grant of Restricted Stock Units, the Committee shall determine the price, if any, to be paid by a Participant for each Share subject to the Restricted Stock Units.

7.3 Form and Time of Settlement. The Committee shall specify the settlement date applicable to each grant of Restricted Stock Units which shall be no earlier than the vesting date, or it may be deferred to any later date, subject to compliance with Section 409A of the Code in the case of Restricted Stock Units granted to a U.S. taxpayer, as applicable. On the settlement date, subject to satisfaction of applicable Tax-Related Items withholding (as further set forth in Section 13), the Company shall issue or transfer to a Participant one Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Restricted Stock Unit may be made in cash (in an amount reflecting the Fair Market Value of Shares that would have been issued) or any combination of cash and Shares, as determined by the Committee, in its sole discretion, in either case less applicable withholding of Tax-Related Items (as further set forth in Section 13). Until a Restricted Stock Unit is settled, the number of Restricted Stock Units shall be subject to adjustment pursuant to Section 2.4.

7.4 General Creditors. A Participant who has been granted Restricted Stock Units shall have no rights other than those of a general unsecured creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement evidencing the grant of the Restricted Stock Units.

8. **STOCK APPRECIATION RIGHTS.** The Committee is authorized to grant Stock Appreciation Rights, or SARs, to Eligible Individuals on the following terms and conditions and such additional terms and conditions as may be specified by the Committee:

8.1 Exercise Price. The Exercise Price per Share subject to a SAR shall be determined by the Committee and set forth in the Award Agreement but shall be no less than 100% of the Fair Market Value per Share as of the date of grant.

8.2 Time and Conditions of Exercise. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part; *provided* that the term of any SAR granted under this Plan shall not exceed ten years. The Committee shall also determine the Performance Goals or other conditions, if any, that must be satisfied before all or part of a SAR may be exercised. The vesting conditions may be based on, among other vesting conditions, a Participant's continued Service, the attainment of Performance Goals, or a combination of both.

8.3 Payment and Limitations on Exercise. A SAR shall entitle a Participant (or other person entitled to exercise the SAR pursuant to this Plan) to exercise all or a specified portion of the SAR (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount equal to the product of (i) the excess of (A) the Fair Market Value of the Shares on the date the SAR is exercised over (B) the Exercise Price of the SAR and (ii) the number of Shares with respect to which the SAR is exercised, less applicable withholding of Tax-Related Items (as further set forth in Section 13), subject to any limitations the Committee may impose. Payment of the amounts determined under this Section shall be in cash, in Shares (based on the Fair Market Value of the Shares as of the date the SAR is exercised) or a combination of both, as determined by the Committee and set forth in the Award Agreement.

9. **OTHER SHARE-BASED AWARDS.** Subject to limitations under Applicable Laws, the Committee is authorized under this Plan to grant Awards (other than Options, Restricted Stock, Restricted Stock Units and SARs) to Eligible Individuals subject to the terms and conditions set forth in this Section 9 and such other terms and conditions as may be specified by the Committee that are not inconsistent with the provisions of this Plan and that, by their terms, involve or might involve the issuance of, consist of, or are denominated in, payable in, valued in whole or in part by reference to, or otherwise relate to, Shares. The Committee may also grant Shares as a bonus, or may grant other Awards in lieu of obligations of the Company or a Subsidiary to pay cash or other property under this Plan or other plans or compensatory arrangements. The terms and conditions applicable to such other Awards shall be determined from time to time by the Committee and set forth in an applicable Award Agreement. The Committee may establish one or more separate programs under this Plan for the purpose of issuing particular forms of Awards to one or more classes of Participants on such terms and conditions as determined by the Committee from time to time.

9.1 Exercise Price. The Committee may establish the exercise price, if any, of any Other Share-Based Award granted pursuant to this Section 9; *provided* that such exercise price shall not be less than the Fair Market Value of a Share on the date of grant for an Award that is intended to be exempt from Section 409A of the Code.

9.2 Form of Payment. Payments with respect to any Awards granted under Section 9 shall be made in cash or cash equivalent, in Shares or any combination of the foregoing, as determined by the Committee.

9.3 Vesting Conditions. The Committee shall specify the date or dates on which the Awards granted pursuant to this Section shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. The vesting conditions may be based on, among other vesting conditions, a Participant's continued Service, the attainment of Performance Goals, or a combination of both.

9.4 Term. Except as otherwise provided herein, the Committee shall set, in its discretion, the term of any Award granted pursuant to this Section; *provided* that the term of any Award granted pursuant to this Section shall not exceed ten (10) years.

10. **GRANTS TO NON-EMPLOYEE DIRECTORS.**

10.1 Types of Awards and Shares. Non-Employee Directors are eligible to receive any type of Award offered under this Plan except Incentive Stock Options. Awards pursuant to this Section 10 may be automatically made pursuant to policy adopted by the Board or the Committee, or made from time to time as determined in the discretion of the Board or the Committee.

10.2 Eligibility. Awards pursuant to this Section 10 shall be granted only to Non-Employee Directors. A Non-Employee Director who is appointed, elected or re-elected as a member of the Board will be eligible to receive an Award under this Section 10.

10.3 Vesting, Exercisability and Settlement.

(a) Except as set forth in Section 10.3(b), Awards shall vest, become exercisable and be settled as determined by the Board. With respect to Options and SARs, the exercise price granted to Non-Employee Directors shall not be less than the Fair Market Value of the Shares at the time that such Option or SAR is granted.

(b) Notwithstanding any provision to the contrary, in the event of a corporate transaction described in Section 19.1, the vesting of all Awards granted to Non-Employee Directors pursuant to this Section 10 will accelerate and such Awards will become exercisable (to the extent applicable) 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, or such earlier date as may be set forth in the agreement governing the transaction to the extent the Awards are not assumed by the successor corporation. Any Awards not exercised within such three-month period (or, if applicable, such other period specified in the agreement governing the transaction) shall expire.

10.4 Shares in Lieu of Cash Compensation. Each Non-Employee Director may elect to reduce all or part of the cash compensation otherwise payable for services to be rendered by him or her 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, provided such election complies with Section 409A of the Code. 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 Non-Employee Director. If a Non-Employee Director so elects to receive Shares in lieu of cash, there shall be credited to such Non-Employee Director a number of Shares equal to the amount of the cash compensation so reduced (increased by 10% as described in the preceding sentence) divided by the Fair Market Value on the day in which the compensation would have been paid in the absence of such election, rounded down to the next whole Share.

10.5 Maximum Awards. No Non-Employee Director may be granted, in any fiscal year of the Company, Awards with a grant date fair value of more than US$1,200,000 in aggregate whereby (1) Shares in lieu of cash compensation may not have a grant date fair value in excess of US$600,000; and (2) a service Award may not have a grant date fair value in excess of US$600,000. Grant date fair value is determined as of the grant date of the Award or Shares in lieu of cash compensation in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto).

11. **FORFEITURE OR CLAWBACK OF AWARDS.** Notwithstanding anything to the contrary contained herein, and in accordance with Applicable Laws, an Award Agreement may provide that the Award shall be forfeited or canceled if a Participant engages in activity that is in conflict with or adverse to the interest of the Company or its Subsidiaries (including conduct contributing to financial restatements, material noncompliance in the financial reporting requirements or similar financial or accounting irregularities), as determined by the Committee in its sole discretion. Subject to Applicable Laws, the Committee may provide in an Award Agreement that if within the time period specified in the Award Agreement a Participant engages in an activity referred to in the preceding sentence, a Participant will forfeit any gain realized with respect to the Award and must repay such gain to the Company. Notwithstanding this Section 11, any Award Agreement evidencing Awards to an Eligible Individual shall provide for repayment on forfeiture as may be required to comply with the requirement of any applicable securities law, including any securities exchange on which the Shares are listed or traded, as may be in effect from time to time.

12. **FOREIGN AWARDS AND RIGHTS.** Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in countries and other jurisdictions in which the Company and its Subsidiaries have Eligible Individuals, the Committee, in its sole discretion, shall have the power and authority to (i) modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Laws of jurisdictions where Eligible Individuals reside without seeking the consent of the affected Eligible Individuals; (ii) establish sub-plans and determine the Exercise Price, exercise procedures and other terms and procedures and rules, to the extent such actions may be necessary or advisable, including adoption of rules, procedures or sub-plans applicable to particular Subsidiaries or Participants residing in particular locations; *provided, however,* that no such sub-plans and/or modifications shall increase the share limits contained in Section 2 or otherwise require stockholder approval; and (iii) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on eligibility to receive an Award under this Plan or on Termination of Service, available methods of exercise or settlement of an Award, payment of Tax-Related Items, the shifting of employer tax liability to a Participant, the withholding procedures and handling of any Share certificates or other indicia of ownership which may vary with local requirements. The Committee may also adopt sub-plans to this Plan intended to allow the Company to grant tax-qualified Awards in a particular jurisdiction and, as part of such sub-plan, may restrict the sale of Shares and/or modify the Change in Control and adjustments provisions of this Plan to the extent necessary to comply with the tax requirements of the jurisdiction. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Securities Act, Exchange Act, the Code, or any securities law.

13. **WITHHOLDING TAXES.** The Company and its Subsidiaries each shall have the authority and right to deduct or withhold or require a Participant to remit to the Company or any Subsidiary, an amount sufficient to satisfy Tax-Related Items with respect to any taxable event concerning a Participant arising as a result of this Plan or to take such other action as may be necessary in the opinion of the Company or a Subsidiary, as appropriate, to satisfy withholding obligations for the payment of Tax-Related Items, including but not limited to (i) withholding from a Participant's wages or other cash compensation; (ii) withholding from the proceeds for the sale of Shares underlying the Award either through a voluntary sale or a mandatory sale arranged by the Company on a Participant's behalf; or (iii) in the Committee's sole discretion and in satisfaction of the foregoing requirement, by withholding Shares otherwise issuable under an Award (or allow the return of Shares). No Shares shall be delivered hereunder to any Participant or other person until a Participant or such other person has made arrangements acceptable to the Company for the satisfaction of the Tax-Related Items withholdings obligations with respect to any taxable event concerning a Participant or such other person arising as a result of this Plan.

14. **PRIVILEGES OF STOCK OWNERSHIP.** No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to a Participant. After Shares are issued to a Participant, a 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 any dividends or other distributions made or paid with respect to such Shares; *provided, however,* that if such Shares are Restricted Stock, then any new, additional or different securities a 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.

15. **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; *provided, however,* that no such exchange program may, without the approval of the Company's stockholders, allow for the cancellation of an outstanding Option or SAR followed by its replacement with a new Option or SAR having a lower Exercise Price. The Committee may, subject to approval by the Company's stockholders, 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 a Participant may agree.

16. **SECURITIES LAW AND OTHER REGULATORY COMPLIANCE.** The obligation of the Company to make payment of Awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies, including government agencies in jurisdictions outside of the U.S., in each case as may be required or as the Company deems necessary or advisable. Without limiting the foregoing, the Company shall have no obligation to issue or deliver evidence of title for Shares subject to Awards granted hereunder prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and (ii) completion of any registration or other qualification with respect to the Shares under any Applicable Laws in the U.S. or in a jurisdiction outside of the U.S. or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective. The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained and shall constitute circumstances in which the Committee may determine to amend or cancel Awards pertaining to such Shares, with or without consideration to the affected Participant. The Company shall be under no obligation to register, pursuant to the Securities Act or otherwise, any offering of Shares issuable under this Plan. If, in certain circumstances, the Shares paid pursuant to this Plan may be exempt from registration pursuant to the Securities Act, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

17. **TRANSFERABILITY.** No right or interest of a Participant in any Award, including Incentive Stock Options, may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by a Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition shall be void and unenforceable against the Company. Further, during a Participant's lifetime, Incentive Stock Options, Non-Qualified Stock Options and/or SARs granted to a Participant shall be exercisable only by the applicable Participant, except, with respect to Non-Qualified Stock Options and SARs, as otherwise determined by the Committee. Notwithstanding the foregoing, a Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the affected Participant's rights and receive any property distributable with respect to an Award upon a Participant's death.

18. **PROVISIONS APPLICABLE TO AWARDS.**

18.1 Stand-Alone and Tandem Awards. Awards granted pursuant to this Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to this Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

18.2 Award Agreement. Awards under this Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, not inconsistent with this Plan, which may include, without limitation, the term of an Award, the provisions applicable in the event a Participant's Service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

18.3 Dividend Equivalent Rights; Dividends. Any Participant selected by the Committee may be granted Dividend Equivalent Rights based on the dividends, if any, declared on the Shares that are subject to any Restricted Stock Unit or an Other Share-Based Award that is a Full Value Award, to be credited as of dividend payment dates, during the period between the date the Award is granted and the date the Award is vests or is settled, as determined by the Committee and set forth in the applicable Award Agreement. Such Dividend Equivalent Rights shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee. To the extent Shares subject to an Award (other than Restricted Stock) are subject to vesting conditions, any Dividend Equivalent Rights relating to such Shares shall either (i) not be paid or credited or (ii) be accumulated and subject to restrictions and risk of forfeiture to the same extent as the underlying Award with respect to which such cash, stock or other property has been distributed. For Shares of Restricted Stock that are subject to vesting, dividends shall be accumulated and subject to any restrictions and risk of forfeiture to which the underlying Restricted Stock is subject.

18.4 Stock Certificates; Book Entry Procedures. Any certificates evidencing Shares delivered pursuant to this Plan are subject to any restrictions as the Committee deems necessary or advisable to comply with Applicable Laws, including the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any certificate evidencing Shares to reference restrictions applicable to the Shares. Notwithstanding any other provision of this Plan, unless otherwise determined by the Committee or required by Applicable Laws, rules or regulations, the Company shall not deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

18.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website, intranet or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

18.6 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 Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

18.7 Non-exclusivity of this 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 or the Committee to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Options and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

19. **CHANGE IN CONTROL.**

19.1 Assumption or Replacement of Awards. In the event of a Change in Control, 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 Participants, substantially similar shares or other property. The portion of any Incentive Stock Option accelerated in connection with a Change in Control shall remain exercisable as an Incentive Stock Option only to the extent the applicable US$100,000 limitation is not exceeded. To the extent such U.S. dollar limitation is exceeded, the accelerated portion of such Option shall be exercisable as a Non-Qualified Option.

19.2 Treatment of Awards That are not Assumed or Replaced. Notwithstanding anything contrary in this Plan or the Electronic Arts Inc. Amended and Restated Change in Control Severance Plan, and *provided* that any applicable Award Agreement does not expressly preclude the following from applying, if a Change in Control occurs and Awards that vest solely on a Participant's continued Service are not converted, assumed, substituted or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then immediately prior to the Change in Control the Awards shall become fully vested and/or exercisable and all forfeiture restrictions on such Awards shall lapse and, immediately following the consummation of such Change in Control, all such Awards, including any un-exercised Awards shall terminate and cease to be outstanding. Performance-Based Awards shall be subject to the provisions of the Award Agreement governing the impact of a Change in Control, *provided* that any such provisions in the Award Agreement are consistent with the terms of this Plan.

19.3 Termination of Service. Where Awards are assumed or continued after a Change in Control, the Committee may further provide that the vesting of one or more Awards will automatically accelerate upon a Participant's involuntary Termination of Service within a designated period following the effective date of such Change in Control. Any such Award shall accordingly, upon a Participant's involuntary Termination of Service in connection with a Change in Control, become fully vested and/or exercisable and all forfeiture restrictions on such Award shall lapse.

19.3 Other Treatment of Awards. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 19 or under an employment agreement or other compensation arrangement of the Company, in the event of the occurrence of any transaction described in Section 19.1, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets.

20. **EFFECTIVE AND EXPIRATION DATE.**

20.1 Plan Effective Date. This Plan was approved by the Board on May 16, 2019, and became effective on August 8, 2019 (the "Effective Date"). This Plan was amended by the Board on May 20, 2022, and the amended Plan became effective on August [11], 2022, the date it was approved by stockholders of the Company.

20.2 Expiration Date. This Plan will continue in effect until the earlier of the twentieth anniversary of the Effective Date or the date this Plan is terminated by the Board or the Committee, except that no Incentive Stock Options may be granted under this Plan after the tenth (10^{th}) anniversary of the last date on which the stockholders of the Company approved the Plan. Any Awards that are outstanding on the date this Plan terminates shall remain in force according to the terms of this Plan and the applicable Award Agreement.

21. **GOVERNING LAW.** This Plan and all agreements thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws.

22. **AMENDMENT OR TERMINATION OF PLAN.** The Committee shall have the authority to amend or modify the terms and conditions of, or suspend or cancel any outstanding Award consistent with this Plan. The Board or Committee may amend, suspend or terminate this Plan at any time; *provided, however,* that the Board or the Committee shall not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval under the NASDAQ National Market or other securities exchange listing requirements then applicable to the Company including, other than pursuant to Section 16, (i) increasing the benefits accrued to Participants, (ii) increasing the number of Shares which may be issued under this Plan, (iii) modifying the requirements for participation in this Plan to allow additional individuals to participate, or (iv) except in connection with an adjustment or Change in Control as set forth in Sections 2 or 19, amending an Option or SAR to reduce the Exercise Price to below the Fair Market Value of the Shares on the original date of grant or canceling, substituting, exchanging, replacing, buying out or surrendering Options or SARs at a time when the Fair Market Value of the Shares is less than the Exercise Price of such Option or SARs in exchange for cash, or the grant of other Awards or for Options or SARs with an Exercise Price below the Fair Market Value of the Shares on the original date of grant.

23. **COMPLIANCE WITH SECTION 409A OF THE CODE FOR U.S. TAXPAYERS.** This Plan and all Awards made hereunder shall be interpreted, construed and operated to reflect the intent of the Company that all aspects of this Plan and the Awards shall be interpreted either to be exempt from the provisions of Section 409A of the Code or, to the extent subject to Section 409A of the Code, comply with Section 409A of the Code and any regulations and other guidance thereunder. This Plan may be amended at any time, without the consent of any party, to avoid the application of Section 409A of the Code in a particular circumstance or that is necessary or desirable to satisfy any of the requirements under Section 409A of the Code, but the Company shall not be under any obligation to make any such amendment. Anything in this Plan to the contrary notwithstanding, if an Award constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of a Participant's Termination of Service, it shall not be made to a Participant unless a Participant's Termination of Service constitutes a "separation from service" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder). In addition, no such payment or

distribution shall be made to a Participant prior to the earlier of (a) the expiration of the six-month period measured from the date of a Participant's separation from service or (b) the date of a Participant's death, if a Participant is deemed at the time of such separation from service to be a "specified employee" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder) and to the extent such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A of the Code and any the regulations or other guidance thereunder. Except as provided in an Award Agreement, all payments which had been delayed pursuant to the immediately preceding sentence shall be paid to a Participant in a lump sum upon expiration of such six-month period (or, if earlier, upon a Participant's death).

24. **SEVERABILITY.** If any provision of this Plan or the application of any provision hereof to any person or circumstance is held to be invalid or unenforceable, the remainder of this Plan and the application of such provision to any other person or circumstance shall not be affected, and the provisions so held to be unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable and valid.

25. **DEFINITIONS.** Wherever the following terms are used in this Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

"Applicable Laws" means requirements relating to the administration of equity-based and cash-based awards, as applicable, and the related issuance of Shares under U.S. state corporate laws, U.S. federal and state and non-U.S. securities laws, the Code, any securities exchange or quotation system on which the Shares are listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under this Plan.

"Award" means an Option, Restricted Stock Unit, Restricted Stock, a Stock Appreciation Right, or an Other Share-Based Award granted to a Participant pursuant to this Plan.

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

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

"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.

(v) For the avoidance of doubt, a transaction shall not constitute a Change in Control (i) if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity of the Company (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) and (ii) where all or substantially all of the person(s) who are the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, all or substantially all of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the ultimate parent entity resulting from such transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of such outstanding securities of the Company.

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

"Committee" means the Compensation Committee of the Board or such other committee comprised of Directors (or if no such committee is appointed, the Board, provided that a majority of the Board members are "independent directors" for the purpose of the rules and regulations of the Nasdaq Stock Market or such other principal securities exchange or market on which the Shares are then listed or traded).

"Common Stock" means the common stock of the Company, par value US$0.01 per Share.

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

"Consultant" means any consultant or adviser if: (i) the consultant or adviser renders bona fide services to the Company or any Subsidiary; (ii) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person.

"Director" means a member of the Board.

"Disability" means, unless otherwise provided in an Award Agreement, that a Participant would qualify to receive benefit payments under the long-term disability plan or policy, as it may be amended from time to time, of the Company or the Subsidiary to which a Participant provides Service regardless of whether a Participant is covered by such policy. If the Company or the Subsidiary to which a Participant provides Service does not have a long-term disability policy, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by a Participant by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion. Notwithstanding the foregoing, (a) for purposes of Incentive Stock Options granted under this Plan, "Disability" means that a Participant is disabled within the meaning of Section 22(e)(3) of the Code, and (b) with respect to an Award that is subject to Section 409A of the Code where the payment or settlement of the Award will accelerate as a result of a Participant's Disability, solely for purposes of determining the timing of payment, no such event will constitute a Disability for purposes of this Plan or any Award Agreement unless such event also constitutes a "disability" as defined under Section 409A of the Code.

"Dividend Equivalent Right" means a right to receive, in such form and on such terms as the Committee may determine, the equivalent value of a dividend or distribution paid by the Company, if any, on one of its Shares (in cash or in Shares), that would be payable on the number of Shares subject to a Full-Value Award.

"Eligible Individual" means any natural person who is an Employee, Consultant or a Director, as determined by the Committee.

"Employee" means an individual, including an officer or Director, who is treated as an employee in the personnel records of the Company or a Subsidiary and providing Service to the Company or the Subsidiary. Neither services as a Director nor payment of a director's fee by the Company or a Subsidiary shall be sufficient to constitute "employment" by the Company or a Subsidiary.

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

"Exercise Price" means the price at which a holder of an Option or a SAR, as the case may be, may purchase the Shares issuable upon exercise of such Option or SAR.

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

(a) if such 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 on the Nasdaq website;

(b) if such 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 Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(c) if such 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.

Notwithstanding the foregoing, for income tax reporting purposes under U.S. federal, state, local or non-U.S. law and for such other purposes as the Committee deems appropriate, including, without limitation, where Fair Market Value is used in reference to exercise, vesting, settlement or payout of an Award, the Fair Market Value shall be determined by the Company in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

"Full-Value Award" means any Award other than an (i) Option, (ii) SAR or (iii) other Award for which a Participant pays (or the value or amount payable under the Award is reduced by) an amount equal to or exceeding the Fair Market Value of the Shares, determined as of the date of grant.

"Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code.

"Option" means an award of an option to purchase Shares at a specified Exercise Price pursuant to Section 5.

"Other Share-Based Award" shall mean an Award granted pursuant to Section 9.

"Non-Employee Director" means a member of the Board who is not an Employee.

"Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option or that fails to so qualify.

"Participant" means an Eligible Individual who receives an Award under this Plan.

"Performance-Based Award" means an Award that is subject, in whole or in part, to Performance Goals.

"Performance Factors" means any of the factors selected by the Committee in its sole discretion and specified in an Award Agreement, and may include the following measures, or any other measures the Committee may deem appropriate, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the Performance Goals established by the Committee with respect to applicable Awards have been satisfied:

(a) Profit Before Tax;

(b) Revenue (on an absolute basis or adjusted for currency effects);

(c) Net revenue;

(d) Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);

(e) Operating income;

(f) Operating margin;

(g) Operating profit;

(h) Controllable operating profit, or net operating profit;

(i) Net Profit;

(j) Gross margin;

(k) Operating expenses or operating expenses as a percentage of revenue;

(l) Net income;

(m) Earnings per share;

(n) Total stockholder return;

(o) Market share;

(p) Return on assets or net assets;

(q) The Company's stock price

(r) Growth in stockholder value relative to a pre-determined index;

(s) Return on equity;

(t) Return on invested capital;

(u) Cash Flow (including free cash flow or operating cash flows);

(v) Cash conversion cycle;

(w) Economic value added;

(x) Individual confidential business objectives;

(y) Contract awards or backlog;

(z) Overhead or other expense reduction;

(aa) Credit rating;

(bb) Strategic plan development and implementation;

(cc) Succession plan development and implementation;

(dd) Improvement in workforce diversity;

(ee) Customer indicators;

(ff) New product invention or innovation

(gg) Attainment of research and development milestones;

(hh) Improvements in productivity;

(ii) Attainment of objective operating goals and employee metrics;

(jj) Criteria relating to human capital management.

The Committee may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more adjustments to the Performance Factors to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Committee to make or not make any such adjustments.

"Performance Goals" means, for a Performance Period, the performance goals established in writing by the Committee for the Performance Period based upon the Performance Factors that the Committee, in its sole discretion, selects. The Committee, in its sole discretion, may provide that one or more adjustments shall be made to one or more of the Performance Goals.

"Performance Period" means the period of service determined by the Committee, which shall be no less than one calendar quarter nor more than five years (unless tied to a specific and objective milestone or event), during which time of service or performance is to be measured for Awards.

"Plan" means this Electronic Arts Inc. 2019 Equity Incentive Plan, as amended from time to time.

"Restricted Stock" means an award of Shares that are subject to restrictions pursuant to Section 6.

"Restricted Stock Unit" means an award of the right to receive, in cash or Shares, the value of a Share pursuant to Section 7.

"SEC" means the U.S. Securities and Exchange Commission.

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

"Service" means service as an Employee, Consultant or Non-Employee Director. Except as otherwise determined by the Committee in its sole discretion, a Participant's Service terminates when a Participant ceases to provide services to the Company or a Subsidiary. The Committee shall determine which leaves shall count toward Service and when Service terminates for all purposes under this Plan; provided, that an Employee will not be deemed to have ceased to provide services in the case of a leave of absence pursuant to Applicable Laws or pursuant to a formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. Further, unless otherwise determined by the Committee, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which a Participant provides Service to the Company or a Subsidiary, or a transfer between entities, provided that there is no interruption or other Termination of Service in connection with a Participant's change in capacity or transfer between entities (except as may be required to effect the change in capacity or transfer between entities). For purposes of determining whether an Option is entitled to Incentive Stock Option status, an Employee's Service shall be treated as terminated ninety (90) days after such Employee goes on leave, unless such Employee's right to return to active work is guaranteed by law or by a contract.

"Shares" means shares of the Company's Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 19, and any successor security.

"Stock Appreciation Right" or "SAR" means an Award, granted alone or in tandem with a related Option that pursuant to Section 8 is designated as a SAR.

"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.

"Substitute Award" means an Award or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

"Tax-Related Items" means any U.S. federal, state, and/or local taxes and any taxes imposed by a jurisdiction outside of the U.S. (including, without limitation, income tax, social insurance and similar contributions, payroll tax, fringe benefits tax, payment on account, employment tax, stamp tax and any other taxes related to participation in this Plan and legally applicable to a Participant, including any employer liability for which a Participant is liable pursuant to Applicable Laws or the applicable Award Agreement).

"Termination" or "Terminated" means, for purposes of this Plan with respect to a Participant, that a Participant has for any reason ceased to provide Services as an Employee, Consultant or Director. 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 Award be exercised after the expiration of the term set forth in the Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which a Participant ceased to provide services (the "Termination Date").

This page intentionally left blank.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 000-17948

ELECTRONIC ARTS INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-2838567**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
209 Redwood Shores Parkway **Redwood City California**	**94065**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:

(650) 628-1500

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	EA	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the registrant's common stock, $0.01 par value, held by non-affiliates of the registrant as of October 1, 2021, the last business day of our second fiscal quarter, was $40,956 million.

As of May 23, 2022, there were 279,893,605 shares of the registrant's common stock, $0.01 par value, outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for its 2022 Annual Meeting of Stockholders (the "2022 Proxy") are incorporated by reference into Part III hereof. The 2022 Proxy is expected to be filed not later than 120 days after the registrant's fiscal year end. Except with respect to information specifically incorporated by reference into this Form 10-K, the 2022 Proxy is not deemed to be filed as part hereof.

ELECTRONIC ARTS INC.
2022 FORM 10-K ANNUAL REPORT

Table of Contents

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. We use words such as "anticipate," "believe," "expect," "intend," "estimate", "plan", "predict", "seek", "goal", "will", "may", "likely", "should", "could" (and the negative of any of these terms), "future" and similar expressions to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our business, projections of markets relevant to our business, uncertain events and assumptions and other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements consist of, among other things, statements related to our business, operations and financial results, industry prospects, our future financial performance, and our business plans and objectives, and may include certain assumptions that underlie the forward-looking statements. These forward-looking statements are not guarantees of future performance and reflect management's current expectations. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that might cause or contribute to such differences include those discussed in Part I, Item 1A of this Annual Report under the heading "Risk Factors" beginning on Page 10. We assume no obligation to revise or update any forward-looking statement for any reason, except as required by law.

PART I

Item 1: *Business*

Overview

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets.

What We Offer

At our core is a portfolio of intellectual property from which we create innovative games and content that enable us to build on-going and meaningful relationships with communities of players, creators and viewers. Our portfolio includes brands that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as Madden NFL, Star Wars, and the 300+ licenses within our global football ecosystem). To grow our core business, we are focusing on innovation and new experiences for our franchises; building ongoing profitable and predictable revenue streams through live services, including our mobile business; and reaching more players whenever and wherever they want to play.

We develop and publish games and services across diverse genres, such as sports, racing, first-person shooter, action, role-playing and simulation. We believe that our portfolio, live services offerings, use of multiple business models and distribution channels, and network of hundreds of millions of unique active accounts provide us with strategic advantages. These advantages include the opportunity to engage an increasing number of players across more distribution channels and geographies, and dependable sources of revenue from our annualized sports franchises (e.g., our global football franchise, Madden NFL, F1), our console, PC and mobile catalog titles, and our live services. We have added to the breadth of our portfolio in recent years by, among other things, launching *Apex Legends*, one of the most successful ongoing franchises in our industry, expanding the ways in which players can engage with *The Sims 4*, adding new modes through which players can engage with our sports franchises and by bringing new experiences to our portfolio through mergers and acquisitions activity. The breadth of our portfolio provides sources of re-occurring revenue which contribute to stability in our financial results. Revenue from our global football franchise, including the annualized console and PC game which is consistently one of the best-selling games in the marketplace, as well as from *FIFA Ultimate Team*, is material to our business and will continue to be so. Starting in fiscal year 2024, our global football franchise will transition to a new EA SPORTS FC brand. Our vision for the future of interactive football with EA SPORTS FC is to create the largest football club in the world, and we believe this is the right opportunity for us so that we can continue delivering innovation and growing to connect more fans on a global scale for years to come. We also seek to add to our portfolio by investing in developing and establishing new brands, as well as investing in our partnerships with external game developers to create games and content that we bring to market.

Live services net revenue, particularly extra content net revenue, has been material to our business, and we expect it to continue to be so. Through our live services offerings, we offer our players high-quality experiences designed to provide value to players and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated outside of the sale of our base games. Our digital live services and other net revenue represented 71 percent of our total net revenue during fiscal year 2022. Our most popular live services are the extra content purchased for the *Ultimate Team* mode associated with our sports franchises and extra content purchased for our *Apex Legends* franchise. *Ultimate Team* allows players to collect current and former professional players in order to build and compete as a personalized team. Live services net revenue generated from extra content purchased within *Ultimate Team*, a substantial portion of which was derived from *FIFA Ultimate Team*, and for our *Apex Legends* franchise, is material to our business.

The strength of our mobile business has grown in recent years from net revenue of $727 million in fiscal year 2020 and $718 million in fiscal year 2021 to $1,059 million in fiscal year 2022. We expect new launches and acquired games, and live services as well as expertise and technologies leveraged across our portfolio, to drive further growth in mobile net revenue during fiscal year 2023. For example, we expect to launch *Apex Legends Mobile*, our first mobile experience based on the successful *Apex Legends* console and PC franchise in fiscal year 2023. And, in fiscal year 2022, we acquired Glu Mobile, Inc. and their portfolio of hit mobile franchises, as well as Playdemic Limited, makers of *Golf Clash*, one of the most successful ongoing mobile sports titles. These acquisitions bring new mobile franchises and live services, as well as the teams and technologies responsible for them, to our mobile portfolio and organization.

We are focused on reaching more players whenever and wherever they want to play and promoting positive play as they engage with our games and services. We aim to offer safe, fun and inclusive environments in which to play. For example, in certain of our games and countries in which we operate, we provide players with information about their engagement and tools that allow players, or their parents, more control of their experiences. We also monitor gameplay for disruptive behaviors through reporting tools and detection models designed to flag offensive or inappropriate language and take action as needed.

We believe that we can add value to our network by making it easier for players to connect to a world of play by offering choice of business model, distribution channel and device. Our games and services can be experienced on consoles, PCs, mobile phones, tablets, and reach our players through both digital distribution channels and retail channels. Players can access our games and services through traditional single-game purchase or through subscription offerings; and certain of our games and services are available through a "free-to-play" model whereby players download the game for free and engage with services provided on an ongoing basis. For example, we develop products and services within our global football franchise that allow players to engage through multiple business models, distribution channels and devices, including: (1) our annualized console and PC games and associated services, which can be purchased through both digital distribution and retail channels and also is available through subscription services; (2) *FIFA Mobile*, a mobile free-to-play offering; and (3) *FIFA Online*, a PC free-to-play game available in certain countries.

Digitally, our console games and live services can be purchased through third-party storefronts, such as the digital stores of our console partners. Our direct sales to Sony and Microsoft represented approximately 33 percent and 16 percent of total net revenue, respectively, in fiscal year 2022. Our mobile and tablet games and services are available through third-party application storefronts such as the Apple App Store and Google Play. Our PC games and services can be downloaded directly through Origin, EA's digital storefront, as well as through third-party online download stores, such as Steam. We also partner with third parties to publish our mobile and PC games and services in certain Asian territories, such as our partnerships with Tencent Holdings Limited for *FIFA Online* in China and Nexon Co. Ltd. for *FIFA Online* in Korea. From time to time, third parties will publish games and services under a license to certain of our intellectual property assets.

We also offer our EA Play subscription service on consoles and PC as we look to build deeper relationships with our players and offer increased choice and flexibility for our players to try new games. EA Play allows players access to a selection of our console and PC games and services for a monthly or annual fee. Our packaged goods games are sold directly to mass market retailers, specialty stores and through distribution arrangements. New distribution methods and business models are expected to continue to emerge in the future, and we intend to evaluate these opportunities on a case-by-case basis.

Our Future Opportunity

We believe that the future of entertainment is interactive and that the consumption of entertainment and sports is deeply social, with players across our network using games to stay connected to friends, and to express themselves. While we continue to anchor our business on delivering amazing content and services to more players whenever and wherever they want to play, our goal is to build from our core alongside these secular shifts and invest in new areas of opportunity which we believe will translate into sustained growth. These include:

- Providing creation tools for the community to engage more deeply with our content and experiences;
- Aggregating and distributing our content and experiences to more players, on more platforms, in more geographies, and more business models; and
- Harnessing the power of the social ecosystems in and around our games.

We believe that our future growth will be influenced by our ability to realize the potential of our core while at the same time creating growth around that core. We aspire to create socially-connected ecosystems through which players can access amazing content, experiences, and tools that allow everyone to play, watch and create together.

Significant Relationships

Sony & Microsoft. Under the terms of agreements we have entered into with Sony Interactive Entertainment LLC and its affiliates and with Microsoft Corporation and its affiliates, we are authorized to develop, market, publish, and distribute disc-based products and services, and we authorize Sony and Microsoft to distribute our digital products and services, compatible with PlayStation and Xbox consoles, respectively. Under these agreements with Sony and Microsoft, we have the non-exclusive right to use, for a fixed term and in a designated territory, technology that is owned or licensed by them to publish our games on their respective consoles. With respect to our digitally-delivered products and services, the console manufacturers pay us either a wholesale price or a royalty percentage on the revenue they derive from their sales of our products and services. Our transactions for packaged goods products are made pursuant to individual purchase orders, which are accepted on a case-by case basis by Sony or Microsoft (or their designated replicators), as the case may be. For packaged goods products, we pay the console manufacturers a per-unit royalty for each unit manufactured. Many key commercial terms of our relationships with Sony and Microsoft — such as manufacturing terms, delivery times, policies and approval conditions — are determined unilaterally, and are subject to change by the console manufacturers.

The license agreements also require us to indemnify the console manufacturers for any loss, liability and expense resulting from any claim against the console manufacturer regarding our games and services, including any claims for patent, copyright or trademark infringement brought against the console manufacturer. Each license may be terminated by the console manufacturer if a breach or default by us is not cured after we receive written notice from the console manufacturer, or if we become insolvent. The console manufacturers are not obligated to enter into license agreements with us for any future consoles, products or services.

Apple, Google and Other App Stores. We have agreements to distribute our mobile applications and additional content through distributors such as Apple and Google. Our applications are downloaded for mobile devices from third party application storefronts. The distributor charges consumers for content purchased within the application or charges consumers a one-time fee to download the application. Our distribution agreements establish the amounts that are retained by the distributor and the amounts passed through to us. These arrangements are typically terminable on short notice. The agreements generally do not obligate the distributors to market or distribute any of our applications.

Publishing Partners in Asia. We have entered into agreements whereby we partner with certain companies, including Tencent Holdings Limited and Nexon Co., Ltd. or their respective affiliates, pursuant to which these companies publish our mobile and PC free-to-play games in certain countries, including China and Korea. Our players access games from the publishers' online storefronts and are charged for additional content purchased within our game environment. The agreements generally establish the amounts that are retained by the publisher, and the amounts passed through to us.

Competition

The market for interactive entertainment is intensely competitive and changes rapidly as new products, business models and distribution channels are introduced. We also face competition for the right to use certain intellectual property included in our products. In order to remain successful, we are required to anticipate, sometimes years in advance, the ways in which our products and services will compete in the market. We face significant competition from companies such as Activision Blizzard, Take-Two Interactive, Ubisoft, Epic Games, Tencent, NetEase, Netmarble, Warner Brothers, Sony, Microsoft and Nintendo, primarily with respect to developing games and services that operate on consoles, PCs and/or mobile devices. In addition, the gaming, technology/internet, social networking and entertainment industries have converged in recent years which has brought us into more direct competition with larger, well-funded technology companies such as Amazon.com, Inc., Alphabet Inc., Meta Platforms, Inc., Microsoft Corporation, and Netflix, Inc. These companies have strengthened their interactive entertainment capabilities, and we expect them to continue to do so. Their greater financial and other resources may provide larger budgets to develop and market tools, technologies, products and services that gain consumer success and shift player time and engagement away from our products and services. We also continue to expect new entrants to emerge.

More broadly, we compete against providers of different sources of entertainment, such as movies, television, online casual entertainment and music that our players could enjoy in their free time. Important competitive factors in our industry include the ability to attract creative and technical talent, game quality and ease of use, innovation, compatibility of products with certain consoles and other distribution channels, brand recognition, reputation, reliability, security, creativity, price, marketing, and quality of customer service.

Recently, our industry has undergone a period of increased consolidation which increases competitive pressure on us as interactive entertainment companies grow through acquisition – such as Take Two Interactive's recent acquisition of Zynga – or as larger, well-funded technology companies strengthen their interactive entertainment capabilities – such as Microsoft's recently announced definitive agreement to acquire Activision Blizzard.

Intellectual Property and Technology

To establish and protect our intellectual property, we rely on a combination of copyrights, trademarks, patents, patent applications, trade secrets, know-how, license agreements, confidentiality provisions and procedures and other contractual provisions. We actively engage in enforcement and other activities to protect our intellectual property, but the laws of some countries in which we operate, particularly in Asia, either do not protect our intellectual property to the same extent as the laws of the United States or are poorly enforced. As our digital business has grown, our games and services increasingly depend on the reliability, availability and security of our technological infrastructure. Our industry is prone to, and our systems and networks are subject to actions by malfeasant actors, such as cyber-attacks and other information security incidents, including ransomware attacks. While we devote financial and operational resources to implement systems, processes and technologies to guard against cyber events and to help protect our intellectual property, employee and consumer data and information technology systems against intrusions or other security breaches, we have experienced such events in the past and expect future events to occur. In addition, we engage in activities designed to limit the impact of abuse of our digital products and services, including monitoring our games for evidence of exploitation and re-balancing our game environments in the event that such abuse is discovered.

Governmental Regulation

We are a global company subject to various and complex laws and regulations domestically and internationally, including laws and regulations related to gaming, user privacy, data collection and retention, consumer protection, protection of minors, online safety, content, advertising, localization, information security, intellectual property, competition, sanctions, addressing climate change, taxation, and employment, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. Certain of our business models are subject to new laws or regulations or evolving interpretations and application of existing laws and regulations, including those related to gambling. The growth and development of electronic commerce, virtual items and virtual currency has prompted calls for new laws and regulations and resulted in the application of existing laws or regulations that have limited or restricted the sale of our products and services in certain territories.

Seasonality

We have historically experienced the highest percentage of our net bookings in our third fiscal quarter due to seasonal holiday demand and the launch timing of our games. While we expect this trend to continue in fiscal year 2023, there is no assurance that it will.

Human Capital

An inclusive, healthy and safe culture and diverse and engaged workforce is essential to our ability to execute our growth opportunities and build on-going and meaningful relationships with our communities. As a knowledge-based business, our ability to attract, train, motivate and retain qualified employees is a critical factor in the successful development of our products and services. As of March 31, 2022, we employed approximately 12,900 people globally, with 64 percent located internationally. Our Board and its Committees oversee our human capital management programs, practices and strategies and additional information on how they oversee these matters can be found in our annual Proxy Statement.

We are focused on supporting our employees across the full employee lifecycle and have implemented programs and practices designed to promote inclusion and diversity, employee engagement and employee wellness. For example, we support employee resource groups ("ERGs") which are a critical component of our people strategy, bringing together employees with common interests or backgrounds to develop themselves personally and professionally, as well as supporting the Company's goals and objectives. Our ERGs also celebrate allyship, a critical component for connecting employees and creating a sense of belonging. In addition, to support our employees during the COVID-19 pandemic, we have enhanced our programs to provide additional temporary support, including payments to assist with work from home costs and care needs, a pandemic care leave program, and additional services for mental and physical health.

Inclusion and Diversity

The global market for our products and services is diverse. We believe that a diverse, equitable and inclusive workplace that creates representative games and promotes positive play will engage a greater audience and lead to growth in our business. And, creating amazing games and services starts with a workplace that is as diverse as the communities we serve. We work to embed inclusion across our systems and processes in order to (1) attract, develop and retain talent that can thrive and do their best work, (2) develop relatable content and games, (3) enable expansion into new and diverse markets and (4) bridge to better representation that authentically reflects players around the world.

Our most recently published Company-wide gender and racial/ethnic representation, as well as our EEO-1 report (U.S. government reporting), are available on our website at https://www.ea.com/commitments/inclusion-and-diversity. To accelerate our progress with respect to representation, we strive to (1) create inclusive people systems and practices with diversity, equity and inclusion at the center, (2) create a belonging culture that welcomes different viewpoints and enables employees to do the best work of their careers, and (3) equip leaders with training and education that increases understanding and provides tools and behaviors to be inclusive managers.

Our commitments to inclusion, diversity and equity extend to compensating our employees fairly based on the work that they perform. We consider our pay equity philosophy at each stage at which compensation decisions are made, including when hiring and promoting employees and through our annual review cycle. In addition, we annually partner with an independent outside firm to review employees' pay and promote fairness and a lack of unconscious bias in our compensation philosophy and practices, resulting in equitable base pay.

Talent Acquisition, Development and Retention

Our talent planning and hiring strategies are aligned with our strategic vision. We are building a diverse and talented workforce to shape the future of our business, and are committed to the development and growth of the next generation of diverse talent through community outreach and STEAM (Science, Technology, Engineering, Arts and Mathematics) education. We are dedicated to recruitment, hiring and development practices that promote the growth of underrepresented talent. Substantially all of our hiring includes diverse candidates in the initial pool, and we go further by setting aspirational targets for the inclusion of candidates from underrepresented communities at later stages of the recruiting process that we believe can lead to better outcomes. This strategic focus on hiring has led to positive hiring outcomes, including at the executive level. In each of the last four years, we have hired underrepresented talent above our current representation rates.

We are focused on promoting the total wellness of our people and maintain resources, programs and services to support employees' physical, mental, familial and financial health. We offer a wide range of benefits, such as comprehensive health insurance and time-off and leave programs, including specialized programs around key life events.

All regular, full-time employees are asked to complete an Engagement Survey twice per year, which helps EA understand how to improve the employee experience. 81 percent of employees participated in our most recent Engagement Survey, conducted in December 2021. We also conduct regular manager surveys, and during fiscal year 2022, offered ongoing access to targeted surveys to better understand the needs of our employees as they navigated the COVID-19 pandemic. Results of all employee surveys are evaluated and shared across the organization, including with our Board of Directors, and inform opportunities for further improvement in our people practices.

Investor Information

Our website address is www.ea.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, as amended, are available free of charge on the Investor Relations section of our website at http://ir.ea.com as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We announce material financial information and business updates through our SEC filings, press releases, public conference calls and webcasts, the Investor Relations section of our website at http://ir.ea.com, our blog at https://www.ea.com/news and through our Twitter account @EA. Except as expressly set forth in this Form 10-K annual report, the contents of our website, 2021 Impact Report and/or social media accounts are not incorporated into, or otherwise to be regarded as part of this report.

Company Information

We were incorporated originally in California in 1982. In September 1991, we were reincorporated under the laws of Delaware. Our principal executive offices are located at 209 Redwood Shores Parkway, Redwood City, California 94065 and our telephone number is (650) 628-1500.

Information About Our Executive Officers

The following table sets forth information regarding our executive officers as of May 25, 2022:

Name	Age	Position
Andrew Wilson	47	Chief Executive Officer, Chair of the Board
Christopher Suh	51	Chief Financial Officer
Laura Miele	52	Chief Operating Officer
Kenneth Moss	56	Chief Technology Officer
Christopher Bruzzo	52	Chief Experience Officer
Mala Singh	51	Chief People Officer
Jacob J. Schatz	53	Chief Legal Officer & Corporate Secretary
Eric Kelly	50	Vice President, Chief Accounting Officer

Mr. Wilson has served as EA's Chief Executive Officer and as a director of EA since September 2013 and was appointed Chair of the Board of Directors in August 2021. Prior to his appointment as our Chief Executive Officer, Mr. Wilson held several positions within the Company since joining EA in May 2000, including Executive Vice President, EA SPORTS from August 2011 to September 2013. Mr. Wilson also serves as chairman of the board of the privately-held World Surf League and is a member of the Board of Trustees of the Paley Center for Media. Mr. Wilson has served on the board of directors of Intel Corporation within the last five years.

Mr. Suh has served as EA's Chief Financial Officer since March 2022. Prior to joining EA, Mr. Suh had a 25-year career at Microsoft Corporation, a technology company, serving most recently as Corporate Vice President and Chief Financial Officer of its Cloud & AI division from January 2018 to February 2022 and as General Manager, Investor Relations from January 2013 to January 2018. Mr. Suh received both his MBA and undergraduate degrees from the University of Washington. Mr. Suh also serves on the Board of Directors of Cardlytics, Inc.

Ms. Miele has served as EA's Chief Operating Officer since October 2021. Ms. Miele joined the Company in March 1996 and has held several positions at the Company, including Chief Studios Officer from April 2018 to October 2021, Executive Vice President, Global Publishing from April 2016 to April 2018, and several senior roles in the Company's marketing organization.

Mr. Moss has served as EA's Chief Technology Officer since July 2014. He served as Vice President of Market Places Technology, Science and Data at eBay Inc. from November 2011 to July 2014. Prior to joining eBay, he co-founded CrowdEye, Inc. and served as its Chief Executive Officer from October 2008 to November 2011. Prior to CrowdEye, Mr. Moss served in various technology roles at Microsoft, including leadership roles, for 20 years. Mr. Moss graduated from Princeton University.

Mr. Bruzzo has served as EA's Chief Experience Officer since September 2021. Mr. Bruzzo has been with EA since 2014, serving as Executive Vice President, Marketing, Commercial and Positive Play from October 2020 to September 2021 and as Chief Marketing Officer from September 2014 to October 2020. Prior to joining EA, he served as Senior Vice President at Starbucks Corporation from June 2011 to August 2014. Mr. Bruzzo graduated from Whitworth University. Mr. Bruzzo serves on the Board of Directors of Boot Barn Holdings, Inc.

Ms. Singh has served as EA's Chief People Officer since October 2016. Ms. Singh was previously employed by EA from 2009 to 2013, serving as Vice President, Human Resources, EA Labels from 2011 to 2013. Prior to rejoining EA, Ms. Singh served as the Chief People Officer of Minted, LLC from January 2014 to October 2016. Ms. Singh earned both her undergraduate and graduate degrees from Rutgers University - New Brunswick. Ms. Singh also serves on the Board of Directors of Sovos Brands.

Mr. Schatz, EA's Chief Legal Officer, has led EA's legal function and served as Corporate Secretary since June 2014. Mr. Schatz joined EA in 1999, holding several roles within EA's legal department until his appointment as General Counsel in 2014. Mr. Schatz earned his J.D. from Georgetown University Law Center, and received his undergraduate degree from Pomona

College. Mr. Schatz is a member of the Bar of the State of California and is admitted to practice in the United States Supreme Court, the Ninth Circuit Court of Appeals and several United States District Courts.

Mr. Kelly has served as EA's Chief Accounting Officer since August 2021. Since joining EA in 2003, Mr. Kelly has held several positions within EA's finance organization, including Vice President and Worldwide Controller from January 2014 to August 2021 and finance leadership roles such as CFO of Asia and European Financial Controller. Mr. Kelly holds a B.S. in Accounting from Villanova University and is a licensed Certified Public Accountant.

Item 1A: Risk Factors

Our business is subject to many risks and uncertainties, which may affect our future financial performance. In the past, we have experienced certain of the events and circumstances described below, which adversely impacted our business and financial performance. If any of the events or circumstances described below occur, our business or financial performance could be harmed, our actual results could differ materially from our expectations and the market value of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe could be material that may harm our business or financial performance.

STRATEGIC RISKS

Our business is intensely competitive. We may not deliver successful and engaging products and services, or consumers may prefer our competitors' products or services over our own.

Competition in our business is intense. Many new products and services are regularly introduced, but only a relatively small number of products and associated services drive significant engagement and account for a significant portion of total revenue. Our competitors range from established interactive entertainment companies to emerging start-ups. In addition, the gaming, technology/internet, and entertainment industries have converged in recent years and larger, well-funded technology companies have strengthened their interactive entertainment capabilities resulting in more direct competition with us. We expect them to continue to pursue and strengthen these businesses. Their greater financial and other resources may provide larger budgets to recruit our key creative and technical talent, develop and market products and services that gain consumer success and shift player time and engagement away from our products and services, or otherwise disrupt our operations. We also expect new competitors to continue to emerge throughout the world. If our competitors develop more successful and engaging products or services, offer competitive products or services at lower price points, or if we do not continue to develop consistently high-quality, well-received and engaging products and services, or if our marketing strategies are not innovative or fail to resonate with players, particularly during key selling periods, our revenue, margins, and profitability will decline.

We strive to create innovative and high-quality products and services that allow us to build on-going and meaningful relationships with our community. However, innovative and high-quality titles, even if highly-reviewed, may not meet our expectations or the expectations of our players. Many financially successful products and services within our industry are iterations of prior titles with large established consumer bases and significant brand recognition, which makes competing in certain categories challenging. In addition, products or services of our direct competitors or other entertainment companies may take a larger portion of consumer spending or time than we anticipate, which could cause our products and services to underperform relative to our expectations. A significant portion of our revenue historically has been derived from products and services based on a few popular franchises, and the underperformance of a single major title has had, and could in the future have, a material adverse impact on our financial results. For example, we have historically derived a significant portion of our net revenue from sales related to our global football franchise, annualized versions of which are consistently one of the best-selling games in the marketplace. Any events or circumstances that negatively impact our global football franchise, such as product or service quality, our transition to a new EA SPORTS FC brand, other products that take a portion of consumer spending and time, the delay or cancellation of a product or service launch, increased competition for key licenses, or real or perceived security risks, could negatively impact our financial results to a disproportionate extent.

The increased importance of live services, including extra content, to our business heightens the risks associated with the products for which such live services are offered. Live services that are either poorly-received or provided in connection with underperforming games may generate lower than expected sales. Any lapse, delay or failure in our ability to provide high-quality live services content to consumers over an extended period of time could materially and adversely affect our financial results, consumer engagement with our live services, and cause harm to our reputation and brand. Our most popular live services are the extra content available for the *Ultimate Team* mode associated with our sports franchises and extra content purchased within *Apex Legends*. Any events or circumstances that negatively impact our ability to reliably provide content or sustain engagement for *Ultimate Team*, particularly *FIFA Ultimate Team*, or *Apex Legends*, would negatively impact our financial results to a disproportionate extent.

We may not meet our product and live service development schedules and key events, sports seasons and/or movies that are tied to our product and live service release schedule may be delayed, cancelled or poorly received.

Our ability to meet product and live service development schedules is affected by a number of factors both within and outside our control, including feedback from our players, the creative processes involved, the coordination of large and sometimes geographically dispersed development teams, the complexity of our products and the platforms for which they are developed, the need to fine-tune our products prior to their release, factors related to the COVID-19 pandemic, and, in certain cases, approvals from third parties. We have experienced development delays for our products and services in the past which caused us to delay or cancel release dates. Any failure to meet anticipated production or release schedules likely would result in a delay of revenue and/or possibly a significant shortfall in our revenue, increase our development and/or marketing expenses, harm our profitability, and cause our operating results to be materially different than anticipated. If we miss key selling periods for products or services, particularly the fiscal quarter ending in December, for any reason, including product delays or product cancellations our sales likely will suffer significantly.

We also seek to release certain products and extra content for our live services - such as our sports franchises and the associated Ultimate Team live service - in conjunction with key events, such as the beginning of a sports season, events associated with the sports calendar, or the release of a related movie. If such seasons or events were delayed, cancelled or poorly received, our business and operating results could be materially adversely affected.

Our industry changes rapidly and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services.

Rapid changes in our industry require us to anticipate, sometimes years in advance, the ways in which our business can remain competitive in the market. We have invested, and in the future may invest, in new business and marketing strategies, tools and technologies, distribution methods, products, and services. There can be no assurance that these strategic investments will achieve expected returns. For example, we are investing in our mobile business through seeking to maximize our mobile live services, meaningfully expanding key franchises on the mobile platform and through mergers and acquisitions activity. Successfully monetizing mobile games is difficult and requires that we deliver valuable and entertaining player experiences that engage significant number of players or that we are able to otherwise monetize our mobile games. The success of our mobile games depends, in part, on unpredictable and volatile factors beyond our control including consumer preferences, competing games, new mobile platforms and the availability of other entertainment experiences. Such endeavors involve significant risks and uncertainties. No assurance can be given that the tools and technology we choose to implement, the business and marketing strategies we choose to adopt and the products, services and platform strategies that we pursue will achieve financial results that meet or exceed our expectations. Our reputation and brand could also be adversely affected. We also may miss opportunities or fail to respond quickly enough to industry change, including the adoption of tools and technology or distribution methods or develop products, services or new ways to engage with our games that become popular with consumers, which could adversely affect our financial results.

Our product and service development process usually starts with particular platforms and distribution methods in mind, and a range of technical development, feature and ongoing goals that we hope to be able to achieve. We may not be able to achieve these goals, or our competition may be able to achieve them more quickly and in a way that better engages consumers. In either case, our products and services may be technologically inferior to those of our competitors, less appealing to consumers, or both. If we cannot achieve our goals within the original development schedule for our products and services, then we may delay their release until these goals can be achieved, which may delay or reduce revenue and increase our development expenses. Alternatively, we may increase the resources employed in research and development in an attempt to accelerate our development of new technologies, either to preserve our product or service launch schedule or to keep up with our competition, which would increase our development expenses.

Stakeholders have high expectations for the quality and integrity of our business, culture, products and services. We may be unsuccessful in meeting these expectations or make business decisions to meet these expectations that impact our short-term financial results.

Expectations regarding the quality, performance and integrity of our business, culture, products and services are high. Players and other stakeholders have sometimes been critical of our industry, brands, products, services, online communities, business models and/or practices for a wide variety of reasons, including perceptions about gameplay fun, fairness, game content, features or services, or objections to certain of our practices. These negative responses may not be foreseeable. We also may not effectively manage our responses because of reasons within or outside of our control. For example, we have included in certain games the ability for players to purchase digital items, including in some instances virtual “packs”, “boxes” or “crates” that contain variable digital items. The inclusion of variable digital items in certain games has attracted the attention of our community and if the future implementation of these features creates a negative perception of gameplay fairness or other negative perceptions, our reputation and brand could be harmed and revenue could be negatively impacted. In addition, we have taken actions, including delaying the release of our games and delaying or discontinuing content, features and services for our games, after taking into consideration, among other things, feedback from our community or geopolitical events even if those decisions negatively impacted our operating results in the short term. For example, in response to the current conflict in Ukraine, we stopped sales of our games and content in Russia and Belarus, worked with our platform partners to remove our games and live services from their stores, and took other actions. These actions had a negative impact on our financial results and may impact our future development processes. We expect to continue to take actions as appropriate, including actions that may result in additional expenditures and the loss of revenue.

We aim to offer our players fun, fair and safe environments in which to play and invest in, and deploy, tools and technologies to promote positive play and facilitate players' faith in their gameplay experience. Although we expend resources, and expect to continue to expend resources, to promote positive play, our efforts may not be successful due to scale, limitations of existing technologies or other factors. If our efforts are unsuccessful, negative sentiment about our business may increase and our brand and reputation may be harmed, scrutiny from governmental bodies and consumer groups may occur, and our financial and operating results may be adversely impacted.

Certain of our games and features on our platforms support online features that allow players and viewers to communicate with one another and post content, in real time, that is visible to other players and viewers. From time to time, this "user generated content" may contain objectionable and offensive content that is distributed and disseminated by third parties and our brands may be negatively affected by such actions. If we fail to appropriately respond to the dissemination of such content, we may be subject to lawsuits and governmental regulation, our players may not engage with our products and services and/or may lose confidence in our brands and our financial results may be adversely affected.

External game developers may not meet product development schedules or otherwise honor their obligations.

We contract with external game developers to develop our games or to publish or distribute their games. While we maintain contractual protections, we have less control over the product development schedules of games developed by external developers. We depend on their ability to meet product development schedules which could be negatively affected by, among other things, distributed workforce models. In addition, disputes occasionally arise with external developers, including with respect to game content, launch timing, achievement of certain milestones, the game development timeline, marketing campaigns, contractual terms and interpretation. If we have disputes with external developers or they cannot meet product development schedules, acquire certain approvals or are otherwise unable or unwilling to honor their obligations to us, we may delay or cancel previously announced games, alter our launch schedule or experience increased costs and expenses, which could result in a delay or significant shortfall in anticipated revenue, harm our profitability and reputation, and cause our financial results to be materially affected.

Our business depends on the success and availability of consoles, systems and devices developed by third parties and our ability to develop commercially successful products and services for those consoles, systems and devices.

The success of our business is driven in part by the commercial success and adequate supply of third-party consoles, systems and devices for which we develop our products and services or through which our products and services are distributed. Our success depends in part on accurately predicting which consoles, systems and devices will be successful in the marketplace and providing engaging and commercially successful games and services for those consoles, systems and devices. We must make product development decisions and commit significant resources well in advance of the commercial availability of new consoles, systems and devices, and we may incur significant expense to adjust our product portfolio and development efforts in response to changing consumer preferences. We may enter into certain exclusive licensing arrangements that affect our ability to deliver or market products or services on certain consoles, systems or devices. A console, system or device for which we are developing products and services may not succeed as expected and we may be unable to fully recover the investments we have made in developing our products and services; or new consoles, systems or devices may take market share away from those for which we have devoted significant resources, causing us to not be able to reach our intended audience and take advantage of meaningful revenue opportunities.

In fiscal year 2021, our key console partners Sony and Microsoft each released new generation consoles. In periods of transition, sales of products for legacy generation consoles typically slow or decline in response to the introduction of new consoles, and sales of products for new generation consoles typically stabilize only after new consoles are widely-established with the consumer base. This console transition may have a comparable impact on our live services business, potentially increasing the impact on our financial results. The transition could accelerate faster or slower than we expect. For example, production of new generation consoles from Sony and Microsoft has been slower than expected because of semiconductor chip shortages and global supply chain disruptions. We do not control the unit volumes of consoles made available for sale, the pricing or appeal of new generation consoles, or the rates at which consumers purchase these consoles. For a period of time, we will also develop, market and operate games and services on both legacy and new generation consoles simultaneously. As a result of these factors, our operating results during console transitions may be more volatile and difficult to predict.

We may experience declines or fluctuations in the re-occurring portion of our business.

Our business model includes revenue that we deem re-occurring in nature, such as revenue from our annualized sports franchises (e.g., Madden NFL, global football), our console, PC and mobile catalog titles (i.e., titles that did not launch in the current fiscal year), and our live services. While we have been able to forecast the revenue from these areas of our business with greater relative confidence than for new games, services and business models, we cannot provide assurances that consumer demand will remain consistent, including in connection with circumstances outside of our control. Furthermore, we may cease to offer games and services that we previously had deemed to be re-occurring in nature. Consumer demand has declined and fluctuated, and could in the future decline or fluctuate, as a result of a number of factors, including their level of satisfaction with our games and services, our ability to improve and innovate our annualized titles, our ability to adapt our games and services to new distribution channels and business models, outages and disruptions of online services, the games and services offered by our competitors, our marketing and advertising efforts or declines in consumer activity generally as a result of economic downturns, among others. The reception to our sports games also depends, in part, on the popularity, reputation and brand of the leagues, organizations and individual athletes with whom we partner. Events and circumstances outside of our control that have a negative impact on the accessibility, popularity, reputation and brand of these partners has impacted, and could in the future negatively impact, sales related to our annualized sports games. Any decline or fluctuation in the re-occurring portion of our business may have a negative impact on our financial and operating results.

We could fail to successfully adopt new business models.

From time to time we seek to establish and implement new business models. Forecasting the success of any new business model is inherently uncertain and depends on a number of factors both within and outside of our control. Our actual revenue and profit for these businesses may be significantly greater or less than our forecasts. In addition, these new business models could fail, resulting in the loss of our investment in the development and infrastructure needed to support these new business models, as well as the opportunity cost of diverting management and financial resources away from more successful and established businesses. For example, we have devoted financial and operational resources to our subscription offerings without any assurance that these businesses will be financially successful. While we anticipate growth in this area of our business, consumer demand is difficult to predict. Any failure to successfully implement new business models could materially impact our financial and operating results.

Acquisitions, investments, divestitures and other strategic transactions could result in operating difficulties and other negative consequences.

We have made and may continue to make acquisitions or enter into other strategic transactions including (1) acquisitions of companies, businesses, intellectual properties, and other assets, (2) investments in, or transactions with, strategic partners, and (3) investments in new businesses as part of our long-term business strategy. These acquisitions and other transactions involve significant challenges and risks including that the transaction does not advance our business strategy or strategic goals, that we do not realize a satisfactory return on our investment or cannot realize anticipated tax benefits, that we acquire liabilities and/or litigation from acquired companies or liabilities and/or litigation results from the transactions, that our due diligence process does not identify significant issues, liabilities or other challenges, diversion of management's attention from our other businesses, and the incurrence of debt, contingent liabilities or amortization expenses, write-offs of goodwill, intangibles, or acquired in-process technology, or other increased cash and non-cash expenses. In addition, we may not integrate these businesses successfully or achieve expected synergies. For example, we may experience difficulties and costs associated with the integration of business systems and technologies, and acquired products and services, the integration and retention of new employees, the implementation of our internal control and compliance procedures and/or the remediation of the internal control and compliance environment of the acquired entity, or the maintenance of key business and customer relationships. These events could harm our operating results or financial condition.

We may fund strategic transactions with (1) cash, which would reduce cash available for other corporate purposes, (2) debt, which would increase our interest expense and leverage and/or (3) equity which would dilute current shareholders' percentage ownership and also dilute our earnings per share. We also may divest or sell assets or a business and we may have difficulty selling such assets or business on acceptable terms in a timely manner. This could result in a delay in the achievement of our strategic objectives, cause us to incur additional expense, or the sale of such assets or business at a price or on terms that are less favorable than we anticipated.

We may be unable to maintain or acquire licenses to include intellectual property owned by others in our games, or to maintain or acquire the rights to publish or distribute games developed by others.

Many of our products and services are based on or incorporate intellectual property owned by others. For example, our EA Sports products include rights licensed from major sports leagues, teams and players' associations and our Star Wars products include rights licensed from Disney. Competition for these licenses and rights is intense. If we are unable to maintain these licenses and rights or obtain additional licenses or rights with significant commercial value, our ability to develop successful and engaging products and services may be adversely affected and our revenue, profitability and cash flows may decline significantly. Other competitors may assume certain licenses and create competing products, impacting our sales. Competition for these licenses has increased, and may continue to increase, the amounts that we must pay to licensors and developers, through higher minimum guarantees or royalty rates, which could significantly increase our costs and reduce our profitability.

Our business partners may be unable to honor their obligations to us or their actions may put us at risk.

We rely on various business partners, including platform partners, third-party service providers, vendors, licensing partners, development partners and licensees. Their actions may put our business and our reputation and brand at risk. For example, we may have disputes with our business partners that may impact our business and/or financial results. In many cases, our business partners may be given access to sensitive and proprietary information in order to provide services and support, and they may misappropriate our information and engage in unauthorized use of it. In addition, the failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to our business operations. Further, disruptions in the financial markets, economic downturns, poor business decisions, or reputational harm may adversely affect our business partners and they may not be able to continue honoring their obligations to us or we may cease our arrangements with them. Alternative arrangements and services may not be available to us on commercially reasonable terms or we may experience business interruptions upon a transition to an alternative partner or vendor. If we lose one or more significant business partners, our business could be harmed and our financial results could be materially affected.

OPERATIONAL RISKS

The COVID-19 pandemic and the various responses to it have affected how we are operating our business and the duration and extent to which this will impact our future operations and financial results is uncertain.

The COVID-19 pandemic and the various responses to it have affected how we and our partners are operating our businesses and have affected our operating results. The duration and extent to which this will impact our future operations and results remains uncertain. We have established and continue to maintain, protocols to promote the health and safety of our workforce and business partners. We are beginning to re-open our office locations and resume business travel as it is appropriate to do so, consistent with the health and safety of our employees and in compliance with any local legal restrictions or requirements. The reintroduction of employees to the workplace could introduce operational risk, negatively impact productivity, and give rise to claims by employees or otherwise adversely affect our business. As we begin to re-open our offices, employees may be offered more flexibility in the amount of time they work in an office, which may adversely impact the productivity of certain employees. The long-term effects of the COVID-19 pandemic on the future of work are not certain and may present operational challenges and impact our ability to attract and retain talent, and our teams' ability to collaborate creatively, each of which may adversely affect our business.

Certain of our development teams have worked for an extended period in a distributed environment, whereas these teams historically collaborated in-person on the creative and technical process required to develop high-quality products and services at scale. This has disrupted, and may continue to disrupt, the productivity of our workforce and the creative process to which our teams are accustomed. Companies in our industry have experienced issues related to game and service quality during the current work-from-home period, and we have changed the launch date of key products because of challenges associated with a distributed development environment. In addition, the longer-term impact to our creative and technical development processes is unknown and the associated risks, including with respect to game quality and developmental delays, which may cause us to delay or cancel additional release dates, may be heightened as the work-from-home period persists.

The extent of the impact of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the duration and spread of the pandemic, future waves of COVID-19 infections and variants, the extent, speed and effectiveness of worldwide containment and vaccination efforts and the impact of these and other factors on our employees, customers, partners and vendors. If we are not able to flexibly respond to and manage the impact of these and other currently unknown impacts related to the COVID-19 pandemic, our business will be harmed.

To the extent that the COVID-19 pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section may be heightened.

Catastrophic events may disrupt our business.

Natural disasters, cyber-incidents, weather events, wildfires, power disruptions, telecommunications failures, pandemics, health crises and other public health events, failed upgrades of existing systems or migrations to new systems, acts of terrorism or other events could cause outages, disruptions and/or degradations of our infrastructure (including our or our partners' information technology and network systems), a failure in our ability to conduct normal business operations, or the closure of public spaces in which players engage with our games and services. The health and safety of our employees, players, third-party organizations with whom we partner, or regulatory agencies on which we rely could be also affected, any of which may prevent us from executing against our business strategies and/or cause a decrease in consumer demand for our products and services. We recognize the inherent physical risks associated with climate change. Natural disasters and weather events linked to climate change are increasing in size and scope and certain of our office locations are located in areas that are vulnerable to climate change effects. Climate-related events and their impact on critical infrastructure in areas in which we do business have the potential to disrupt our business and operations, and/or the businesses and operations of our partners, and may cause us to incur additional costs to maintain or resume operations.

System redundancy may be ineffective and our disaster recovery and business continuity planning may not be sufficient for all eventualities. Such failures, disruptions, closures, or inability to conduct normal business operations could also prevent access to our products, services or online stores selling our products and services, cause delay or interruption in our product or live services offerings, allow breaches of data security or result in the loss of critical data. Our corporate headquarters and several of our key studios also are located in seismically active regions. An event that results in the disruption or degradation of any of our critical business functions or information technology systems, harms our ability to conduct normal business operations or causes a decrease in consumer demand for our products and services could materially impact our reputation and brand, financial condition and operating results.

We have and may continue to experience security breaches and cyber threats.

The integrity of our and our partners' information technology networks and systems is critical to our ongoing operations, products, and services. Our industry is prone to, and our systems and networks are subject to actions by malfeasant actors, which may include individuals or groups, including state-sponsored attackers. These actions include cyber-attacks, including ransomware, and other information security incidents that seek to exploit, disable, damage, and/or disrupt our networks, business operations, products and services and supporting technological infrastructure, or gain access to consumer and employee personal information, our intellectual property and other assets. In addition, our systems and networks could be harmed or improperly accessed due to error by employees or third parties that are authorized to access these networks and systems. We also rely on technological infrastructure provided by third-party business partners to support the online functionality of our products and services, who are also subject to these same cyber risks. Both our partners and we have expended, and expect to continue to expend, financial and operational resources to guard against cyber risks and to help protect our data and systems. However, the techniques used by malfeasant actors change frequently, continue to evolve in sophistication and volume, and often are not detected for long periods of time.

As a result of the COVID-19 pandemic, remote access to our networks and systems, and the networks and systems of our partners, has increased substantially. We expect to resume operations in our offices under a hybrid work model where our workforce will spend a portion of their time working in offices and a portion of time working remotely. While we and our partners have taken steps to secure our networks and systems, these networks and systems may be more vulnerable to a successful cyber-attack or information security incident in this hybrid working model. The costs to respond to, mitigate, and/or notify affected parties of cyber-attacks and other security vulnerabilities are significant. It may also be necessary for us to take additional extraordinary measures and make additional expenditures to take appropriate responsive and preventative steps. In addition, such events could compromise the confidentiality, integrity, or accessibility of these networks and systems or result in the compromise or loss of the data, including personal data, processed by these systems. Consequences of such events, responsive measures and preventative measures have included, and could in the future include, the loss of proprietary and personal data and interruptions or delays in our business operations, exploitation of our data, as well as loss of player confidence and damage to our brand and reputation, financial expenses and financial loss. In addition, such events could cause us to be non-compliant with applicable regulations, and subject us to legal claims or penalties under laws protecting the privacy or security of personal information or proprietary material information. We have experienced such events in the past and expect future events to occur.

In addition, the virtual economies that we have established in many of our games are subject to abuse, exploitation and other forms of fraudulent activity that can negatively impact our business. Virtual economies involve the use of virtual currency and/or virtual assets that can be used or redeemed by a player within a particular game or service. The abuse or exploitation of our virtual economies have included the illegitimate or unauthorized generation and sale of virtual items, including in black markets. Our online services have been impacted by in-game exploits and the use of automated or other fraudulent processes designed to generate virtual items or currency illegitimately or to execute account takeover attacks against our players. We anticipate such activity to continue. These abuses and exploits, and the steps that we take to address these abuses and exploits may result in a loss of anticipated revenue, increased costs to protect against or remediate these issues, interfere with players' enjoyment of a balanced game environment or cause harm to our reputation and brand.

We may experience outages, disruptions or degradations in our services, products and/or technological infrastructure.

The reliable performance of our products and services depends on the continuing operation and availability of our information technology systems and those of our external service providers, including third-party "cloud" computing services. Our games and services are complex software products and maintaining the sophisticated internal and external technological infrastructure required to reliably deliver these games and services is expensive and complicated. The reliable delivery and stability of our products and services has been, and could in the future be, adversely impacted by outages, disruptions, failures or degradations in our network and related infrastructure, as well as in the online platforms or services of key business partners that offer, support or host our products and services. In addition, the supply chain of hardware needed to maintain this technological infrastructure has been disrupted and geopolitical events, including the Russian invasion of Ukraine and any indirect effects, may further complicate existing supply chain constraints. The reliability and stability of our products and services has been affected by events outside of our control as well as by events within our control, such as the migration of data among data centers and to third-party hosted environments, the performance of upgrades and maintenance on our systems, and online demand for our products and services that exceeds the capabilities of our technological infrastructure.

If we or our external business partners were to experience an event that caused a significant system outage, disruption or degradation or if a transition among data centers or service providers or an upgrade or maintenance session encountered unexpected interruptions, unforeseen complexity or unplanned disruptions, our products and services may not be available to consumers or may not be delivered reliably and stably. As a result, our reputation and brand may be harmed, consumer engagement with our products and services may be reduced, and our revenue and profitability could be negatively impacted. We do not have redundancy for all our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities.

As our digital business grows, we will require an increasing amount of internal and external technical infrastructure, including network capacity and computing power to continue to satisfy the needs of our players. We are investing, and expect to continue to invest, in our own technology, hardware and software and the technology, hardware and software of external service providers to support our business. It is possible that we may fail to scale effectively and grow this technical infrastructure to accommodate increased demands, which may adversely affect the reliable and stable performance of our games and services, therefore negatively impacting engagement, reputation, brand and revenue growth.

Attracting, managing and retaining our talent is critical to our success.

Our business depends on our ability to attract, train, motivate and retain executive, technical, creative, marketing and other personnel that are essential to the development, marketing and support of our products and services. The market for highly-skilled workers and leaders in our industry is extremely competitive, particularly in the geographic locations in which many of our key personnel are located and has recently intensified further due to industry trends. In addition, our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives, as well as key creative and technical talent. We strive to provide a workplace culture that is diverse, equitable, inclusive and safe and have invested in policies, practices, tools and people in this regard. If we cannot successfully recruit, train, motivate and retain qualified employees, develop and maintain a diverse, equitable, inclusive and safe work environment, or replace key employees following their departure, our reputation and brand may be negatively impacted and our ability to develop and manage our business will be impaired.

We rely on the consoles, systems and devices of partners who have significant influence over the products and services that we offer in the marketplace.

A significant percentage of our digital net revenue is attributable to sales of products and services through our significant partners, including Sony, Microsoft, Apple and Google. The concentration of a material portion of our digital sales in these partners exposes us to risks associated with these businesses. Any deterioration in the businesses of our significant partners could disrupt and harm our business, including by limiting the methods through which our digital products and services are offered and exposing us to collection risks.

In addition, our license agreements typically provide these partners with significant control over the approval and distribution of the products and services that we develop for their consoles, systems and devices. For products and services delivered via digital channels, each respective partner has policies and guidelines that control the promotion and distribution of these titles and the features and functionalities that we are permitted to offer through the channel. Our partners could choose to exclude our products and services from, or de-emphasize the promotion of our products and services within, some or all of their distribution channels in order to promote their own products and services or those of our competitors. In addition, we are dependent on these partners to invest in, and upgrade, the capabilities of their systems in a manner that corresponds to the preferences of consumers. Failure by these partners to keep pace with consumer preferences could have an adverse impact on the engagement with our products and services and our ability to merchandise and commercialize our products and services which could harm our business and/or financial results.

Moreover, certain significant partners can determine and change unilaterally certain key terms and conditions, including the ability to change their user and developer policies and guidelines. In many cases these partners also set the rates that we must pay to provide our games and services through their online channels, and retain flexibility to change their fee structures or adopt different fee structures for their online channels, which could adversely impact our costs, profitability and margins. These partners also control the information technology systems through which online sales of our products and service channels are captured. If our partners establish terms that restrict our offerings, significantly impact the financial terms on which these products or services are offered to our customers, or their information technology systems experience outages that impact our players' ability to access our games or purchase extra content or cause an unanticipated delay in reporting, our business and/or financial results could be materially affected.

A significant portion of our packaged goods sales are made to a relatively small number of retail and distribution partners, and these sales may be disrupted.

We derive a significant percentage of our net revenue attributable to sales of our packaged goods products to our top retail and distribution partners. The concentration of a significant percentage of these sales through a few large partners could lead to a short-term disruption to our business if certain of these partners significantly reduced their purchases or ceased to offer our products. The financial position of certain partners has deteriorated and while we maintain protections such as monitoring the credit extended to these partners, we could be vulnerable to collection risk if one or more of these partners experienced continued deterioration of their business or declared bankruptcy. Additionally, receivables from these partners generally increase in our December fiscal quarter as sales of our products generally increase in anticipation of the holiday season which exposes us to heightened risk at that time of year. Having a significant portion of our packaged goods sales concentrated in a few partners could reduce our negotiating leverage with them. If one or more of these partners experience deterioration in their business or become unable to obtain sufficient financing to maintain their operations, our business could be harmed.

The products or services we release may contain defects, bugs or errors.

Our products and services are extremely complex software programs and are difficult to develop and distribute. We have quality controls in place to detect defects, bugs or other errors in our products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and resource or technical constraints. In addition, the effectiveness of our quality controls and preventative measures may be negatively affected by the distribution of our workforce resulting from the COVID-19 pandemic. As such, these quality controls and preventative measures may not be effective in detecting all defects, bugs or errors in our products and services before they have been released into the marketplace. In such an event, the technological reliability and stability of our products and services could be below our standards and the standards of our players and our reputation, brand and sales could be adversely affected. In addition, we could be required to, or may find it necessary to, offer a refund for the product or service, suspend the availability or sale of the product or service or expend significant resources to cure the defect, bug or error each of which could significantly harm our business and operating results.

LEGAL AND COMPLIANCE RISKS

Our business is subject to complex and prescriptive regulations regarding consumer protection and data privacy practices, and could be adversely affected if our consumer protection, data privacy and security practices are not adequate, or perceived as being inadequate.

We are subject to global data privacy, data protection, localization, security and consumer-protection laws and regulations worldwide. These laws and regulations are emerging and evolving and the interpretation and application of these laws and regulations often are uncertain, contradictory and changing. The failure to maintain data practices that are compliant with applicable laws and regulations, or evolving interpretations of applicable laws and regulations, could result in inquiries from enforcement agencies or direct consumer complaints, resulting in civil or criminal penalties, and could adversely impact our reputation and brand. In addition, the operational costs of compliance with these regulations is high and will likely continue to increase. Even if we remain in strict compliance with applicable laws and regulations, consumer sensitivity to the collection and processing of their personal information continues to increase. Any real or perceived failures in maintaining acceptable data privacy practices, including allowing improper or unauthorized access, acquisition or misuse and/or uninformed disclosure of consumer, employee and other information, or a perception that we do not adequately secure this information or provide consumers with adequate notice about the information that they authorize us to collect and disclose could result in brand, reputational, or other harms to the business, result in costly remedial measures, deter current and potential customers from using our products and services and cause our financial results to be materially affected.

Third party vendors and business partners receive access to certain information that we collect. These vendors and business partners may not prevent data security breaches with respect to the information we provide them or fully enforce our policies, contractual obligations and disclosures regarding the collection, use, storage, transfer and retention of personal data. A data security breach of one of our vendors or business partners could cause reputational and financial harm to them and us, negatively impact our ability to offer our products and services, and could result in legal liability, costly remedial measures, governmental and regulatory investigations, harm our profitability, reputation and brand, and/or cause our financial results to be materially affected.

We also are subject to payment card association rules and obligations pursuant to contracts with payment card processors. Under these rules and obligations, if information is compromised, we could be liable to payment card issuers for the cost of associated expenses and penalties. In addition, if we fail to follow payment card industry security standards, even if no consumer information is compromised, we could incur significant fines or experience a significant increase in payment card transaction costs.

Government regulations applicable to us may negatively impact our business.

We are a global company subject to various and complex laws and regulations domestically and internationally, including laws and regulations related to consumer protection, protection of minors, online safety, content, advertising, localization, information security, intellectual property, competition, sanctions, addressing climate change, taxation, and employment, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. These laws could harm our business by limiting the products and services we can offer consumers or the manner in which we offer them. The costs of compliance with these laws may increase in the future as a result of changes in applicable laws or changes to interpretation. Any failure on our part to comply with these laws or the application of these laws in an unanticipated manner may harm our business and result in penalties or significant legal liability.

Certain of our business models and features within our games and services are subject to new laws or regulations or evolving interpretations and application of existing laws and regulations, including those related to gambling. The growth and development of electronic commerce, virtual items and virtual currency has prompted calls for new laws and regulations and resulted in the application of existing laws or regulations that have limited or restricted the sale of our products and services in certain territories. For example, governmental organizations have applied existing laws and regulations to certain mechanics commonly included within our games, including the Ultimate Team mode associated with our sports franchises. In addition, we include modes in our games that allow players to compete against each other and manage player competitions that are based on our products and services. Although we structure and operate our skill-based competitions with applicable laws in mind, including those related to gambling, our skill-based competitions in the future could become subject to evolving laws and regulations. We are also introducing features into our games and services that allow players to create and share user-generated content. Such content may be objectionable or offensive and decrease engagement with our products and services, cause a loss of confidence in our brands and expose us to liability and regulatory oversight, particularly as applicable global laws and regulations are introduced and evolve. New laws related to these business models and features or the interpretation or application of current laws could subject us to additional regulation and oversight, cause us to further limit or restrict the sale of our products and services or otherwise impact our products and services, lessen the engagement with, and growth of, profitable business models, and expose us to increased compliance costs, significant liability, fines, penalties and harm to our reputation and brand.

We are subject to laws in certain foreign countries, and adhere to industry standards in the United States, that mandate rating requirements or set other restrictions on the advertisement or distribution of interactive entertainment software based on content. In addition, certain foreign countries allow government censorship of interactive entertainment software products or require pre-approval processes of uncertain length before our games and services can be offered. Adoption of ratings systems, censorship, restrictions on distribution and changes to approval processes or the status of any approvals could harm our business by limiting the products we are able to offer to our consumers. In addition, compliance with new and possibly inconsistent regulations for different territories could be costly, delay or prevent the release of our products in those territories.

We may be subject to claims of infringement of third-party intellectual property rights.

From time to time, third parties may claim that we have infringed their intellectual property rights. Although we take steps to avoid knowingly violating the intellectual property rights of others, it is possible that third parties still may claim infringement. Existing or future infringement claims against us may be expensive to defend and divert the attention of our employees from business operations. Such claims or litigation could require us to pay damages and other costs. We also could be required to stop selling, distributing or supporting products, features or services which incorporate the affected intellectual property rights, redesign products, features or services to avoid infringement, or obtain a license, all of which could be costly and harm our business.

In addition, many patents have been issued that may apply to potential new modes of delivering, playing or monetizing products and services such as those that we produce or would like to offer in the future. We may discover that future opportunities to provide new and innovative modes of game play and game delivery may be precluded by existing patents that we are unable to acquire or license on reasonable terms.

From time to time we may become involved in other legal proceedings.

We are currently, and from time to time in the future may become, subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, disruptive to normal business operations and occupy a significant amount of our employees' time and attention. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on our business, reputation, operating results, or financial condition.

Our products and brands are subject to intellectual property infringement, including in jurisdictions that do not adequately protect our products and intellectual property rights.

We regard our products, brands and intellectual property as proprietary and take measures to protect our assets from infringement. We are aware that some unauthorized copying of our products and brands occurs, and if a significantly greater amount were to occur, it could negatively impact our business. Further, our products and services are available worldwide and the laws of some countries, particularly in Asia, either do not protect our products, brands and intellectual property to the same extent as the laws of the United States or are poorly enforced. Legal protection of our rights may be ineffective in countries with weaker intellectual property enforcement mechanisms. In addition, certain third parties have registered our intellectual property rights without authorization in foreign countries. Successfully registering such intellectual property rights could limit or restrict our ability to offer products and services based on such rights in those countries. Although we take steps to enforce and police our rights, our practices and methodologies may not be effective against all eventualities.

FINANCIAL RISKS

Our financial results are subject to currency and interest rate fluctuations.

International sales are a fundamental part of our business. For our fiscal year ended March 31, 2022, international net revenue comprised 57 percent of our total net revenue, and we expect our international business to continue to account for a significant portion of our total net revenue. As a result of our international sales, and also the denomination of our foreign investments and our cash and cash equivalents in foreign currencies, we are exposed to the effects of fluctuations in foreign currency exchange rates, and volatility in foreign currency exchange rates remains elevated as compared to historic levels. Strengthening of the U.S. dollar, particularly relative to the Euro, British pound sterling, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty, has a negative impact on our reported international net revenue but a positive impact on our reported international operating expenses (particularly when the U.S. dollar strengthens against the Swedish krona and the Canadian dollar) because these amounts are translated at lower rates. We use foreign currency hedging contracts to mitigate some foreign currency risk. However, these activities are limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses. In addition, interest rate volatility can decrease the amount of interest earned on our cash, cash equivalents and short-term investment portfolio.

We utilize debt financing and such indebtedness could adversely impact our business and financial condition.

We have $1.9 billion in senior unsecured notes outstanding as well as an unsecured $500 million revolving credit facility. While the facility is currently undrawn, we may use the proceeds of any future borrowings for general corporate purposes. We may also enter into other financial instruments in the future.

This indebtedness and any indebtedness that we may incur in the future could affect our financial condition and future financial results by, among other things:

- Requiring the dedication of a substantial portion of any cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow for other purposes, including capital expenditures, share repurchases, acquisitions or otherwise funding our growth strategy;
- Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
- Increasing our vulnerability to downturns in our business or adverse changes in general economic and industry conditions.

The agreements governing our indebtedness impose restrictions on us and require us to maintain compliance with specified covenants. In particular, the revolving credit facility requires us to maintain compliance with a debt to EBITDA ratio. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of these covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, our outstanding indebtedness may be declared immediately due and payable. There can be no assurance that any refinancing or additional financing would be available on terms that are favorable or acceptable to us, if at all. In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of both our debt and equity securities, as well as the potential costs associated with any potential refinancing of our indebtedness. Downgrades in our credit rating could also restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

Changes in our tax rates or exposure to additional tax liabilities, and changes to tax laws and interpretations of tax laws could adversely affect our earnings and financial condition.

We are subject to taxes in the United States and in various foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision, tax assets, and accruals for other taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain. Our effective income tax rate is based in part on our corporate operating structure and the manner in which we operate our business and develop, value and use our intellectual property. Taxing authorities in jurisdictions in which we operate have challenged and audited, and may continue to, challenge and audit our methodologies for calculating our income taxes, which could increase our effective income tax rate and have an adverse impact on our results of operations and cash flows. In addition, our provision for income taxes is materially affected by our profit levels, changes in our business, changes in our geographic mix of earnings, changes in the elections we make, changes in the valuation of our deferred tax assets and liabilities, changes in our corporate structure, changes in applicable accounting rules, or changes in applicable tax laws or interpretations of existing income and withholding tax laws, as well as other factors. The impact of excess tax benefits and tax deficiencies could result in significant fluctuations to our effective tax rate.

Changes to U.S. federal, state or international tax laws or their applicability to corporate multinationals in the countries in which we do business, particularly in Switzerland, where our international business is headquartered, and actions we have taken in our business with respect to such laws, have affected, and could continue to affect, our effective tax rates and cash taxes, and could cause us to change the way in which we structure our business and result in other costs. In particular, recently proposed changes to tax regulations in the United States and among the countries in the Organization for Economic Co-operation and Development could materially impact our provision for income taxes and cash taxes. Our effective tax rate also could be adversely affected by changes in our valuation allowances for deferred tax assets. Our valuation allowances, in turn, can be impacted by several factors with respect to our business and industry. Significant judgment is involved in determining the amount of valuation allowances, and actual financial results also may differ materially from our current estimates and could have a material impact on our assessments.

We are required to pay taxes other than income taxes, such as payroll, sales, use, value-added, net worth, property, transfer, and goods and services taxes, in both the United States and foreign jurisdictions. Several foreign jurisdictions have introduced new digital services taxes on revenue of companies that provide certain digital services or expanded their interpretation of existing tax laws with regard to other non-income taxes. There is limited guidance about the applicability of these new taxes or changing interpretations to our business and significant uncertainty as to what will be deemed in scope. If these foreign taxes are applied to us, it could have an adverse and material impact on our business and financial performance.

GENERAL RISKS

Our business is subject to economic, market, public health and geopolitical conditions.

Our business is subject to economic, market, public health and geopolitical conditions, which are beyond our control. The United States and other international economies have experienced cyclical downturns from time to time. Worsening economic conditions, political instability, and adverse political developments in or around any of the countries in which we do business, particularly conditions that negatively impact discretionary consumer spending and consumer demand or increase our operating costs, including conflict, inflation, slower growth, recession and other macroeconomic conditions have had, and could continue to have, a material adverse impact on our business and operating results. In addition, relations between the United States and countries in which we have operations and sales have fluctuated over time resulting in the adoption or expansion of trade restrictions, including economic sanctions, that have a negative impact on our financial results and development processes.

We are particularly susceptible to market conditions and risks associated with the entertainment industry, which, in addition to general macroeconomic downturns, also include the popularity, price and timing of our games, changes in consumer demographics, the availability and popularity of other forms of entertainment, and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted.

Our stock price has been volatile and may continue to fluctuate significantly.

The market price of our common stock historically has been, and we expect will continue to be, subject to significant fluctuations. These fluctuations may be due to our operating results or factors specific to our operating results (including those discussed in the risk factors above, as well as others not currently known to us or that we currently do not believe are material), changes in securities analysts' estimates of our future financial performance, ratings or recommendations, our results or future financial guidance falling below our expectations and analysts' and investors' expectations, the failure of our capital return programs to meet analysts' and investors' expectations, the announcement and integration of any acquisitions we may make, departure of key personnel, cyberattacks, or factors largely outside of our control including, those affecting interactive gaming, entertainment, and/or technology companies generally, national or international economic conditions, investor sentiment or other factors related or unrelated to our operating performance. In particular, economic downturns may contribute to the public stock markets experiencing extreme price and trading volume volatility. These broad market fluctuations could adversely affect the market price of our common stock.

Item 1B: ***Unresolved Staff Comments***

None.

Item 2: ***Properties***

Not applicable.

Item 3: ***Legal Proceedings***

Refer to Note 14 of the Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for disclosures regarding our legal proceedings.

Item 4: ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5: ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Holders

There were approximately 674 holders of record of our common stock as of May 23, 2022. In addition, a significant number of beneficial owners of our common stock hold their shares in street name. Our common stock is traded on the Nasdaq Global Select Market under the symbol "EA".

Dividends

In November 2020, we initiated and declared a quarterly cash dividend of $0.17 per share of common stock, which was recently increased to $0.19 per share of common stock in May 2022. We paid aggregate cash dividends of $193 million during the fiscal year ended March 31, 2022. We currently expect to continue to pay comparable cash dividends on a quarterly basis in the future; however, future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors or a designated Committee of our Board of Directors.

Issuer Purchases of Equity Securities

In November 2020, our Board of Directors authorized a program to repurchase up to $2.6 billion of our common stock. This stock repurchase program expires on November 4, 2022. Under this program, we may purchase stock in the open market or through privately negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase a specific number of shares under this program and it may be modified, suspended or discontinued at any time. We repurchased approximately 9.5 million shares for approximately $1,300 million under this program during the fiscal year ended March 31, 2022. We are actively repurchasing shares under this program.

The following table summarizes the number of shares repurchased in the fourth quarter of the fiscal year ended March 31, 2022:

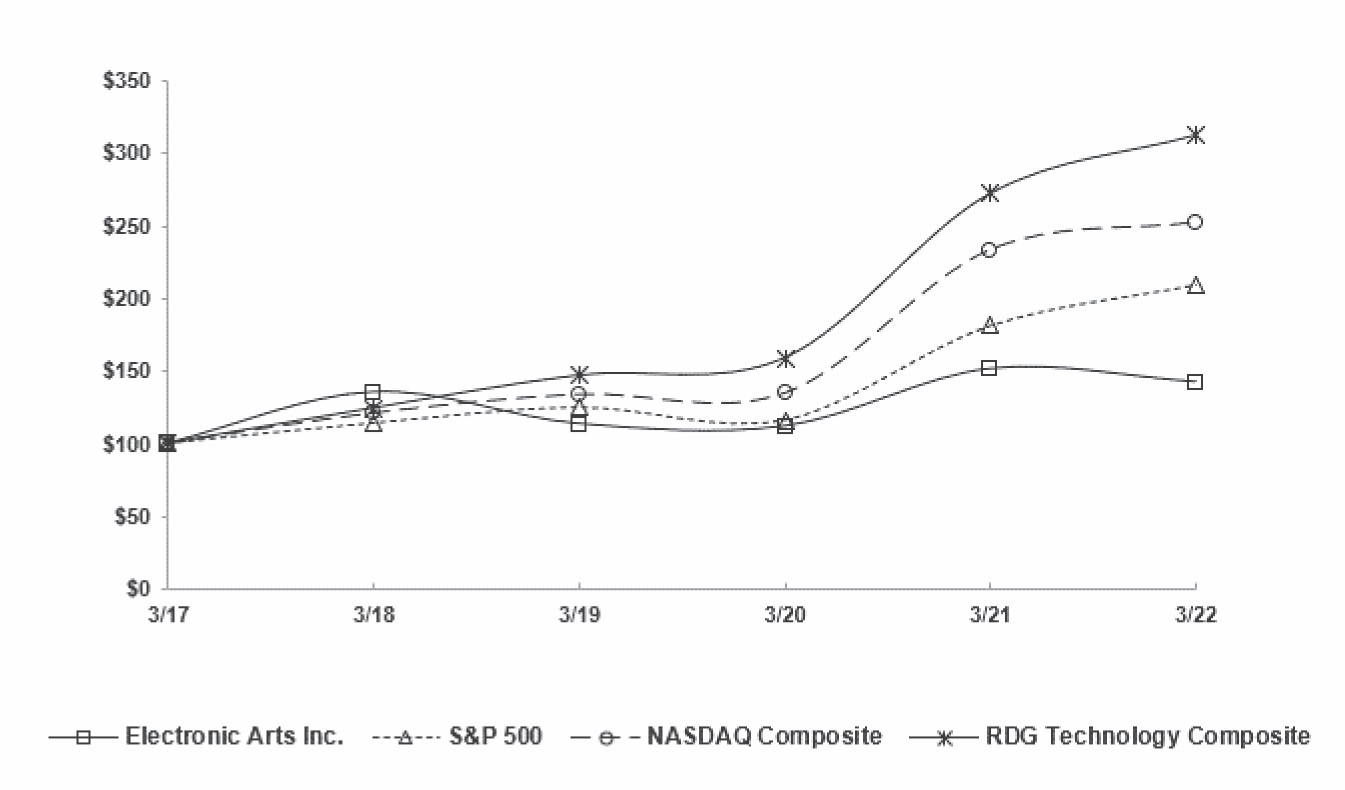
Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publicly Announced Programs	Maximum Dollar Value that May Still Be Purchased Under the Programs (in millions)
January 2, 2022 - January 29, 2022	734,201	$ 133.52	734,201	$ 877
January 30, 2022 - February 26, 2022	736,647	$ 133.07	736,647	$ 779
February 27, 2022 - April 2, 2022	1,025,385	$ 125.79	1,025,385	$ 650
	2,496,233	$ 130.21	2,496,233	

Stock Performance Graph

The following information shall not be deemed to be "filed" with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, as amended, except to the extent that we specifically incorporate it by reference into a filing.

The following graph shows a five-year comparison of cumulative total returns during the period from March 31, 2017 through March 31, 2022, for our common stock, the S&P 500 Index (to which EA was added in July 2002), the Nasdaq Composite Index, and the RDG Technology Composite Index, each of which assumes an initial value of $100. Each measurement point is as of the end of each fiscal year. The performance of our stock depicted in the following graph is not necessarily indicative of the future performance of our stock.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Electronic Arts Inc., the S&P 500 Index, the Nasdaq Composite Index,
and the RDG Technology Composite Index



* Based on $100 invested on March 31, 2017 in stock or index, including reinvestment of dividends.

	March 31,					
	2017	2018	2019	2020	2021	2022
Electronic Arts Inc.	$ 100	$ 135	$ 114	$ 112	$ 152	$ 142
S&P 500 Index	100	114	125	116	182	210
Nasdaq Composite Index	100	121	134	135	233	252
RDG Technology Composite Index	100	124	147	159	273	313

Item 6: [Reserved]

Item 7: *Management's Discussion and Analysis of Financial Condition and Results of Operations*

OVERVIEW

The following overview is a high-level discussion of our operating results, as well as some of the trends and drivers that affect our business. Management believes that an understanding of these trends and drivers provides important context for our results for the fiscal year ended March 31, 2022, as well as our future prospects. This summary is not intended to be exhaustive, nor is it intended to be a substitute for the detailed discussion and analysis provided elsewhere in this Form 10-K, including in the "Business" section and the "Risk Factors" above, the remainder of "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")" or the Consolidated Financial Statements and related Notes.

About Electronic Arts

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets. At our core is a portfolio of intellectual property from which we create innovative games and content that enable us to build on-going and meaningful relationships with a community of players, creators and viewers. Our portfolio includes brands that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as Madden, Star Wars, and the 300+ licenses within our global football ecosystem). Through our live services offerings, we offer our players high-quality experiences designed to provide value to players, and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our base games and free-to-play games. In addition, we are focused on reaching more players whenever and wherever they want to play. We believe that we can add value to our network by making it easier for players to connect to a world of play by offering choice of business model, distribution channel and device.

Financial Results

Our key financial results for our fiscal year ended March 31, 2022 were as follows:

- Total net revenue was $6,991 million, up 24 percent year-over-year. On a constant currency basis, we estimate total net revenue would have been $6,883 million, up 22 percent year-over-year.
- Live services and other net revenue was $4,998 million, up 24 percent year-over-year.
- Gross margin was 73.4 percent, remained constant year-over-year.
- Operating expenses were $4,003 million, up 30 percent year-over-year. On a constant currency basis, we estimate that operating expenses would have been $3,970 million, up 29 percent year-over-year.
- Operating income was $1,129 million, up 8 percent year-over-year.
- Net income was $789 million, down 6 percent year-over-year.
- Diluted earnings per share was $2.76, down 4 percent year-over-year.
- Operating cash flow was $1,899 million, down 2 percent year-over-year.
- Total cash, cash equivalents and short-term investments were $3,062 million.
- We repurchased approximately 9.5 million shares of our common stock for approximately $1,300 million.
- We paid cash dividends of $193 million during the fiscal year ended March 31, 2022.
- On May 9, 2022, we declared a quarterly cash dividend of $0.19 per share of our common stock, payable June 22, 2022 to shareholders of record as of the close of business on June 8, 2022.

From time to time, we make comparisons of current periods to prior periods with reference to constant currency. Constant currency comparisons are based on translating local currency amounts in the current period at actual foreign exchange rates from the prior comparable period, net of the impact of hedging activities. We evaluate our financial performance on a constant currency basis in order to facilitate period-to-period comparisons without regard to the impact of changing foreign currency exchange rates.

Trends in Our Business

COVID-19 Impact. We continue to monitor the impact of the COVID-19 pandemic to our people and our business. Since the initial outbreak, we have focused on actions to support our people, our players, and communities around the world that have been affected by the COVID-19 pandemic. The well-being of our people is our top priority as conditions continue to fluctuate around the world. We are re-opening our office locations and resuming business travel as it is appropriate to do so, consistent with the health and safety of our employees and in compliance with any local legal restrictions or requirements. During the pandemic, longer-term trends that benefit our business accelerated. Live services and other net revenue has increased and we have also experienced a significant increase in the percentage of our games purchased digitally over the past two fiscal years.

These trends may not be indicative of results for future periods, particularly if the trend towards digital adoption decelerates, or as a result of global macroeconomic effects related or unrelated to the COVID-19 pandemic. See the section titled "Risk Factors" in Part I, Item 1A of this Annual Report for further discussion of the possible impact of the COVID-19 pandemic to our workforce and business.

Live Services Business. We offer our players high-quality experiences designed to provide value to players and to extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our base games and free-to-play games. Our net revenue attributable to live services and other was $4,998 million, $4,016 million and $3,650 million for fiscal years 2022, 2021 and 2020, respectively, and we expect that live services net revenue will continue to be material to our business. Within live services and other, net revenue attributable to extra content was $3,910 million, $3,068 million and $2,826 million for fiscal years 2022, 2021 and 2020, respectively. Extra content net revenue has increased as more players engage with our games and services, and purchase additional content designed to provide value to players and extend and enhance gameplay. Our most popular live services are the extra content purchased for the *Ultimate Team* mode associated with our sports franchises and extra content purchased for our *Apex Legends* franchise. *Ultimate Team* allows players to collect current and former professional players in order to build and compete as a personalized team. Live services net revenue generated from extra content purchased within the *Ultimate Team* mode associated with our sports franchises, a substantial portion of which was derived from *FIFA Ultimate Team*, and for our *Apex Legends* franchise, is material to our business.

Digital Delivery of Games. In our industry, players increasingly purchase games digitally as opposed to purchasing physical discs. While this trend, as applied to our business, may not be linear because of product mix during a fiscal year, consumer buying patterns and other factors, over time we expect players to purchase an increasingly higher proportion of our games digitally; therefore we expect net revenue attributable to digital full game downloads to increase over time and net revenue attributable to sales of packaged goods to decrease.

Our net revenue attributable to digital full game downloads was $1,282 million, $918 million and $811 million during fiscal years 2022, 2021 and 2020, respectively; while our net revenue attributable to packaged goods sales decreased from $1,076 million in fiscal year 2020 to $695 million in fiscal year 2021 and $711 million in fiscal year 2022. In addition, as measured based on total units sold on Microsoft's Xbox One and Xbox Series X and Sony's PlayStation 4 and 5 rather than by net revenue, we estimate that 65 percent, 62 percent, and 49 percent of our total units sold during fiscal years 2022, 2021 and 2020 were sold digitally. Digital full game units are based on sales information provided by Microsoft and Sony; packaged goods units sold through are estimated by obtaining data from significant retail partners in North America, Europe and Asia, and applying internal sales estimates with respect to retail partners from which we do not obtain data. We believe that these percentages are reasonable estimates of the proportion of our games that are digitally downloaded in relation to our total number of units sold for the applicable period of measurement.

Increases in consumer adoption of digital purchase of games combined with increases in our live services revenue generally results in expansion of our gross margin, as costs associated with selling a game digitally is generally less than selling the same game through traditional retail and distribution channels.

Increased Competition. Competition in our business is intense. Our competitors range from established interactive entertainment companies to emerging start-ups. In addition, the gaming, technology/internet, and entertainment industries have converged in recent years and larger, well-funded technology companies have strengthened their interactive entertainment capabilities resulting in more direct competition with us. For example, companies such as Amazon.com, Inc., Alphabet Inc., Meta Platforms, Inc., Microsoft Corporation, and Netflix, Inc. have increased investment and resources dedicated to interactive entertainment capabilities. We expect them to continue to pursue and strengthen these businesses. Their greater financial or other resources may provide larger budgets to develop and market tools, technologies, products and services that gain consumer success and shift player time and engagement away from our products and services. In addition, our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives, as well as key creative and technical talent, resulting in retention challenges and increased cost to retain and incentivize our key people.

Recently, our industry has undergone a period of increased consolidation which increases competitive pressure on us as interactive entertainment companies grow through acquisition – such as Take Two Interactive's recent acquisition of Zynga – or as larger, well-funded technology companies strengthen their interactive entertainment capabilities – such as Microsoft's recently announced definitive agreement to acquire Activision Blizzard.

Free-to-Play Games. The global adoption of mobile devices and a business model for those devices that allows consumers to try new games with no up-front cost, and that are monetized through a live service associated with the game, particularly extra content sales, has led to significant sales growth in the mobile gaming industry. Similarly, sales of extra content are the primary driver of our mobile business. We are investing resources in our mobile business, seeking to maximize our mobile live services, innovate on mobile with our franchises, and through mergers and acquisitions activity have brought new mobile franchises and live services, as well as the teams and technologies responsible for them, to our mobile portfolio and organization. We expect these factors to drive growth in mobile net revenue in fiscal 2023. Likewise, the consumer acceptance of free-to-play, live service-based, online PC and console games has broadened our consumer base and has begun to expand into the console market. For example, within our business, we offer *Apex Legends* as a free-to-play, live service-based PC and console game. We expect extra content revenue generated from mobile, PC and console free-to-play games to continue to be an important part of our business.

Concentration of Sales Among the Most Popular Games. In all major segments of our industry, we see a large portion of games sales concentrated on the most popular titles. Similarly, a significant portion of our revenue historically has been derived from games based on a few popular franchises, several of which we have released on an annual or bi-annual basis. In particular, we have historically derived a significant portion of our net revenue from our global football franchise, the annualized version of which is consistently one of the best-selling games in the marketplace. We have invested in over 300 individual partnerships and licenses to create our global football ecosystem and starting in fiscal year 2024, our global football franchise will transition to a new EA SPORTS FC brand. Our vision for the future of interactive football with EA SPORTS FC is to create the largest football club in the world, and we believe this is the right opportunity for us so that we can continue delivering innovation and growing to connect more fans on a global scale for years to come.

Re-occurring Revenue Sources. Our business model includes revenue that we deem re-occurring in nature, such as revenue from our annualized sports franchises (e.g., global football, Madden NFL), our console, PC and mobile catalog titles (i.e., titles that did not launch in the current fiscal year), and our live services. We have been able to forecast revenue from these areas of our business with greater relative confidence than for new games, services and business models. As we continue to incorporate new business models and modalities of play into our games, our goal is to continue to look for opportunities to expand the re-occurring portion of our business.

Net Bookings. In order to improve transparency into our business, we disclose an operating performance metric, net bookings. Net bookings is defined as the net amount of products and services sold digitally or sold-in physically in the period. Net bookings is calculated by adding total net revenue to the change in deferred net revenue for online-enabled games.

The following is a calculation of our total net bookings for the periods presented:

	Year Ended March 31,	
(In millions)	**2022**	**2021**
Total net revenue	$ 6,991	$ 5,629
Change in deferred net revenue (online-enabled games)	524	561
Net bookings	$ 7,515	$ 6,190

Net bookings were $7,515 million for fiscal year 2022 primarily driven by sales related to our FIFA franchise, *Apex Legends*, *Madden NFL 22*, and *The Sims 4*. Net bookings increased $1,325 million or 21 percent as compared to fiscal year 2021 primarily due to increased year-over-year sales for *Apex Legends* and the FIFA franchise, and new games added to our portfolio through acquisitions activity, including *F1 2021* and several mobile titles, partially offset by the Star Wars franchise and *The Sims 4.* Live services and other net bookings were $5,370 million for fiscal year 2022, and increased $778 million or 17 percent as compared to fiscal year 2021. The increase in live services and other net bookings was due primarily to an increase in sales of extra content for *Apex Legends*, sales of extra content for new games added to our mobile portfolio through acquisitions activity, and sales of extra content for *FIFA Ultimate Team*. Full game net bookings were $2,145 million for fiscal year 2022, and increased $547 million or 34 percent as compared to fiscal year 2021 primarily due to *Battlefield 2042*, the FIFA franchise, and *F1 2021*, partially offset by the Star Wars franchise and *UFC 4*.

Mergers and Acquisitions

Acquisition of Glu Mobile. On April 29, 2021, we completed the acquisition of 100% of the equity interests of Glu Mobile Inc., a leading global developer and publisher of mobile games for a total purchase price of $2.0 billion, net of cash acquired of $332 million. The acquisition of Glu is expected to accelerate our mobile growth by creating a combined organization with ongoing live services across multiple games and genres. We also believe that the acquisition will create value by adding Glu's expertise in casual sports and lifestyle genres to new titles based on our intellectual property. Glu was integrated into the Company for financial reporting purposes during the first fiscal quarter of fiscal year 2022.

Acquisition of Playdemic. On September 20, 2021, we completed the acquisition of 100% of the equity interests of Playdemic Limited, a private limited company incorporated in England and Wales for a total purchase price of $1.4 billion, net of cash acquired. The acquisition of Playdemic is intended to be another step in our strategy of continued leadership in sports and mobile expansion. Playdemic was integrated into the Company for financial reporting purposes during the second quarter of fiscal year 2022.

For more information about our acquisitions, see Part II, Item 8 of this Form 10-K in the Notes to the Consolidated Financial Statements in *Note 7 — Business Combinations*.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, and revenue and expenses during the reporting periods. The policies discussed below are considered by management to be critical because they are not only important to the portrayal of our financial condition and results of operations, but also because application and interpretation of these policies requires both management judgment and estimates of matters that are inherently uncertain and unknown, including uncertainty in the current economic environment due to the COVID-19 pandemic. As a result, actual results may differ materially from our estimates.

Revenue Recognition

We derive revenue principally from sales of our games, and related extra content and services that can be experienced on game consoles, PCs, mobile phones and tablets. Our product and service offerings include, but are not limited to, the following:

- full games with both online and offline functionality ("Games with Services"), which generally includes (1) the initial game delivered digitally or via physical disc at the time of sale and typically provide access to offline core game content ("software license"); (2) updates on a when-and-if-available basis, such as software patches or updates, and/or additional free content to be delivered in the future ("future update rights"); and (3) a hosted connection for online playability ("online hosting");
- full games with online-only functionality which require an Internet connection to access all gameplay and functionality ("Online-Hosted Service Games");
- extra content related to Games with Services and Online-Hosted Service Games which provides access to additional in-game content;
- subscriptions, such as EA Play and EA Play Pro, that generally offer access to a selection of full games, in-game content, online services and other benefits typically for a recurring monthly or annual fee; and
- licensing to third parties to distribute and host our games and content.

We evaluate and recognize revenue by:

- identifying the contract(s) with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue as each performance obligation is satisfied through the transfer of a promised good or service to a customer (i.e., "transfer of control").

Certain of our full game and/or extra content are sold to resellers with a contingency that the full game and/or extra content cannot be resold prior to a specific date ("Street Date Contingency"). We recognize revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game and/or extra content can be resold by the reseller. For digital full game and/or extra content downloads sold to customers, we recognize revenue when the full game and/or extra content is made available for download to the customer.

Online-Enabled Games

Games with Services. Our sales of Games with Services are evaluated to determine whether the software license, future update rights and the online hosting are distinct and separable. Sales of Games with Services are generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting.

Since we do not sell the performance obligations on a stand-alone basis, we consider market conditions and other observable inputs to estimate the stand-alone selling price for each performance obligation. For Games with Services, generally 75 percent of the sales price is allocated to the software license performance obligation and recognized at a point in time when control of the license has been transferred to the customer. The remaining 25 percent is allocated to the future update rights and the online hosting performance obligations and recognized ratably as the service is provided (over the Estimated Offering Period).

Online-Hosted Service Games. Sales of our Online-Hosted Service Games are determined to have one distinct performance obligation: the online hosting. We recognize revenue from these arrangements as the service is provided.

Extra Content. Revenue received from sales of downloadable content are derived primarily from the sale of virtual currencies and digital in-game content that are designed to extend and enhance players' game experience. Sales of extra content are accounted for in a manner consistent with the treatment for our Games with Services and Online-Hosted Service Games as discussed above, depending upon whether or not the extra content has offline functionality. That is, if the extra content has offline functionality, then the extra content is accounted for similarly to Games with Services (generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting). If the extra content does not have offline functionality, then the extra content is determined to have one distinct performance obligation: the online-hosted service offering.

Subscriptions

Sales of our subscriptions are deemed to be one performance obligation and we recognize revenue from these arrangements ratably over the subscription term as the performance obligation is satisfied.

Licensing Revenue

We utilize third-party licensees to distribute and host our games and content in accordance with license agreements, for which the licensees typically pay us a fixed minimum guarantee and/or sales-based royalties. These arrangements typically include multiple performance obligations, such as a time-based license of software and future update rights. We recognize as revenue a portion of the minimum guarantee when we transfer control of the license of software (generally upon commercial launch) and the remaining portion ratably over the contractual term in which we provide the licensee with future update rights. Any sales-based royalties are generally recognized as the related sales occur by the licensee.

Significant Judgments around Revenue Arrangements

Identifying performance obligations. Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, we must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

Determining the transaction price. The transaction price is determined based on the consideration that we will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires judgment, based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. In addition, the transaction price does not include an estimate of the variable consideration related to sales-based royalties. Sales-based royalties are recognized as the sales occur.

Allocating the transaction price. Allocating the transaction price requires that we determine an estimate of the relative stand-alone selling price for each distinct performance obligation. Determining the relative stand-alone selling price is inherently subjective, especially in situations where we do not sell the performance obligation on a stand-alone basis (which occurs in the majority of our transactions). In those situations, we determine the relative stand-alone selling price based on various observable inputs using all information that is reasonably available. Examples of observable inputs and information include: historical internal pricing data, cost plus margin analysis, pre-release versus post-release costs, and pricing data from competitors to the extent the data is available. The results of our analysis resulted in a specific percentage of the transaction price being allocated to each performance obligation.

Determining the Estimated Offering Period. The offering period is the period in which we offer to provide the future update rights and/or online hosting for the game and related extra content sold. Because the offering period is not an explicitly defined period, we must make an estimate of the offering period for the service-related performance obligations (i.e., future update rights and online hosting). Determining the Estimated Offering Period is inherently subjective and is subject to regular revision. Generally, we consider the average period of time customers are online when estimating the offering period. We also consider the estimated period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer (i.e., time in channel). Based on these two factors, we then consider the method of distribution. For example, games and extra content sold at retail would have a composite offering period equal to the online gameplay period plus time in channel as opposed to digitally-distributed games and extra content which are delivered immediately via digital download and therefore, the offering period is estimated to be only the online gameplay period.

Additionally, we consider results from prior analyses, known and expected online gameplay trends, as well as disclosed service periods for competitors' games in determining the Estimated Offering Period for future sales. We believe this provides a reasonable depiction of the transfer of future update rights and online hosting to our customers, as it is the best representation of the time period during which our games and extra content are experienced. We recognize revenue for future update rights and online hosting performance obligations ratably on a straight-line basis over this period as there is a consistent pattern of delivery for these performance obligations. Prior to July 1, 2020, these performance obligations were generally recognized over an estimated nine-month period beginning in the month after shipment for games and extra content sold through retail and an estimated six-month period for digitally-distributed games and extra content beginning in the month of sale.

During the three months ended September 30, 2020, we completed our annual evaluation of the Estimated Offering Period and as a result, for sales after July 1, 2020, revenue for service-related performance obligations for games and extra content sold through retail are recognized over an estimated ten-month period beginning in the month of sale, and revenue for service-related performance obligations for digitally-distributed games and extra content is recognized over an estimated eight-month period beginning in the month of sale. The fiscal year 2021 change in Estimated Offering period did not impact the amount of net bookings or the operating cash flows that we report. During the fiscal year ended March 31, 2022, this change to our Estimated Offering Period resulted in an increase in net revenue of $331 million and net income of $252 million, and an increase of $0.88 diluted earnings per share. During the fiscal year ended March 31, 2021, this change to our Estimated Offering Period resulted in a decrease in net revenue of $333 million and net income of $280 million, and a decrease of $0.96 diluted earnings per share.

During the three months ended September 30, 2021, we completed our annual evaluation of the Estimated Offering Period. We have noted consumers are playing certain of our Online Hosted Service Games, such as PC and console free-to-play games, for longer periods of time than in prior years as players engage with services we provide that are designed to enhance and extend gameplay, and as such, have concluded that the Estimated Offering Period for such games should be lengthened. As a result, for all new sales after July 1, 2021, the revenue that we recognize for service-related performance obligations related to our PC and console free-to-play games is recognized generally over a twelve-month period. This change in Estimated Offering Period did not impact the amount of net bookings or the operating cash flows that we report. During the fiscal year ended March 31, 2022, this change to our Estimated Offering Period resulted in a decrease in net revenue of $131 million and net income of $100 million, and a decrease of $0.35 diluted earnings per share.

Principal Agent Considerations

We evaluate sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple App Store, and Google Play Store, in order to determine whether or not we are acting as the principal in the sale to the end customer, which we consider in determining if revenue should be reported gross or net of fees retained by the third-party storefront. An entity is the principal if it controls a good or service before it is transferred to the end customer. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has inventory risk before the specified good or service has been transferred to the end customer; and
- which party has discretion in establishing the price for the specified good or service.

Based on an evaluation of the above indicators, except as discussed below, we have determined that generally the third party is considered the principal to end customers for the sale of our full games and related content. We therefore report revenue related to these arrangements net of the fees retained by the storefront. However, for sales arrangements via Apple App Store and Google Play Store, EA is considered the principal to the end customer and thus, we report revenue on a gross basis and mobile platform fees are reported within cost of revenue.

Fair Value Estimates

Business Combinations. We must estimate the fair value of assets acquired, liabilities assumed, and acquired in-process technology in a business combination. Our assessment of the estimated fair value of each of these can have a material effect on our reported results as intangible assets are amortized over various estimated useful lives. Furthermore, the estimated fair value assigned to an acquired asset or liability has a direct impact on the amount we recognize as goodwill, which is an asset that is not amortized. Accounting for business combinations requires us to make significant estimates and assumptions with respect to intangible assets.

Although we believe the assumptions and estimates we have made are reasonable, they are based in part on historical experience, market conditions, and information obtained from the management of the acquired companies and are inherently uncertain and unpredictable. Examples of critical estimates used in valuing certain of the intangible assets and in determining the useful lives for the assets we have acquired or may acquire in the future include, but are not limited to:

- future expected revenues and cash flows;
- expected use of the acquired assets;
- the acquired company's trade name and trademarks, as well as assumptions about the period of time the acquired trade name and trademarks will continue to be used in our portfolio;
- expected costs to develop in-process research and development into commercially viable products and estimated cash flows from the projects when completed;
- discount rates used to determine the present value of estimated future cash flows, which are typically derived from a weighted-average cost of capital analysis and adjusted to reflect inherent risks.

Such estimates are inherently difficult and subjective and can have a material impact on our Consolidated Financial Statements. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates, or actual results.

Income Taxes

We recognize deferred tax assets and liabilities for both (1) the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and (2) the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We do not recognize any deferred taxes related to the U.S. taxes on foreign earnings as we recognize these taxes as a period cost.

We record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of our deferred tax assets will not be realized. In making this determination, we are required to give significant weight to evidence that can be objectively verified. It is generally difficult to conclude that a valuation allowance is not needed when there is significant negative evidence, such as cumulative losses in recent years. Forecasts of future taxable income are considered to be less objective than past results. Therefore, cumulative losses weigh heavily in the overall assessment.

In addition to considering forecasts of future taxable income, we are also required to evaluate and quantify other possible sources of taxable income in order to assess the realization of our deferred tax assets, namely the reversal of existing deferred tax liabilities, the carryback of losses and credits as allowed under current tax law, and the implementation of tax planning strategies. Evaluating and quantifying these amounts involves significant judgments. Each source of income must be evaluated based on all positive and negative evidence and this evaluation may involve assumptions about future activity. Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law cannot be considered as a source of future taxable income that may be available to realize the benefit of deferred tax assets.

Every quarter, we perform a realizability analysis to evaluate whether it is more likely than not that all or a portion of our deferred tax assets will not be realized. Our Swiss deferred tax asset realizability analysis relies upon future Swiss taxable income as the primary source of taxable income but considers all available sources of Swiss income based on the positive and negative evidence. We give more weight to evidence that can be objectively verified. However, there is judgment involved in estimating future Swiss taxable income, specifically related to assumptions about expected growth rates of future Swiss taxable income, which are based primarily on third party market and industry growth data. Actual results that differ materially from those estimates could have a material impact on our valuation allowance assessment. Although objectively verifiable, Swiss interest rates have an impact on the valuation allowance and are based on published Swiss guidance. Any significant changes to such interest rates could result in a material impact to the valuation allowance. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. Changes in Estimated Offering Period and actions we take in connection with acquisitions could also impact the utilization of our Swiss deferred tax asset.

As part of the process of preparing our Consolidated Financial Statements, we are required to estimate our income taxes in each jurisdiction in which we operate prior to the completion and filing of tax returns for such periods. This process requires estimating both our geographic mix of income and our uncertain tax positions in each jurisdiction where we operate. These estimates require us to make judgments about the likely application of the tax law to our situation, as well as with respect to other matters, such as anticipating the positions that we will take on tax returns prior to our preparing the returns and the outcomes of disputes with tax authorities. The ultimate resolution of these issues may take extended periods of time due to examinations by tax authorities and statutes of limitations. In addition, changes in our business, including acquisitions, changes in our international corporate structure, changes in the geographic location of business functions or assets, changes in the geographic mix and amount of income, as well as changes in our agreements with tax authorities, valuation allowances, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in the estimated and actual level of annual pre-tax income can affect the overall effective tax rate.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

The information under the subheading "Impact of Recently Issued Accounting Standards" in *Note 1 — Description of Business and Basis of Presentation* to the Consolidated Financial Statements in this Form 10-K is incorporated by reference into this Item 7.

RESULTS OF OPERATIONS

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal year ended March 31, 2022 contained 52 weeks and ended on April 2, 2022. Our results of operations for the fiscal year ended March 31, 2021 contained 53 weeks and ended on April 3, 2021. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month end.

Net Revenue

Net revenue consists of sales generated from (1) full games sold as digital downloads or as packaged goods and designed for play on game consoles, PCs and mobile phones and tablets (2) live services associated with these games, such as extra-content, (3) subscriptions that generally offer access to a selection of full games, in-game content, online services and other benefits, and (4) licensing our games to third parties to distribute and host our games.

Comparison of Fiscal Year 2022 to Fiscal Year 2021

Net Revenue

Net revenue for fiscal year 2022 was $6,991 million, primarily driven by sales related to our FIFA and Madden franchises, *Apex Legends,* and *The Sims 4*. Net revenue for fiscal year 2022 increased $1,362 million, as compared to fiscal year 2021. This increase was driven by a $1,839 million increase in net revenue primarily driven by increased year-over-year sales for the FIFA franchise and *Apex Legends*, new games added to our portfolio through acquisitions activity, including *F1 2021* and several mobile titles, and *Battlefield 2042*. This increase was partially offset by a $477 million decrease in net revenue primarily from the Star Wars, The Sims, Need for Speed and UFC franchises.

Net Revenue by Composition

As our business has evolved, and management focuses less on the differentiation between our packaged goods business and our digital business and more on our full game sales and live services that extend and enhance gameplay, we present net revenue by composition to align with this management view.

Our net revenue by composition for fiscal years 2022 and 2021 was as follows (in millions):

	Year Ended March 31,			
	2022	2021	$ Change	% Change
Net revenue:				
Full game downloads	$ 1,282	$ 918	$ 364	40 %
Packaged goods	711	695	16	2 %
Full game	$ 1,993	$ 1,613	$ 380	24 %
Live services and other	$ 4,998	$ 4,016	$ 982	24 %
Total net revenue	$ 6,991	$ 5,629	$ 1,362	24 %

Full Game Net Revenue

Full game net revenue includes full game downloads and packaged goods. Full game downloads includes revenue from digital sales of full games on console, PC, and mobile phones and tablets. Packaged goods includes revenue from software that is sold physically. This includes (1) net revenue from game software sold physically through traditional channels such as brick and mortar retailers, and (2) software licensing revenue from third parties (for example, makers of console platforms, personal computers or computer accessories) who include certain of our full games for sale with their products (for example, Original Equipment Manufacturer ("OEM") bundles).

Full game net revenue for fiscal year 2022 was $1,993 million, primarily driven by sales related to our FIFA franchise, *Madden NFL 22*, *Battlefield 2042*, and *It Takes Two*. Full game net revenue for fiscal year 2022 increased $380 million, or 24 percent, as compared to fiscal year 2021. This increase was primarily driven by a $364 million increase in full game downloads net revenue primarily driven by year-over-year growth in the FIFA franchise, *Battlefield 2042, It Takes Two*, and *Mass Effect Trilogy Remaster,* partially offset by the Star Wars franchise.

Live Services and Other Net Revenue

Live services and other net revenue includes revenue from sales of extra content for console, PC and mobile games, licensing revenue from third-party publishing partners who distribute our games digitally, subscriptions, advertising, and non-software licensing.

Live services and other net revenue for fiscal year 2022 was $4,998 million, primarily driven by sales of extra content for *FIFA Ultimate Team, Apex Legends, The Sims 4*, *Madden Ultimate Team*, and *Star Wars: Galaxy of Heroes*. Live services and other net revenue for fiscal year 2022 increased $982 million, or 24 percent, as compared to fiscal year 2021. This increase was primarily driven by sales of extra content for *FIFA Ultimate Team, Apex Legends* and new games added to our mobile portfolio through acquisitions activity, partially offset by a year-over-year decrease in sales of extra content for *The Sims 4*.

Cost of Revenue

Cost of revenue consists of (1) certain royalty expenses for celebrities, professional sports leagues, movie studios and other organizations, and independent software developers, (2) mobile platform fees associated with our mobile revenue (for transactions in which we are acting as the principal in the sale to the end customer), (3) data center, bandwidth and server costs associated with hosting our online games and websites, (4) inventory costs, (5) payment processing fees, (6) amortization and impairment of certain intangible assets, (7) personnel-related costs, (8) manufacturing royalties, and (9) warehousing and distribution costs.

Cost of revenue for fiscal years 2022 and 2021 was as follows (in millions):

March 31, 2022	% of Net Revenue	March 31, 2021	% of Net Revenue	% Change	Change as a % of Net Revenue
$ 1,859	27 %	$ 1,494	27 %	24 %	— %

Cost of Revenue

Cost of revenue increased by $365 million, or 24 percent during fiscal year 2022, as compared to fiscal year 2021. This increase was primarily due to an increase in platform and hosting fees due to new games added to our mobile portfolio through acquisitions activity and higher engagement with *Apex Legends*, an increase in acquisition-related intangible amortization, and an increase in royalty costs driven by *It Takes Two* and the growth in the FIFA franchise.

Research and Development

Research and development expenses consist of expenses incurred by our production studios for personnel-related costs, related overhead costs, external third-party development costs, contracted services, depreciation and any impairment of prepaid royalties for pre-launch products. Research and development expenses for our online products include expenses incurred by our studios consisting of direct development and related overhead costs in connection with the development and production of our online games. Research and development expenses also include expenses associated with our digital platform, software licenses and maintenance, and management overhead.

Research and development expenses for fiscal years 2022 and 2021 were as follows (in millions):

March 31, 2022	% of Net Revenue	March 31, 2021	% of Net Revenue	$ Change	% Change
$ 2,186	31 %	$ 1,778	32 %	$ 408	23 %

Research and development expenses increased by $408 million, or 23 percent, in fiscal year 2022, as compared to fiscal year 2021. This increase was primarily due to a $229 million increase in personnel-related costs primarily resulting from headcount due to acquisitions and continued investment in our studios, a $71 million increase in stock-based compensation, a $60 million increase in studio-related contracted services, and a $31 million increase in facility-related costs.

Marketing and Sales

Marketing and sales expenses consist of advertising, marketing and promotional expenses, personnel-related costs, and related overhead costs, net of qualified advertising cost reimbursements from third parties.

Marketing and sales expenses for fiscal years 2022 and 2021 were as follows (in millions):

March 31, 2022	% of Net Revenue	March 31, 2021	% of Net Revenue	$ Change	% Change
$ 961	14 %	$ 689	12 %	$ 272	39 %

Marketing and sales expenses increased by $272 million, or 39 percent, in fiscal year 2022, as compared to fiscal year 2021. This increase was primarily due to an increase in advertising and promotional spending primarily on our mobile titles, *Battlefield 2042*, and *Apex Legends*.

General and Administrative

General and administrative expenses consist of personnel and related expenses of executive and administrative staff, corporate functions such as finance, legal, human resources, and information technology (“IT”), related overhead costs, fees for professional services such as legal and accounting, and allowances for doubtful accounts.

General and administrative expenses for fiscal years 2022 and 2021 were as follows (in millions):

March 31, 2022	% of Net Revenue	March 31, 2021	% of Net Revenue	$ Change	% Change
$ 673	10 %	$ 592	11 %	$ 81	14 %

General and administrative expenses increased by $81 million, or 14 percent, in fiscal year 2022, as compared to fiscal year 2021. This increase was primarily due to a $22 million increase in acquisition-related transaction and integration costs, a $16 million increase in personnel-related costs primarily resulting from an increase in headcount, a $15 million increase in IT-related costs, a $13 million increase in stock-based compensation, and a $7 million increase in contracted services.

Amortization and Impairment of Intangibles

Amortization and impairment of intangibles for fiscal years 2022 and 2021 were as follows (in millions):

March 31, 2022	% of Net Revenue	March 31, 2021	% of Net Revenue	$ Change	% Change
$ 183	3 %	$ 30	1 %	$ 153	510 %

Amortization and impairment of intangibles increased by $153 million in fiscal year 2022, as compared to fiscal year 2021, due to an increase in acquired intangible assets from recent acquisitions, and impairment charges of $34 million recorded in fiscal year 2022.

Income Taxes

Provision for (benefit from) income taxes for fiscal years 2022 and 2021 was as follows (in millions):

March 31, 2022	Effective Tax Rate	March 31, 2021	Effective Tax Rate
$ 292	27.0 %	$ 180	17.7 %

Our effective tax rate for the fiscal year ended March 31, 2022 was 27.0 percent as compared to 17.7 percent for the same period in fiscal year 2021.

During the fiscal year ended March 31, 2022, we completed intra-entity sales of intellectual property rights related to recent acquisitions to our U.S. and Swiss intellectual property owners (the “Acquired IP intra-entity sales”). The transactions resulted in overall taxable gains. Under U.S. GAAP, any profit resulting from the Acquired IP intra-entity sales was eliminated upon consolidation. However, the transactions resulted in a step-up of the U.S. and Swiss tax-deductible basis in the transferred intellectual property rights and, accordingly, created a temporary difference between the book basis and the tax basis of such intellectual property rights. As a result, we recognized a $64 million net tax benefit for the current and deferred tax impacts of the sales.

In addition, during the fiscal year ended March 31, 2022, we recognized a $29 million tax charge to increase the valuation allowance on Swiss deferred tax assets that are not more likely than not to be realized. The Acquired IP intra-entity sales and the change in valuation allowance had the effect of reducing our effective tax rate for the fiscal year ended March 31, 2022 by 3.2 percentage points.

Our effective tax rate and resulting provision for income taxes for the fiscal year ended March 31, 2021 includes a $141 million tax benefit for changes in uncertain tax positions and the valuation allowance related to our Swiss deferred tax assets. This benefit had the effect of reducing our effective tax rate for the fiscal year ended March 31, 2021 by 13.9 percentage points.

Our effective tax rates for future periods will continue to depend on a variety of factors, including changes in our business, such as acquisitions and intercompany transactions, our corporate structure, the geographic location of business functions or assets, the geographic mix of income, our agreements with tax authorities, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in our annual pre-tax income or loss. We anticipate that the impact of excess tax benefits, tax deficiencies, and changes in valuation allowances may result in significant fluctuations to our effective tax rate in the future.

Comparison of Fiscal Year 2021 to Fiscal Year 2020

For the comparison of fiscal year 2021 to fiscal year 2020, refer to Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for our fiscal year ended March 31, 2021, filed with the SEC on May 26, 2021 under the subheading "*Comparison of Fiscal Year 2021 to Fiscal Year 2020.*"

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	As of March 31, 2022	As of March 31, 2021	Increase/(Decrease)
Cash and cash equivalents	$ 2,732	$ 5,260	$ (2,528)
Short-term investments	330	1,106	(776)
Total	$ 3,062	$ 6,366	$ (3,304)
Percentage of total assets	22 %	48 %	

(In millions)	Year Ended March 31, 2022	Year Ended March 31, 2021	Change
Net cash provided by operating activities	$ 1,899	$ 1,934	$ (35)
Net cash used in investing activities	(2,804)	(505)	(2,299)
Net cash used in financing activities	(1,620)	(15)	(1,605)
Effect of foreign exchange on cash and cash equivalents	(3)	78	(81)
Net increase (decrease) in cash and cash equivalents	$ (2,528)	$ 1,492	$ (4,020)

For the comparison of fiscal year 2021 to fiscal year 2020, refer to Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for our fiscal year ended March 31, 2021, filed with the SEC on May 26, 2021 under the subheading "Liquidity and Capital Resources."

Changes in Cash Flow

Operating Activities. Net cash provided by operating activities decreased by $35 million during fiscal year 2022, as compared to fiscal year 2021, primarily driven by higher cash payments for income taxes, higher personnel-related payments primarily from an increase in headcount, higher marketing and advertising payments, higher cash payments for royalties, and higher cash payments for platform and hosting fees. These decreases were offset by higher cash generated due to improved performance as we executed against our strategic pillars and increased engagement with our products and services which led to growth in our business.

Investing Activities. Net cash used in investing activities increased by $2,299 million during fiscal year 2022, as compared to fiscal year 2021, primarily driven by a $2,357 million decrease in proceeds from maturities and sales of short-term investments, higher payments of $2,152 million in connection with acquisitions completed during fiscal year 2022, and a $64 million increase in capital expenditures. These increases were offset by a $2,274 million decrease in the purchase of short-term investments.

Financing Activities. Net cash used in financing activities increased by $1,605 million during fiscal year 2022, as compared to fiscal year 2021, primarily driven by net proceeds from the issuance of the 2031 Notes and 2051 Notes for $1,478 million during fiscal year 2021, a $571 million increase in the repurchase and retirement of our common stock, a $95 million increase in cash dividend payments during fiscal year 2022, and a $52 million increase in cash paid to taxing authorities in connection with employee withholding taxes for stock-based compensation. These increases were offset by a repayment of $600 million of our 2021 Notes during fiscal year 2021.

Short-term Investments

Due to our mix of fixed and variable rate securities, our short-term investment portfolio is susceptible to changes in short-term interest rates. As of March 31, 2022, our short-term investments had gross unrealized losses of $2 million, or less than 1 percent of the total in short-term investments. From time to time, we may liquidate some or all of our short-term investments to fund operational needs or other activities, such as capital expenditures, business acquisitions or stock repurchase programs.

Senior Notes

In February 2021, we issued $750 million aggregate principal amount of the 2031 Notes and $750 million aggregate principal amount of the 2051 Notes. The effective interest rate is 1.98% for the 2031 Notes and 3.04% for the 2051 Notes. Interest is payable semiannually in arrears, on February 15 and August 15 of each year.

In February 2016, we issued $400 million aggregate principal amount of the 2026 Notes. The effective interest rate is 4.97% for the 2026 Notes. Interest is payable semiannually in arrears, on March 1 and September 1 of each year.

See *Note 12 — Financing Arrangements* to the Consolidated Financial Statements in this Form 10-K as it relates to our Senior Notes, which is incorporated by reference into this Item 7.

Credit Facility

On August 29, 2019, we entered into a $500 million unsecured revolving credit facility ("Credit Facility") with a syndicate of banks. The Credit Facility terminates on August 29, 2024 unless the maturity is extended in accordance with its terms. As of March 31, 2022, no amounts were outstanding under the Credit Facility. See *Note 12 — Financing Arrangements* to the Consolidated Financial Statements in this Form 10-K as it relates to our Credit Facility, which is incorporated by reference into this Item 7.

Financial Condition

Our material cash requirements as of March 31, 2022 are set forth in our *Note 14 — Commitments and Contingencies* to the Consolidated Financial Statements in this Form 10-K, which is incorporated by reference into this Item 7. We expect capital expenditures to be approximately $200 million in fiscal year 2023 due to facility buildouts. We believe that our cash, cash equivalents, short-term investments, cash generated from operations and available financing facilities will be sufficient to meet these material cash requirements, which include licensing intellectual property from professional sports leagues and players associations used in our EA SPORTS titles (e.g., the 300+ licenses within our global football ecosystem, NFL Properties LLC, NFL Players Association and NFL Players Inc. on behalf of OneTeam Partners, LLC) and third-party content and celebrities (e.g., Disney Interactive), debt repayment obligations of $1.9 billion, and to fund our operating requirements for the next 12 months and beyond. Our operating requirements include working capital requirements, capital expenditures, the remaining portion of our $2.6 billion share repurchase program, quarterly cash dividend, which is currently $0.19 per share, subject to declaration by our Board of Directors or a designated Committee of the Board of Directors, and potentially, future acquisitions or strategic investments. We may choose at any time to raise additional capital to repay debt, strengthen our financial position, facilitate expansion, repurchase our stock, pursue strategic acquisitions and investments, and/or to take advantage of business opportunities as they arise. There can be no assurance, however, that such additional capital will be available to us on favorable terms, if at all, or that it will not result in substantial dilution to our existing stockholders.

During fiscal year 2022, we returned $1,493 million to stockholders through our capital return programs, repurchasing approximately 9.5 million shares for approximately $1,300 million and $193 million through our quarterly cash dividend program which was initiated in November 2020.

During fiscal year 2022, we also completed mergers and acquisitions activity, including the acquisitions of 100% of the equity interests of Glu and Playdemic for cash considerations of $2.0 billion and $1.4 billion, net of cash acquired, respectively, and one other immaterial acquisition.

Our foreign subsidiaries are generally subject to U.S. tax, and to the extent earnings from these subsidiaries can be repatriated without a material tax cost, such earnings will not be indefinitely reinvested. As of March 31, 2022, approximately $2.0 billion of our cash and cash equivalents were domiciled in foreign tax jurisdictions. All of our foreign cash is available for repatriation without a material tax cost.

We have a “shelf” registration statement on Form S-3 on file with the SEC. This shelf registration statement, which includes a base prospectus, allows us at any time to offer any combination of securities described in the prospectus in one or more offerings. Unless otherwise specified in a prospectus supplement accompanying the base prospectus, we would use the net proceeds from the sale of any securities offered pursuant to the shelf registration statement for general corporate purposes, which may include funding for working capital, financing capital expenditures, research and development, marketing and distribution efforts, and if opportunities arise, for acquisitions or strategic alliances. Pending such uses, we may invest the net proceeds in interest-bearing securities. In addition, we may conduct concurrent or other financings at any time.

Our ability to maintain sufficient liquidity could be affected by various risks and uncertainties including, but not limited to, customer demand and acceptance of our products, our ability to collect our accounts receivable as they become due, successfully achieving our product release schedules and attaining our forecasted sales objectives, economic and geopolitical conditions in the United States and abroad, the impact of acquisitions and other strategic transactions in which we may engage, the impact of competition, the seasonal and cyclical nature of our business and operating results, and the other risks described in the “Risk Factors” section, included in Part I, Item 1A of this report.

As of March 31, 2022, we did not have any off-balance sheet arrangements.

Item 7A: ***Quantitative and Qualitative Disclosures About Market Risk***

MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates, interest rates and market prices, which have experienced significant volatility. Market risk is the potential loss arising from changes in market rates and market prices. We employ established policies and practices to manage these risks. Foreign currency forward contracts are used to hedge anticipated exposures or mitigate some existing exposures subject to foreign exchange risk as discussed below. While we do not hedge our short-term investment portfolio, we protect our short-term investment portfolio against different market risks, including interest rate risk as discussed below. Our cash and cash equivalents portfolio consists of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase. We do not enter into derivatives or other financial instruments for speculative trading purposes and do not hedge our market price risk relating to marketable equity securities, if any.

Foreign Currency Exchange Risk

Foreign Currency Exchange Rates. International sales are a fundamental part of our business, and the strengthening of the U.S. dollar (particularly relative to the Euro, British pound sterling, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty) has a negative impact on our reported international net revenue, but a positive impact on our reported international operating expenses (particularly the Swedish krona and the Canadian dollar) because these amounts are translated at lower rates as compared to periods in which the U.S. dollar is weaker. While we use foreign currency hedging contracts to mitigate some foreign currency exchange risk, these activities are limited in the protection that they provide us and can themselves result in losses.

Cash Flow Hedging Activities. We hedge a portion of our foreign currency risk related to forecasted foreign currency-denominated sales and expense transactions by purchasing foreign currency forward contracts that generally have maturities of 18 months or less. These transactions are designated and qualify as cash flow hedges. Our hedging programs are designed to reduce, but do not entirely eliminate, the impact of currency exchange rate movements in net revenue and research and development expenses.

Balance Sheet Hedging Activities. We use foreign currency forward contracts to mitigate foreign currency exchange risk associated with foreign currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. These foreign currency forward contracts generally have a contractual term of three months or less and are transacted near month-end.

We believe the counterparties to our foreign currency forward contracts are creditworthy multinational commercial banks. While we believe the risk of counterparty nonperformance is not material, a sustained decline in the financial stability of financial institutions as a result of disruption in the financial markets could affect our ability to secure creditworthy counterparties for our foreign currency hedging programs.

Notwithstanding our efforts to mitigate some foreign currency exchange risks, there can be no assurance that our hedging activities will adequately protect us against the risks associated with foreign currency fluctuations. As of March 31, 2022, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential declines in the fair value on our foreign currency forward contracts used in cash flow hedging of $215 million or $430 million, respectively. As of March 31, 2022, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential losses in the Consolidated Statements of Operations on our foreign currency forward contracts used in balance sheet hedging of $90 million or $181 million, respectively. This sensitivity analysis assumes an adverse shift of all foreign currency exchange rates; however, all foreign currency exchange rates do not always move in the same manner and actual results may differ materially. See *Note 5 — Derivative Financial Instruments* to the Consolidated Financial Statements in this Form 10-K as it relates to our derivative financial instruments, which is incorporated by reference into this Item 7A.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our short-term investment portfolio. We manage our interest rate risk by maintaining an investment portfolio generally consisting of debt instruments of high credit quality and relatively short maturities. However, because short-term investments mature relatively quickly and, if reinvested, are invested at the then-current market rates, interest income on a portfolio consisting of short-term investments is subject to market fluctuations to a greater extent than a portfolio of longer term investments. Additionally, the contractual terms of the investments do not permit the issuer to call, prepay or otherwise settle the investments at prices less than the stated par value. Our investments are held for purposes other than trading. We do not use derivative financial instruments in our short-term investment portfolio.

As of March 31, 2022, our short-term investments were classified as available-for-sale securities and, consequently, were recorded at fair value with changes in fair value, including unrealized gains and unrealized losses not related to credit losses, reported as a separate component of accumulated other comprehensive income (loss), net of tax, in stockholders' equity.

Notwithstanding our efforts to manage interest rate risks, there can be no assurance that we will be adequately protected against risks associated with interest rate fluctuations. Changes in interest rates affect the fair value of our short-term investment portfolio. To provide a meaningful assessment of the interest rate risk associated with our short-term investment portfolio, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the portfolio assuming a 150 basis point parallel shift in the yield curve. As of March 31, 2022, a hypothetical 150 basis point increase in interest rates would have resulted in a $3 million, or 1% decrease in the fair market value of our short-term investments.

Item 8: ***Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In millions, except par value data)	March 31, 2022	March 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,732	$ 5,260
Short-term investments	330	1,106
Receivables, net	650	521
Other current assets	439	326
Total current assets	4,151	7,213
Property and equipment, net	550	491
Goodwill	5,387	2,868
Acquisition-related intangibles, net	962	309
Deferred income taxes, net	2,243	2,045
Other assets	507	362
TOTAL ASSETS	$ 13,800	$ 13,288
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 101	$ 96
Accrued and other current liabilities	1,388	1,341
Deferred net revenue (online-enabled games)	2,024	1,527
Total current liabilities	3,513	2,964
Senior notes, net	1,878	1,876
Income tax obligations	386	315
Deferred income taxes, net	1	43
Other liabilities	397	250
Total liabilities	6,175	5,448
Commitments and contingencies (See Note 14)		
Stockholders' equity:		
Preferred stock, $0.01 par value. 10 shares authorized	—	—
Common stock, $0.01 par value. 1,000 shares authorized; 280 and 286 shares issued and outstanding, respectively	3	3
Additional paid-in capital	—	—
Retained earnings	7,607	7,887
Accumulated other comprehensive income (loss)	15	(50)
Total stockholders' equity	7,625	7,840
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 13,800	$ 13,288

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended March 31,		
(In millions, except per share data)	2022	2021	2020
Net revenue	$ 6,991	$ 5,629	$ 5,537
Cost of revenue	1,859	1,494	1,369
Gross profit	5,132	4,135	4,168
Operating expenses:			
Research and development	2,186	1,778	1,559
Marketing and sales	961	689	631
General and administrative	673	592	506
Acquisition-related contingent consideration	—	—	5
Amortization and impairment of intangibles	183	30	22
Total operating expenses	4,003	3,089	2,723
Operating income	1,129	1,046	1,445
Interest and other income (expense), net	(48)	(29)	63
Income before provision for (benefit from) income taxes	1,081	1,017	1,508
Provision for (benefit from) income taxes	292	180	(1,531)
Net income	$ 789	$ 837	$ 3,039
Earnings per share:			
Basic	$ 2.78	$ 2.90	$ 10.37
Diluted	$ 2.76	$ 2.87	$ 10.30
Number of shares used in computation:			
Basic	284	289	293
Diluted	286	292	295

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended March 31,		
(In millions)	2022	2021	2020
Net income	$ 789	$ 837	$ 3,039
Other comprehensive income (loss), net of tax:			
Net gains (losses) on available-for-sale securities	(3)	4	(3)
Net gains (losses) on derivative instruments	76	(68)	17
Foreign currency translation adjustments	(8)	64	(34)
Total other comprehensive income (loss), net of tax	65	—	(20)
Total comprehensive income	$ 854	$ 837	$ 3,019

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions, except share data in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balances as of March 31, 2019	**298,107**	**$ 3**	**$ —**	**$ 5,358**	**$ (30)**	**$ 5,331**
Total comprehensive income (loss)	—	$ —	$ —	$ 3,039	$ (20)	$ 3,019
Stock-based compensation	—	$ —	$ 347	$ —	$ —	$ 347
Issuance of common stock	2,623	$ —	$ (29)	$ —	$ —	$ (29)
Repurchase and retirement of common stock	(12,317)	$ —	$ (318)	$ (889)	$ —	$ (1,207)
Balances as of March 31, 2020	**288,413**	**$ 3**	**$ —**	**$ 7,508**	**$ (50)**	**$ 7,461**
Total comprehensive income (loss)	—	$ —	$ —	$ 837	$ —	$ 837
Stock-based compensation	—	$ —	$ 435	$ —	$ —	$ 435
Issuance of common stock	3,685	$ —	$ (66)	$ —	$ —	$ (66)
Repurchase and retirement of common stock	(5,633)	$ —	$ (369)	$ (360)	$ —	$ (729)
Cash dividends declared ($0.34 per common share)	—	$ —	$ —	$ (98)	$ —	$ (98)
Balances as of March 31, 2021	**286,465**	**$ 3**	**$ —**	**$ 7,887**	**$ (50)**	**$ 7,840**
Total comprehensive income (loss)	—	$ —	$ —	$ 789	$ 65	$ 854
Stock-based compensation	—	$ —	$ 528	$ —	$ —	$ 528
Awards assumed upon acquisition	—	$ —	$ 23	$ —	$ —	$ 23
Issuance of common stock	3,108	$ —	$ (127)	$ —	$ —	$ (127)
Repurchase and retirement of common stock	(9,522)	$ —	$ (424)	$ (876)	$ —	$ (1,300)
Cash dividends declared ($0.68 per common share)	—	$ —	$ —	$ (193)	$ —	$ (193)
Balances as of March 31, 2022	**280,051**	**$ 3**	**$ —**	**$ 7,607**	**$ 15**	**$ 7,625**

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended March 31, 2022	2021	2020
OPERATING ACTIVITIES			
Net income	$ 789	$ 837	$ 3,039
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, accretion and impairment	486	181	150
Acquisition-related contingent consideration	—	—	5
Stock-based compensation	528	435	347
Change in assets and liabilities:			
Receivables, net	(77)	(41)	164
Other assets	(157)	(70)	35
Accounts payable	(7)	18	(36)
Accrued and other liabilities	169	136	119
Deferred income taxes, net	(329)	(143)	(1,871)
Deferred net revenue (online-enabled games)	497	581	(155)
Net cash provided by operating activities	1,899	1,934	1,797
INVESTING ACTIVITIES			
Capital expenditures	(188)	(124)	(140)
Proceeds from maturities and sales of short-term investments	1,329	3,686	2,142
Purchase of short-term investments	(554)	(2,828)	(3,359)
Acquisitions, net of cash acquired	(3,391)	(1,239)	—
Net cash used in investing activities	(2,804)	(505)	(1,357)
FINANCING ACTIVITIES			
Proceeds from issuance of senior notes, net of issuance costs	—	1,478	—
Payment of senior notes	—	(600)	—
Proceeds from issuance of common stock	77	86	62
Cash dividends paid	(193)	(98)	—
Cash paid to taxing authorities for shares withheld from employees	(204)	(152)	(91)
Repurchase and retirement of common stock	(1,300)	(729)	(1,207)
Acquisition-related contingent consideration payment	—	—	(122)
Net cash used in financing activities	(1,620)	(15)	(1,358)
Effect of foreign exchange on cash and cash equivalents	(3)	78	(22)
Increase (decrease) in cash and cash equivalents	(2,528)	1,492	(940)
Beginning cash and cash equivalents	5,260	3,768	4,708
Ending cash and cash equivalents	$ 2,732	$ 5,260	$ 3,768
Supplemental cash flow information:			
Cash paid during the year for income taxes, net	$ 629	$ 340	$ 170
Cash paid during the year for interest	56	40	$ 42
Non-cash investing activities:			
Change in accrued capital expenditures	$ 19	$ 17	$ (8)

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets. At our core is a portfolio of intellectual property from which we create innovative games and content that enable us to build on-going and meaningful relationships with a community of players, creators and viewers. Our portfolio includes brands that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as Madden, Star Wars, and the 300+ licenses within our global football ecosystem). Through our live services offerings, we offer our players high-quality experiences designed to provide value to players and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our base games and free-to-play games. In addition, we are focused on reaching more players whenever and wherever they want to play. We believe that we can add value to our network by making it easier for players to connect to a world of play by offering choice of business model, distribution channel and device.

Consolidation

The accompanying Consolidated Financial Statements include the accounts of Electronic Arts Inc. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal year ended March 31, 2022 contained 52 weeks and ended on April 2, 2022. Our results of operations for the fiscal years ended March 31, 2021 and 2020 contained 53 and 52 weeks and ended on April 3, 2021 and March 28, 2020, respectively. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month end.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and the accompanying notes. Such estimates include offering periods for deferred net revenue, sales returns and allowances, provisions for doubtful accounts, accrued liabilities, relative stand-alone selling price for identified performance obligations in our revenue transactions, losses on royalty commitments, estimates regarding the recoverability of prepaid royalties, inventories, long-lived assets, discount rates used in the measurement and recognition of lease liabilities, assets acquired and liabilities assumed in business combinations, certain estimates related to the measurement and recognition of costs resulting from our stock-based payment awards, unrecognized tax benefits, deferred income tax assets and associated valuation allowances, as well as estimates used in our goodwill, intangibles and short-term investment impairment tests. These estimates require us to make judgments, involve analysis of historical and future trends, can require extended periods of time to resolve, and are subject to change from period to period. In all cases, actual results could differ materially from our estimates.

Recently Adopted Accounting Standards

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* (Topic 740). The amendments in this update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. We adopted ASU 2019-12 in the first quarter of fiscal year 2022. The amendments did not have a material impact on our Consolidated Financial Statements upon adoption.

The amendments clarified and amended existing guidance with respect to transactions in which a taxpayer realizes a step-up in tax basis of goodwill. As we integrate acquired intellectual property into our global operating structure, we may realize a tax basis step-up in goodwill. In such situations, we are required to assess whether the integration relates to the acquisition or is a separate transaction. When the integration is a separate transaction, we may be required to recognize deferred tax assets to the extent the stepped-up tax basis exceeds the associated U.S. GAAP basis. This assessment requires judgment around key indicators such as whether the tax basis step-up was contemplated as part of the original acquisition to which the intellectual property relates, whether the integration results in cash taxes, and whether the integration is achieved through a simple tax election. See <u>*Note 11 — Income Taxes*</u> for a discussion of the prospective application of this standard to our intra-entity transfers of recently acquired intellectual property during the fiscal year ended March 31, 2022.

Other Recently Issued Accounting Standards

In October 2021, the FASB issued ASU 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (Topic 805). The amendments in this update require that an acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. This update is effective for us beginning in the first quarter of fiscal year 2024. Early adoption is permitted. We are currently evaluating the timing of adoption and impact of this new standard on our Consolidated Financial Statements and related disclosures.

In November 2021, the FASB issued ASU 2021-10, *Disclosures by Business Entities about Government Assistance* (Topic 832). The amendments in this update establish Topic 832 and require additional disclosures regarding government grants and money contributions when entities accounted for transactions with a government by analogizing to a grant or contribution accounting model. This update is effective for us beginning in the first fiscal quarter of fiscal year 2023. Early adoption is permitted. We plan to adopt this provision in the first fiscal quarter of fiscal year 2023. This update is not expected to have a material impact on our Consolidated Financial Statements or related disclosures.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents, and Short-Term Investments

Cash equivalents consist of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase.

Short-term investments consist of debt securities with original or remaining maturities of greater than three months at the time of purchase and less than a year, and are accounted for as available-for-sale securities and are recorded at fair value. Cash, cash equivalents and short-term investments are available for use in current operations or other activities such as capital expenditures, business combinations and share repurchases.

Unrealized gains and losses on our short-term investments are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity, net of tax, until either (1) the security is sold, (2) the security has matured, (3) we determine that the fair value of the security has declined below its adjusted cost basis and the decline is due to an expected credit loss, or (4) we intend to, or more likely than not would be required to, sell a security in an unrealized loss position before the recovery of its amortized cost basis. Realized gains and losses on our short-term investments are calculated based on the specific identification method and are reclassified from accumulated other comprehensive income (loss) to interest and other income (expense), net. Determining whether a decline in fair value is due to an expected credit loss requires management judgment based on the specific facts and circumstances of each security. The ultimate value realized on these securities is subject to market price volatility until they are sold.

Our short-term investments are evaluated for allowances and impairment quarterly. For investments in an unrealized loss position, we consider various factors in determining whether we should recognize an allowance for expected credit losses or an impairment charge, including the credit quality of the issuer, changes to the rating of the security by rating agencies, the extent to which fair value is less than amortized cost, reason for the decline in value and potential recovery period, the financial condition and near-term prospects of the investees, our intent to sell and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value, and any contractual terms impacting the prepayment or settlement process, among other factors. We recognize an allowance for credit losses, up to the amount of unrealized loss when appropriate, and write down the amortized cost basis of the investment if we intend to, or it is more likely than not we will be required to, sell the investment before the recovery of its amortized cost basis. Allowances for credit losses and write-downs are recognized in our Consolidated Statements of Operations, and unrealized losses not related to credit losses are recognized in other comprehensive income (loss). Based on our evaluation, we did not recognize an allowance for credit losses, nor did we recognize any impairments, as of March 31, 2022 and 2021.

Property and Equipment, Net

Property and equipment, net, are stated at cost. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings	20 to 25 years
Computer equipment and software	2 to 6 years
Equipment, furniture and fixtures, and other	3 to 5 years
Leasehold improvements	Lesser of the lease term or the estimated useful lives of the improvements, generally 1 to 15 years

We capitalize costs associated with internal-use software development once a project has reached the application development stage. Such capitalized costs include external direct costs utilized in developing or obtaining the software, and payroll and payroll-related expenses for employees who are directly associated with the development of the software. Capitalization of such costs begins when the preliminary project stage is complete and ceases at the point in which the project is substantially complete and is ready for its intended purpose. We also capitalize costs associated with the purchase of software licenses. Once the internal-use software is ready for its intended use, the assets are depreciated on a straight-line basis over each asset's estimated useful life, which is generally three years. The net book value of capitalized costs associated with internal-use software was $86 million and $72 million as of March 31, 2022 and 2021, respectively.

Business Combinations

We must estimate the fair value of assets acquired, liabilities assumed, and acquired in-process technology in a business combination at the acquisition date. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the fair values of the tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the Consolidated Statement of Operations.

Acquisition-Related Intangibles and Other Long-Lived Assets

We recognize acquisition-related intangible assets, such as acquired developed and core technology, in connection with business combinations. We amortize the cost of acquisition-related intangible assets that have finite useful lives generally on a straight-line basis over the lesser of their estimated useful lives or the agreement terms, currently from one to seven years. We evaluate acquisition-related intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset group. This includes assumptions about future prospects for the business that the asset relates to and typically involves computations of the estimated future cash flows to be generated by these businesses. Based on these judgments and assumptions, we determine whether we need to take an impairment charge to reduce the value of the asset stated on our Consolidated Balance Sheets to reflect its estimated fair value. When we consider such assets to be impaired, the amount of impairment we recognize is measured by the amount by which the carrying amount of the asset exceeds its fair value.

Goodwill Impairment

In assessing impairment on our goodwill, we first analyze qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a goodwill impairment test. The qualitative factors we assess include long-term prospects of our performance, share price trends and market capitalization, and Company specific events. If we conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, we do not need to perform an impairment test. If based on that assessment, we believe it is more likely than not that the fair value of the reporting unit is less than its carrying value we will measure goodwill for impairment by applying fair value-based tests at the reporting unit level. Reporting units are determined by the components of operating segments that constitute a business for which (1) discrete financial information is available, (2) segment management regularly reviews the operating results of that component, and (3) whether the component has dissimilar economic characteristics to other components. As of March 31, 2022, we have only one reportable segment, which represents our only operating segment.

Revenue Recognition

We derive revenue principally from sales of our games, and related extra content and services that can be experienced on game consoles, PCs, mobile phones and tablets. Our product and service offerings include, but are not limited to, the following:

- full games with both online and offline functionality (“Games with Services”), which generally includes (1) the initial game delivered digitally or via physical disc at the time of sale and typically provide access to offline core game content (“software license”); (2) updates on a when-and-if-available basis, such as software patches or updates, and/or additional free content to be delivered in the future (“future update rights”); and (3) a hosted connection for online playability (“online hosting”);
- full games with online-only functionality which require an Internet connection to access all gameplay and functionality (“Online-Hosted Service Games”);
- extra content related to Games with Services and Online-Hosted Service Games which provides access to additional in-game content;
- subscriptions, such as EA Play and EA Play Pro, that generally offer access to a selection of full games, in-game content, online services and other benefits typically for a recurring monthly or annual fee; and
- licensing to third parties to distribute and host our games and content.

We evaluate and recognize revenue by:

- identifying the contract(s) with the customer;

- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue as each performance obligation is satisfied through the transfer of a promised good or service to a customer (i.e., "transfer of control").

Certain of our full game and/or extra content are sold to resellers with a contingency that the full game and/or extra content cannot be resold prior to a specific date ("Street Date Contingency"). We recognize revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game and/or extra content can be resold by the reseller. For digital full game and/or extra content downloads sold to customers, we recognize revenue when the full game and/or extra content is made available for download to the customer.

Online-Enabled Games

Games with Services. Our sales of Games with Services are evaluated to determine whether the software license, future update rights and the online hosting are distinct and separable. Sales of Games with Services are generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting.

Since we do not sell the performance obligations on a stand-alone basis, we consider market conditions and other observable inputs to estimate the stand-alone selling price for each performance obligation. For Games with Services, generally 75 percent of the sales price is allocated to the software license performance obligation and recognized at a point in time when control of the license has been transferred to the customer. The remaining 25 percent is allocated to the future update rights and the online hosting performance obligations and recognized ratably as the service is provided (over the Estimated Offering Period).

Online-Hosted Service Games. Sales of our Online-Hosted Service Games are determined to have one distinct performance obligation: the online hosting. We recognize revenue from these arrangements as the service is provided.

Extra Content. Revenue received from sales of downloadable content are derived primarily from the sale of virtual currencies and digital in-game content that are designed to extend and enhance players' game experience. Sales of extra content are accounted for in a manner consistent with the treatment for our Games with Services and Online-Hosted Service Games as discussed above, depending upon whether or not the extra content has offline functionality. That is, if the extra content has offline functionality, then the extra content is accounted for similarly to Games with Services (generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting). If the extra content does not have offline functionality, then the extra content is determined to have one distinct performance obligation: the online-hosted service offering.

Subscriptions

Sales of our subscriptions are deemed to be one performance obligation and we recognize revenue from these arrangements ratably over the subscription term as the performance obligation is satisfied.

Licensing Revenue

We utilize third-party licensees to distribute and host our games and content in accordance with license agreements, for which the licensees typically pay us a fixed minimum guarantee and/or sales-based royalties. These arrangements typically include multiple performance obligations, such as a time-based license of software and future update rights. We recognize as revenue a portion of the minimum guarantee when we transfer control of the license of software (generally upon commercial launch) and the remaining portion ratably over the contractual term in which we provide the licensee with future update rights. Any sales-based royalties are generally recognized as the related sales occur by the licensee.

Significant Judgments around Revenue Arrangements

Identifying performance obligations. Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, we must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

Determining the transaction price. The transaction price is determined based on the consideration that we will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires judgment, based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. In addition, the transaction price does not include an estimate of the variable consideration related to sales-based royalties. Sales-based royalties are recognized as the sales occur.

Allocating the transaction price. Allocating the transaction price requires that we determine an estimate of the relative stand-alone selling price for each distinct performance obligation. Determining the relative stand-alone selling price is inherently subjective, especially in situations where we do not sell the performance obligation on a stand-alone basis (which occurs in the majority of our transactions). In those situations, we determine the relative stand-alone selling price based on various observable inputs using all information that is reasonably available. Examples of observable inputs and information include: historical internal pricing data, cost plus margin analysis, pre-release versus post-release costs, and pricing data from competitors to the extent the data is available. The results of our analysis resulted in a specific percentage of the transaction price being allocated to each performance obligation.

Determining the Estimated Offering Period. The offering period is the period in which we offer to provide the future update rights and/or online hosting for the game and related extra content sold. Because the offering period is not an explicitly defined period, we must make an estimate of the offering period for the service-related performance obligations (i.e., future update rights and online hosting). Determining the Estimated Offering Period is inherently subjective and is subject to regular revision. Generally, we consider the average period of time customers are online when estimating the offering period. We also consider the estimated period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer (i.e., time in channel). Based on these two factors, we then consider the method of distribution. For example, games and extra content sold at retail would have a composite offering period equal to the online gameplay period plus time in channel as opposed to digitally-distributed games and extra content which are delivered immediately via digital download and therefore, the offering period is estimated to be only the online gameplay period.

Additionally, we consider results from prior analyses, known and expected online gameplay trends, as well as disclosed service periods for competitors' games in determining the Estimated Offering Period for future sales. We believe this provides a reasonable depiction of the transfer of future update rights and online hosting to our customers, as it is the best representation of the time period during which our games and extra content are experienced. We recognize revenue for future update rights and online hosting performance obligations ratably on a straight-line basis over this period as there is a consistent pattern of delivery for these performance obligations. Prior to July 1, 2020, these performance obligations were generally recognized over an estimated nine-month period beginning in the month after shipment for games and extra content sold through retail and an estimated six-month period for digitally-distributed games and extra content beginning in the month of sale.

During the three months ended September 30, 2020, we completed our annual evaluation of the Estimated Offering Period and as a result, for sales after July 1, 2020, revenue for service-related performance obligations for games and extra content sold through retail is recognized over an estimated ten-month period beginning in the month of sale, and revenue for service-related performance obligations for digitally-distributed games and extra content is recognized over an estimated eight-month period beginning in the month of sale. During the fiscal year ended March 31, 2022, this change to our Estimated Offering Period resulted in an increase in net revenue of $331 million and net income of $252 million, and an increase of $0.88 diluted earnings per share. During the fiscal year ended March 31, 2021, this change to our Estimated Offering Period resulted in a decrease in net revenue of $333 million and net income of $280 million, and a decrease of $0.96 diluted earnings per share.

During the three months ended September 30, 2021, we completed our annual evaluation of the Estimated Offering Period. We have noted consumers are playing certain of our Online Hosted Service Games, such as PC and console free-to-play games, for longer periods of time than in prior years as players engage with services we provide that are designed to enhance and extend gameplay, and as such, have concluded that the Estimated Offering Period for such games should be lengthened. As a result, for all new sales after July 1, 2021, the revenue that we recognize for service-related performance obligations related to our PC and console free-to-play games is recognized generally over a twelve-month period. During the fiscal year ended March 31, 2022, this change to our Estimated Offering Period resulted in a decrease in net revenue of $131 million and net income of $100 million, and a decrease of $0.35 diluted earnings per share.

Deferred Net Revenue

Because the majority of our sales transactions include future update rights and online hosting performance obligations, which are subject to a recognition period, our deferred net revenue balance is material. This balance increases from period to period by the revenue being deferred for current sales with these service obligations and is reduced by the recognition of revenue from prior sales that were deferred. Generally, revenue is recognized as the services are provided.

Principal Agent Considerations

We evaluate sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple App Store, and Google Play Store, in order to determine whether or not we are acting as the principal in the sale to the end customer, which we consider in determining if revenue should be reported gross or net of fees retained by the third-party storefront. An entity is the principal if it controls a good or service before it is transferred to the end customer. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has inventory risk before the specified good or service has been transferred to the end customer; and
- which party has discretion in establishing the price for the specified good or service.

Based on an evaluation of the above indicators, except as discussed below, we have determined that generally the third party is considered the principal to end customers for the sale of our full games and related content. We therefore report revenue related to these arrangements net of the fees retained by the storefront. However, for sales arrangements via Apple App Store and Google Play Store, EA is considered the principal to the end customer and thus, we report revenue on a gross basis and mobile platform fees are reported within cost of revenue.

Payment Terms

Substantially all of our transactions have payment terms, whether customary or on an extended basis, of less than one year; therefore, we generally do not adjust the transaction price for the effects of any potential financing components that may exist.

Sales and Value-Added Taxes

Revenue is recorded net of taxes assessed by governmental authorities that are imposed at the time of the specific revenue-producing transaction between us and our customer, such as sales and value-added taxes.

Sales Returns and Price Protection Reserves

Sales returns and price protection are considered variable consideration under ASC 606. We reduce revenue for estimated future returns and price protection which may occur with our distributors and retailers ("channel partners"). Price protection represents our practice to provide our channel partners with a credit allowance to lower their wholesale price on a particular game unit that they have not resold to customers. The amount of the price protection for permanent markdowns is the difference between the old wholesale price and the new reduced wholesale price. Credits are also given for short-term promotions that temporarily reduce the wholesale price. In certain countries we also have a practice for allowing channel partners to return older products in the channel in exchange for a credit allowance.

When evaluating the adequacy of sales returns and price protection reserves, we analyze the following: historical credit allowances, current sell-through of our channel partners' inventory of our products, current trends in retail and the video game industry, changes in customer demand, acceptance of our products, and other related factors. In addition, we monitor the volume of sales to our channel partners and their inventories, as substantial overstocking in the distribution channel could result in high returns or higher price protection in subsequent periods.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes assessed by a government authority that are both imposed on and concurrent with specific revenue transactions between us and our customers are presented on a net basis in our Consolidated Statements of Operations.

Concentration of Credit Risk and Significant Customers

We extend credit to various customers. Collection of trade receivables may be affected by changes in economic or other industry conditions and may, accordingly, impact our overall credit risk. Although we generally do not require collateral, we perform ongoing credit evaluations of our customers and maintain reserves for potential credit losses. Invoices are aged based on contractual terms with our customers. The provision for doubtful accounts is recorded as a charge to general and administrative expense when a potential loss is identified. Losses are written off against the allowance when the receivable is determined to be uncollectible. At March 31, 2022, we had two customers who accounted for approximately 32 percent and 29 percent of our consolidated gross receivables, respectively. At March 31, 2021, we had two customers who accounted for approximately 35 percent and 34 percent of our consolidated gross receivables, respectively.

A majority of our sales are made via digital resellers, channel and platform partners. During the fiscal years 2022, 2021, and 2020, approximately 77 percent, 78 percent, and 68 percent, respectively, of our net revenue was derived from our top ten customers and/or platform partners.

Currently, a majority of our revenue is derived through sales of products and services playable on hardware consoles from Sony and Microsoft. For the fiscal years ended March 31, 2022, 2021, and 2020, our net revenue for products and services on Sony's PlayStation 3, 4 and 5, and Microsoft's Xbox 360, One and Series X consoles (combined across all six platforms) was approximately 60 percent, 64 percent, and 67 percent, respectively. These platform partners have significant influence over the products and services that we offer on their platforms.

Short-term investments are placed with high quality financial institutions or in short-duration, investment-grade securities. We limit the amount of credit exposure in any one financial institution or type of investment instrument.

Royalties and Licenses

Royalty-based obligations with content licensors and distribution affiliates are either paid in advance and capitalized as prepaid royalties or are accrued as incurred and subsequently paid. These royalty-based obligations are generally expensed to cost of revenue generally at the greater of the contractual rate or an effective royalty rate based on the total projected net revenue for contracts with guaranteed minimums. Prepayments made to thinly capitalized independent software developers and co-publishing affiliates are generally made in connection with the development of a particular product, and therefore, we are generally subject to development risk prior to the release of the product. Accordingly, payments that are due prior to completion of a product are generally expensed to research and development over the development period as the services are incurred. Payments due after completion of the product (primarily royalty-based in nature) are generally expensed as cost of revenue.

Our contracts with some licensors include minimum guaranteed royalty payments, which are initially recorded as an asset and as a liability at the contractual amount when no performance remains with the licensor. When performance remains with the licensor, we record guarantee payments as an asset when actually paid and as a liability when incurred, rather than recording the asset and liability upon execution of the contract.

Each quarter, we also evaluate the expected future realization of our royalty-based assets, as well as any unrecognized minimum commitments not yet paid to determine amounts we deem unlikely to be realized through future revenue. Any impairments or losses determined before the launch of a product are generally charged to research and development expense. Impairments or losses determined post-launch are charged to cost of revenue. We evaluate long-lived royalty-based assets for impairment using undiscounted cash flows when impairment indicators exist. If an impairment exists, then the related assets are written down to fair value. Unrecognized minimum royalty-based commitments are accounted for as executory contracts, and therefore, any losses on these commitments are recognized when the underlying intellectual property is abandoned (i.e., cease use) or the contractual rights to use the intellectual property are terminated.

Advertising Costs

We generally expense advertising costs as incurred, except for production costs associated with media campaigns, which are recognized as prepaid assets (to the extent paid in advance) and expensed at the first run of the advertisement. Cooperative advertising costs are recognized when incurred and are classified as marketing and sales expense if there is a separate identifiable benefit for which we can reasonably estimate the fair value of the benefit identified. Otherwise, they are classified as a reduction of revenue and are generally accrued when revenue is recognized. We then reimburse the channel partner when qualifying claims are submitted.

We are also reimbursed by our vendors for certain advertising costs incurred by us that benefit our vendors. Such amounts are recognized as a reduction of marketing and sales expense if the advertising (1) is specific to the vendor, (2) represents an identifiable benefit to us, and (3) represents an incremental cost to us. Otherwise, vendor reimbursements are recognized as a reduction of the cost incurred with the same vendor. Vendor reimbursements of advertising costs of $37 million, $22 million, and $38 million reduced marketing and sales expense for the fiscal years ended March 31, 2022, 2021, and 2020, respectively. For the fiscal years ended March 31, 2022, 2021, and 2020, advertising expense, net of vendor reimbursements, totaled approximately $396 million, $222 million, and $195 million, respectively.

Software Development Costs

Research and development costs, which consist primarily of software development costs, are expensed as incurred. We are required to capitalize software development costs incurred for computer software to be sold, leased or otherwise marketed after technological feasibility of the software is established or for development costs that have alternative future uses. Under our current practice of developing new games, the technological feasibility of the underlying software is not established until substantially all product development and testing is complete, which generally includes the development of a working model. Software development costs that have been capitalized to date have been insignificant.

Foreign Currency Translation

Generally, the functional currency for our foreign operating subsidiaries is its local currency. Assets and liabilities of foreign operations are translated into U.S. dollars using month-end exchange rates, and revenue and expenses are translated into U.S. dollars using average exchange rates. The effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income (loss) in stockholders' equity.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Net gains (losses) on foreign currency transactions of $(22) million, $9 million, and $11 million for the fiscal years ended March 31, 2022, 2021, and 2020, respectively, are included in interest and other income (expense), net, in our Consolidated Statements of Operations. These net gains (losses) on foreign currency transactions are partially offset by net gains (losses) on our foreign currency forward contracts of $21 million, $(19) million, and $(4) million for the fiscal years ended March 31, 2022, 2021, and 2020, respectively. See Note 5 for additional information on our foreign currency forward contracts.

Income Taxes

We recognize deferred tax assets and liabilities for both the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We do not recognize any deferred taxes related to the U.S. taxes on foreign earnings as we recognize these taxes as a period cost.

Every quarter, we perform a realizability analysis to evaluate whether it is more likely than not that all or a portion of our deferred tax assets will not be realized. Our Swiss deferred tax asset realizability analysis relies upon future Swiss taxable income as the primary source of taxable income but considers all available sources of Swiss income based on the positive and negative evidence. We give more weight to evidence that can be objectively verified. However, there is judgment involved in estimating future Swiss taxable income, specifically related to assumptions about expected growth rates of future Swiss taxable income, which are based primarily on third party market and industry growth data. Actual results that differ materially from those estimates could have a material impact on our valuation allowance assessment. Although objectively verifiable, Swiss interest rates have an impact on the valuation allowance and are based on published Swiss guidance. Any significant changes to such interest rates could result in a material impact to the valuation allowance. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. Changes in Estimated Offering Period and actions we take in connection with acquisitions could also impact the utilization of our Swiss deferred tax asset.

Share Repurchases

Shares of our common stock repurchased pursuant to our repurchase program, if any, are retired. The purchase price of such repurchased shares of common stock is recorded as a reduction to additional paid-in capital. If the balance in additional paid-in capital is exhausted, the excess is recorded as a reduction to retained earnings.

(3) FAIR VALUE MEASUREMENTS

There are various valuation techniques used to estimate fair value, the primary one being the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, we consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the asset or liability. We measure certain financial and nonfinancial assets and liabilities at fair value on a recurring and nonrecurring basis.

Fair Value Hierarchy

The three levels of inputs that may be used to measure fair value are as follows:

- *Level 1*. Quoted prices in active markets for identical assets or liabilities.
- *Level 2*. Observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.
- *Level 3*. Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As of March 31, 2022 and 2021, our assets and liabilities that were measured and recorded at fair value on a recurring basis were as follows (in millions):

		Fair Value Measurements at Reporting Date Using			
	As of March 31, 2022	Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Bank and time deposits	$ 55	$ 55	$ —	$ —	Cash equivalents
Money market funds	257	257	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	116	—	116	—	Short-term investments
U.S. Treasury securities	104	104	—	—	Short-term investments and cash equivalents
Commercial paper	51	—	51	—	Short-term investments and cash equivalents
Foreign government securities	17	—	17	—	Short-term investments
Asset-backed securities	38	—	38	—	Short-term investments
Certificates of deposit	18	—	18	—	Short-term investments
Foreign currency derivatives	63	—	63	—	Other current assets and other assets
Deferred compensation plan assets [(a)]	21	21	—	—	Other assets
Total assets at fair value	$ 740	$ 437	$ 303	$ —	
Liabilities					
Foreign currency derivatives	$ 14	$ —	$ 14	$ —	Accrued and other current liabilities and other liabilities
Deferred compensation plan liabilities [(a)]	22	22	—	—	Other liabilities
Total liabilities at fair value	$ 36	$ 22	$ 14	$ —	

	As of March 31, 2021	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Bank and time deposits	$ 157	$ 157	$ —	$ —	Cash equivalents
Money market funds	2,100	2,100	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	380	—	380	—	Short-term investments and cash equivalents
U.S. Treasury securities	437	437	—	—	Short-term investments and cash equivalents
U.S. agency securities	3	—	3	—	Short-term investments
Commercial paper	142	—	142	—	Short-term investments and cash equivalents
Foreign government securities	67	—	67	—	Short-term investments
Asset-backed securities	112	—	112	—	Short-term investments
Certificates of deposit	41	—	41	—	Short-term investments
Foreign currency derivatives	33	—	33	—	Other current assets and other assets
Deferred compensation plan assets [a]	18	18	—	—	Other assets
Total assets at fair value	$ 3,490	$ 2,712	$ 778	$ —	
Liabilities					
Foreign currency derivatives	$ 40	$ —	$ 40	$ —	Accrued and other current liabilities and other liabilities
Deferred compensation plan liabilities [a]	19	19	—	—	Other liabilities
Total liabilities at fair value	$ 59	$ 19	$ 40	$ —	

(a) The Deferred Compensation Plan assets consist of various mutual funds. See Note 15 for additional information regarding our Deferred Compensation Plan.

(4) FINANCIAL INSTRUMENTS

Cash and Cash Equivalents

As of March 31, 2022 and 2021, our cash and cash equivalents were $2,732 million and $5,260 million, respectively. Cash equivalents were valued using quoted market prices or other readily available market information.

Short-Term Investments

Short-term investments consisted of the following as of March 31, 2022 and 2021 (in millions):

	As of March 31, 2022				As of March 31, 2021			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	$ 117	$ —	$ (1)	$ 116	$ 372	$ —	$ —	$ 372
U.S. Treasury securities	103	—	(1)	102	374	1	—	375
U.S. agency securities	—	—	—	—	3	—	—	3
Commercial paper	39	—	—	39	136	—	—	136
Foreign government securities	17	—	—	17	67	—	—	67
Asset-backed securities	38	—	—	38	112	—	—	112
Certificates of deposit	18	—	—	18	41	—	—	41
Short-term investments	$ 332	$ —	$ (2)	$ 330	$ 1,105	$ 1	$ —	$ 1,106

The following table summarizes the amortized cost and fair value of our short-term investments, classified by stated maturity as of March 31, 2022 and 2021 (in millions):

	As of March 31, 2022		As of March 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments				
Due within 1 year	$ 250	$ 249	$ 895	$ 896
Due 1 year through 5 years	77	76	203	203
Due after 5 years	5	5	7	7
Short-term investments	$ 332	$ 330	$ 1,105	$ 1,106

(5) DERIVATIVE FINANCIAL INSTRUMENTS

Assets or liabilities associated with our derivative instruments and hedging activities are recorded at fair value in other current assets/other assets, or accrued and other current liabilities/other liabilities, respectively, on our Consolidated Balance Sheets. As discussed below, the accounting for gains and losses resulting from changes in fair value depends on the use of the derivative instrument and whether it is designated and qualifies for hedge accounting.

We transact business in various foreign currencies and have significant international sales and expenses denominated in foreign currencies, subjecting us to foreign currency risk. We purchase foreign currency forward contracts, generally with maturities of 18 months or less, to reduce the volatility of cash flows primarily related to forecasted revenue and expenses denominated in certain foreign currencies. Our cash flow risks are primarily related to fluctuations in the Euro, British pound sterling, Canadian dollar, Swedish krona, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty. In addition, we utilize foreign currency forward contracts to mitigate foreign currency exchange risk associated with foreign-currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. The foreign currency forward contracts not designated as hedging instruments generally have a contractual term of approximately three months or less and are transacted near month-end. We do not use foreign currency forward contracts for speculative trading purposes.

Cash Flow Hedging Activities

Certain of our forward contracts are designated and qualify as cash flow hedges. To qualify for hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedges and must be highly effective in offsetting changes to future cash flows on hedged transactions. The derivative assets or liabilities associated with our hedging activities are recorded at fair value in other current assets/other assets, or accrued and other current liabilities/other liabilities, respectively, on our Consolidated Balance Sheets. The gains or losses resulting from changes in the fair value of these hedges is initially reported, net of tax, as a component of accumulated other comprehensive income (loss) in stockholders' equity. The gains or losses resulting from changes in the fair value of these hedges is subsequently reclassified into net revenue or research and development expenses, as appropriate, in the period when the forecasted transaction is recognized in our Consolidated Statements of Operations. In the event that the underlying forecasted transactions do not occur, or it becomes remote that they will occur, within the defined hedge period, the gains or losses on the related cash flow hedges are reclassified from accumulated other comprehensive income (loss) to net revenue or research and development expenses, in our Consolidated Statements of Operations.

Total gross notional amounts and fair values for currency derivatives with cash flow hedge accounting designation are as follows (in millions):

	As of March 31, 2022			As of March 31, 2021		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 375	$ 4	$ 3	$ 370	$ 14	$ 1
Forward contracts to sell	$ 1,829	$ 52	$ 6	$ 1,840	$ 15	$ 35

The effects of cash flow hedge accounting in our Consolidated Statements of Operations for the fiscal years ended March 31, 2022, 2021 and 2020 are as follows (in millions):

	Year Ended March 31,					
	2022		2021		2020	
	Net revenue	Research and development	Net revenue	Research and development	Net revenue	Research and development
Total amounts presented in our Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 6,991	$ 2,186	$ 5,629	$ 1,778	$ 5,537	$ 1,559
Gains (losses) on foreign currency forward contracts designated as cash flow hedges	$ (14)	$ 12	$ (30)	$ 4	$ 71	$ (9)

Balance Sheet Hedging Activities

Our foreign currency forward contracts that are not designated as hedging instruments are accounted for as derivatives whereby the fair value of the contracts are reported as other current assets or accrued and other current liabilities on our Consolidated Balance Sheets, and gains and losses resulting from changes in the fair value are reported in interest and other income (expense), net, in our Consolidated Statements of Operations. The gains and losses on these foreign currency forward contracts generally offset the gains and losses in the underlying foreign-currency-denominated monetary assets and liabilities, which are also reported in interest and other income (expense), net, in our Consolidated Statements of Operations.

Total gross notional amounts and fair values for currency derivatives that are not designated as hedging instruments are accounted for as follows (in millions):

	As of March 31, 2022			As of March 31, 2021		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 496	$ 6	$ —	$ 599	$ —	$ 4
Forward contracts to sell	$ 400	$ 1	$ 5	$ 450	$ 4	$ —

The effect of foreign currency forward contracts not designated as hedging instruments in our Consolidated Statements of Operations for the fiscal years ended March 31, 2022, 2021 and 2020, was as follows (in millions):

	Year Ended March 31,		
	2022	2021	2020
	Interest and other income (expense), net		
Total amounts presented in our Consolidated Statements of Operations in which the effects of balance sheet hedges are recorded	$ (48)	$ (29)	$ 63
Gain (losses) on foreign currency forward contracts not designated as hedging instruments	$ 21	$ (19)	$ (4)

(6) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss) by component, net of tax, for the fiscal years ended March 31, 2022, 2021 and 2020 are as follows (in millions):

	Unrealized Net Gains (Losses) on Available-for-Sale Securities	Unrealized Net Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Balances as of March 31, 2019	$ (1)	$ 22	$ (51)	$ (30)
Other comprehensive income (loss) before reclassifications	(1)	79	(34)	44
Amounts reclassified from accumulated other comprehensive income (loss)	(2)	(62)	—	(64)
Total other comprehensive income (loss), net of tax	(3)	17	(34)	(20)
Balances as of March 31, 2020	$ (4)	$ 39	$ (85)	$ (50)
Other comprehensive income (loss) before reclassifications	5	(94)	64	(25)
Amounts reclassified from accumulated other comprehensive income (loss)	(1)	26	—	25
Total other comprehensive income (loss), net of tax	4	(68)	64	—
Balances as of March 31, 2021	$ —	$ (29)	$ (21)	$ (50)
Other comprehensive income (loss) before reclassifications	(3)	74	(8)	63
Amounts reclassified from accumulated other comprehensive income (loss)	—	2	—	2
Total other comprehensive income (loss), net of tax	(3)	76	(8)	65
Balances as of March 31, 2022	$ (3)	$ 47	$ (29)	$ 15

The effects on net income of amounts reclassified from accumulated other comprehensive income (loss) for the fiscal years ended March 31, 2022, 2021 and 2020 were as follows (in millions):

	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)		
	Year Ended March 31,		
Statement of Operations Classification	2022	2021	2020
(Gains) losses on available-for-sale securities:			
Interest and other income (expense), net	$ —	$ (1)	$ (2)
Total, net of tax	—	(1)	(2)
(Gains) losses on foreign currency forward contracts designated as cash flow hedges			
Net revenue	14	30	(71)
Research and development	(12)	(4)	9
Total, net of tax	2	26	(62)
Total net (gain) loss reclassified, net of tax	$ 2	$ 25	$ (64)

(7) BUSINESS COMBINATIONS

Fiscal Year 2021 Acquisition

Codemasters Group Holdings plc

On February 18, 2021, we completed our acquisition of 100% of the equity interests of Codemasters Group Holdings plc, a public limited company registered in England and Wales (“Codemasters”), for a total purchase price of $1.2 billion, net of cash acquired. During the three months ended March 31, 2022, and within the one-year measurement period, we finalized the fair values assigned to the Codemasters assets acquired and liabilities assumed. During fiscal year 2022, we recorded measurement period adjustments related to certain tax liabilities, which resulted in a net $29 million decrease to goodwill in the aggregate. The difference between our preliminary allocation of the purchase price to the fair value of the assets acquired and liabilities assumed during the fourth quarter of fiscal 2021 and the final amounts were not material.

Fiscal Year 2022 Acquisitions

Glu Mobile Inc.

On April 29, 2021, we completed the acquisition of 100% of the equity interests of Glu Mobile Inc., a leading global developer and publisher of mobile games (“Glu” and the “Glu acquisition”) for a total purchase price of $2.0 billion, net of cash acquired of $332 million. The acquisition of Glu is expected to accelerate our mobile growth by creating a combined organization with ongoing live services across multiple games and genres. We also believe that the acquisition will create value by adding Glu’s expertise in casual sports and lifestyle genres to new titles based on our intellectual property. The transaction costs associated with the acquisition totaled approximately $15 million and were recognized in general and administrative expense, of which $11 million were recognized during fiscal 2022, all within the three months ended June 30, 2021.

In addition, upon the closing of the Glu acquisition, we assumed all outstanding unvested options and unvested restricted stock units relating to Glu common stock and such awards were converted into corresponding awards relating to a number of shares of our common stock using an exchange ratio equal to 0.0880, with substantially identical terms and conditions as were applicable to the corresponding Glu awards immediately prior to the closing of the acquisition, except as such terms and conditions were modified in the acquisition agreements (“Replacement Awards”). The estimated fair value of the Replacement Awards was $133 million, of which $23 million related to awards for which services were rendered prior to the Glu acquisition and represented part of the purchase consideration transferred in the Glu acquisition. The remaining $110 million is attributable to services to be rendered after the Glu acquisition and will be recognized as stock-based compensation expense over their remaining vesting periods.

The following table summarizes the final allocation of the purchase price to the fair value of the assets acquired and liabilities assumed:

(In millions)		
Current assets	$	63
Property and equipment, net		14
Other assets		48
Intangible assets		526
Goodwill		1,506
Deferred tax liabilities		(38)
Current liabilities		(78)
Other liabilities		(39)
Purchase price, net of cash acquired	$	2,002
Intangibles assets by asset category[a]		
Developed and core technology	$	232
Trade names and trademarks		209
Registered user base and other intangibles		12
In-process research and development		73
Total	$	526

[a] In-process research and development assets are considered indefinite-lived until complete. Excluding the in-process research and development assets, the weighted-average useful life of the Glu's acquired intangible assets is currently estimated to be approximately 5.5 years.

Goodwill consists largely of workforce and synergies with our existing business. The goodwill is not deductible for tax purposes.

The results of operations of Glu and the fair value of the assets acquired have been included in our Consolidated Financial Statements since the date of acquisition.

Playdemic Limited

On September 20, 2021, we completed the acquisition of 100% of the equity interests of Playdemic Limited, a private limited company incorporated in England and Wales ("Playdemic" and the "Playdemic acquisition") for a total purchase price of $1.4 billion, net of cash acquired. The Playdemic acquisition is intended to be another step in our strategy of continued leadership in sports and mobile expansion. The transaction costs associated with the acquisition totaled approximately $11 million and were recognized in general and administrative expense during the six months ended September 30, 2021.

During the three months ended March 31, 2022, we finalized the fair values assigned to the Playdemic assets acquired and liabilities assumed. The difference between the preliminary estimates recognized during the third quarter of fiscal 2022 and the final amounts were not material. The following table summarizes the final allocation of the purchase price to the fair value of the assets acquired and liabilities assumed:

(In millions)		
Current assets	$	17
Property and equipment, net		2
Other assets		3
Intangible assets		438
Goodwill		1,031
Deferred tax liabilities		(84)
Current liabilities		(4)
Other liabilities		(2)
Purchase price, net of cash acquired	$	1,401
Intangibles assets by asset category[b]		
Developed and core technology	$	177
Trade names and trademarks		223
Registered user base and other intangibles		38
Total	$	438

[b] We currently estimate the weighted-average useful life of Playdemic's acquired intangible assets to be approximately 6.6 years.

Goodwill consists largely of workforce and synergies with our existing business. The goodwill is not deductible for local tax purposes.

The results of operations of Playdemic and the fair value of the assets acquired have been included in our Consolidated Financial Statements since the date of acquisition.

Additional Acquisition Related Information

During fiscal year 2022, we completed one other acquisition that was not material to our Consolidated Financial Statements.

Pro forma results of operations of our acquisitions have not been presented because the effect of the acquisitions were not material to our Consolidated Statements of Operations individually, or in the aggregate.

(8) GOODWILL AND ACQUISITION-RELATED INTANGIBLES, NET

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2022 are as follows (in millions):

	As of March 31, 2021	Activity	Effects of Foreign Currency Translation	As of March 31, 2022
Goodwill	$ 3,236	$ 2,519	$ —	$ 5,755
Accumulated impairment	(368)	—	—	(368)
Total	$ 2,868	$ 2,519	$ —	$ 5,387

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2021 are as follows (in millions):

	As of March 31, 2020	Activity	Effects of Foreign Currency Translation	As of March 31, 2021
Goodwill	$ 2,253	$ 984	$ (1)	$ 3,236
Accumulated impairment	(368)	—	—	(368)
Total	$ 1,885	$ 984	$ (1)	$ 2,868

Acquisition-related intangibles consisted of the following (in millions):

	As of March 31, 2022			As of March 31, 2021		
	Gross Carrying Amount	Accumulated Amortization and Impairments	Acquisition-Related Intangibles, Net	Gross Carrying Amount	Accumulated Amortization and Impairments	Acquisition-Related Intangibles, Net
Finite-lived acquisition-related intangibles						
Developed and core technology	$ 1,102	$ (643)	$ 459	$ 691	$ (472)	$ 219
Trade names and trademarks	609	(212)	397	188	(144)	44
Registered user base and other intangibles	56	(30)	26	5	(5)	—
Carrier contracts and related	—	—	—	85	(85)	—
Total finite-lived acquisition-related intangibles	$ 1,767	$ (885)	$ 882	$ 969	$ (706)	$ 263
Indefinite-lived acquisition-related intangibles						
In-process research and development	$ 80	$ —	$ 80	$ 46	$ —	$ 46
Total acquisition-related intangibles, net	$ 1,847	$ (885)	$ 962	$ 1,015	$ (706)	$ 309

Amortization of intangibles, including impairments, for the fiscal years ended March 31, 2022, 2021 and 2020 are classified in the Consolidated Statements of Operations as follows (in millions):

	Year Ended March 31,		
	2022	2021	2020
Cost of revenue	$ 133	$ 4	$ 12
Operating expenses	183	30	22
Total	$ 316	$ 34	$ 34

During fiscal year 2022, we recorded impairment charges of $45 million for acquisition-related intangible assets, of which $34 million was recorded within operating expenses and $11 million was recorded within cost of revenue. During fiscal year 2021 and 2020, there were no impairment charges for acquisition-related intangible assets.

Acquisition-related intangible assets are generally amortized using the straight-line method over the lesser of their estimated useful lives or the agreement terms, currently ranging from 1 to 7 years. As of March 31, 2022 and 2021, the weighted-average remaining useful life for acquisition-related intangible assets was approximately 5.2 and 3.5 years, respectively.

As of March 31, 2022, future amortization of finite-lived acquisition-related intangibles that will be recorded in the Consolidated Statements of Operations is estimated as follows (in millions):

Fiscal Year Ending March 31,		
2023	$	244
2024		159
2025		126
2026		122
2027		102
Thereafter		129
Total	$	882

(9) ROYALTIES AND LICENSES

Our royalty expenses consist of payments to (1) content licensors, (2) independent software developers, and (3) co-publishing and distribution affiliates. License royalties consist of payments made to celebrities, professional sports organizations, movie studios and other organizations for our use of their trademarks, copyrights, personal publicity rights, content and/or other intellectual property. Royalty payments to independent software developers are payments for the development of intellectual property related to our games. Co-publishing and distribution royalties are payments made to third parties for the delivery of products.

During fiscal years 2022, 2021 and 2020, we did not recognize any material losses or impairment charges on royalty-based commitments.

The current and long-term portions of prepaid royalties and minimum guaranteed royalty-related assets, included in other current assets and other assets, consisted of (in millions):

	As of March 31,	
	2022	2021
Other current assets	$ 35	$ 24
Other assets	28	20
Royalty-related assets	$ 63	$ 44

At any given time, depending on the timing of our payments to our co-publishing and/or distribution affiliates, content licensors, and/or independent software developers, we classify any recognized unpaid royalty amounts due to these parties as accrued liabilities. The current and long-term portions of accrued royalties, included in accrued and other current liabilities and other liabilities, consisted of (in millions):

	As of March 31,	
	2022	2021
Accrued royalties	$ 203	$ 210
Other liabilities	3	—
Royalty-related liabilities	$ 206	$ 210

As of March 31, 2022, we were committed to pay approximately $1,851 million to content licensors, independent software developers, and co-publishing and/or distribution affiliates, but performance remained with the counterparty (i.e., delivery of the product or content or other factors) and such commitments were therefore not recorded in our Consolidated Financial Statements. See Note 14 for further information on our developer and licensor commitments.

(10) BALANCE SHEET DETAILS

Property and Equipment, Net

Property and equipment, net, as of March 31, 2022 and 2021 consisted of (in millions):

	As of March 31,	
	2022	2021
Computer, equipment and software	$ 853	$ 808
Buildings	375	370
Leasehold improvements	202	172
Equipment, furniture and fixtures, and other	95	93
Land	66	66
Construction in progress	30	12
	1,621	1,521
Less: accumulated depreciation	(1,071)	(1,030)
Property and equipment, net	$ 550	$ 491

Depreciation expense associated with property and equipment was $162 million, $138 million and $120 million for the fiscal years ended March 31, 2022, 2021 and 2020, respectively.

Accrued and Other Current Liabilities

Accrued and other current liabilities as of March 31, 2022 and 2021 consisted of (in millions):

	As of March 31,	
	2022	2021
Other accrued expenses	$ 304	$ 351
Accrued compensation and benefits	500	494
Accrued royalties	203	210
Sales returns and price protection reserves	144	115
Deferred net revenue (other)	156	95
Operating lease liabilities (See Note 13)	81	76
Accrued and other current liabilities	$ 1,388	$ 1,341

Deferred net revenue (other) includes the deferral of subscription revenue, licensing arrangements, advertising revenue, and other revenue for which revenue recognition criteria have not been met.

Deferred net revenue

Deferred net revenue as of March 31, 2022 and 2021, consisted of (in millions):

	As of March 31,	
	2022	2021
Deferred net revenue (online-enabled games)	$ 2,024	$ 1,527
Deferred net revenue (other)	156	95
Deferred net revenue (noncurrent)	68	14
Total deferred net revenue	$ 2,248	$ 1,636

During the fiscal years ended March 31, 2022 and 2021, we recognized $1,613 million and $1,010 million of revenues, respectively, that were included in the deferred net revenue balance at the beginning of the period.

Remaining Performance Obligations

As of March 31, 2022, revenue allocated to remaining performance obligations consists of our deferred revenue balance of $2,248 million and amounts to be invoiced in future periods of $45 million, of which $29 million are expected to be recognized as revenue over the next 12 months, and the remainder thereafter. These balances exclude any estimates for future variable consideration as we have elected the optional exemption to exclude sales-based royalty revenue.

(11) INCOME TAXES

The components of our income before provision for (benefit from) income taxes for the fiscal years ended March 31, 2022, 2021 and 2020 are as follows (in millions):

	Year Ended March 31,		
	2022	2021	2020
Domestic	$ 204	$ 299	$ 380
Foreign	877	718	1,128
Income before provision for (benefit from) income taxes	$ 1,081	$ 1,017	$ 1,508

Provision for (benefit from) income taxes for the fiscal years ended March 31, 2022, 2021 and 2020 consisted of (in millions):

	Current	Deferred	Total
Year Ended March 31, 2022			
Federal	$ 203	$ (190)	$ 13
State	36	(26)	10
Foreign	381	(112)	269
	$ 620	$ (328)	$ 292
Year Ended March 31, 2021			
Federal	$ 251	$ (26)	$ 225
State	24	(2)	22
Foreign	47	(114)	(67)
	$ 322	$ (142)	$ 180
Year Ended March 31, 2020			
Federal	$ 258	$ (14)	$ 244
State	39	(2)	37
Foreign	48	(1,860)	(1,812)
	$ 345	$ (1,876)	$ (1,531)

The differences between the statutory tax rate and our effective tax rate, expressed as a percentage of income before provision for (benefit from) income taxes, for the fiscal years ended March 31, 2022, 2021 and 2020 were as follows:

	Year Ended March 31,		
	2022	2021	2020
Statutory federal tax expense rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	1.9 %	1.7 %	1.0 %
Differences between statutory rate and foreign effective tax rate	6.8 %	7.0 %	(8.4)%
Excess tax benefit from equity compensation	(1.2)%	(2.7)%	(0.1)%
Research and development credits	(2.8)%	(2.4)%	(1.2)%
Swiss Deferred Tax Asset	2.7 %	(10.1)%	(122.1)%
Acquired IP intra-entity sales	(5.9)%	— %	— %
The Altera opinion	— %	— %	5.4 %
Non-deductible stock-based compensation	3.8 %	3.3 %	2.3 %
Other	0.7 %	(0.1)%	0.6 %
Effective tax rate	27.0 %	17.7 %	(101.5)%

During the fiscal year ended March 31, 2020, we completed an intra-entity sale of some of our intellectual property rights to our Swiss subsidiary, where our international business is headquartered. The transaction did not result in a taxable gain. Under U.S. GAAP, any profit resulting from this intercompany transaction was eliminated upon consolidation. However, the transaction resulted in a step-up of the Swiss tax-deductible basis in the transferred intellectual property rights and, accordingly, created a temporary difference between the book basis and the tax basis of such intellectual property rights ("Swiss Deferred Tax Asset"). The Swiss Deferred Tax Asset and the one-time tax benefit was measured and will be periodically remeasured based on the Swiss tax rate in effect for the years the asset will be recovered.

During the fiscal year ended March 31, 2020, we recognized $1.840 billion of tax benefits related to the Swiss Deferred Tax Asset, which is net of the impact of a $131 million valuation allowance and a $393 million reduction due to the impact of the decision of the Ninth Circuit Court of Appeals in Altera Corp. v Commissioner ("the Altera opinion"). The Altera opinion also resulted in the recognition of a one-time charge of $80 million related to prior period U.S. uncertain tax positions during the fiscal year ended March 31, 2020. In total, during the fiscal year ended March 31, 2020, we recognized one-time tax benefits of $1.760 billion related to the $1.840 billion Swiss Deferred Tax Asset, partially offset by the $80 million one-time Altera opinion charge.

Our effective tax rate and resulting provision for income taxes for the fiscal year ended March 31, 2021 includes a $141 million tax benefit for changes in uncertain tax positions and the valuation allowance related to our Swiss Deferred Tax Asset. During the fiscal year ended March 31, 2022, we recognized a $29 million tax charge to increase the valuation allowance on our Swiss Deferred Tax Asset.

During the fiscal year ended March 31, 2022, we completed the Acquired IP intra-entity sales of intellectual property rights to our U.S. and Swiss intellectual property owners. The transactions resulted in overall taxable gains. Under U.S. GAAP, any profit resulting from the Acquired IP intra-entity sales was eliminated upon consolidation. However, the transactions resulted in a step-up of the U.S. and Swiss tax-deductible basis in the transferred intellectual property rights and, accordingly, created a temporary difference between the book basis and the tax basis of such intellectual property rights. As a result, we recognized a $64 million net tax benefit for the current and deferred tax impacts of the sales.

Our foreign subsidiaries are generally subject to U.S. tax, and to the extent earnings from these subsidiaries can be repatriated without a material tax cost, such earnings will not be indefinitely reinvested. As of March 31, 2022, approximately $2.0 billion of our cash and cash equivalents were domiciled in foreign tax jurisdictions. All of our foreign cash is available for repatriation without a material tax cost.

The components of net deferred tax assets, as of March 31, 2022 and 2021 consisted of (in millions):

	As of March 31,	
	2022	2021
Deferred tax assets:		
Accruals, reserves and other expenses	$ 185	$ 158
Tax credit carryforwards	198	161
Stock-based compensation	43	43
Net operating loss and capital loss carryforwards	349	258
Swiss intra-entity tax asset	1,782	1,781
Total	2,557	2,401
Valuation allowance	(296)	(230)
Deferred tax assets, net of valuation allowance	2,261	2,171
Deferred tax liabilities:		
Amortization and depreciation	(13)	(140)
ASC 606 Revenue Recognition	—	(21)
Other	(7)	(8)
Total	(20)	(169)
Deferred tax assets, net of valuation allowance and deferred tax liabilities	$ 2,241	$ 2,002

As of March 31, 2022, we have net operating loss carry forwards of approximately $2.5 billion of which approximately $328 million is attributable to various acquired companies. The net operating loss carry forwards include $2.1 billion related to Switzerland, $239 million related to U.S. federal, and $119 million related to California. Substantially all of these carryforwards, if not fully realized, will begin to expire in fiscal year 2027. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. We also have U.S. federal credit carryforwards of $13 million and California credit carryforwards of $174 million. The California tax credit carryforwards can be carried forward indefinitely.

As of March 31, 2022, we maintained a total valuation allowance of $296 million related to certain U.S. state deferred tax assets, Swiss deferred tax asset, and foreign capital loss carryovers, due to uncertainty about the future realization of these assets.

The total unrecognized tax benefits as of March 31, 2022, 2021 and 2020 were $636 million, $584 million and $983 million, respectively. A reconciliation of the beginning and ending balance of unrecognized tax benefits is summarized as follows (in millions):

Balance as of March 31, 2019	$	417
Increases in unrecognized tax benefits related to prior year tax positions		111
Decreases in unrecognized tax benefits related to prior year tax positions		(4)
Increases in unrecognized tax benefits related to current year tax positions		468
Decreases in unrecognized tax benefits related to settlements with taxing authorities		—
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations		(5)
Changes in unrecognized tax benefits due to foreign currency translation		(4)
Balance as of March 31, 2020		983
Increases in unrecognized tax benefits related to prior year tax positions		12
Decreases in unrecognized tax benefits related to prior year tax positions		(444)
Increases in unrecognized tax benefits related to current year tax positions		55
Decreases in unrecognized tax benefits related to settlements with taxing authorities		(2)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations		(27)
Changes in unrecognized tax benefits due to foreign currency translation		7
Balance as of March 31, 2021		584
Increases in unrecognized tax benefits related to prior year tax positions		5
Decreases in unrecognized tax benefits related to prior year tax positions		(21)
Increases in unrecognized tax benefits related to current year tax positions		139
Decreases in unrecognized tax benefits related to settlements with taxing authorities		(50)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations		(18)
Changes in unrecognized tax benefits due to foreign currency translation		(3)
Balance as of March 31, 2022	$	636

As of March 31, 2022, approximately $371 million of the unrecognized tax benefits would affect our effective tax rate, a portion of which would be impacted by a valuation allowance.

Interest and penalties related to estimated obligations for tax positions taken in our tax returns are recognized in income tax expense in our Consolidated Statements of Operations. The combined amount of accrued interest and penalties related to tax positions taken on our tax returns and included in non-current other liabilities was approximately $36 million as of March 31, 2022 and $34 million as of March 31, 2021.

We file income tax returns in the United States, including various state and local jurisdictions. As of March 31, 2022, our subsidiaries file tax returns in various foreign jurisdictions, including Switzerland, Canada, Sweden, Italy, France, Germany, and the United Kingdom. We remain subject to income tax examination by the IRS for fiscal years after 2017. In addition, as of the period ended March 31, 2022, we remain subject to income tax examination for several other jurisdictions including in Switzerland for fiscal years after 2013, Canada for fiscal years after 2014, Sweden for fiscal years after 2016, Italy for fiscal years after 2020, France for fiscal years after 2019, Germany for fiscal years after 2016, and the United Kingdom for fiscal years after 2020.

We are also currently under income tax examination in the United States for fiscal years 2018 through 2020, Germany for fiscal years 2017 through 2019, and Spain for fiscal years 2017 and 2018.

The timing and potential resolution of income tax examinations is highly uncertain. While we continue to measure our uncertain tax positions, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued.

In fiscal year 2021, the Supreme Court of the United States denied Altera's appeal of the Altera opinion, resulting in a partial decrease of our unrecognized tax benefits. A complete resolution and settlement of the matters underlying the Altera opinion is reasonably possible within the next 12 months, which would result in an additional reduction of our gross unrecognized tax benefits. However, it is uncertain whether a complete resolution and settlement of such matters would also result in resolution of all related and unrelated U.S. positions for all applicable years. Therefore, it is not possible to provide a range of potential outcomes associated with a reversal of our gross unrecognized tax benefits for Altera-related uncertain tax positions.

It is also reasonably possible that an additional reduction of up to $6 million of unrecognized tax benefits may occur within the next 12 months, unrelated to the Altera opinion, a portion of which would impact our effective tax rate. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements and tax interpretations.

(12) FINANCING ARRANGEMENTS

Senior Notes

In February 2021, we issued $750 million aggregate principal amount of 1.85% Senior Notes due February 15, 2031 (the "2031 Notes") and $750 million aggregate principal amount of 2.95% Senior Notes due February 15, 2051 (the "2051 Notes"). Our proceeds were $1,478 million, net of discount of $6 million and issuance costs of $16 million. Both the discount and issuance costs are being amortized to interest expense over the respective terms of the 2031 Notes and the 2051 Notes using the effective interest rate method. The effective interest rate is 1.98% for the 2031 Notes and 3.04% for the 2051 Notes. Interest is payable semiannually in arrears, on February 15 and August 15 of each year.

In February 2016, we issued $400 million aggregate principal amount of 4.80% Senior Notes due March 1, 2026 (the "2026 Notes"). Our proceeds were $395 million, net of discount of $1 million and issuance costs of $4 million. Both the discount and issuance costs are being amortized to interest expense over the term of the 2026 Notes using the effective interest rate method. The effective interest rate was 4.97%. Interest is payable semiannually in arrears, on March 1 and September 1 of each year.

The carrying and fair values of the Senior Notes are as follows (in millions):

	As of March 31, 2022	As of March 31, 2021
Senior Notes:		
4.80% Senior Notes due 2026	$ 400	$ 400
1.85% Senior Notes due 2031	750	750
2.95% Senior Notes due 2051	750	750
Total principal amount	$ 1,900	$ 1,900
Unaccreted discount	(6)	(7)
Unamortized debt issuance costs	(16)	(17)
Net carrying value of Senior Notes	$ 1,878	$ 1,876
Fair value of Senior Notes (Level 2)	$ 1,711	$ 1,873

As of March 31, 2022, the remaining life of the 2026 Notes, 2031 Notes and 2051 Notes is approximately 3.9 years, 8.9 years, and 28.9 years, respectively.

The Senior Notes are senior unsecured obligations and rank equally with all our other existing and future unsubordinated obligations and any indebtedness that we may incur from time to time under our Credit Facility.

The 2026 Notes, 2031 Notes and 2051 Notes are redeemable at our option at any time prior to December 1, 2025, November 15, 2030, and August 15, 2050, respectively, subject to a make-whole premium. After such dates, we may redeem each such series of Notes, respectively, at a redemption price equal to 100% of the aggregate principal amount plus accrued and unpaid interest. In addition, upon the occurrence of a change of control repurchase event, the holders of each such series of Notes may require us to repurchase all or a portion of these Notes, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase. Each such series of Notes also include covenants that limit our ability to incur liens on assets and to enter into sale and leaseback transactions, subject to certain allowances.

Credit Facility

On August 29, 2019, we entered into a $500 million unsecured revolving credit facility ("Credit Facility") with a syndicate of banks. The Credit Facility terminates on August 29, 2024 unless the maturity is extended in accordance with its terms. The Credit Facility contains an option to arrange with existing lenders and/or new lenders to provide up to an aggregate of $500 million in additional commitments for revolving loans. Proceeds of loans made under the Credit Facility may be used for general corporate purposes.

The loans bear interest at the base rate plus an applicable spread, with such spread being determined based on our debt credit ratings. We are also obligated to pay other customary fees for a credit facility of this size and type. Interest is due and payable in arrears quarterly for loans bearing interest at the base rate and at the end of an interest period (or at each three month interval in the case of loans with interest periods greater than three months). Principal, together with all accrued and unpaid interest, is due and payable at maturity. We may prepay the loans and terminate the commitments, in whole or in part, at any time without premium or penalty, subject to certain conditions.

The credit agreement contains customary affirmative and negative covenants, including covenants that limit or restrict our ability to, among other things, incur subsidiary indebtedness, grant liens, and dispose of all or substantially all assets, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to maintain compliance with a debt to EBITDA ratio. As of March 31, 2022, we were in compliance with the debt to EBITDA ratio.

The credit agreement contains customary events of default, including among others, non-payment defaults, covenant defaults, cross-defaults to material indebtedness, bankruptcy and insolvency defaults, material judgment defaults and a change of control default, in each case, subject to customary exceptions for a credit facility of this size and type. The occurrence of an event of default could result in the acceleration of the obligations under the Credit Facility and an increase in the applicable interest rate.

As of March 31, 2022 and 2021, no amounts were outstanding under the Credit Facility. $2 million of debt issuance costs that were paid in connection with obtaining this credit facility are being amortized to interest expense over the 5-year term of the Credit Facility.

Interest Expense

The following table summarizes our interest expense recognized for fiscal years 2022, 2021 and 2020 that is included in interest and other income (expense), net on our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2022	2021	2020
Amortization of debt discount	$ (1)	$ —	$ —
Amortization of debt issuance costs	(2)	(2)	(2)
Coupon interest expense	(55)	(43)	(42)
Total interest expense	$ (58)	$ (45)	$ (44)

(13) LEASES

Our leases primarily consist of facility leases for our offices and development studios, data centers, and server equipment, with remaining lease terms of up to 15 years. Our lease terms may include options to extend or terminate the lease. When it is reasonably certain that we will exercise that option, we include the renewals or reduced lease terms in our calculation of operating lease liabilities. Substantially all of our leases are classified as operating leases.

We determine if an arrangement is or contains a lease at contract inception. The contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining if a contract is or contains a lease, we apply judgment whether the contract provides the right to obtain substantially all of the economic benefits, the right to direct, or control the use of the identified asset throughout the period of use.

Operating lease right-of-use ("ROU") assets and liabilities are recognized at the commencement date based on the present value of future lease payments over the lease term. In determining the present value of the future lease payments, we use our incremental borrowing rate as none of our leases provide an implicit rate. Our incremental borrowing rate is an assumed rate based on our credit rating, credit history, current economic environment, and the lease term. Operating lease ROU assets are further adjusted for any payments made, incentives received, and initial direct costs incurred prior to the commencement date.

Operating lease ROU assets are amortized on a straight-line basis over the lease term and recognized as lease expense within cost of revenue or operating expenses on our Consolidated Statements of Operations. Operating lease liabilities decrease by lease payments we make over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Some of our operating leases contain lease and non-lease components. Non-lease components primarily include fixed payments for common area maintenance and utilities. We elected to account for lease and non-lease components as a single lease component. Variable lease and non-lease components are recognized on our Consolidated Statements of Operations as incurred.

The components of lease expenses for the fiscal years ended March 31, 2022, 2021, and 2020 are as follows (in millions):

	Year Ended March 31,		
	2022	2021	2020
Operating lease costs	$ 98	$ 87	$ 70
Variable lease costs	21	21	37
Short-term lease costs	2	2	14
Total lease expense	$ 121	$ 110	$ 121

Supplemental cash and noncash information related to our operating leases for the fiscal years ended March 31, 2022, 2021, and 2020 are as follows (in millions):

	Year Ended March 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of lease liability	$ 97	$ 85	$ 69
ROU assets obtained in exchange for new lease obligations	$ 150	$ 90	$ 52

Weighted average remaining lease term and discount rate at March 31, 2022 and 2021 are as follows:

	At March 31, 2022	At March 31, 2021
Lease term	6.8 years	7.2 years
Discount rate	2.5 %	2.7 %

Operating lease ROU assets and liabilities recorded on our Consolidated Balance Sheets as of March 31, 2022 and 2021 are as follows (in millions):

	As of March 31, 2022	As of March 31, 2021	Balance Sheet Classification
Operating lease ROU assets	$ 314	$ 242	Other assets
Operating lease liabilities	$ 81	$ 76	Accrued and other current liabilities
Noncurrent operating lease liabilities	272	202	Other liabilities
Total operating lease liabilities	$ 353	$ 278	

Future minimum lease payments under operating leases as of March 31, 2022 were as follows (in millions):

Fiscal Years Ending March 31,	
2023	$ 86
2024	73
2025	56
2026	46
2027	31
Thereafter	93
Total future lease payments	385
Less imputed interest	(32)
Total operating lease liabilities	$ 353

In addition to what is included in the table above, as of March 31, 2022, we have entered into three office leases and two equipment leases that have not yet commenced with aggregate future lease payments of approximately $138 million. These leases are expected to commence between fiscal year 2023 and fiscal year 2025, and will have lease terms ranging from 2 to 12 years.

(14) COMMITMENTS AND CONTINGENCIES

Development, Celebrity, League and Content Licenses: Payments and Commitments

The products we produce in our studios are designed and created by our employee designers, artists, software programmers and by non-employee software developers ("independent artists" or "third-party developers"). We typically advance development funds to the independent artists and third-party developers during development of our games, usually in installment payments made upon the completion of specified development milestones. Contractually, these payments are generally considered advances against subsequent royalties on the sales of the products. These terms are set forth in written agreements entered into with the independent artists and third-party developers.

In addition, we have certain celebrity, league and content license contracts that contain minimum guarantee payments and marketing commitments to promote the games we publish that may not be dependent on any deliverables. These developer and content license commitments represent the sum of (1) the cash payments due under non-royalty-bearing licenses and services agreements and (2) the minimum guaranteed payments and advances against royalties due under royalty-bearing licenses and services agreements, the majority of which are conditional upon performance by the counterparty. These minimum guarantee payments and any related marketing commitments are included in the table below.

The following table summarizes all of our minimum contractual obligations as of March 31, 2022 (in millions):

		Fiscal Years Ending March 31,					
	Total	2023	2024	2025	2026	2027	Thereafter
Unrecognized commitments							
Developer/licensor commitments	$ 1,851	$ 316	$ 449	$ 434	$ 357	$ 81	$ 214
Marketing commitments	837	231	206	191	125	54	30
Senior Notes interest	836	49	55	55	54	36	587
Operating lease imputed interest	32	8	6	5	3	2	8
Operating leases not yet commenced	138	13	8	7	13	11	86
Other purchase obligations	134	64	55	10	4	1	—
Total unrecognized commitments	3,828	681	779	702	556	185	925
Recognized commitments							
Senior Notes principal and interest	1,906	6	—	—	400	—	1,500
Operating leases	353	78	67	51	43	29	85
Transition Tax and other taxes	19	2	4	6	7	—	—
Total recognized commitments	2,278	86	71	57	450	29	1,585
Total Commitments	$ 6,106	$ 767	$ 850	$ 759	$ 1,006	$ 214	$ 2,510

The unrecognized amounts represented in the table above reflect our minimum cash obligations for the respective fiscal years, but do not necessarily represent the periods in which they will be recognized and expensed in our Consolidated Financial Statements. In addition, the amounts in the table above are presented based on the dates the amounts are contractually due as of March 31, 2022; however, certain payment obligations may be accelerated depending on the performance of our operating results.

In addition to what is included in the table above, as of March 31, 2022, we had a net liability for unrecognized tax benefits and an accrual for the payment of related interest totaling $369 million, of which we are unable to make a reasonably reliable estimate of when cash settlement with a taxing authority will occur.

Legal Proceedings

The Netherlands Gambling Authority had asserted that the randomized selection of virtual items in the *FIFA Ultimate Team* game mode of our FIFA franchise contravened the Dutch Betting and Gaming Act. On March 10, 2022, the Council of State in the Netherlands found that this randomized selection of virtual items is not a game of chance under Dutch gambling law. This is a final decision by the Council of State, which is the highest administrative court in the Netherlands, and this matter is effectively closed.

We are also subject to claims and litigation arising in the ordinary course of business. We do not believe that any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our Consolidated Financial Statements.

(15) STOCK-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

Valuation Assumptions

We recognize compensation cost for stock-based awards to employees based on the awards' estimated grant-date fair value using a straight-line approach over the service period for which such awards are expected to vest. We account for forfeitures as they occur.

The estimation of the fair value of market-based restricted stock units, stock options and ESPP purchase rights is affected by assumptions regarding subjective and complex variables. Generally, our assumptions are based on historical information and judgment is required to determine if historical trends may be indicators of future outcomes. We estimate the fair value of our stock-based awards as follows:

- *Restricted Stock Units* and *Performance-Based Restricted Stock Units*. The fair value of restricted stock units and performance-based restricted stock units (other than market-based restricted stock units) is determined based on the quoted market price of our common stock on the date of grant.

- *Market-Based Restricted Stock Units*. Market-based restricted stock units consist of grants of performance-based restricted stock units to certain members of executive management that vest contingent upon the achievement of pre-determined market and service conditions (referred to herein as "market-based restricted stock units"). The fair value of our market-based restricted stock units is estimated using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient.

- *Stock Options and Employee Stock Purchase Plan*. The fair value of stock options and stock purchase rights granted pursuant to our equity incentive plans and our 2000 Employee Stock Purchase Plan, as amended ("ESPP"), respectively, is estimated using the Black-Scholes valuation model based on the multiple-award valuation method. Key assumptions of the Black-Scholes valuation model are the risk-free interest rate, expected volatility, expected term and expected dividends. The risk-free interest rate is based on U.S. Treasury yields in effect at the time of grant for the expected term of the option. Expected volatility is based on a combination of historical stock price volatility and implied volatility of publicly-traded options on our common stock. An expected term is estimated based on historical exercise behavior, post-vesting termination patterns, options outstanding and future expected exercise behavior.

There were an insignificant number of stock options granted during fiscal years 2022, 2021, and 2020.

The estimated assumptions used in the Black-Scholes valuation model to value our ESPP purchase rights were as follows:

	ESPP Purchase Rights		
	Year Ended March 31,		
	2022	2021	2020
Risk-free interest rate	0.1 - 1.1%	0.1 %	1.5 - 1.9%
Expected volatility	25 - 30%	32 - 39%	23 - 37%
Weighted-average volatility	27%	36%	26%
Expected term	6 - 12 months	6 - 12 months	6 - 12 months
Expected dividends	0.6%	0.3 %	None

The assumptions used in the Monte-Carlo simulation model to value our market-based restricted stock units were as follows:

	Year Ended March 31,		
	2022	2021	2020
Risk-free interest rate	0.4%	0.2 %	1.6 - 1.8%
Expected volatility	24 - 76%	23 - 63%	14 - 65%
Weighted-average volatility	40%	37%	29%
Expected dividends	None	None	None

Summary of Plans and Plan Activity

Equity Incentive Plans

At our Annual Meeting of Stockholders, held on August 8, 2019, our stockholders approved the 2019 Equity Incentive Plan (the "2019 Equity Plan"), which replaced our 2000 Equity Incentive Plan, as amended (the "2000 Equity Plan"). Our 2019 Equity Plan allows us to grant options to purchase our common stock and to grant restricted stock, restricted stock units and stock appreciation rights to our employees, officers, and directors, up to a maximum of 13.5 million shares, plus any shares authorized for grant or subject to awards under the 2000 Equity Plan that are not delivered to participants for any reason. Pursuant to the 2019 Equity Plan, incentive stock options may be granted to employees and officers and non-qualified options may be granted to employees, officers, and directors, at not less than 100 percent of the fair market value on the date of grant.

Approximately 12.5 million options or 8.7 million restricted stock units were available for grant under our 2019 Equity Plan as of March 31, 2022.

Stock Options

Options granted under the 2019 Equity Plan and the 2000 Equity Plan generally expire ten years from the date of grant. All outstanding options under the 2019 Equity Plan and the 2000 Equity Plan are fully vested and exercisable.

The following table summarizes our stock option activity for the fiscal year ended March 31, 2022:

	Options (in thousands)	Weighted-Average Exercise Prices	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of March 31, 2021	267	$ 35.71		
Assumed via acquisition	150	60.87		
Granted	3	138.32		
Exercised	(92)	54.43		
Forfeited, cancelled or expired	(42)	67.04		
Outstanding as of March 31, 2022	286	$ 39.28	2.75	$ 25
Vested and expected to vest	286	$ 39.28	2.75	$ 25
Exercisable as of March 31, 2022	279	$ 38.06	2.65	$ 24

The aggregate intrinsic value represents the total pre-tax intrinsic value based on our closing stock price as of March 31, 2022, which would have been received by the option holders had all the option holders exercised their options as of that date. The total intrinsic values of stock options exercised during fiscal years 2022, 2021, and 2020 were $8 million, $76 million, and $22 million, respectively. We issue new common stock from our authorized shares upon the exercise of stock options.

Restricted Stock Units

We grant restricted stock units under our 2019 Equity Plan to employees worldwide. Restricted stock units are unfunded, unsecured rights to receive common stock upon the satisfaction of certain vesting criteria. Upon vesting, a number of shares of common stock equivalent to the number of restricted stock units is typically issued net of required tax withholding requirements, if any. Restricted stock units are subject to forfeiture and transfer restrictions. Vesting for restricted stock units is based on the holders' continued employment with us through each applicable vest date. If the vesting conditions are not met, unvested restricted stock units will be forfeited. Our restricted stock units generally vest over 35 months to four years.

Each restricted stock unit granted reduces the number of shares available for grant by 1.43 shares under our 2019 Equity Plan. The following table summarizes our restricted stock units activity, excluding performance-based and market-based restricted stock unit activity which is discussed below, for the fiscal year ended March 31, 2022:

	Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Values
Outstanding as of March 31, 2021	5,764	$ 113.25
Assumed via acquisition	816	120.54
Granted	4,598	139.66
Vested	(3,345)	114.55
Forfeited or cancelled	(1,151)	125.41
Outstanding as of March 31, 2022	6,682	$ 129.57

The grant date fair value of restricted stock units is based on the quoted market price of our common stock on the date of grant. The weighted-average grant date fair values of restricted stock units granted during fiscal years 2022, 2021, and 2020 were $136.78, $127.27, and $93.52 respectively. The fair values of restricted stock units that vested during fiscal years 2022, 2021, and 2020 were $457 million, $420 million, and $240 million, respectively.

Performance-Based Restricted Stock Units

Our performance-based restricted stock units vest upon the achievement of pre-determined performance-based milestones, including, but not limited to, management reporting milestones of net bookings and operating income metrics, as well as service conditions. If these performance-based milestones are not met but service conditions are met, the performance-based restricted stock units will not vest, in which case any compensation expense we have recognized to date will be reversed. Generally, the measurement periods of our performance-based restricted stock units are 3 to 4 years, with awards vesting after each annual measurement period or cliff-vesting after the completion of the total aggregate measurement period.

Each quarter, we update our assessment of the probability that the performance milestones will be achieved. We amortize the fair values of performance-based restricted stock units over the requisite service period. The performance-based restricted stock units contain threshold, target and maximum milestones for each performance-based milestone. The number of shares of common stock to be issued at vesting will range from zero to 200 percent of the target number of performance-based restricted stock units attributable to each performance-based milestone based on the company's performance as compared to these threshold, target and maximum performance-based milestones. Each performance-based milestone is weighted evenly and the number of shares that vest based on each performance-based milestone is independent from the other.

The following table summarizes our performance-based restricted stock unit activity, presented with the maximum number of shares that could potentially vest, for the fiscal year ended March 31, 2022:

	Performance-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2021	579	$ 110.51
Granted	300	140.48
Vested	(266)	110.51
Forfeited or cancelled	(423)	117.33
Outstanding as of March 31, 2022	190	$ 142.60

Market-Based Restricted Stock Units

Our market-based restricted stock units vest contingent upon the achievement of pre-determined market and service conditions. If these market conditions are not met but service conditions are met, the market-based restricted stock units will not vest; however, any compensation expense we have recognized to date will not be reversed. The number of shares of common stock to be issued at vesting will range from zero to 200 percent of the target number of market-based restricted stock units based on our total stockholder return ("TSR") relative to the performance of companies in the Nasdaq-100 Index for each measurement period, over either a one-year, two-year cumulative and three-year cumulative period, a two-year and four-year cumulative period or a three-year period.

The following table summarizes our market-based restricted stock unit activity, presented with the maximum number of shares that could potentially vest, for the year ended March 31, 2022:

	Market-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2021	2,195	$ 134.60
Granted	175	170.44
Vested	(271)	123.82
Forfeited or cancelled	(778)	146.26
Outstanding as of March 31, 2022	1,321	$ 134.69

The weighted-average grant date fair values of market-based restricted stock units granted during fiscal years 2022, 2021, and 2020 were $170.44, $145.78, and $109.04, respectively. The fair values of market-based restricted stock units that vested during fiscal years 2022, 2021, and 2020 were $37 million, $19 million, and $9 million, respectively.

ESPP

Pursuant to our ESPP, eligible employees may authorize payroll deductions of between 2 percent and 10 percent of their compensation to purchase shares of common stock at 85 percent of the lower of the market price of our common stock on the date of commencement of the applicable offering period or on the last day of each six-month purchase period.

The following table summarizes our ESPP activity for fiscal years ended March 31, 2022, 2021 and 2020:

	Shares Issued (in millions)	Exercise Prices for Purchase Rights	Weighted-Average Fair Values of Purchase Rights
Fiscal Year 2020	0.7	$74.70 - $74.89	$ 29.05
Fiscal Year 2021	0.7	$74.70 - $119.37	$ 29.80
Fiscal Year 2022	0.6	$113.39 - $118.14	$ 35.94

The fair values were estimated on the date of grant using the Black-Scholes valuation model. We issue new common stock out of the ESPP's pool of authorized shares. As of March 31, 2022, 4.3 million shares were available for grant under our ESPP.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense resulting from stock options, restricted stock units, market-based restricted stock units, performance-based restricted stock units, and the ESPP purchase rights included in our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2022	2021	2020
Cost of revenue	$ 6	$ 5	$ 4
Research and development	356	285	229
Marketing and sales	54	46	37
General and administrative	112	99	77
Stock-based compensation expense	$ 528	$ 435	$ 347

During the fiscal years ended March 31, 2022, 2021, and 2020, we recognized $68 million, $56 million, and $43 million, respectively, of deferred income tax benefit related to our stock-based compensation expense.

As of March 31, 2022, our total unrecognized compensation cost related to stock options, restricted stock units, market-based restricted stock units, and performance-based restricted stock units was $688 million and is expected to be recognized over a weighted-average service period of 1.8 years. Of the $688 million of unrecognized compensation cost, $634 million relates to restricted stock units, $46 million relates to market-based restricted stock units, and $8 million relates to performance-based restricted stock units at a 147 percent average payout.

Deferred Compensation Plan

We have a Deferred Compensation Plan ("DCP") for the benefit of a select group of management or highly compensated employees and directors, which is unfunded and intended to be a plan that is not qualified within the meaning of section 401(a) of the Internal Revenue Code. The DCP permits the deferral of the annual base salary and/or director cash compensation up to a maximum amount. The deferrals are held in a separate trust, which has been established by us to administer the DCP. The trust is a grantor trust and the specific terms of the trust agreement provide that the assets of the trust are available to satisfy the claims of general creditors in the event of our insolvency. The assets held by the trust are classified as trading securities and are held at fair value on our Consolidated Balance Sheets. The assets and liabilities of the DCP are presented in other assets and other liabilities on our Consolidated Balance Sheets, respectively, with changes in the fair value of the assets and in the deferred compensation liability recognized as compensation expense. The estimated fair value of the assets was $21 million and $18 million as of March 31, 2022 and 2021, respectively. As of March 31, 2022 and 2021, $22 million and $19 million were recorded, respectively, to recognize undistributed deferred compensation due to employees.

401(k) Plan, Registered Retirement Savings Plan and ITP Plan

We have a 401(k) plan covering substantially all of our U.S. employees, a Registered Retirement Savings Plan covering substantially all of our Canadian employees, and an ITP pension plan covering substantially all our Swedish employees. These plans may permit us to make discretionary contributions to employees' accounts based on our financial performance. We contributed an aggregate of $41 million, $40 million, and $29 million to these plans in fiscal years 2022, 2021, and 2020, respectively.

Stock Repurchase Program

In May 2018, a Special Committee of our Board of Directors, on behalf of the full Board of Directors, authorized a program to repurchase up to $2.4 billion of our common stock. We completed repurchases under the May 2018 program in April 2020.

In November 2020, our Board of Directors authorized a program to repurchase up to $2.6 billion of our common stock. This stock repurchase program expires on November 4, 2022. Under this program, we may purchase stock in the open market or through privately negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase a specific number of shares under this program and it may be modified, suspended or discontinued at any time. We are actively repurchasing shares under this program.

The following table summarizes total shares repurchased during fiscal years 2022, 2021, and 2020:

	May 2018 Program			November 2020 Program			Total		
(In millions)	Shares		Amount	Shares		Amount	Shares		Amount
Fiscal Year 2020	12.3	$	1,207	—	$	—	12.3	$	1,207
Fiscal Year 2021	0.7	$	78	4.9	$	651	5.6	$	729
Fiscal Year 2022	—	$	—	9.5	$	1,300	9.5	$	1,300

(16) INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income (expense), net, for the fiscal years ended March 31, 2022, 2021 and 2020 consisted of (in millions):

	Year Ended March 31,		
	2022	2021	2020
Interest expense	(58)	(45)	(44)
Interest income	4	24	100
Net gain (loss) on foreign currency transactions	(22)	9	11
Net gain (loss) on foreign currency forward contracts	21	(19)	(4)
Other income (expense), net	7	2	—
Interest and other income (expense), net	$ (48)	$ (29)	$ 63

(17) EARNINGS PER SHARE

The following table summarizes the computations of basic earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS"). Basic EPS is computed as net income divided by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock-based compensation plans including stock options, restricted stock, restricted stock units, and ESPP purchase rights using the treasury stock method.

(In millions, except per share amounts)	Year Ended March 31, 2022	2021	2020
Net income	$ 789	$ 837	$ 3,039
Shares used to compute earnings per share:			
Weighted-average common stock outstanding — basic	284	289	293
Dilutive potential common shares related to stock award plans and from assumed exercise of stock options	2	3	2
Weighted-average common stock outstanding — diluted	286	292	295
Earnings per share:			
Basic	$ 2.78	$ 2.90	$ 10.37
Diluted	$ 2.76	$ 2.87	$ 10.30

Certain restricted stock units, market-based restricted stock units and performance-based restricted stock units were excluded from the treasury stock method computation of diluted shares as their inclusion would have had an antidilutive effect. For the fiscal year ended March 31, 2022, one million such shares were excluded, and for the fiscal years ended March 31, 2021 and 2020, two million such shares were excluded.

(18) SEGMENT AND REVENUE INFORMATION

Our reporting segment is based upon: our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations. Our CODM currently reviews total company operating results to assess overall performance and allocate resources. As of March 31, 2022, we have only one reportable segment, which represents our only operating segment.

Information about our total net revenue by timing of recognition for the fiscal years ended March 31, 2022, 2021 and 2020 is presented below (in millions):

	Year Ended March 31,		
	2022	2021	2020
Net revenue by timing of recognition			
Revenue recognized at a point in time	$ 2,326	$ 2,006	$ 2,043
Revenue recognized over time	4,665	3,623	3,494
Net revenue	$ 6,991	$ 5,629	$ 5,537

Generally, performance obligations that are recognized upfront upon transfer of control are classified as revenue recognized at a point in time, while performance obligations that are recognized over either the estimated offering period, contractual term or subscription period as the services are provided are classified as revenue recognized over time.

Revenue recognized at a point in time includes revenue allocated to the software license performance obligation. This also includes revenue from the licensing of software to third-parties.

Revenue recognized over time includes service revenue allocated to the future update rights and the online hosting performance obligations. This also includes service revenue allocated to the future update rights from the licensing of software to third-parties, online-only software services such as our *Ultimate Team* game mode, and subscription services.

Information about our total net revenue by composition for the fiscal years ended March 31, 2022, 2021 and 2020 is presented below (in millions):

	Year Ended March 31,		
	2022	2021	2020
Net revenue by composition			
Full game downloads	$ 1,282	$ 918	$ 811
Packaged goods	711	695	1,076
Full game	1,993	1,613	1,887
Live services and other	4,998	4,016	3,650
Net revenue	$ 6,991	$ 5,629	$ 5,537

Full game net revenue includes full game downloads and packaged goods. Full game downloads includes revenue from digital sales of full games on console, PC, and mobile phones and tablets. Packaged goods includes revenue from software that is sold physically. This includes (1) net revenue from game software sold physically through traditional channels such as brick and mortar retailers, and (2) software licensing revenue from third parties (for example, makers of console platforms, personal computers or computer accessories) who include certain of our full games for sale with their products (for example, Original Equipment Manufacturer ("OEM") bundles).

Live services and other net revenue includes revenue from sales of extra content for console, PC and mobile games, licensing revenue, subscriptions, advertising, and non-software licensing.

Information about our total net revenue by platform for the fiscal years ended March 31, 2022, 2021 and 2020 is presented below (in millions):

	Year Ended March 31,		
	2022	2021	2020
Platform net revenue			
Console	$ 4,400	$ 3,716	$ 3,774
PC and other	1,532	1,195	1,036
Mobile	1,059	718	727
Net revenue	$ 6,991	$ 5,629	$ 5,537

Information about our operations in North America and internationally for the fiscal years ended March 31, 2022, 2021 and 2020 is presented below (in millions):

	Year Ended March 31,		
	2022	2021	2020
Net revenue from unaffiliated customers			
North America	$ 3,039	$ 2,474	$ 2,270
International	3,952	3,155	3,267
Net revenue	$ 6,991	$ 5,629	$ 5,537

	As of March 31,	
	2022	2021
Long-lived assets		
North America	$ 446	$ 397
International	104	94
Total	$ 550	$ 491

We attribute net revenue from external customers to individual countries based on the location of the legal entity that sells the products and/or services. Note that revenue attributed to the legal entity that makes the sale is often not the country where the consumer resides. For example, revenue generated by our Swiss legal entity includes digital revenue from consumers who reside outside of Switzerland, including consumers who reside outside of Europe. Revenue generated by our Swiss legal entity during fiscal years 2022, 2021, and 2020 represents $3,423 million, $2,731 million and $2,586 million or 49 percent, 49 percent and 47 percent of our total net revenue, respectively. Revenue generated in the United States represents over 99 percent of our total North America net revenue. There were no other countries with net revenue greater than 10 percent.

In fiscal year 2022, our direct sales to Sony and Microsoft represented approximately 33 percent and 16 percent of total net revenue, respectively. In fiscal year 2021, our direct sales to Sony and Microsoft represented approximately 36 percent and 18 percent of total net revenue, respectively. In fiscal year 2020, our direct sales to Sony and Microsoft represented approximately 32 percent and 17 percent of total net revenue, respectively.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Electronic Arts Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Electronic Arts Inc. and subsidiaries (the Company) as of April 2, 2022 and April 3, 2021, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years in the three fiscal year period ended April 2, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of April 2, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 2, 2022 and April 3, 2021, and the results of its operations and its cash flows for each of the fiscal years in the three fiscal year period ended April 2, 2022, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 2, 2022 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of the Estimated Offering Period

As discussed in Note 2 to the consolidated financial statements, revenue for transactions that include future update rights and/or online hosting performance obligations are subject to deferral and recognized over the Estimated Offering Period. Determining the Estimated Offering Period is inherently subjective because it is not an explicitly defined period. The Company's determination of the Estimated Offering Period considers the following factors:

- the average period of time customers are online
- for physical games sold at retail, the period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer
- known and expected online gameplay trends
- disclosed service periods for competitors' games.

The Company reported net revenue of $6,991 million for the year-ended April 2, 2022 and deferred net revenue of $2,248 million as of April 2, 2022.

We identified the assessment of the Estimated Offering Period as a critical audit matter. A high degree of audit effort and subjective and complex auditor judgment was required to evaluate the sufficiency of audit evidence obtained over the Estimated Offering Period, including whether historical experience and other qualitative factors, such as those described above, are indicative of the time period during which the Company's games and extra content are played by its customers.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to determine the Estimated Offering Period, including controls over the factors noted above and the Company's review of the Estimated Offering Period concluded for use in recognizing revenue. We evaluated the model the Company used to develop the Estimated Offering Period against the accounting requirements and for potential management bias. We computed the average period of time customers are online as well as the period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer by using the Company's internal data. We compared the results of these computations against the periods used by the Company in its Estimated Offering Period model. We obtained disclosed service periods for competitors' games and compared them against the data used by the Company. We compared known and expected online gameplay trends used in the determination of the Estimated Offering Period to historical Company information and publicly available industry information. We performed a sensitivity analysis over the Company's Estimated Offering Period to assess the impact of potential changes in the Estimated Offering Period on revenue. We assessed the sufficiency of evidence obtained related to the Estimated Offering Period by evaluating the results of the procedures performed.

Fair Value of Acquired Intangible Assets

As discussed in Note 7 to the consolidated financial statements, during the year ended April 2, 2022, the Company consummated the acquisition of Playdemic Limited (Playdemic) for a total consideration of $1,401 million, net of cash acquired. The acquisition-date fair value of the Playdemic intangibles was $438 million including $177 million for developed and core technology and $223 million for trade names and trademarks.

We identified the evaluation of acquisition-date fair value of developed and core technology and trade names and trademarks acquired in the acquisition of Playdemic as a critical audit matter. We performed sensitivity analyses to determine the key assumptions used to value the intangible assets acquired, individually and in the aggregate, which required challenging auditor judgment. Subjective auditor judgment was required to evaluate (1) the forecasted revenue assumption, due to limited observable market information, and (2) the discount rates used in the models to determine the fair value of these intangible assets.

The following are the primary procedures we performed to address this critical matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's acquisition-date valuation process, including controls related to the development of the key assumptions identified. We evaluated the forecasted revenue by comparing these amounts to Playdemic's historical revenue and revenue recognized subsequent to the acquisition. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the Company's discount rates by evaluating the relationship of Playdemic's weighted average cost of capital, internal rate of return, and weighted-average return on assets, and by comparing certain data used to publicly available third-party market data for comparable entities.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Santa Clara, California
May 25, 2022

Item 9: ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A: ***Controls and Procedures***

Definition and Limitations of Disclosure Controls

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluates these controls and procedures on an ongoing basis.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constraints. In addition, because we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, our system of controls may not achieve its desired purpose under all possible future conditions. Accordingly, our disclosure controls and procedures provide reasonable assurance, but not absolute assurance, of achieving their objectives.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures, believe that as of the end of the period covered by this report, our disclosure controls and procedures were effective in providing the requisite reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding the required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Our internal control over financial reporting is designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. There are inherent limitations to the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with our policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of the end of our most recently completed fiscal year. In making its assessment, management used the criteria set forth in *Internal Control-Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that, as of the end of our most recently completed fiscal year, our internal control over financial reporting was effective and provided a reasonable level of assurance.

KPMG LLP, our independent registered public accounting firm, has issued an auditors' report on the effectiveness of our internal control over financial reporting. That report appears on Page 91.

Changes in Internal Control over Financial Reporting

There has been no change in our internal controls over financial reporting identified in connection with our evaluation that occurred during the fiscal quarter ended March 31, 2022 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B: ***Other Information***

None.

Item 9C: ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not Applicable.

PART III

Item 10: ***Directors, Executive Officers and Corporate Governance***

The information required by Item 10, other than the information regarding executive officers, which is included in Part I, Item 1 of this report, is incorporated herein by reference to the information to be included in our 2022 Proxy under the headings "Proxy Highlights", "Board of Directors and Corporate Governance" and, as applicable, "Delinquent Section 16(a) Reports.

Item 11: ***Executive Compensation***

The information required by Item 11 is incorporated herein by reference to the information to be included in the 2022 Proxy under the headings "Director Compensation", "Executive Compensation Matters" and "Compensation Committee Interlocks and Insider Participation."

Item 12: ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by Item 12 is incorporated herein by reference to the information to be included in the 2022 Proxy under the headings "Executive Compensation Tables" and "Security Ownership of Certain Beneficial Owners and Management."

Item 13: ***Certain Relationships and Related Transactions, and Director Independence***

The information required by Item 13 is incorporated herein by reference to the information to be included in the 2022 Proxy under the headings "Director Independence", "Related Persons Transaction Policy", and, as applicable, "Related Person Transactions."

Item 14: ***Principal Accountant Fees and Services***

The information required by Item 14 is incorporated herein by reference to the information to be included in Proposal 3 of the 2022 Proxy and under the heading "Audit Matters."

PART IV

Item 15: ***Exhibits and Financial Statements***

(a) Documents filed as part of this report

1. Financial Statements: See Index to Consolidated Financial Statements under Item 8 on Page 41 of this report.

2. Financial Statement Schedules: The Financial Statement Schedules have been omitted because they are not applicable or are not required or are not present in material amounts or the information required to be set forth herein is included in the Consolidated Financial Statements or Notes thereto.

3. Exhibits: The exhibits listed in the accompanying index to exhibits on Page 97 are filed or incorporated by reference as part of this report.

Item 16: ***Form 10-K Summary***

None.

ELECTRONIC ARTS INC.

2022 FORM 10-K ANNUAL REPORT

EXHIBIT INDEX

		Incorporated by Reference			Filed Herewith
Number	Exhibit Title	Form	File No.	Filing Date	
2.01	Share Purchase Agreement, dated as of June 23, 2021, by and among Electronic Arts Inc., Pine Interactive Ltd. and WB/TT Holdings, Inc.	8-K	000-17948	6/23/2021	
3.01	Amended and Restated Certificate of Incorporation	8-K	000-17948	8/13/2021	
3.02	Amended and Restated Bylaws	8-K	000-17948	8/9/2019	
4.01	Specimen Certificate of Registrant's Common Stock	10-Q	000-17948	2/6/2018	
4.02	Description of Securities				X
4.03	Indenture, dated as of February 24, 2016 by and between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/24/2016	
4.04	First Supplemental Indenture, dated as of February 24, 2016, between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/24/2016	
4.05	Second Supplemental Indenture, dated as of February 11, 2021, between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/11/2021	
10.01*	Form of Indemnity Agreement with Directors	10-K	000-17948	6/4/2004	
10.02*	Electronic Arts Inc. Executive Bonus Plan	8-K	000-17948	5/25/2021	
10.03*	Electronic Arts Inc. Deferred Compensation Plan	10-Q	000-17948	8/6/2007	
10.04*	Electronic Arts Inc. Amended and Restated Change in Control Severance Plan	8-K	000-17948	11/19/2021	
10.05*	First Amendment to the Electronic Arts Deferred Compensation Plan, as amended and restated	10-K	000-17948	5/22/2009	
10.06*	EA Bonus Plan	8-K	000-17948	5/18/2018	
10.07*	Form of Performance-Based Restricted Stock Unit Agreement	10-K	000-17948	5/20/2020	
10.08*	Form of Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/25/2021	
10.09*	Form of Performance-Based Restricted Stock Unit Agreement				X
10.10*	Form of November 2019 Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	11/12/2019	
10.11*	2000 Equity Incentive Plan, as amended, and related documents	8-K	000-17948	8/1/2016	
10.12*	2000 Employee Stock Purchase Plan, as amended	10-Q	000-17948	2/8/2022	
10.13*	2019 Equity Incentive Plan, and related documents	8-K	000-17948	8/9/2019	
10.14*	Offer Letter for Employment at Electronic Arts Inc. to Andrew Wilson, dated September 15, 2013	8-K	000-17948	9/17/2013	
10.15*	Offer Letter for Employment at Electronic Arts Inc. to Christopher Suh, dated January 14, 2022	8-K	000-17948	1/31/2022	
10.16*	Offer Letter for Employment at Electronic Arts Inc. to Ken Moss, dated June 6, 2014	10-Q	000-17948	8/5/2014	

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.17*	Offer Letter for Employment at Electronic Arts Inc. to Chris Bruzzo, dated July 21, 2014	10-Q	000-17948	11/4/2014	
10.18*	Offer Letter for Employment at Electronic Arts Inc. to Mala Singh, dated August 27, 2016	10-Q	000-17948	11/8/2016	
10.19**	Durango Publisher License Agreement, dated June 29, 2012, by and among Electronic Arts Inc., EA International (Studio & Publishing) Ltd., Microsoft Licensing, GP and Microsoft Corporation	10-K	000-17948	5/21/2014	
10.20**	Xbox Console Publisher License Agreement, dated as of September 30, 2020, between Microsoft Corporation, Electronic Arts Inc. and EA Swiss Sàrl	10-Q	000-17948	11/10/2020	
10.21**	Playstation Global Developer & Publisher Agreement, dated April 1, 2018, by and among Electronic Arts Inc., EA International (Studio & Publishing) Ltd., Sony Interactive Entertainment Inc., Sony Interactive Entertainment LLC, and Sony Interactive Entertainment Europe Ltd	10-Q	000-17948	8/8/2018	
10.22**	PlayStation 5 Amendment to the PlayStation Global Developer and Publisher Agreement, dated as of October 15, 2020, by and among Electronic Arts Inc., EA Swiss Sàrl, Sony Interactive Entertainment, Inc., Sony Interactive Entertainment LLC, and Sony Interactive Entertainment Europe Limited	10-Q	000-17948	11/10/2020	
10.23	Credit Agreement, dated August 29, 2019, by and among Electronic Arts Inc., the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	000-17948	8/29/2019	
21.1	Subsidiaries of the Registrant				X
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm				X
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X

Additional exhibits furnished with this report:

32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS†	Inline XBRL Instance Document				X
101.SCH†	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X

		Incorporated by Reference			Filed Herewith
Number	Exhibit Title	Form	File No.	Filing Date	
104	The Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101)				

* Management contract or compensatory plan or arrangement.

** Confidential portions of these documents have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ELECTRONIC ARTS INC.

By: /s/ Andrew Wilson

Andrew Wilson

Chief Executive Officer

Date: May 25, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the 25th of May, 2022.

Name	Title
/s/ Andrew Wilson Andrew Wilson	Chief Executive Officer
/s/ Chris Suh Chris Suh	Executive Vice President and Chief Financial Officer
/s/ Eric Kelly Eric Kelly	Vice President and Chief Accounting Officer
Directors:	
/s/ Andrew Wilson Andrew Wilson	Chair of the Board
/s/ Kofi A. Bruce Kofi A. Bruce	Director
/s/ Leonard S. Coleman Leonard S. Coleman	Director
/s/ Rachel A. Gonzalez Rachel A. Gonzalez	Director
/s/ Jeffrey T. Huber Jeffrey T. Huber	Director
/s/ Talbott Roche Talbott Roche	Director
/s/ Richard A. Simonson Richard A. Simonson	Director
/s/ Luis A. Ubiñas Luis A. Ubiñas	Director
/s/ Heidi Ueberroth Heidi Ueberroth	Director

This page intentionally left blank.

This page intentionally left blank.

FSC
www.fsc.org
MIX
Paper from
responsible sources
FSC®

Electronic Arts

To learn more visit

https://www.ea.com/