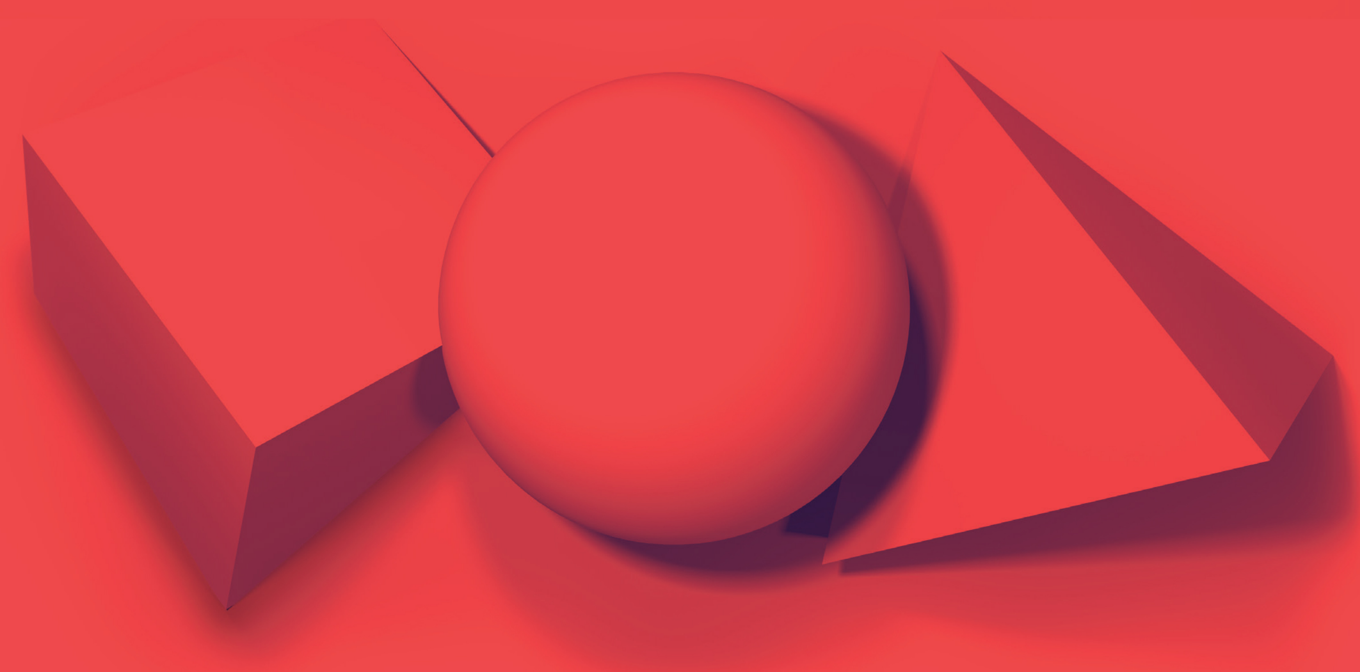
Electronic Arts

Notice of 2021 Annual Meeting and Proxy Statement



Letter from our CEO and Incoming Board Chair

Dear Fellow Stockholders,

We hope that you and your families are well. During our fiscal year 2021, we navigated through the largest public health crisis of the last 100 years. We also participated in a number of important cultural conversations in our world. Through many challenges, we're proud of how Electronic Arts delivered for our employees, players, communities, and stockholders in fiscal 2021, and positioned ourselves for continued growth and impact in the years ahead.

We Executed our Strategic Priorities While Supporting our People

Our management team acted swiftly and decisively through the year with a focus on the health and well-being of our workforce. Early in the pandemic, we directed our teams to work from home, suspended travel, and adopted new digital collaboration tools. Internal teams were formed to manage the response, we increased the frequency of our communications and employee surveys, and rolled out temporary benefit programs supporting our people and their families. While prioritizing the safety and wellbeing of our global workforce, we continued to execute against our strategic pillars. We launched 13 major games, including many that were supported by robust live services, and led the way with innovative games for a new generation of consoles. We added tens of millions of new players to our global network, and we scaled our subscription offering to new platforms. We also completed three acquisitions to complement our strategy and contribute to future growth. In delivering these achievements, we significantly exceeded our initial revenue, net bookings, and operating cash flow guidance for the fiscal year. The Board is incredibly proud of the extraordinary determination by each and every employee of Electronic Arts, and the incredible resilience of our teams during an unprecedented period.

We Listened to Feedback and Implemented Changes to Compensation Programs

This year, we scaled our engagement efforts, and gained valuable insights from conversations with you about our compensation programs and other matters. We appreciate the time and feedback you shared with us. We are implementing changes to our compensation programs based on that feedback. Detail on these changes can be found starting on page 32 of this Proxy Statement.

Recognizing Larry Probst, our Board Chair

Last month, we announced that Larry Probst is stepping down as Chair of our Board of Directors. Larry's had an incredible impact on our company. During his tenure as an executive and CEO, he led a transformation of our business and our leadership in the industry. His vision drove our global expansion, brought us to new platforms and led to the launch of groundbreaking franchises and genre-defining experiences. For more than 30 years, Larry has been a colleague, a mentor, and a dedicated advocate for so many at Electronic Arts. While he has set the bar very high, I am humbled and honored to have been nominated to succeed him and take on the Board Chair role. Thank you, Larry, for everything you have done for our company and the industry.

Positioned to Lead in the Transformations Ahead

Looking ahead, this is an exciting time of evolution and transformation in the interactive entertainment industry. Two fundamental secular trends have accelerated through the past year, with social interaction moving from physical to digital, and the consumption of sports and entertainment moving from linear to interactive. We are right at the intersection of these two powerful shifts, and we are well-positioned to lead with our deeply talented teams, unmatched portfolio of leading franchises and IP, and cutting-edge technology powering continued growth.

We're proud of Electronic Arts' performance in service of our employees, players, communities, and stockholders during a challenging year for everyone. On behalf of the Board, we thank you for your investment and wish you and your families good health.

Sincerely,

Andrew Wilson

Chief Executive Officer and Incoming Board Chair

Notice of Annual Meeting of Stockholders

Date and Time
August 12, 2021 (Thursday)
2:00 pm (Pacific)

Location
Virtually at
www.virtualshareholdermeeting.com/EA2021

Who Can Vote
Stockholders as of June 18, 2021 are entitled to vote.

Voting Items

Proposals	Board Vote Recommendation	For Further Details
1. To elect eight members of the Board of Directors to hold office for a one-year term.	**"FOR"** each director nominee	Page **74**
2. To conduct an advisory vote to approve named executive officer compensation.	**"FOR"**	Page **75**
3. To ratify the appointment of KPMG LLP as our independent public registered accounting firm for the fiscal year ending March 31, 2022.	**"FOR"**	Page **76**
4. To amend and restate our Certificate of Incorporation to permit stockholders to act by written consent.	**"FOR"**	Page **77**
5. To consider and vote upon a stockholder proposal, if properly presented at the Annual Meeting.	**"AGAINST"**	Page **79**

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 2021 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 to protect our stockholders and employees 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 82 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.

By Order of the Board of Directors,

Jacob J. Schatz
Executive Vice President, General Counsel 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/EA2021 and follow the instructions on the website.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on August 12, 2021.
Please note that this Proxy Statement, as well as our Annual Report on Form 10-K (the "Annual Report") for fiscal year ended March 31, 2021, is available at http://ir.ea.com.

Table of Contents

Recommendations: ✓ ✗

In this Proxy Statement, we may 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 response to the COVID-19 pandemic or the impact of the pandemic to our business, uncertain events and assumptions and other characterizations of future events or circumstances are 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. 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 2021

During fiscal 2021, we executed against our strategy against the backdrop of a worldwide pandemic with our global workforce largely working from home. We saw deep player engagement with our games and services. With our continued focus on execution, we generated strong financial results. During fiscal 2021, we released 13 new games, including the annual releases for our FIFA, Madden NFL and NHL franchises, *Star Wars Squadrons* and *Medal of Honor: Above and Beyond*. We also expanded our reach, bringing games and services to new generations of consoles released by Sony and Microsoft as well as Google Stadia and expanding the audience for our subscription services by launching EA Play on Steam and integrating with Microsoft GamePass. Our broad and deep portfolio, combined with dynamic live services for FIFA, Madden NFL, *Apex Legends™*, and *The Sims™ 4*, among others, drove net revenue and earnings per share above our fiscal 2021 guidance. We generated net revenue of $5.629 billion, diluted earnings per share of $2.87, record cash flow provided by operations of $1.934 billion, and invested in products and services for the future. In addition, during fiscal 2021 we repurchased 5.6 million shares and initiated a quarterly dividend, returning over $800 million to stockholders, and completed the acquisitions of Codemasters Group Holdings plc ("Codemasters"), Glu Mobile Inc. ("Glu Mobile") and Metalhead Software Inc. ("Metalhead"). This Proxy Statement was distributed and/or made available via the Internet to stockholders on or about June 25, 2021 along with the Electronic Arts Inc. Notice of 2021 Annual Meeting of Stockholders, Annual Report and form of proxy.

Fiscal 2021 GAAP Financial Results and Operating Highlights

$5.629
billion net revenue

$2.87
diluted earnings per share

$6.190
billion net bookings

Live Services and other net revenue
$4.016
billion, representing 71.3% of total net revenue

$1.934
billion operating cash flow

18.6%
operating profit margins

Repurchased
5.6 million
shares during fiscal 2021 for $729 million

Initiated quarterly cash dividend of
$0.17
per share
in Q3 of fiscal 2021

Launched
13 major games
during fiscal 2021, including *FIFA 21, Madden NFL 21, NHL 21, Star Wars™, Squadrons, Medal of Honor™: Above and Beyond*, and *Need for Speed™ Hot Pursuit Remastered*, and navigated a major platform transition to next generation consoles

Over 100 million players
of Apex Legends life to date on console/PC

FIFA Ultimate Team players grew
16%
year-over-year

Over 500 million players
across our player network within mobile, console and PC

OUR COVID-19 RESPONSE

We delivered our achievements against the background of the global challenge of the COVID-19 pandemic. Since the outbreak of the pandemic, we have focused on actions to support our people, our players, and communities around the world. The wellbeing of our workforce is our top priority, and to keep everyone as safe as possible, nearly our entire workforce worked from home for the entirety of fiscal year 2021 and will continue to do so through at least September 2021. We have taken a number of actions to support our employees during this difficult period. For example, we provided our employees with:

- unlimited paid sick time for employees during the first seven months of the pandemic, in addition to our regular paid time off and sick leave policies;
- 80 hours of paid time off for caregiving reasons relating to the pandemic;
- COVID-19 support payments totaling approximately $32.5 million during fiscal 2021 to assist with work from home costs, caregiving, and other pandemic-related expenses, with additional payments to be made in fiscal 2022;
- ergonomic assessments, and additional mental and physical health and wellbeing services; and
- additional rewards for certain essential on-site workers.

With more people staying at home, we saw growth in our business and across the industry. We're proud that we continued to execute against our strategy in this challenging environment, delivering 13 new games, nearly all of which are supported by robust live services, bringing our games and subscription services to new platforms and adding tens of millions of players to our network. The pandemic has accelerated our progress against key strategic initiatives, notably a significant increase in live services and other net revenue and the proportion of our games downloaded digitally. The full extent of the COVID-19 pandemic to our business, operations and financial results will depend on numerous evolving factors that we may or may not be able to predict, but we are proud of how our employees and management, supported by our Board of Directors, have navigated challenging times and executed in service of our stockholders, players, and communities.

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.

2021 Board Nominees

The following table provides summary information about our director nominees, each of whom, except for Mr. Bruce, is a current director of the Company. Mr. Lawrence F. Probst III and Mr. Jay Hoag, current directors of the Company, are not standing for re-election at the Annual Meeting. In connection with Mr. Probst's decision to not stand for re-election, the Board of Directors appointed Mr. Andrew Wilson, EA's Chief Executive Officer and a member of the Board of Directors since 2013, as Chairman of the Board, effective upon the Annual Meeting and subject to Mr. Wilson's re-election to the Board of Directors at the Annual Meeting. Also, effective at the Annual Meeting, the size of the Board 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.**	**Nominee in 2021***	**I**	
	**Mr. Leonard S. Coleman**	**Former President of The National League of Professional Baseball Clubs**	**2001**	**I**	**Comp, Nom. Gov.**
	**Mr. Jeffrey T. Huber**	**Vice Chairman, GRAIL, Inc.**	**2009**	**I**	**Audit**
	**Ms. Talbott Roche**	**President and Chief Executive Officer, Blackhawk Network Holdings, Inc.**	**2016**	**I**	**Audit**
	**Mr. Richard A. Simonson**	**Managing Partner, Specie Mesa L.L.C.; Former Chief Financial Officer, Sabre Corporation**	**2006**	**I**	**Audit (Chair)**
	**Mr. Luis A. Ubiñas** **(Lead Independent Director**)**	**Former President, Ford Foundation, Former Senior Partner, McKinsey & Company**	**2010**	**I**	**Comp (Chair), Nom. Gov. (Chair)**
	**Ms. Heidi J. Ueberroth**	**President, Globicon**	**2017**	**I**	**Comp**
	**Mr. Andrew Wilson (Incoming Chairman)**	**Chief Executive Officer, Electronic Arts Inc.**	**2013**		

* Mr. Bruce is expected to join the Audit Committee, subject to his election to the Board of Directors.

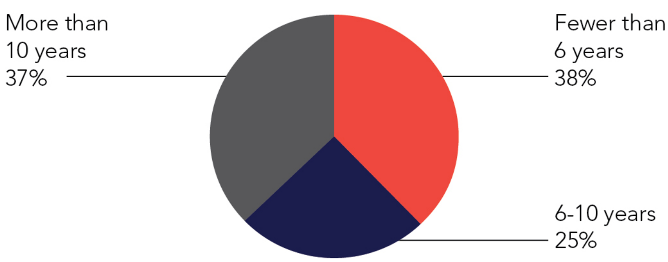
** Elected by independent directors.

Board Diversity and Refreshment

The Board of Directors routinely assesses its composition and believes that stockholder value can be driven by a board that balances the knowledge and understanding of the Company's business that results from long-term service with the fresh perspective and ideas driven by the addition of new members. The Board of Directors believes that complementary and diverse perspectives, whether based on business experience, diversity of gender, ethnicity, culture or 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.   The Board of Directors has regularly added new members — including Mr. Bruce's nomination, 38% of our director nominees have served for fewer than six years — and the three most recent additions and nominees to the Board of Directors, Ms. Roche, Ms. Ueberroth and Mr. Bruce, represent an increase in the Board of Directors' gender and racial diversity.

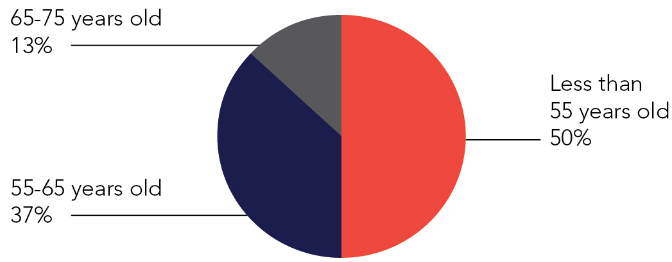
Director Nominee Tenure

Median Tenure - 9 years
Average Tenure - 9 years



Director Nominee Age

Median Age - 55 years old
Average Age - 56 years old



Director Nominee Diversity

Director Diversity

* Two Female Directors (Ms. Roche & Ms. Ueberroth); Two African American Directors (Mr. Bruce and Mr. Coleman); One Hispanic/Latino Director (Mr. Ubiñas)

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	Annual
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	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, 25% threshold
Stockholder Action by Written Consent	Yes, 25% threshold, if approved
In-person annual stockholders' meeting with live broadcast	Yes, absent unusual circumstances
Access to directors and officers during annual stockholders' meeting	Yes
Robust stockholder engagement practices	Yes

Compensation Best Practices

Our executive compensation program is designed to align the interests of our executives with the interests of our stockholders.

What We Do

- Structure executive compensation to link pay and performance
- Provide a high percentage of variable, at-risk pay; approximately 94% of NEO compensation is variable and at-risk
- Cap performance-based annual bonus awards
- Require our executives to satisfy robust stock holding requirements
- Conduct 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 regular stockholder outreach

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

Board Engagement with Stockholders

In fiscal 2021, we increased our stockholder engagement efforts and the Board of Directors continued its strong track record of stockholder responsiveness. Leading up to the 2020 annual meeting, we reached out to our top 100 stockholders, collectively holding over 70% of our common stock on various topics, including our executive compensation program, governance and ESG issues. We engaged with about approximately 30 of these stockholders collectively holding approximately 40% of our common stock. We continued our engagement after the 2020 annual meeting, inviting 34 of our top institutional stockholders collectively holding approximately 56% of our common stock to have additional calls with our engagement team and members of the Compensation Committee and Nominating and Governance Committee. We had calls with stockholders collectively holding approximately 46% of our common stock, with members of the Board of Directors participating in calls with our largest institutional stockholders collectively holding 35% of our common stock.

After considering stockholder feedback solicited as part of engagement efforts, market practice, the voting results at our 2020 annual meeting and other considerations -- and to further the Board's strong track record of stockholder responsiveness -- the Compensation Committee, Nominating and Governance Committee and the Board of Directors, respectively, enacted substantive changes to our compensation programs and governance structure, including:

KEY ACTIONS IN RESPONSE TO STOCKHOLDER ENGAGEMENT

- **Granted no special equity awards** in fiscal 2021 following our 2020 annual meeting, and no special equity awards outsides of our regular compensation program will be granted in fiscal 2022 to any of our NEOs.
- **Added two additional performance metrics** to our fiscal 2022 PRSU program.
- **Increased vesting for annual PRSU awards to three-year cliff vesting**, beginning fiscal 2022 and thereafter.
- **Eliminated the lookback feature** from the relative TSR component of our fiscal 2022 PRSU program.
- **Increased threshold and adjusted the relative TSR payout scale** to better align with market and peer practices for the relative TSR component of our fiscal 2022 PRSU program.
- **Enhanced disclosure** of our annual bonus program structure, non-financial goals, and how payouts are determined.
- **Amended our Executive Bonus Plan,** effective for fiscal 2022, **to cap NEO bonuses at 2x their target bonus percentage.**
- **Increased our stock ownership guidelines** from 5x base salary to 10x for our CEO, and from 2x base salary to 3x for our other NEOs.
- **Expanded our Clawback Policy** to cover cash incentives, as well as equity incentives.
- **Approved a written consent right** for consideration by stockholders at the Annual Meeting.

For more on our engagement program and changes to our compensation programs, please see page 32 under the heading *"Stockholder Engagement and Fiscal 2020 Say-On-Pay Vote"*. For more on the proposed written consent right, please see page 77 under the heading *"Proposal 4: Amend and Restate our Certificate of Incorporation to Permit Stockholders to Act by Written Consent"*.

Board of Directors and Corporate Governance

Board Nominees

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, and 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 Independent

Chief Financial Officer, General Mills, Inc.

Age:
51

Director since:
Nominated in 2021

Board Committees:

Expected to join Audit Committee

Other Public Company Directorships:
None

Directorships in Past 5 Years:
None

Diversity:
Identifies as African American

Background and Affiliations:

- Chief Financial Officer, General Mills, Inc., 2020-present
- Vice. President, Finance (2014-2020) and Corporate Controller (2017-2019), General Mills, Inc.
- Board of Directors, Lifeworks Services (non-profit)
- Aspen Fellow, Finance Leaders Fellowship (non-profit)

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 and 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.

Leonard S. Coleman Independent

Former President of the National League of Professional Baseball Clubs

Age:
72

Director since:
2001

Board Committees:

Compensation; Nominating and Governance

Other Public Company Directorships:

Hess Corporation, Omnicom Group Inc., Santander Consumer USA Holdings Inc.

Directorships in Past 5 Years:

Aramark, Avis Budget Group, Inc.

Diversity:

Identifies as African American

Background and Affiliations:

- Former Chairman, ARENACO, a subsidiary of Yankees/Nets
- Former President, The National League of Professional Baseball Clubs
- Former Senior Advisor, Major League Baseball
- Former Senior Advisor, Major League Baseball
- Honorary Board Chair of the Jackie Robinson Foundation (non-profit)

Education:

- A.B. degree in History, Princeton University
- Master's degrees in Public Administration and Education Social Policy, Harvard University

Key Qualifications:

Mr. Coleman brings a wealth of corporate governance, public sector and international experience to the Board of Directors from his years of service on the boards of directors for numerous large, public companies and his involvement in diverse public-service organizations, as well as his extensive knowledge of the sports industry. Mr. Coleman also provides valuable insight and strategic direction into our inclusion and diversity practices and programs. In fiscal year 2021, Mr. Coleman reached the age of 72 at which our Corporate Governance Guidelines deem Mr. Coleman to have tendered his resignation. The Board of Directors rejected Mr. Coleman's deemed resignation and asked Mr. Coleman to remain on the Board of Directors until the Company's 2022 annual meeting as a result of the valuable perspectives he brings as a seasoned director during the uncertainty of the COVID-19 pandemic, to facilitate Board continuity, and because of his contributions as the Company continues to scale its efforts around equity, inclusion and diversity.

Jeffrey T. Huber Independent

Vice Chairman, GRAIL, Inc.

Age:
53

Director since:
2009

Board Committees:
Audit

Other Public Company Directorships:
None

Directorships in Past 5 Years:
None

Background and Affiliations:

- Founding CEO and Vice Chairman of GRAIL, Inc., 2016-Present
- Former Senior Vice President, Alphabet Inc., 2003-2016
- Former Vice President of Architecture and Systems Development, eBay
- Board of Directors, Weta Digital (private)
- Visiting Scholar, Stanford University
- Board of Trustees, The Exploratorium (non-profit)

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 Independent

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

Age:
54

Director since:
2016

Board Committees:
Audit

Other Public Company Directorships:
None

Directorships in Past 5 Years:
Blackhawk Network Holdings, Inc. (Publicly-traded)

Diversity:
Identifies as Female

Background and Affiliations:

- President (2010-present) and Chief Executive Officer (2016-present), Blackhawk Network Holdings, Inc.
- Former Branding Consultant and Director, New Business Development, Landor Associates
- Director, Network Branded Prepaid Card Association, a trade association
- Director, Blackhawk Network Holdings, Inc. (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 corporate governance and risk management experience 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 Independent

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

Age:
62

Director since:
2006

Board Committees:
Audit (Chair)

Other Public Company Directorships:
None

Directorships in Past 5 Years:
Silver Spring Networks, Inc.

Background and Affiliations:

- Managing Partner, Specie Mesa L.L.C., 2018-Present
- Former Chief Financial Officer (2013-2018) and Senior Adviser (2018-2019), Sabre Corporation
- Former Chief Financial Officer, Nokia Corporation
- Former Chief Financial Officer, Rearden Commerce
- Chairman of the Executive Board, SMU Lyle School of Engineering
- Board of Directors: EverCommerce, Couchbase, and Cast & Crew (private companies)

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) Independent

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

Age:
58

Director since:
2010

Board Committees:
Nominating and Governance (Chair); Compensation (Chair)

Other Public Company Directorships:
Boston Private Financial Holdings, Inc., Tanger Factory Outlet Centers Inc., FirstMark Horizon Acquisition Corp.

Other Trusteeships:
Mercer Funds

Directorships in Past 5 Years:
CommerceHub, Inc.

Diversity:
Identifies as Hispanic/Latino

Background and Affiliations:

- Former President, Ford Foundation
- Former Senior Partner, McKinsey & Company
- Board of Trustees, Pan American Development Foundation (non-profit)
- Advisory Committee, United Nations Fund for International Partnerships (non-profit)
- Board Member, New York Public Library (non-profit)
- Board Member, Statue of Liberty-Ellis Island Foundation (non-profit)
- 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 and 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 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 Independent

President, Globicon

Age:
55

Director since:
2017

Board Committees:
Compensation

Other Public Company Directorships:
None

Directorships in Past 5 Years:
Santander Consumer USA Holdings Inc.

Diversity:
Identifies as Female

Background and Affiliations:

- President, Globicon, 2016 – present
- Former President, NBA International
- Former President, Global Marketing Partnerships and International Business Operations, NBA
- Co-Chairman, Pebble Beach Company (private)
- Director, Four Seasons Hotels and Resorts (private)
- National Board, Boys & Girls Club of America (non-profit)
- Director of Ueberroth Family Foundation, Monterey Peninsula Foundation and The First Tee (non-profits)
- Board of Advisors, Vanderbilt University's College of Arts and Sciences
- Member of the Council on Foreign Relations

Education:

- B.A. degree, Vanderbilt University

Key Qualifications:

Ms. Ueberroth brings to the Board of Directors extensive global experience in the sports, media and entertainment industries, including with respect to developing and marketing products and services in Asian markets. In addition, Ms. Ueberroth's past and present board service bring the experience of overseeing strategic and operational challenges of a global company.

Andrew Wilson (Incoming Chair)

Chief Executive Officer, Electronic Arts Inc.

Age:
46

Director since:
2013

Board Committees:
None

Other Public Company Directorships:
None

Directorships in Past 5 Years:
Intel Corporation

Background and Affiliations:

- Chief Executive Officer, Electronic Arts Inc., 2013-Present
- Chairman 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 Chief Executive Officer since September 2013 and has been employed by EA in several roles since 2000. In addition, Mr. Wilson was appointed by the Board of Directors to serve as Chair of the Board of Directors effective upon the Annual Meeting and subject to Mr. Wilson's re-election to the Board of Directors. 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 nominees for director to recommend to the Board of Directors, the Nominating and Governance Committee will take into account 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. 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 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. The Nominating and Governance Committee considers the skills, background and experience of each candidate to evaluate his or her ability to contribute diverse perspectives to the Board of Directors. The goal of the Nominating and Governance Committee is to select candidates that have complementary and diverse perspectives, whether based on business experience, diversity of gender, ethnicity, culture, or other factors, which together contribute to the Board of Directors' effectiveness as a whole. 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.

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.

Director Independence

Our Board of Directors has determined that each of our non-employee directors 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 2021, the Board of Directors met 10 times. At regularly scheduled meetings, the independent members of the Board of Directors meet in executive session separately without management present.

OVERSIGHT OF COVID-19 RESPONSE

Throughout fiscal year 2021, the Board of Directors was actively engaged in the oversight of the Company's response to the COVID-19 pandemic and key risk areas posed by the pandemic. As the Company transitioned to a global work-from-home environment in the spring, the Board of Directors communicated regularly with Company management and convened a special meeting in April to discuss the Company's fiscal 2021 financial plan and impacts of the COVID-19 pandemic. Throughout the remainder of fiscal 2021, the Board of Directors and its Committees remained engaged on the Company's response to the COVID-19 pandemic through updates and key considerations at regularly scheduled meetings. Key oversight areas included:

- The Company's efforts to keep its people safe and healthy;
- Employee well-being and productivity and continued execution of the Company's strategic priorities;
- How the Company adapted its operations, including content-development processes, enabling the delivery of our strategic objectives;
- The initiation and execution of temporary benefits program enhancements;
- How the Company's financial reporting, disclosure controls and procedures and integrated audit scaled to a global work-from-home environment;
- How the Company's IT infrastructure scaled to a global work-from-home environment;
- Increased risk associated with the Company's IT infrastructure, as well as the IT infrastructure of business partners, from the global shift to a work-from-home environment; and
- How factors related to the COVID-19 pandemic should be considered and evaluated when making compensation decisions.

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 2020 annual meeting attended the 2020 annual meeting.

Board of Directors Leadership Structure

In May 2021, EA's Board Chair, Mr. Lawrence F. Probst III, determined that he would not stand for re-election at the Annual Meeting. The Board of Directors appointed Mr. Andrew Wilson, the Company's Chief Executive Officer as Chair of the Board, effective upon the Annual Meeting and subject to Mr. Wilson's re-election to the Board of Directors at the Annual Meeting. 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.

In appointing Mr. Wilson as Chair, the Board of Directors also considered practices and programs that promote and facilitate independent viewpoints and strengthen effective independent oversight of management. These considerations included 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 business experience, gender, ethnicity and other factors. The Board of Directors also considered its strong standing committees, which are entirely composed of independent directors, and have empowered Committee Chairs.

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 term ends at the Annual Meeting. Mr. Ubiñas was chosen by the independent directors to serve as Lead Independent Director for an additional two-year term, ending 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. 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 and to stockholders, particularly in light of Mr. Probst' transition.

As Lead Independent Director, Mr. Ubiñas' key roles and responsibilities include:

- Calling special meetings of the Board of 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;
- Consulting with the Chairman on the agenda for Board of Directors meetings to ensure sufficient time to discuss agenda items;
- Assessing timeliness of information communicated from management and the Board;
- Serving as a liaison between the Chair and the other independent directors;
- Conducting the annual board evaluation alongside the Chair;
- Leading the Board of Directors' evaluation of the Chief Executive Officer;
- Overseeing the Board of Directors' stockholder communication policies and procedures; and
- Meeting with major stockholders and other external parties.

The Board of Directors believes that this leadership structure with Mr. Wilson serving as Chair and Mr. Ubiñas serving as Lead Independent Director is the appropriate leadership structure for the Company and that having a strong and empowered Lead Independent Director provides an essential mechanism for independent viewpoints and accountability.

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 2021, all nine directors attended or participated in 86% 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	 Talbott Roche	**Meetings in 2021: 8** The committee also acted by written consent.

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.

In the opinion of 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 Mr. Simonson 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.

For further information about the Audit Committee, please see the "*Report of the Audit Committee of the Board of Directors*" below.

Nominating and Governance Committee

Members			
	 **Luis A. Ubiñas (Chair)**	 **Leonard S. Coleman**	**Meetings in 2021: 4** The committee also acted by written consent.

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 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 matters of corporate responsibility, including inclusion and diversity policies and practices, environmental sustainability, community outreach and political activities.

The Nominating and Governance Committee currently is comprised of two directors, each of whom in the opinion of the Board of Directors meets the independence requirements of the NASDAQ Stock Market Rules.

Compensation Committee

Members	 **Luis Ubiñas** **(Chair from December 18, 2020)**	 **Jay C. Hoag** **(Chair until December 18, 2020)**	 **Leonard S. Coleman**	 **Heidi J. Ueberroth**	**Meetings in 2020: 6** The committee also acted by written consent.

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.

In the opinion of the Board of Directors each of the four 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 2021, the Compensation Committee engaged and directly retained two national compensation consulting firms, Compensia, Inc. ("Compensia") and Semler Brossy Consulting Group ("Semler") 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 these compensation consultants in advising the Compensation Committee on our executive compensation program. The Compensation Committee has reviewed the independence of each of Semler and Compensia and has determined that neither of Semler's nor Compensia's engagement 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.

Following the 2020 say-on-pay vote, the Compensation Committee undertook a comprehensive review of our executive compensation program, appointed our Lead Independent Director, Mr. Luis Ubiñas, as Chair of the Compensation Committee and engaged a new independent compensation consultant to apply a fresh perspective to our programs and practices. Our former Compensation Committee Chair Jay Hoag had announced his intention to retire from the Board of Directors at the end of his current term. Thus, the Board of Directors and the Compensation Committee determined that in light of the need to actively engage with our stockholders on our executive compensation program and to implement changes reflecting their feedback, Mr. Ubiñas was uniquely qualified to lead the Compensation Committee during this time given his deep corporate governance experience. It is the expectation of the Board of Directors that Mr. Ubiñas will step down as Chair of the Compensation Committee in due course in order to distribute the Board's leadership roles. The Board of Directors and the Compensation Committee will determine the appropriate time for Mr. Ubiñas to transition off as Chair of the Compensation Committee.

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 2021, 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 2021 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. The evaluations are led by Mr. Ubiñas, our Lead Independent Director and Chair of 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 Risk Issues

Board of Directors

Our Board of Directors oversees our risk management. 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 risks and our risk mitigation strategies. Material business and strategic risks 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 oversees risks related to the COVID-19 pandemic. While committees oversee COVID-19 risks specific to their delegated duties, the Board of Directors has reviewed, overseen and continues to monitor the identification of COVID-19 risks and mitigation strategies related to the Company's efforts to maintain the mental and physical health and safety of its workforce, return-to-work procedures, business strategy and execution, business continuity, information technology systems and networks, and the impact on the Company's financial planning.

Audit Committee

- Risks related to financial reporting, internal controls and procedures, investments, tax and treasury matters and legal compliance.
- Oversees enterprise risk management program, which identifies and prioritizes material risks for the Company, including, if material, risks related to corporate responsibility matters, and the mitigation steps needed to address them.
- Risks related to the COVID-19 pandemic to the Company's internal controls over financial reporting, disclosure controls and procedures and independent audit, as well as the way in which business risks related to COVID-19 are communicated in the Company's SEC filings.

Nominating and Governance Committee

- Risks related to director and CEO succession.
- Risks related to our corporate governance policies and practices.

Compensation Committee

- Risks related to our people practices, including employee engagement, retention and pay equity.
- Reviews compensation-related risks with members of management that are responsible for structuring the Company's compensation programs.

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 have 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 applicable to our executives. The Compensation Committee reviewed the results of their evaluation with management and Semler. 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 Corporate Responsibility

The Nominating and Governance Committee reviews the Company's commitments and progress with respect to matters of corporate responsibility. The Nominating and Governance Committee receives regular reports from management and engages with management on key priorities and strategies. To govern our commitments, and measure our progress, on equity, inclusion and diversity, as well as outreach and community impact, we maintain a Diversity Council, which is led by our CEO and meets at least quarterly. In November 2020, we launched our inaugural Impact Report, detailing our commitments and progress in important social and environmental focus areas. 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

As we aim to inspire the world to play, we know that strength lies in the diversity of our people. Creating great games starts with development teams that are as diverse as the communities we serve. From our inclusive workforce policies to pay equity, we continue to invest in initiatives that empower our people, celebrate diversity and actively foster inclusion.

Positive Play and Healthy Communities

We have a deep commitment to the communities in which we live, work and play. We believe that games are for everyone and can be a positive force for good around the world. We champion Positive Play across our games and services. Throughout our community programs, we proudly support organizations that are driving inclusion, education and strengthening underrepresented communities.

Enhancing Corporate Governance

We maintain corporate governance policies and practices that meet or exceed applicable law and listing standards. We are committed to acting fairly and ethically where and with whom we do business, promoting and protecting human rights, marketing our games and services in a manner that does not mislead consumers, and providing transparency into our political advocacy and activities.

Investing in Privacy and Security

We know that establishing lasting relationships with our players and employees requires care and transparency in how we collect, use, share and protect personal information. We are committed to demonstrating thoughtful stewardship of this information and implementing measures to protect the personal information of our players and employees.

Protecting the Environment

The serious challenge posed by climate change demands a comprehensive global response from every part of society. We are committed to doing our part to combat climate change and are taking action to implement the recommendations of the Task Force on Climate-Related Financial Disclosures.

FY21 Key Corporate Responsibility Actions

Contributed $1 million to organizations fighting for racial justice in the U.S. and against discrimination around the world, including the Players Coalition, Equal Justice Initiative, the American Civil Liberties Union, the Fund for Global Human Rights, and the NAACP Legal Defense and Educational Fund.	Launched our 500+ member Global Green Team focusing on a broad range of internal and community-based environmental actions, such as responsible purchasing and water and waste reduction.
Established our Positive Play Project focused on online safety, healthy play and fair play.	Became the first U.S. publicly-traded company in our industry to publish representation data for our entire organization in alignment with our industry's SASB standards.
Held an Advancing Gender Equality Summit, inviting leaders from the gaming, entertainment, and technology industries to discuss the creative approaches companies are taking to advance gender equality.	Achieved 84% response rate in our December 2020 engagement survey, with 83% of employees responding favorably to questions focused on retention.
Volunteered 18,477 hours to support 1,805 charitable organizations.	Temporarily enhanced our benefits programs to assist employees during the COVID-19 pandemic, 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.
For the first time, disclosed the energy and water usage from our global owned and leased properties, including EA-owned datacenters, as well as the percentage of our servers located in areas of high water stress.	To support global communities impacted by the COVID-19 pandemic and racial and social injustice, increased our match of employee donations to 200% during the first quarter of fiscal 2021.

Pay Equity

In June 2021 we announced that we achieved gender pay equity globally and race/ethnicity pay equity in the United States, each with respect to base pay. To us, pay equity means that employees are paid equitably for their work, regardless of their gender, ethnicity, or other characteristics not relevant to their role or performance in it. When we review employee pay, we take factors such as an employee's job function, job level, performance, location and experience into account to ensure employees are paid fairly.

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 also will be reviewed by our independent Chairman or Lead Independent Director if the Chairman 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.

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.

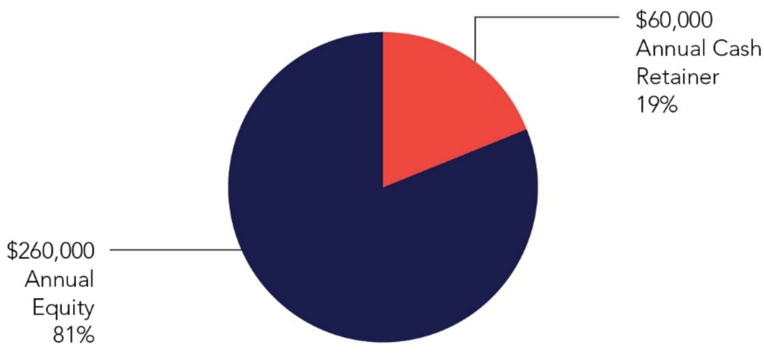
Stockholder Communications with the Board of Directors

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, chairman and lead director fees, as applicable, and (3) an annual equity award, as described below.

Non-Employee Director
(Cash vs Equity Compensation)



The Compensation Committee reviews our non-employee director compensation every two years, with the last review occurring in February 2020 in consultation with Fredrick W. Cook & Co. ("FWC"), an independent consultant to the Compensation Committee. As part of its February 2020 review, FWC 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, no changes to the compensation paid to our non-employee directors were recommended to our Board of Directors. The Compensation Committee expects to conduct its next review of our director compensation in 2022.

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 Chairman 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 2021. For more information regarding the specific compensation received by each non-employee director during fiscal 2021, see the "*Fiscal 2021 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

Chairman of the Board, Lead Director and Committee Chair Fees	Amount ($)
Chairman of the Board of Directors	50,000
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

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 2021.

Equity Compensation

In fiscal 2021, non-employee directors also received an annual equity award of restricted stock units ("RSUs") with a grant date fair value of approximately $260,000. These RSUs were granted upon re-election to the Board of Directors at our 2020 annual meeting and 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 date of grant, which is the first trading day of each quarter of the Board year. Mr. Hoag, Mr. Huber, Ms. Roche, Mr. Simonson, and Mr. Ubiñas received all or part of their cash compensation in the form of our common stock during fiscal 2021.

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.

Fiscal 2021 Director Compensation Table

The following table shows compensation information for each of our non-employee directors during fiscal 2021. Mr. Wilson, our CEO, does not receive any compensation for his service as a member of our Board of Directors. For information regarding the compensation paid to Mr. Wilson during fiscal 2021, refer to the "*Fiscal 2021 Summary Compensation Table*" below, and the related explanatory tables.

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Option Awards ($)[3]	Total ($)
Leonard S. Coleman	82,500	259,955	—	342,455
Jay C. Hoag	81,875	259,955	8,127	349,957
Jeffrey T. Huber	75,000	259,955	7,432	342,387
Lawrence F. Probst III	110,000	259,955	—	369,955
Talbott Roche	75,000	259,955	7,432	342,387
Richard A. Simonson	90,000	259,955	9,056	359,011
Luis A. Ubiñas	114,450	259,955	2,634	377,039
Heidi Ueberroth	72,500	259,955	—	332,455

(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 equity award of RSUs granted to the non-employee directors and is calculated based on a closing price of $146.95 per share for our common stock on the date of grant, August 6, 2020. 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. Each of our non-employee directors held 1,769 unvested RSUs as of April 3, 2021 (the last day of fiscal 2021).

(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 date of grant. The values represent the premium received for shares in lieu of compensation. As of April 3, 2021 (the last day of fiscal 2021), 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 2021:

Name	Grant Date	Exercise Price ($)	Shares Subject to Immediately Exercised Stock Option Grants	Grant Date Fair Value ($)
Jay C. Hoag	5/1/2020	113.27	206	23,334
	8/3/2020	142.36	164	23,347
	11/2/2020	119.81	196	23,483
	2/1/2021	145.87	136	19,838
				90,002
Jeffrey T. Huber	5/1/2020	113.27	182	20,615
	8/3/2020	142.36	145	20,642
	11/2/2020	119.81	172	20,607
	2/1/2021	145.87	141	20,568
				82,432
Talbott Roche	5/1/2020	113.27	182	20,615
	8/3/2020	142.36	145	20,642
	11/2/2020	119.81	172	20,607
	2/1/2021	145.87	141	20,568
				82,432
Richard A. Simonson	5/1/2020	113.27	219	24,806
	8/3/2020	142.36	174	24,771
	11/2/2020	119.81	206	24,681
	2/1/2021	145.87	170	24,798
				99,056
Luis A. Ubiñas	5/1/2020	113.27	255	28,884
				28,884

Executive Compensation Matters

Table of Contents

Compensation Discussion & Analysis

For fiscal 2021, EA's named executive officers ("NEOs") were:

- **Andrew Wilson**, Chief Executive Officer;
- **Blake Jorgensen**, Chief Operating Officer and Chief Financial Officer;
- **Laura Miele**, Chief Studios Officer;
- **Kenneth Moss**, Chief Technology Officer; and
- **Chris Bruzzo**, Executive Vice President, Marketing, Commercial and Positive Play.

Executive Summary

During fiscal 2021 we created amazing games and services for our players, saw deep player engagement, and generated strong financial and operating results. At the same time, we continued to navigate the challenges of the COVID-19 pandemic while prioritizing the health, safety, and wellbeing of our global workforce. Leading up to and following our 2020 annual meeting, we conducted formal engagement with our top institutional stockholders to understand their views on topics including executive compensation, governance, and ESG issues. After considering stockholder views and input from the Compensation Committee's independent compensation consultant and management, the Compensation Committee approved substantive changes to our executive compensation program.

Key highlights for the year included:

Drove strong financial performance and executed on our key strategic objectives	• Generated net revenue of $5.629 billion and diluted earnings per share of $2.87 • Returned $827 million to stockholders through share repurchases and dividends • Delivered on our fiscal 2021 title slate, launching 13 new games, all during the challenges of the COVID-19 pandemic • Completed the acquisitions of Codemasters, Glu Mobile and Metalhead Software, accelerating our global leadership within racing entertainment and the growth of our mobile business, while also adding valuable IP to our portfolio, strengthening our global talent pool, and driving long-term value creation
Guided EA through the COVID-19 pandemic	• Mobilized quickly to adapt our work model by enhancing our information technology systems and platforms, and adapting our operations, including our content development processes, enabling us to continue to deliver on our strategic objectives • Established a COVID-19 Incident Management Team to ensure we had the resources and protocols in place to guide and support our global workforce during the pandemic, while prioritizing health, safety, and wellbeing • Provided our global employees with additional support and resources, including COVID-19 support payments totaling approximately $32.5 million during fiscal 2021, with additional payments to be made in fiscal 2022; 80 hours of paid pandemic care leave to support employees with caregiving needs disrupted by COVID-19; and additional services for mental health and wellbeing
Engaged with top institutional stockholders and implemented changes to our executive compensation program and governance	• Engaged with top institutional stockholders before and after our 2020 annual meeting to understand their views on executive compensation, governance and ESG issues • Appointed Mr. Luis Ubiñas as Chair of the Compensation Committee; engaged a new independent compensation consultant to the Compensation Committee • Considered stockholder feedback and made substantial changes to our executive compensation program for fiscal 2022, including our fiscal 2022 PRSU program

Fiscal 2021 Performance Highlights

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 2021 executive compensation decisions made by the Compensation Committee and Board of Directors.

Fiscal 2021 GAAP Financial Results and Operating Highlights

$5.629 billion net revenue	**$2.87** diluted earnings per share	**$6.190** billion net bookings
Live Services and other net revenue **$4.016** billion, representing 71.3% of total net revenue	**$1.934** billion operating cash flow	**18.6%** operating profit margins
Repurchased **5.6 million** shares during fiscal 2021 for $729 million	Initiated quarterly cash dividend of **$0.17** per share in Q3 of fiscal 2021	Launched **13 major games** during fiscal 2021, including *FIFA 21, Madden NFL 21, NHL 21, Star Wars™: Squadrons, Medal of Honor™: Above and Beyond,* and *Need for Speed™ Hot Pursuit Remastered,* and navigated a major platform transition to next generation consoles
Over 100 million players of Apex Legends life to date on console/PC	FIFA Ultimate Team players grew **16%** year-over-year	**Over 500 million players** across our player network within mobile, console and PC

Our COVID-19 Response

We delivered our achievements against the background of the global challenge of the COVID-19 pandemic. Since the outbreak of the pandemic, we have focused on actions to support our people, our players, and communities around the world. The wellbeing of our workforce is our top priority, and to keep everyone as safe as possible, nearly our entire workforce worked from home for the entirety of fiscal year 2021 and will continue to do so through at least September 2021. We have taken a number of actions to support our employees during this difficult period. For example, we provided our employees with:

- unlimited paid sick time for employees during the first seven months of the pandemic, in addition to our regular paid time off and sick leave policies;
- 80 hours of paid time off for caregiving reasons relating to the pandemic;
- COVID-19 support payments totaling approximately $32.5 million during fiscal 2021 to assist with work from home costs, caregiving, and other pandemic-related expenses, with additional payments to be made in fiscal 2022;
- ergonomic assessments, and additional mental and physical health and wellbeing services; and
- additional rewards for certain essential on-site workers.

With more people staying at home, we saw growth in our business and across the industry. We're proud that we continued to execute against our strategy in this challenging environment, delivering 13 new games, nearly all of which are supported by robust live services, bringing our games and subscription services to new platforms and adding tens of millions of players to our network. The pandemic has accelerated our progress against key strategic initiatives, notably a significant increase in live services and other net revenue and the proportion of our games downloaded digitally. The full extent of the COVID-19 pandemic to our business, operations and financial results will depend on numerous evolving factors that we may or may not be able to predict, but we are proud of how our employees and management, supported by our Board of Directors, have navigated challenging times and executed in service of our stockholders, players, and communities.

Stockholder Engagement and our 2020 Say-On-Pay Vote

In fiscal 2021, we increased our stockholder engagement efforts, conducting formal outreach before and after our 2020 annual meeting. Leading up to the 2020 annual meeting, we reached out to our top 100 stockholders collectively holding over 70% of our common stock on various topics including our executive compensation program, governance and ESG issues, and engaged with approximately 30 of these stockholders collectively holding approximately 40% of our common stock. At our 2020 annual meeting, we were disappointed that the advisory say-on-pay proposal received low support at 26%, especially given our strong fiscal 2020 financial performance and the strong support received in prior years when 94%, 86%, and 96% of the votes cast at our 2019, 2018 and 2017 annual meetings, respectively, were voted in favor of our say-on-pay proposal.

Following the 2020 say-on-pay vote, the Compensation Committee undertook a comprehensive review of our executive compensation program, appointed our Lead Independent Director, Mr. Luis Ubiñas, as Chair of the Compensation Committee and engaged a new independent compensation consultant to apply a fresh perspective to our programs and practices. Our former Compensation Committee Chair Jay Hoag had announced his intention to retire from the Board of Directors at the end of his current term. Thus, the Board of Directors and the Compensation Committee determined that in light of the need to actively engage with our stockholders on our executive compensation program and to implement changes reflecting their feedback, Mr. Ubiñas was uniquely qualified to lead the Compensation Committee during this time given his deep corporate governance experience. It is the expectation of the Board of Directors that Mr. Ubiñas will step down as Chair of the Compensation Committee in due course in order to distribute the Board's leadership roles. The Board of Directors and the Compensation Committee will determine the appropriate time for Mr. Ubiñas to transition off as Chair of the Compensation Committee.

At the same time, we continued our stockholder outreach, inviting 34 of our top institutional stockholders collectively holding approximately 56% of our common stock to have additional calls with our engagement team, led by our Chief People Officer Mala Singh, to understand their concerns with our executive pay program. We had calls with stockholders collectively holding approximately 46% of our common stock, with members of the Compensation Committee participating in calls with our largest institutional stockholders collectively holding 35% of our common stock. We also invited advocacy group Change to Win to meet with us and participated in a call with them and our Compensation Committee member Mr. Len Coleman.

After considering stockholder feedback, as well as input from management and the Compensation Committee's new independent compensation consultant, the Compensation Committee approved substantive changes to our executive compensation program for fiscal 2022 as outlined in more detail below. The Compensation Committee will continue to consider stockholder feedback, input from its independent compensation consultant and the outcomes of future say-on-pay votes when evaluating our executive compensation programs and policies and making compensation decisions for our NEOs.

Stockholder Outreach and Our Response

OUR STOCKHOLDER ENGAGEMENT PROGRAM

- We contacted our institutional stockholders before and after our 2020 annual meeting to solicit feedback on executive compensation, governance, ESG issues and other topics of interest to them.
- Our engagement team included members of the Compensation Committee, our Chief People Officer, Vice President of Total Rewards, Vice President of Investor Relations and Vice President, Legal Affairs.
- We invited 34 of our top institutional stockholders collectively holding approximately 56% of our common stock to have calls with our engagement team and held calls with stockholders representing approximately 46% of our common stock.
- Members of the Compensation Committee participated in meetings with our largest institutional stockholders collectively holding 35% of our common stock.
- The feedback we received from our stockholders was conveyed to the Board of Directors and relevant committees of the Board and were a key input to the decisions made on our executive compensation program.

What We Heard from Stockholders		Our Actions and Perspective
Special Equity Awards	Concerns with the use of special equity awards in fiscal 2020, particularly regarding overlapping performance periods for special equity awards	**Action:** ***Granted no special equity awards*** in fiscal 2021 following our August 2020 annual meeting, and no special equity awards outside of our regular compensation program will be granted in fiscal 2022 to any of our NEOs. **Perspective:** We heard from our stockholders that our grants of special equity awards were deemed too frequent. Our Board of Directors and Compensation Committee understand the concerns raised and take this feedback seriously. Special equity awards are not part of our regular executive compensation program. We deem them to be extraordinary occurrences that should be highly targeted and used only in rare circumstances to address significant competitive pressures to retain our top critical executive talent.
Performance-Based Restricted Stock Unit ("PRSU") Program Features	Program should incorporate financial and operating metrics in addition to relative total stockholder return ("TSR") Annual vesting is contrary to long-term nature of program	**Action:** ***Added two additional performance metrics***—net bookings and operating income—to our fiscal 2022 PRSU program. ***Split*** PRSU awards beginning with fiscal 2022 into three equal tranches, with each tranche earned based on the achievement of a different performance metric: relative TSR, net bookings, and operating income. ***Increased vesting for annual PRSU awards to three-year cliff vesting,*** *b*eginning fiscal 2022 and thereafter. **Perspective:** The Compensation Committee selected net bookings and operating income because they 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. Further, these metrics increase line-of-sight for our NEOs and align our long-term incentive program with our broader business strategy, while maintaining strong alignment to results for our stockholders. Finally, the three-year cliff vesting period better aligns the interests of executives with those of long-term stockholders.
	Lookback feature is a non-standard design element	**Action:** ***Eliminated the lookback feature*** from the relative TSR component of our fiscal 2022 PRSU program.
	11th percentile for threshold payout on the relative TSR PRSUs is too low	**Action:** ***Increased threshold and adjusted the relative TSR payout scale*** to better align with market and peer practices for the relative TSR component of our fiscal 2022 PRSU program. No PRSUs will be earned if relative TSR is below the 25th percentile, and we will continue to require above-market performance to earn the target number of PRSUs.

	Performance	Payout (as % of target PRSUs)
Below Threshold	0-24th percentile	0%
Threshold	25th percentile	30%
Target	55th percentile	100%
Maximum	90th percentile	200%

	Would like to see increased use of performance-based awards	**Action:** CEO's annual equity award for fiscal 2022 and beyond to be at least ***60% performance-based.***

What We Heard from Stockholders		Our Actions and Perspective
Annual Bonus Program	Would like to better understand our financial and non-financial goals and annual bonus payout determinations	**Action:** ***Enhanced disclosure*** of our annual bonus program structure, non-financial goals, and how payouts are determined (see below under *"Our NEOs' Fiscal 2021 Compensation—Annual Performance Cash Bonus Awards"*). ***Amended our Executive Bonus Plan*** effective for fiscal 2022, to ***cap NEO bonuses at 2x their target bonus percentage*** (instead of our legacy Internal Revenue Code Section 162(m) bonus cap of the lesser of 6x annual base salary and $5 million) to better align to market practice and have our bonus caps be clearer.
Stock Ownership	Would like to see higher stock ownership among executives	**Action:** ***Increased our Stock Ownership Guidelines*** for our CEO and other NEOs, including doubling the ownership multiple for our CEO.
Clawback Policy	Clawback should cover cash incentives, as well as equity incentives	**Action:** ***Expanded our Clawback Policy*** to cover cash incentives, as well as equity incentives. Under the Clawback Policy, if we are required to restate our financial results and the Board of Directors determines that a covered officer engaged in an act of misconduct that resulted in the restatement, the Board of Directors may recoup any excess incentive compensation paid to a covered officer during the three years before the restatement.

	Ownership Value as Multiple of Base Salary	
Section 16 Officer	**Updated Guidelines**	**Prior Guidelines**
CEO	10x	5x
EVP	3x	2x

Recruiting and Retention Challenges and Considerations

Challenges

We operate in a highly competitive market and industry, and in a geographic region that is exceptionally competitive for executive talent.

- **Highly competitive industry**: The digital interactive entertainment market is intensely competitive for talent at all levels and changes rapidly as new products, business models and distribution channels are introduced. 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, and Facebook are pursuing and strengthening their interactive entertainment capabilities and new entrants continue to emerge.
- **Intense competitive market for executive talent**: Attracting and retaining innovative, highly-talented and high-performing executives in this competitive and rapidly evolving market is critical to both our short-term and long-term success. We are headquartered in the San Francisco Bay Area, a geographic region that is extremely competitive for executive talent, particularly in the technology sector. Competition for talent at all levels, including the executive level, is especially fierce. Because we are a global leader in digital interactive entertainment and a pioneer in the gaming industry, our executives, seasoned leaders with deep industry experience and expertise, are prime targets for recruiting from large technology companies that are headquartered in the San Francisco Bay Area, including companies like Alphabet, Apple and Facebook that are expanding their interactive entertainment capabilities, as well as emerging growth companies and mature technology companies.

Response

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. Our compensation program is designed to incentivize and retain our executive officers to create long-term value for our stockholders.

Our Fiscal 2021 CEO Annual Equity Award

May 14, 2020	June 16, 2020	June 19, 2020	August 6, 2020
• Board of Directors approved Mr. Wilson's fiscal 2021 annual equity award	• Grant date of Mr. Wilson's fiscal 2021 annual equity award	• Filed 2020 Proxy Statement with SEC	• Our 2020 Annual Meeting of Stockholders

In response to the competitive context for talent outlined above, the Board of Directors approved an enhanced fiscal 2021 annual equity award for Mr. Wilson. In May 2020, the Board of Directors determined the target value of Mr. Wilson's equity award of $30 million, with 60% of the award granted in the form of PRSUs and 40% of the award granted in the form of RSUs. This award was granted to Mr. Wilson on June 16, 2020, before our 2020 annual meeting. The Board of Directors determined that it was critical to grant Mr. Wilson a larger than normal annual equity award for the following key reasons.

- **To drive transformational growth and long-term success**: The Board of Directors believes that Mr. Wilson has the strategic vision necessary to transform Electronic Arts into a digital interactive entertainment platform and is committed to retaining Mr. Wilson for his exceptional leadership, strategic vision, proven ability to execute on our long-term strategy and objectives, and passion for creating amazing games and services for our players.
- **To recognize his outstanding track-record as CEO**: Mr. Wilson has delivered exceptional value for stockholders during his seven-year tenure as CEO. When he assumed the role of CEO on September 17, 2013, our stock price was $27.60. Our stock price was $117.12 on May 14, 2020, when the Board of Directors approved Mr. Wilson's fiscal 2021 annual equity award, and $125.73 on June 16, 2020, the award grant date.
- **To address the competitive landscape and significant recruiting pressures**: Given Mr. Wilson's successful track record as CEO, the intensely competitive landscape for executives of Mr. Wilson's caliber, and the significant recruiting efforts made for him as a result, the Board of Directors determined to take definitive action to retain him.

The Board of Directors believed that making this larger than normal grant on a one-time basis was in the best interests of stockholders given the heightened competition for top executive talent and the need to continue to retain and motivate Mr. Wilson. In May 2020, the Board of Directors approved—on a one-time-basis—a fiscal 2021 equity award with a target value of $30 million for Mr. Wilson. By comparison, the target value of Mr. Wilson's fiscal 2020 equity award was $15 million.

In May 2021, the Board of Directors approved a fiscal 2022 annual equity award for Mr. Wilson with a target value of $18 million. This award was granted on June 16, 2021, and will be disclosed in the compensation tables in our fiscal 2022 proxy statement.

Compensation Principles

Philosophy and Objectives

Our business is based on harnessing creativity and technology to create games that engage and entertain our players. As a knowledge-based business, we believe that the skills, expertise, and experience of our employees, including our NEOs, are unique and 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:

- pay for performance by creating incentives tied to our business results;
- create direct alignment with our stockholders by providing equity ownership in the Company;
- provide highly competitive compensation to attract and retain top executive talent;
- reward and motivate strong individual performance and leadership; and
- avoid undue compensation-related risk.

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 94% of NEO compensation is variable and at-risk
- Cap performance-based annual bonus awards
- Require our executives to satisfy robust stock holding requirements
- Conduct 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 regular stockholder outreach

What We Don't Do

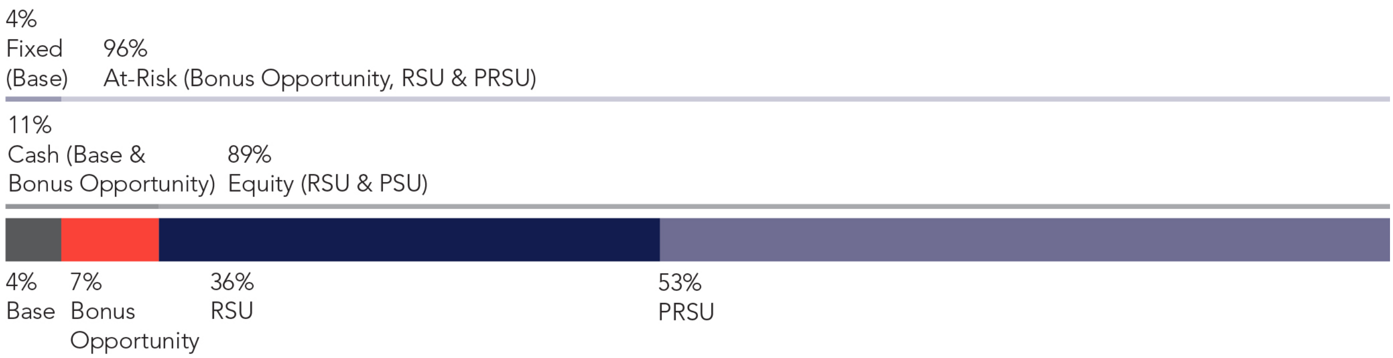
- No "single-trigger" change in control arrangements
- No excise tax gross-ups upon a change in control
- No executive employment contracts (other than as required by local jurisdictions)
- No repricing of options without stockholder approval
- No hedging or pledging of EA stock
- No excessive perquisites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

Our NEOs' Fiscal 2021 Compensation

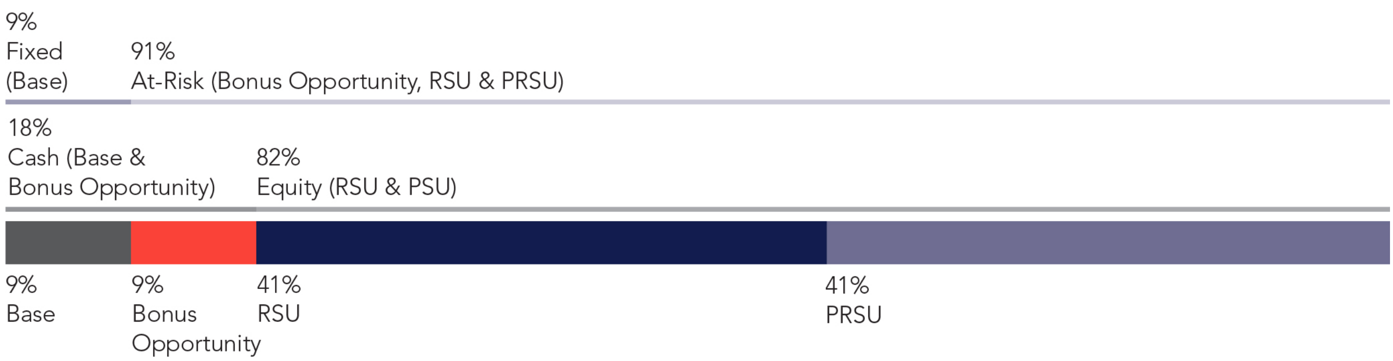
Target Total Direct Compensation for Fiscal 2021

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. The majority of the compensation that our NEOs receive is performance-based, with 85% delivered in the form of long-term equity incentives, to align their interests with those of our stockholders. For fiscal 2021, approximately 96% of our CEO's target total direct compensation opportunity and 91% of the average of our NEOs' (excluding our CEO) 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.

CEO



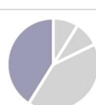
NEOs (Excluding CEO)



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 awards.

Target Total Direct Compensation for Fiscal 2021

	CEO	Other NEOs	Characteristics	Purpose	Focus and Impact
Annual Base Salary	4%	 9%	Fixed cash component	Base salary serves to attract and retain high-performing executives.	Commensurate with level of responsibilities, complexity, a competitive market analysis for similar positions and individual performance, and internal compensation alignment.
Annual Performance Cash Bonus Awards	 7%	 9%	Annual payout based on: Company performance (50% Company financial performance and 50% Company business performance against preset goals), with an individual performance modifier	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.	Designed to reward executives for actions that create stockholder value with performance in line with short-term financial, strategic and individual goals, while remaining competitive with the market for similar positions at our peers, and internal compensation alignment.
Long-Term Equity Awards				The majority of each NEO's target total direct compensation should be provided in the form of long-term equity incentives.	Further strengthen the alignment of executives' interests with those of long-term stockholders, taking into consideration factors such as Company performance, each NEO's role, individual performance, the value of unvested equity awards, grant date fair value of the award, competitive market practices, and internal compensation alignment.
RSU	 36%	 41%	35-month vesting schedule	The mix of time-based RSUs and performance-based RSUs aligns the interests of our NEOs and our stockholders and promotes long-term retention of a strong leadership team in an industry and geographic area that is highly competitive for executive talent.	
PRSU	 53%	 41%	3-year performance period Payouts tied to TSR Relative to NASDAQ-100 Index		

Base Salary

Base salary is the fixed cash component that is market competitive for the role to attract and retain high-performing executives. Base salaries for our NEOs are reviewed annually by the Compensation Committee and the Board of Directors. To determine an executive's base salary, the Compensation Committee, and the Board of Directors for Mr. Wilson, with assistance from the Compensation Committee's independent compensation consultant, consider factors such as 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 2020 annual compensation review, the Compensation Committee, and the Board of Directors, in the case of Mr. Wilson, approved fiscal 2021 base salary increases, effective June 1, 2020, as set forth below. The increases for Messrs. Wilson, Jorgensen, Moss and Bruzzo were between 3.6% and 5.9% 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 10% increase in base salary in recognition of her increased scope of responsibilities, which includes leading all game development for our worldwide studios, market competitive practices for game development talent, and her exceptional performance and contributions during the previous year.

NEO	Base Salary for Fiscal 2020 ($)	Base Salary for Fiscal 2021 ($)	% Increase
Mr. Wilson	1,200,000	1,260,000	5.0%
Mr. Jorgensen	850,000	900,000	5.9%
Ms. Miele	691,875	765,000	10.0%
Mr. Moss	691,875	720,000	3.6%
Mr. Bruzzo	691,875	720,000	3.6%

Annual Performance Cash Bonus Awards

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 NEOs participate in the Executive Bonus Plan, which governs bonuses paid to our Section 16 officers. The Executive Bonus Plan establishes the maximum bonus awards that may be paid to an NEO for the fiscal year, and operates in conjunction with the EA Bonus Plan, our Company-wide bonus plan that applies to over 86% of our employees globally. Annual performance cash bonuses for our NEOs are determined based on Company performance (comprised of Company financial and business performance, weighted equally) and individual performance. 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

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, performance measures, and the formula used to determine the maximum bonus funding under the plan for each participating NEO. All NEOs were selected to participate in the Executive Bonus Plan for fiscal 2021.

STEP 1	STEP 2	STEP 3	STEP 4
Approve target bonus percentages and maximum award amounts	Set performance goals	Determine Company bonus pool funding	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 2021, the Board of Directors, in the case of Mr. Wilson, and the Compensation Committee, in the case of the other NEOs, determined that there would be no increases in the target bonus percentages for Messrs. Wilson, Jorgensen, Moss and Bruzzo. The Compensation Committee approved an increase of 10% to Ms. Miele's target bonus percentage in recognition of her increased scope of responsibilities, which includes leading all game development for our worldwide studios, market competitive practices for game development talent, and her exceptional performance and contributions during the previous year.

Fiscal 2021 Target Bonus Percentages

	Annualized Base Salary for Fiscal 2021 ($)	Target Bonus Percentage for Fiscal 2021
Mr. Wilson	1,250,000	200%
Mr. Jorgensen	891,667	125%
Ms. Miele	753,375	110%
Mr. Moss	715,875	100%
Mr. Bruzzo	715,875	100%

Performance cash bonus awards represented approximately 58% of the average of our NEOs' annual target total cash compensation for fiscal 2021, thus putting at risk a significant portion of our NEOs' cash compensation.

Maximum Award Amounts

The Executive Bonus Plan establishes the maximum bonus award that may be paid to an NEO. For fiscal 2021, the Compensation Committee selected non-GAAP net income as the performance measure to determine the maximum award amounts because profitability (as measured by net income) is a key business focus in any year. The maximum bonus award for each NEO was established as the lower of: (1) 600% of each respective NEO's annual base salary, not to exceed $5 million, and (2) 1.0% of our fiscal 2020 non-GAAP net income for our CEO, or 0.5% for all other NEOs. For our CEO, no bonus payout is made if net income is less than 80% of our fiscal 2021 plan.

Looking ahead to fiscal 2022: In line with stockholder feedback received and as described above under *"Stockholder Outreach and Our Response,"* beginning in fiscal 2022, the maximum bonus award for each NEO will be capped at two times each NEO's target bonus percentage. This change is intended to align maximum award amounts to peer and market practice.

Step 2: Set Performance Goals

To align our NEOs' bonus payouts to the performance of the Company, 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, based on pre-established goals. The Compensation Committee believes that this 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. The Compensation Committee may exercise discretion, subject to the maximum payout percentages, to further adjust the Company bonus pool funding percentage.

Company Financial Performance

For fiscal 2021, the Compensation Committee approved the following two equally weighted Company financial performance goals. Despite the challenges and increased uncertainty created by the global COVID-19 pandemic, no adjustments were made to these goals during the fiscal year.

Non-GAAP Net Revenue of	Non-GAAP Diluted Earnings Per Share of
$5,550 million	**$4.90**
(50% weighting)	(50% weighting)

The Compensation Committee selected these metrics because they are key indicators of our financial performance.

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. 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.

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. For fiscal 2021 our Board of Directors approved strategic and operating objectives that map to five key focus areas that in turn align with our three strategic pillars and, as a knowledge-based business driven by the skills, expertise and experience of our global talent pool, objectives relating to our people. Within each of the five key focus areas described below, certain specific and quantifiable goals and objectives were established, but they are not disclosed for competitive reasons. 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. Our fiscal 2021 business objectives were designed to measure our success in creating amazing games and content, expanding our live services business, growing our audience, fostering healthy communities for our players, and maintaining the health, wellbeing, safety, and productivity of our workforce, all while navigating the challenges of the global COVID-19 pandemic.

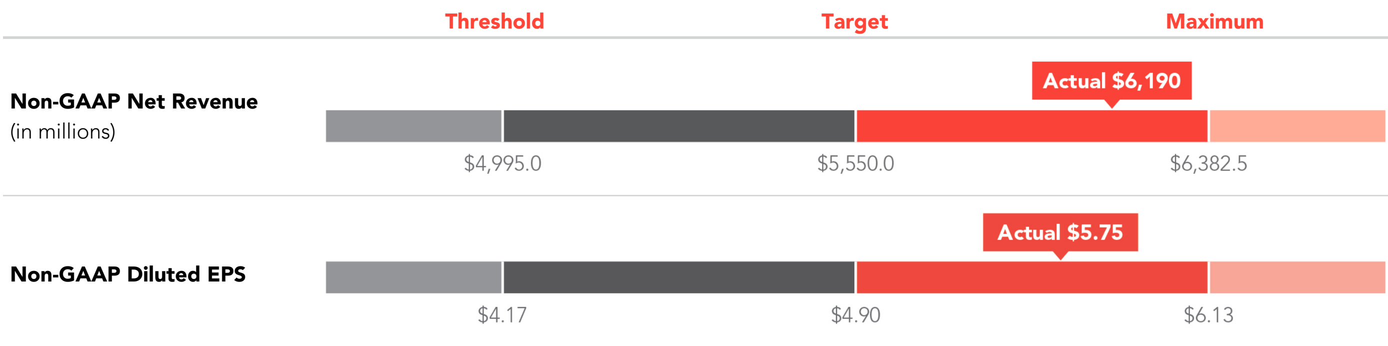
Deliver amazing games and content	**Offer live services that extend and enhance the experience**	**Connect more players, across more platforms, and more ways to play**		**Support, develop and inspire our people**
Games Create the greatest and most innovative games and content that surprise and amaze 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.	Healthy Communities Foster a safe and transparent environment for players and viewers by addressing online safety, healthy play, and fair play in and around our games.	People Maintain the health and productivity of our workforce as we navigate the Company through a series of unprecedented crises.

Step 3: Determine Company Bonus Pool Funding

In May 2021, the Compensation Committee approved an overall Company bonus pool funding percentage of 155% of aggregate employee target bonuses, based on equally weighted funding percentages of 180% for our Company financial performance and 130% for our Company business performance, as described below.

Company Financial Performance

In fiscal 2021, our non-GAAP net revenue of $6.190 billion was approximately 112% of our $5.550 billion target and reflected a 15.2% increase from our actual fiscal 2020 non-GAAP net revenue of $5.372 billion. Our non-GAAP diluted earnings per share of $5.75 for fiscal 2021 was approximately 117% of our $4.90 target and reflected a 19.5% increase from our actual fiscal 2020 non-GAAP diluted earnings per share of $4.81. As a result, the Compensation Committee approved a funding percentage of 180% for the Company financial performance component, based on the equal weighting of non-GAAP net revenue and non-GAAP diluted earnings per share.



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

Company Business Performance

At the end of the fiscal year, the Compensation Committee reviewed the Company's business performance against the key objectives established for the year. The Compensation Committee takes a holistic approach to evaluating Company performance against our strategic and operating objectives and does not assign a specific weighting to any one factor within the five key focus areas. The Compensation Committee approved a funding percentage 130% for the business performance component, based on its evaluation of the many achievements against strategic goals highlighted below, including growth in live services and subscriptions, our expanded platform and audience reach, and the acquisitions of Codemasters, Glu Mobile, and Metalhead Software, all of which drive transformational growth and position the Company for long-term success and were achieved during the global pandemic while our employees worldwide worked from home.

Strategic and Operating Objectives	Key Measures	Key Highlights
Games: Create the greatest and most innovative games and content that surprise and amaze our players, creators, and viewers	• Number of new game releases • Growth in live services and other net bookings as well as mobile net bookings against fiscal 2021 plan	• Navigated a major platform transition to next generation consoles and launched 13 new games, achieving our fiscal 2021 title offerings, while our global game development teams worked remotely • Record live services and other net bookings of $4.6 billion for fiscal 2021, exceeding fiscal 2021 plan • Delivered year-over-year mobile net bookings growth, exceeding fiscal 2021 plan; launched *FIFA Mobile* in Korea, *FIFA Mobile* in Japan and *Madden Mobile 21* • Completed the acquisitions of Codemasters, Glu Mobile and Metalhead Software, accelerating our global leadership within racing entertainment and the growth of our mobile business, while also adding valuable IP to our portfolio
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	• Percentage availability of services • Improved metrics in player engagement, conversion, and satisfaction	• Achieved over 99.7% availability of all services in fiscal 2021, meeting our fiscal 2021 plan target, while our global workforce remained fully distributed • Saw record levels of engagement across several of our key franchises, including *Apex Legends*, with no material service interruptions • EA Desktop, our PC platform, drove positive player sentiment
Audience: Expand frictionless access to a connected world of play, by helping more players discover, buy, and enjoy amazing game experiences	• Growth in subscriber base • Platform expansion, measured by platform title launches • Drive increased engagement through competitive gaming initiatives	• Reached over 500 million players across our player network within mobile, console and PC • Expanded content reach through title launches on Game Pass Ultimate, Steam, Stadia, Switch and Gen 5 consoles, including the launch of *Star Wars™: Jedi Fallen Order* on Google Stadia and *FIFA 21* and *Madden NFL 21* on PS5 and Xbox Series X
Healthy Communities: Foster a safe and transparent environment for players and viewers by addressing online safety, healthy play, and fair play in and around our games	• Develop initiatives and principles to support healthy play, online safety, and fair play	• Established Positive Play group to help build safe, fair, and inclusive communities, and introduced Positive Play Charter • Launched playtime tracking, monthly spend limits for teens, and FIFA in-game dashboards • Launched time and spend controls on Origin
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 • Providing meaningful support to our global workforce during COVID-19	• Record employee engagement scores, with manager eSat scores significantly above target for fiscal 2021 • EA's organic business increased global women and underrepresented talent year-over-year as a percentage of total employees, employees in technical roles and in people management roles • Supported the health, safety, and wellbeing of our global workforce during the COVID-19 pandemic, including by providing employees: ◦ unlimited paid sick time during the first seven months of the pandemic, in addition to our regular paid time off and paid sick leave policies; ◦ 80 hours of paid time off for caregiving reasons relating to the pandemic; ◦ COVID-19 support payments totaling approximately $32.5 million during fiscal 2021 to assist employees with work-from-home and other pandemic-related expenses, with additional payments to be made in fiscal 2022; ◦ ergonomic assessments, and additional mental and physical health and wellbeing services; and ◦ additional rewards for certain essential on-site workers.

Step 4: Conduct Individual Performance Assessments and Determine IPMs

Conduct Individual Performance Assessments

As described above, 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.

For Mr. Wilson, the individual objectives are based 60% on non-GAAP financial objectives, and 40% on 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 2021 plan, as well as qualitative factors including leadership, talent development, and goals related to diversity and inclusion initiatives. Each NEO's individual performance result is based on the Board of Director's or the Compensation Committee's assessment of the NEO's overall performance, including achievement of individual objectives set earlier in the fiscal year.

Determine Individual Performance Modifiers (IPMs)

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, for all other NEOs, assess the individual performance of our NEOs, and, based on that assessment, determine each NEO's individual performance modifier, or IPM, at a percentage between 0% and 200%. 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 NEO 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 executives is based wholly on a qualitative assessment of each executive officer's performance, considering his or her overall performance for the year, impact on our business and culture, demonstrated results, as well as the executive's strong leadership, strategic vision, execution on key objectives, and management capabilities. No single factor is determinative. For Mr. Wilson, the Board of Directors considered the achievement of the fiscal 2021 financial and strategic objectives, weighted 60% and 40%, respectively, that were established for him for the fiscal year.

Determination of Fiscal 2021 Performance Cash Bonus Awards for our NEOs

NEOs' Leadership in Response to the Unprecedented Challenges of the COVID-19 Pandemic

The Board of Directors and the Compensation Committee believe that the NEOs' exceptional leadership managing the Company and our global employees was critical in driving the Company's many successes this year despite the extreme challenges of the COVID-19 pandemic, with stay-at-home orders, a fully-distributed workforce, and health and safety concerns, among others. Throughout fiscal 2021 our NEOs executed strategies to address employee health, safety and wellbeing, business continuity, risk mitigation, security, and information technology to respond to the rapidly evolving situation of the pandemic, while at the same time delivering on our title plan, growing our live services business, and generating strong financial performance.

Under the NEOs' leadership, we:

- mobilized quickly to support our global workforce by enabling employees to work from home;
- supported the health, safety and wellbeing of our global workforce, including by providing unlimited paid sick time during the first seven months of the pandemic, 80 hours of paid time off for caregiving reasons relating to the pandemic, ergonomic assessments, additional mental health and wellbeing services, and COVID-19 support payments totaling approximately $32.5 million during fiscal 2021 to assist with work-from-home and other pandemic-related expenses, with additional payments to be made in fiscal 2022;
- achieved record employee satisfaction scores across the organization as we focused on our employees' safety and wellbeing as a key priority during this time;
- enhanced our information technology systems to support our distributed workforce, maintain productivity, increase security, and mitigate the disruption to operations brought about by stay-at-home orders;
- adapted our operations, including our content development processes, enabling us to continue to deliver on our strategic objectives;
- navigated a major platform transition to next generation consoles while also delivering on our title plan, launching 13 new games during the fiscal year, all while our employees worked from home across the globe; and
- through our amazing games and live services, brought our global gaming community together virtually to maintain social connections during a time of physical distancing.

The Board of Directors and the Compensation Committee considered these exceptional achievements and contributions when assessing the performance of our NEOs and approving their individual performance modifiers.

Fiscal 2021 Performance Cash Bonus Award for our CEO

In determining Mr. Wilson's actual performance cash bonus award for fiscal 2021, the Board of Directors considered the weighting and achievement of Mr. Wilson's fiscal 2021 financial and strategic objectives, as set forth 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 these two categories. The key results that influenced the Board of Directors' decisions regarding Mr. Wilson's performance are listed below.

Mr. Wilson

Chief Executive Officer

Individual Performance Modifier

After reviewing his achievements for fiscal 2021, the Board of Directors approved an IPM of 129% for Mr. Wilson.

Key Highlights for Fiscal 2021

To determine Mr. Wilson's actual performance cash bonus award, the Board of Directors considered Mr. Wilson's performance against the financial and strategic and operating objectives for fiscal 2021, as highlighted below. The Board of Directors also considered Mr. Wilson's leadership and contributions in successfully navigating the Company through the challenges of the COVID-19 pandemic, as described above.

Non-GAAP Financial Objectives (60% weight):

(in millions, except earnings per share)	Target	Actual[(1)]
Net Revenue	$ 5,550	$ 6,190
Gross Profit	$ 4,168	$ 4,705
Operating Expenses	$ 2,399	$ 2,629
Diluted Earnings Per Share[(2)]	$ 4.90	$ 5.75
Operating Cash Flow	$ 1,650	$ 1,934

(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 292 million was used.

Strategic and Operating Objectives (40% weight):

Under Mr. Wilson's leadership, the Company executed on key strategic and operating objectives that were established for the fiscal year and that our CEO is responsible for delivering. These objectives were designed to position Electronic Arts as a 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, as highlighted below.

Games

Under Mr. Wilson's leadership, we delivered amazing games and content and executed on key objectives and growth drivers to position EA for continued growth. During fiscal 2021 we:

- delivered on our fiscal 2021 release slate, launching 13 major games during fiscal 2021, including *FIFA 21, Madden NFL 21, NHL 21, Star Wars™: Squadrons, Medal of Honor™: Above and Beyond, and Need for Speed™ Hot Pursuit Remastered;*
- achieved $6.190 billion in net bookings for the fiscal year, a 15.2% increase over fiscal 2020;
- completed the acquisitions of Codemasters, Glu Mobile, and Metalhead Software, accelerating our global leadership within racing entertainment and the growth of our mobile business, while also adding valuable intellectual property to our portfolio and strengthening our global talent pool.

Services

During fiscal 2021, we offered live services that extend gameplay and enhance how players interact with and connect to their games and friends, across games and platforms. We achieved:

- record live services and other net bookings of $4.6 billion for the fiscal year;
- FIFA Ultimate Team players grew 16% year-over-year; and
- key service availability metrics for the fiscal year.

Audience

We connected more players, across more platforms, and more ways to play, while bringing our global gaming community together virtually to maintain social connections during the COVID-19 pandemic. Under Mr. Wilson's leadership we:

- launched the platform expansion for our portfolio with *Star Wars™: Jedi Fallen Order* on Google Stadia and *FIFA 21* and *Madden NFL 21* on PS5 and Xbox Series X;
- reached over 500 million players across our player network within mobile, console and PC; and
- had over 100 million players of *Apex Legends™* life to date on console/PC, and Season 8 had more than 12 million weekly average players; and
- saw a record number of new players join Madden NFL on console/PC during fiscal 2021.

Healthy Communities

During fiscal 2021, we fostered a safe and transparent environment for players and viewers by addressing online safety, healthy play, and fair play in and around our games. Under Mr. Wilson's leadership we:

- established our Positive Play group to help build safe, fair, and inclusive communities, and introduced our Positive Play Charter; and
- launched playtime tracking, monthly spend limits for teens, and FIFA in-game dashboards.

People

During fiscal 2021, we supported our global workforce, focusing on health, wellbeing, and safety first and foremost, as we navigated the challenges of the COVID-19 pandemic, while also demonstrating our commitment to diversity and inclusion in the workforce. Under Mr. Wilson's leadership we:

- maintained high employee satisfaction score averages;
- published our first annual Impact Report, detailing our commitments and progress in important social and environmental focus areas, including to build diverse and healthy teams;
- EA's organic business increased global women and underrepresented talent year-over-year as a percentage of total employees, employees in technical roles and in people management roles; and
- supported our global workforce during the COVID-19 pandemic by providing additional paid time off, COVID-19 support payments, and other benefits to support the safety, mental health and wellbeing of our employees.

Fiscal 2021 Performance Cash Bonus Awards for the 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 2021 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.

Mr. Jorgensen

Chief Operating Officer and Chief Financial Officer

Mr. Jorgensen is responsible for EA's financial management, operational effectiveness, and developing business strategies and opportunities for EA's long-term growth.

Individual Performance Modifier

After reviewing his achievements for fiscal 2021, the Compensation Committee approved an IPM of 128% for Mr. Jorgensen.

Key Highlights for Fiscal 2021

To determine Mr. Jorgensen's actual performance cash bonus award, the Compensation Committee considered that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2021, as well as Mr. Jorgensen's individual performance, as highlighted below. The Compensation Committee also considered Mr. Jorgensen's leadership and contributions in successfully navigating the Company through the challenges of the COVID-19 pandemic, as described above.

Under Mr. Jorgensen's leadership during fiscal 2021, the Company:

- achieved record cash flow provided by operations in fiscal 2021 of $1.934 billion, while continuing to efficiently manage the Company's operating expenses;
- saw growth across EA's broad portfolio and diverse business models, including live services, for which we achieved record net bookings of $6.190 billion for the fiscal year;
- announced a new two-year share repurchase program to repurchase up to $2.6 billion of EA common stock;
- initiated a quarterly dividend for the first time in EA history; declared a cash dividend of $0.17 per share of EA common stock in Q3 and Q4 of fiscal 2021, returning over $98 million to stockholders;
- raised $1.5 billion in debt financing at historically low interest rates;
- successfully completed the acquisitions of Codemasters, Glu Mobile and Metalhead Software, accelerating our global leadership within racing entertainment and the growth of our mobile business, while also adding valuable IP to our portfolio and strengthening our global talent pool; and
- effectively managed communications with investors and stockholders.

Ms. Miele

Chief Studios Officer

Ms. Miele leads EA's Worldwide Studios. She brings her expertise to empower transformative innovation at the creative heart of EA to deliver amazing games and experiences for our players around the world.

Individual Performance Modifier

After reviewing her achievements for fiscal 2021, the Compensation Committee approved an IPM of 140% for Ms. Miele.

Key Highlights for Fiscal 2021

To determine Ms. Miele's actual performance cash bonus award, the Compensation Committee considered that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2021, as well as Ms. Miele's individual performance, as highlighted below. The Compensation Committee also considered Ms. Miele's leadership and contributions in successfully navigating the Company through the challenges of the COVID-19 pandemic, as described above.

Under Ms. Miele's leadership, our worldwide studios delivered exceptional, high-quality experiences across our portfolio, all against the background of the ongoing pandemic. During fiscal 2021, Ms. Miele:

- oversaw the delivery of new games, services, and content, generating revenue and platform growth, including:
  - the successful launch of 13 new games during fiscal 2021: *Command & Conquer Remastered*, *Burnout Paradise Remastered*, *Madden NFL 21*, *FIFA 21*, *Rocket Arena*, *Star Wars™: Squadrons*, *UFC® 4*, *Medal of Honor™: Above and Beyond*, *Need for Speed™ Hot Pursuit Remastered*, and *It Takes Two*;
  - growth in our FIFA and Madden NFL franchises with the release of *FIFA 21* and *Madden NFL 21*, with *FIFA 21*, life-to-date, having more than 25 million console/PC players;
  - saw a record number of new players join Madden NFL on console/PC during fiscal 2021;
  - *Apex Legends™* recording its second consecutive year of growth, and *The Sims™ 4* recording its sixth consecutive year of growth, with almost 36 million players life to date;
  - her oversight and leadership of the development of future IP related to players-first titles, including College Football and Skate;
- restructured EA Mobile, which positioned us for further growth and facilitated the Glu Mobile acquisition;
- recruited new leaders into our Worldwide Studios organization, and further developed our talent pipeline;
- improved and deepened player engagement with our products, with increased digital revenue driven by live service engagement; and
- connected more players, across more platforms, and more ways to play.

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 2021, the Compensation Committee approved an IPM of 128% for Mr. Moss.

Key Highlights for Fiscal 2021

To determine Mr. Moss' actual performance cash bonus award, the Compensation Committee considered that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2021, as well as Mr. Moss' individual performance, as highlighted below. The Compensation Committee also considered Mr. Moss's leadership and contributions in successfully navigating the Company through the challenges of the COVID-19 pandemic, as described above.

During fiscal 2021, Mr. Moss:

- oversaw the successful scaling and enhancement of EA's digital platform, the technology supporting our growing digital business;
- was responsible for ensuring platform performance, security, stability, availability, and timely delivery of the Company's games and services;
- achieved greater than 99.7% of availability of all services in fiscal 2021;
- championed the use of technology, including enhanced collaboration and productivity platforms and tools, to ensure that our global workforce, including our game developers, had the necessary resources to work from home seamlessly in a secure and reliable environment;
- oversaw the transition of our games to next generation consoles, including the successful launches of *FIFA 21* and *Madden NFL 21* on next-gen consoles;
- continued to lead and oversee EA's proprietary game engine technology, Frostbite; and
- led the development of EA's new technological innovations.

Mr. Bruzzo

EVP, Marketing, Commercial and Positive Play

Mr. Bruzzo leads EA's marketing and commercial operations and positive play. In addition to overseeing these organizations, he is responsible for EA's long-term planning focused on initiatives that build meaningful connections with EA's player base around the world, including business partnerships that concentrate on player health, community, inclusion, and positive play.

Individual Performance Modifier

After reviewing his achievements for fiscal 2021, the Compensation Committee approved an IPM of 128% for Mr. Bruzzo.

Key Highlights for Fiscal 2021

To determine Mr. Bruzzo's actual performance cash bonus award, the Compensation Committee considered that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2021, as well as Mr. Bruzzo's individual performance, as highlighted below. The Compensation Committee also considered Mr. Bruzzo's leadership and contributions in successfully navigating the Company through the challenges of the COVID-19 pandemic, as described above.

During fiscal 2021, Mr. Bruzzo:

- launched successful multichannel global marketing campaigns for EA's major titles, including *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, increasing our active subscriber base across four platforms;
- strengthened EA's Positive Play mandate, which is focused on building better, healthier communities inside and outside of our games, by introducing EA's Positive Play Charter, an updated set of community guidelines with clear consequences for players who engage in offensive or abusive acts in EA games and channels;
- created events and campaigns to deepen EA's player relationships with a focus on engagement and retention, including:
  - our "Stay Home, Play Together" initiative to bring the gaming community together while staying safe by staying home, with events for *FIFA 20*, *Apex Legends*™, *The Sims*™ *4*, and *Madden NFL 20*; and
  - EA Play Live, which was reimagined as a live broadcast event with significant audience growth year-over-year.

Fiscal 2021 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 2021, as set forth below:

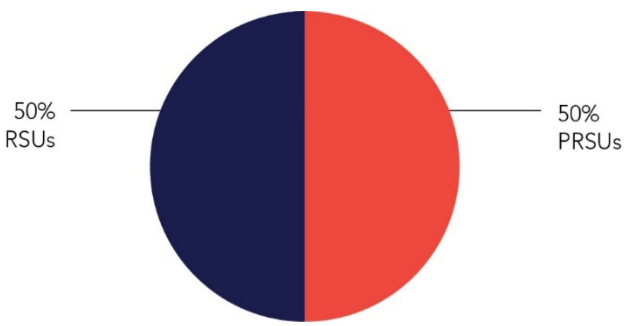
	Target Annual Bonus Award	Company Bonus Pool Funding Percentage (155%)	Individual Performance Modifier	Actual Fiscal 2021 Performance Cash Bonus
Mr. Wilson	$ 2,500,000	$ 3,875,000	129%	$5,000,000
Mr. Jorgensen	$ 1,114,583	$ 1,727,604	128%	$2,211,333
Ms. Miele	$ 817,125	$ 1,266,544	140%	$1,773,162
Mr. Moss	$ 715,875	$ 1,109,606	128%	$1,420,296
Mr. Bruzzo	$ 715,875	$ 1,109,606	128%	$1,420,296

Equity Compensation

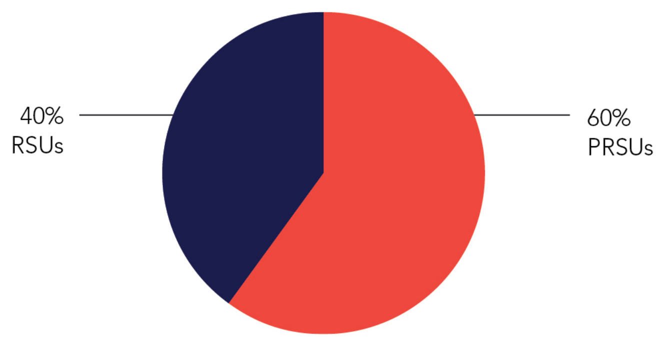
Fiscal 2021 Annual Equity Awards

Annual equity awards for fiscal 2021 were granted in June 2020 and were comprised of a mix of performance-based and time-based RSUs. Mr. Wilson's annual equity award is split 60/40 between PRSUs and RSUs. All other NEOs' annual equity awards are split 50/50 between PRSUs and RSUs. PRSUs vest based on the Company's TSR relative to those companies listed in the NASDAQ-100 Index, and RSUs vest over 35 months, each as described below. 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. Approximately 85% of our NEOs' (including our CEO) average aggregate annual target total direct compensation for fiscal 2021 was delivered in the form of long-term equity incentives.

All Other NEOs' Equity Mix



CEO Mix



Annual equity awards are designed to reward an executive for continued excellence, aid in retention, and provide incentives based on the attainment of long-term performance objectives. In May 2020, the Compensation Committee, and the Board of Directors for Mr. Wilson, approved fiscal 2021 annual equity awards for our NEOs 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 challenges of the COVID-19 pandemic.

Our Fiscal 2021 CEO Annual Equity Award

May 14, 2020
- Board of Directors approved Mr. Wilson's fiscal 2021 annual equity award

June 16, 2020
- Grant date of Mr. Wilson's fiscal 2021 annual equity award

June 19, 2020
- Filed 2020 Proxy Statement with SEC

August 6, 2020
- Our 2020 Annual Meeting of Stockholders

In May 2020, the Board of Directors approved—on a one-time basis—an enhanced fiscal 2021 annual equity award for Mr. Wilson. The target value of Mr. Wilson's equity award was $30 million, with 60% of the award granted in the form of PRSUs and 40% of the award granted in the form of RSUs. This award was granted to Mr. Wilson on June 16, 2020, before our 2020 annual meeting. As described above under *"Executive Summary—Our Fiscal 2021 CEO Annual Equity Award,"* the Board of Directors believes that Mr. Wilson has the strategic vision necessary to transform Electronic Arts into a digital interactive entertainment platform, has created exceptional value for stockholders during his seven-year tenure as CEO, and the Board of Directors is committed to retaining him. Moreover, the Board of Directors believed that making this larger than normal grant on a one-time basis was in the best interests of stockholders given the heightened competition for top executive talent (as described above under *"Executive Summary—Recruiting and Retention Challenges and Considerations"*) and the need to continue to retain and motivate Mr. Wilson. For these reasons, in May 2020, the Board of Directors approved—on a one-time-basis—a fiscal 2021 equity award for Mr. Wilson with a target value of $30 million. By comparison, the target value of his fiscal 2020 equity award was $15 million.

On May 20, 2021, the Board of Directors approved a fiscal 2022 annual equity award for Mr. Wilson with a target value of $18 million. This award was granted on June 16, 2021, and will be disclosed in the compensation tables in our fiscal 2022 proxy statement.

Target Value of Fiscal 2021 Annual Equity Awards

The following table shows the target value of the annual equity awards granted to our NEOs in June 2020, as approved by the Compensation Committee on May 13, 2020 and the Board of Directors on May 14, 2020, for Mr. Wilson. On June 16, 2020, the grant date, the values set forth below were converted into a number of PRSUs or RSUs, as applicable, based on the June 16, 2020 closing price of our common stock of $125.73, rounded down to the nearest whole unit.

	Target PRSUs ($)	RSUs ($)
Mr. Wilson	18,000,000	12,000,000
Mr. Jorgensen	4,000,000	4,000,000
Ms. Miele	4,000,000	4,000,000
Mr. Moss	3,500,000	3,500,000
Mr. Bruzzo	3,500,000	3,500,000

Performance-Based Restricted Stock Units

Looking ahead to fiscal 2022: As discussed above under "*Stockholder Outreach and Our Response*," the Compensation Committee approved substantive changes to our PRSU program for NEOs beginning in fiscal 2022, including eliminating the lookback feature, replacing annual vesting with three-year cliff vesting, and increasing the rigor of the payout scale to better align with market and peer practice. These key changes were made in consultation with the Compensation Committee's new independent compensation consultant and management, after considering feedback from stockholders. Key highlights of the changes in comparison to the fiscal 2021 PRSU awards are highlighted below.

Fiscal 2021 PRSUs: For fiscal 2021, 60% of our CEO's annual equity award, and 50% in the case of all other NEOs' annual equity awards, was granted in the form of performance-based restricted stock units. To encourage our executives to focus on long-term stock price performance and to foster retention, performance for the fiscal 2021 PRSUs is measured over a three-year performance period. Our PRSU program structure for fiscal 2021 is described below.

- **Award Tranches and Vesting Measurement Periods**: Each PRSU award is comprised of three tranches. The first, second, and third tranches 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"). *As discussed above under "Stockholder Outreach and Our Response," beginning in fiscal 2022, each component (relative TSR, net bookings and operating income) of the NEOs' PRSU awards will cliff vest after the end of a three-year performance period and will not vest annually.*

- **Relative NASDAQ-100 TSR Percentile**: The number of PRSUs that an NEO may earn is based upon our TSR performance relative to the TSR of the companies in the NASDAQ-100 Index (the "Relative NASDAQ-100 TSR Percentile") over the applicable Vesting Measurement Period. *As discussed above under "Stockholder Outreach and our Response," one-third of our NEOs' fiscal 2022 PRSU awards will vest based on relative TSR performance, with the remaining two-thirds vesting based on the attainment of net bookings and operating income performance goals, weighted equally.*
- **Relative NASDAQ-100 TSR Percentile Modifier and Payout Scale**: Target vesting of PRSUs is tied to above-median performance compared to the NASDAQ-100 Index. If our Relative NASDAQ-100 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. The Relative NASDAQ-100 TSR Percentile Modifier, which can range from 0% to 200%, is based on the change in our stock price during the applicable Vesting Measurement Period using a 90-day trailing average stock price.

  The following table illustrates the percentage of target PRSUs that could be earned at a Vesting Opportunity based on the Company's Relative NASDAQ-100 TSR Percentile.

Relative NASDAQ-100 TSR Percentile	1st to 10th	11th	25th	40th	60th	75th	90th	94th to 100th
Relative NASDAQ-100 TSR Percentile Modifier	0%	2%	30%	60%	100%	145%	190%	200%

  As discussed above under "Stockholder Outreach and Our Response," we have modified the payout scale for the relative TSR portion of fiscal 2022 PRSU awards to align to peer and market practice. As a result, no PRSUs with respect to the relative TSR component of the PRSU awards will vest if our Relative NASDAQ-100 TSR Percentile is below the 25th percentile, and we will continue to require above-market performance to earn the target number of shares.

- **Vesting Opportunities**: For each tranche, the number of PRSUs eligible to be earned for the applicable Vesting Measurement Period can range from 0% to 200% of the target PRSUs for such tranche. 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 illustration below depicts how the number of shares earned is calculated.

Target PRSUs	X	Relative NASDAQ-100 TSR Percentile Modifier	=	Shares Earned

- **Remaining Award Units**: As an incentive to keep our executives focused on long-term TSR performance and to balance the overall payout opportunity, our PRSU program provides 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 the Company's Relative NASDAQ-100 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. *As described above under "Stockholder Outreach and Our Response," we have eliminated this lookback feature from the relative TSR portion of fiscal 2022 PRSU awards.*
- **Negative TSR Cap**: The number of PRSUs that can be earned is capped at 200% of the target PRSUs available for vesting at a Vesting Opportunity. However, if the Company's TSR at the end of a Vesting Measurement Period is negative on an absolute basis, the number of PRSUs that can be earned is capped at 100% of the target PRSUs available to vest at the corresponding Vesting Opportunity, regardless of whether the Company's Relative NASDAQ-100 TSR Percentile is ranked above the 60th percentile at the end of a Vesting Measurement Period. *This negative TSR cap will continue to apply to our fiscal 2022 PRSU awards.*

Restricted Stock Units

RSUs reward absolute long-term stock price appreciation, promote retention, facilitate stock ownership, and align our NEOs' interests to those of our stockholders. RSU awards granted to our NEOs as part of their annual equity awards cliff vest as to one-third of the award eleven months following the grant date, with the remainder of the award vesting in approximately equal increments every six months thereafter. For fiscal 2021, 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 2021

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

PRSU Awards

The graphic below illustrates the percentage of target PRSUs for the (1) first tranche of the fiscal 2021 PRSU awards, (2) second tranche of the fiscal 2020 PRSU awards, and (3) third tranche of the fiscal 2019 PRSU awards, in each case, that were earned for the 12-month, 24-month and 36-month measurement periods ending April 3, 2021 and vested in May 2021.

PRSU Award: Performance Period and Grant Date	Measurement Period	90-day average stock price (at start of Vesting Measurement Period)	90-day average stock price (at end of Vesting Measurement Period)	EA TSR	Relative TSR Percentile	Vest Date	Percentage of Target PRSUs Vested May 2021
Fiscal 2021 Award (FY 2021 - FY 2023) June 2020	Tranche One: 12-month measurement period ending April 3, 2021	$117.12	$138.77	18.5%	24th	May 2021 (First Vesting Opportunity)	28%
Fiscal 2020 Award (FY 2020 - FY 2022) June 2019	Tranche Two: 24-month measurement period ending April 3, 2021	$95.27	$138.77	45.7%	52nd	May 2021 (Second Vesting Opportunity)	84%
Fiscal 2019 Award (FY 2019 - FY 2021) June 2018	Tranche Three: 36-month measurement period ending April 3, 2021	$129.87	$138.77	6.9%	18th	May 2021 (Third Vesting Opportunity)	16%[(1)]

(1) The June 2018 PRSU delivered shares in respect of Remaining Award Units that did not vest at the first or second Vesting Opportunities for the award. Specifically, 12% of the target number of Tranche One PRSUs were earned at the third Vesting Opportunity for the award, and 12% of the target number of Tranche Two PRSUs were earned at the third Vesting Opportunity for the award. *As described above, we have eliminated this lookback feature from the relative TSR portion of fiscal 2022 PRSU awards.*

PIRSU Awards

As described in our fiscal 2018 proxy statement, in fiscal 2018, Messrs. Wilson, Jorgensen and Moss were granted performance-based incremental restricted stock units ("PIRSUs"). Vesting of the PIRSUs was based on the achievement of aggressive growth targets in the Company's non-GAAP net revenue and free cash flow ("FCF"), weighted equally, over a four-year performance period ending on April 3, 2021. These performance measures were chosen to emphasize the importance of long-term, sustained strategic growth, as well as the cash generation capability of the business necessary to finance continued growth and investment requirements and to return value to stockholders. To earn any of the shares subject to the PIRSUs, the threshold level of performance had to be met for the applicable performance measure. Achievement of the performance measures at threshold, target or maximum levels would result in payouts of 50%, 100% or 200% of the portion of the target award allocated to each metric, with linear interpolation applying to attainment between these levels. The target performance levels were based on the Company's long-term strategic plan reviewed by the Board Directors and were intended to be challenging based on anticipated growth over the performance period and to provide appropriate incentives for management to continue to grow the business from the baseline of record financial and operating achievements in fiscal 2017.

The table below shows the percentage of target PIRSUs that vested at the end of the four-year performance period based on our actual attainment against the applicable metric. Based on the combined level of attainment for each performance metric, 124,602, 83,067, and 58,147 PIRSUs vested on May 26, 2021 for Messrs. Wilson, Jorgensen and Moss, respectively.

Performance Metric	Target ($ millions)	Payout (as % of Target)
Non-GAAP Net Revenue (50% weighting)	Actual $21,336 $22,200	80.5%
Free Cash Flow (50% weighting)	Actual $6,865 $6,834	103.1%

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 2021.

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. Company reimbursed or provided air and ground transportation generally is limited to business travel.

The Process for Determining Our NEOs' Compensation

Role of the Board of Directors, Compensation Committee, Compensation Consultant and Management

Our Board of Directors makes compensation decisions and approves the target total direct compensation for our CEO, in consultation with the Compensation Committee and the Compensation Committee's independent compensation consultant. The Compensation Committee makes compensation decisions and approves the target total direct compensation for our other NEOs after receiving input, at the Compensation Committee's request, from our CEO, our Chief People Officer, and the Compensation Committee's independent compensation consultant.

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). The Compensation Committee reviews and discusses these recommendations with our CEO and Chief People Officer and consider them as one factor in determining and approving the compensation of our NEOs.

The Compensation Committee engaged Compensia to advise on our fiscal 2021 executive compensation program, assist the Compensation Committee in reviewing and updating our compensation peer group, review and assess our compensation programs to determine if any changes needed to be made to remain market competitive, and advise on other executive compensation-related developments and trends. In January 2021, the Compensation Committee engaged Semler Brossy to advise on our executive compensation program, review and assess our compensation programs, advise on changes to our executive compensation program for fiscal 2022 and in response to our stockholder outreach, and other executive compensation-related developments and trends. Of the six meetings held by the Compensation Committee during fiscal 2021, Compensia attended three meetings in 2020 and Semler Brossy attended three meetings in 2021. Neither Compensia nor Semler Brossy provided services to the Company, other than executive compensation advice to the Compensation Committee. The Compensation Committee has reviewed the independence of Compensia and Semler Brossy and determined that neither Compensia's nor Semler Brossy's engagement raised any conflicts of interest. For information on the independence of Compensia and Semler Brossy, see the section of this Proxy Statement under the subheading *"Compensation Committee"* above.

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:

- **Market trends, market data, and competitive environment**: 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 such as Alphabet, Amazon, Apple and Facebook, as well as compensation data for our peer group and executive compensation survey data of our peer group, including the Radford Global Technology Survey.
- **Corporate performance**: An assessment of our financial, operating, and strategic performance.
- **Individual performance**: A review of the NEO's level of responsibilities, scope and complexity of role, experience, and tenure, as well as other factors unique to each NEO, including retention considerations.
- **Internal compensation alignment**: A review to determine internal pay parity among our NEOs.

Peer Group

Each year, the Compensation Committee, with the independent compensation consultant's advice and input, 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 Compensation Committee 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, market capitalization, total stockholder return, net income, and number of employees;
- in the gaming, technology/internet, and entertainment industries;
- with which we compete for executive talent; and
- other relevant factors, including the number of current peer companies that identify EA as a peer and the percentage of shared peers.

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. Based on public filings through June 1, 2021, the Company was at the 39th percentile with respect to annual revenues and at the 50th percentile with respect to market capitalization compared to our peers.

The Compensation Committee approved a peer group of 19 companies for fiscal 2021 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 2020 peer group.

Video Game	Technology/Internet		Entertainment/Toys/Games
Activision Blizzard, Inc.	Adobe Inc.	Intuit Inc.	AMC Networks Inc.
Take-Two Interactive Software, Inc.	Autodesk, Inc.	NVIDIA Corporation	CBS Corporation[3]
Zynga Inc.	Booking Holdings Inc.	salesforce.com, inc.	Discovery, Inc.
	eBay, Inc.	Symantec Corporation[2]	Netflix, Inc.
	Expedia Group, Inc.	VMware, Inc.	Hasbro, Inc.
	IAC/InteractiveCorp		

(1) In February 2020, the Compensation Committee determined to remove Symantec Corporation and CBS Corporation as peers (due to Symantec's sale of its enterprise security business to Broadcom Inc. and CBS's merger with Viacom) once predecessor executive compensation data was no longer available for these companies. Predecessor executive compensation data was available for these companies when the Board of Directors and the Compensation Committee made its fiscal 2021 compensation decisions in May 2020.

(2) As in existence prior to the sale of its enterprise security business to Broadcom Inc. in November 2019.

(3) As in existence prior to its merger with Viacom, which was completed in December 2019.

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. Where sufficient peer group market data is not available for a specific executive position, the independent compensation consultant uses compensation survey data from the Radford Global Technology Survey, which consists of a broader group of similarly-sized technology companies, to understand competitive positioning. The independent compensation consultant's 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 or from compensation survey data, where applicable. The Compensation Committee and the Board of Directors use the peer group and survey 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.

Given the intense competitive market for executive talent, including considerations of the projected costs to hire and/or replace our top executives, for fiscal 2021 compensation decisions, the Board of Directors and the Compensation Committee considered many factors, including market trends, market data and the competitive environment; corporate and individual performance; and internal compensation alignment. The Board of Directors and the Compensation Committee also considered benchmarking and market position, and reviewed information about the 50th and 75th percentiles for target total direct compensation (base salary, bonus target and annual equity awards) for our NEOs but did not make compensation decisions strictly based on market positioning.

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. Change in Control Plan (the "CiC Plan"), which is a "double-trigger" change in control plan that provides payments and benefits if these executives incur a qualifying termination of employment in connection with a change in control. 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

In February 2021 in response to stockholder feedback, the Board of Directors adopted stock ownership guidelines with stricter holding requirements for our CEO and Section 16 officers who are executive vice presidents than under our previous stock ownership guidelines. Under these updated stock ownership guidelines, Section 16 officers must maintain stock ownership equal to the minimum ownership requirements listed in the table below.

	Stock Ownership Value as a Multiple of Base Salary	
Position	**Current Guidelines**	**Prior Guidelines**
CEO	10x	5x
Executive Vice President	3x	2x
Senior Vice President	1x	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. As of April 3, 2021, the last day of fiscal 2021, 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.

Compensation Recovery (Clawbacks)

In February 2021 in response to stockholder feedback, the Board of Directors adopted an expanded Clawback Policy. The expanded Clawback Policy applies to current and former Section 16 officers of the Company. Under the 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 "*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. Transition rules under the Tax Act allow payments made pursuant to written binding contracts in effect as of November 2, 2017 (if they are not materially modified after that date), to be deductible based on the pre-Tax Act rules. To the extent applicable to our existing contracts and awards, we intend to deduct such payments as appropriate, but there is no guarantee that such payments will be deductible.

We do not intend to change 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 and Analysis. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE MEMBERS

Luis Ubiñas (Chair)
Leonard S. Coleman
Jay C. Hoag
Heidi Ueberroth

Executive Compensation Tables

Fiscal 2021 Summary Compensation Table

The following table shows information concerning the compensation earned by or awarded to our Chief Executive Officer, our Chief Operating and Financial Officer, and our next three most highly compensated executive officers, in each case, for fiscal 2021, and, where applicable, fiscal 2020 and fiscal 2019. We refer to these individuals collectively as the "Named Executive Officers" or "NEOs."

Name and Principal Position for Fiscal 2021	Fiscal Year	Salary ($)	Stock Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Andrew Wilson Chief Executive Officer	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
	2019	1,192,308	17,090,597	—	37,166	18,320,071
Blake Jorgensen Chief Operating and Financial Officer	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
	2019	850,000	8,545,299	—	16,564	9,411,863
Laura Miele Chief Studios Officer	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
	2019	675,000	6,266,288	—	11,544	6,952,832
Kenneth Moss Chief Technology Officer	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
	2019	675,000	6,266,288	—	13,592	6,954,880
Chris Bruzzo Chief Marketing Officer	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
	2019	675,000	5,696,866	—	15,326	6,387,192

(1) Represents the aggregate grant date fair value of RSUs, PRSUs, and with respect to fiscal 2020, the PRSUs granted in November 2019 ("November 2019 PRSUs"). 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. For RSUs, grant date fair value is calculated using the closing price of our common stock on the grant date. For the PRSUs and November 2019 PRSUs, which 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 model. For additional information regarding the valuation methodology for RSUs, PRSUs, and November 2019 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 2021 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 and November 2019 PRSUs will be between 0% and 200% of the target number of PRSUs and November 2019 PRSUs granted. The value of the PRSUs granted in fiscal 2021 on the date of grant assuming the highest level of performance conditions will be achieved is $35,999,768 for Mr. Wilson, $7,999,948 for Mr. Jorgensen, $7,999,948 for Ms. Miele, $6,999,892 for Mr. Moss, and $6,999,892 for Mr. Bruzzo, which is based on maximum vesting of the PRSUs multiplied by the closing price of our common stock on the grant date of $125.73. For additional information regarding the specific terms of the PRSUs granted to our NEOs in fiscal 2021, see the "*Fiscal 2021 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 2021, see "*Our NEOs' Fiscal 2021 Compensation—Annual Performance Cash Bonus Awards*" in the "*Compensation Discussion and Analysis*" above.

(3) Amounts shown for fiscal 2021 represent (a) $1,270 in premiums paid on behalf of each NEO 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 $17,169, $16,465, $16,834, $16,679, and $16,679 for Mr. Wilson, Mr. Jorgensen, Ms. Miele, Mr. Moss, and Mr. Bruzzo, respectively. For Mr. Wilson, the amount also includes membership dues of $25,000 for an executive organization; $660 for video game codes and $684 for a gift basket in recognition of his twenty years of service with the Company.

Fiscal 2021 Grants of Plan-Based Awards Table

The following table shows information regarding non-equity incentive and equity plan-based awards granted to our NEOs during fiscal 2021.

Name	Grant Date	Approval Date[1]	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[2]		Estimated Future Payouts Under Equity Incentive Plan Awards[3]			All Other Stock Awards: Number of Shares of Stock or Units[4] (#)	Grant Date Fair Value of Stock and Option Awards ($)[5]
			Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Andrew Wilson									
Annual Bonus Opportunity	—	—	2,500,000	5,000,000	—	—	—	—	—
PRSUs	6/16/2020	5/14/2020	—	—	2,863	143,163	286,326	—	20,870,302
RSUs	6/16/2020	5/14/2020	—	—	—	—	—	95,442	11,999,923
Blake Jorgensen									
Annual Bonus Opportunity	—	—	1,114,583	3,343,750	—	—	—	—	—
PRSUs	6/16/2020	5/13/2020	—	—	636	31,814	63,628	—	4,637,845
RSUs	6/16/2020	5/13/2020	—	—	—	—	—	31,814	3,999,974
Laura Miele									
Annual Bonus Opportunity	—	—	817,125	2,451,375	—	—	—	—	—
PRSUs	6/16/2020	5/13/2020	—	—	636	31,814	63,628	—	4,637,845
RSUs	6/16/2020	5/13/2020	—	—	—	—	—	31,814	3,999,974
Kenneth Moss									
Annual Bonus Opportunity	—	—	715,875	2,147,625	—	—	—	—	—
PRSUs	6/16/2020	5/13/2020	—	—	556	27,837	55,674	—	4,058,078
RSUs	6/16/2020	5/13/2020	—	—	—	—	—	27,837	3,499,946
Chris Bruzzo									
Annual Bonus Opportunity	—	—	715,875	2,147,625	—	—	—	—	—
PRSUs	6/16/2020	5/13/2020	—	—	556	27,837	55,674	—	4,058,078
RSUs	6/16/2020	5/13/2020	—	—	—	—	—	27,837	3,499,946

(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 cash bonus plan awards provided for under the Executive Bonus Plan for all NEOs. The target amounts are pre-established as a percentage of salary and the maximum amounts represent the greatest payout that could be made under the Executive Bonus Plan. For more information regarding our NEOs' bonus targets for fiscal 2021, an explanation of the amount of salary and bonus targets in proportion to total compensation and the actual cash bonus earned by each NEO for fiscal 2021, see the sections titled "*Our NEOs' Fiscal 2021 Compensation*" in the "*Compensation Discussion and Analysis*" above.

(3) Represents awards of PRSUs granted to each of our NEOs under our 2019 Equity Incentive Plan. The PRSUs are earned over a three-year performance period. The number of PRSUs that may be earned and eligible to vest is based on EA's Relative NASDAQ-100 TSR Percentile measured over 12-month, 24-month cumulative and 36-month cumulative periods, subject to the NEO's continuous employment with us through the applicable vesting date(s). For additional information regarding the specific terms of the PRSUs granted in fiscal 2021, see the section titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units*" in the "*Compensation Discussion and Analysis*" above.

(4) Represents awards of RSUs granted to our NEOs under our 2019 Equity Incentive Plan. RSUs vested as to one-third of the units on May 16, 2021; the remainder of the units will vest in approximately equal increments every six months thereafter until the award is fully vested on May 16, 2023, subject to the NEO's continued employment with us through each applicable vesting date. For additional information regarding the specific terms of the RSUs granted to our NEOs in fiscal 2021, see the section titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Restricted Stock Units*" 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 date of grant. 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 PRSUs granted to our NEOs in fiscal 2021 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 2021 Year-End Table

The following tables show information regarding outstanding stock options, RSUs, PRSUs, November 2019 PRSUs and PIRSUs held by our NEOs as of the end of fiscal 2021.

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, PRSUs, November 2019 PRSUs and PIRSUs is determined by multiplying the number of unvested units by $137.96, the per share closing price of the Company's common stock on April 1, 2021, the last trading day of fiscal 2021.

	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	13,706	—	35.70	6/16/2024
Kenneth Moss	7/16/2014	122,850	—	37.12	7/16/2024
Chris Bruzzo	9/16/2014	19,402	—	37.02	9/16/2024

(1) All outstanding options were vested and exercisable as of April 3, 2021, the last day of fiscal 2021.

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	6/16/2017	124,602	(1)	17,190,092	—		—
	6/18/2018	6,903	(2)	952,338	—		—
	6/17/2019	22,717	(3)	3,134,037	31,913	(4)	4,402,717
	6/16/2020	13,361	(5)	1,843,284	129,802	(6)	17,907,484
	6/18/2018	8,629	(7)	1,190,457	—		—
	6/17/2019	40,567	(7)	5,596,623	—		—
	6/16/2020	95,442	(7)	13,167,178	—		—
Blake Jorgensen	6/16/2017	83,067	(1)	11,459,923	—		—
	6/18/2018	3,450	(2)	475,962	—		—
	6/17/2019	11,358	(3)	1,566,950	15,957	(4)	2,201,428
	11/18/2019	—		—	77,009	(8)	10,624,162
	6/16/2020	2,969	(5)	409,603	28,845	(6)	3,979,456
	6/18/2018	4,314	(7)	595,159	—		—
	6/17/2019	20,283	(7)	2,798,243	—		—
	6/16/2020	31,814	(7)	4,389,059	—		—
Laura Miele	6/18/2018	2,530	(2)	349,039	—		—
	6/17/2019	8,330	(3)	1,149,207	11,702	(4)	1,614,408
	11/18/2019	—		—	71,875	(8)	9,915,875
	6/16/2020	2,969	(5)	409,603	28,845	(6)	3,979,456
	6/18/2018	3,164	(7)	436,505	—		—
	6/17/2019	14,875	(7)	2,052,155	—		—
	6/16/2020	31,814	(7)	4,389,059	—		—
Kenneth Moss	6/16/2017	58,147	(1)	8,021,960	—		—
	6/18/2018	2,530	(2)	349,039	—		—
	6/17/2019	8,330	(3)	1,149,207	11,702	(4)	1,614,408
	11/18/2019	—		—	56,473	(8)	7,791,015
	6/16/2020	2,598	(5)	358,420	25,239	(6)	3,481,972
	6/18/2018	3,164	(7)	436,505	—		—
	6/17/2019	14,875	(7)	2,052,155	—		—
	6/16/2020	27,837	(7)	3,840,393	—		—
Chris Bruzzo	6/18/2018	2,300	(2)	317,308	—		—
	6/17/2019	7,572	(3)	1,044,633	10,639	(4)	1,467,756
	6/16/2020	2,598	(5)	358,420	25,239	(6)	3,481,972
	6/18/2018	2,876	(7)	396,773	—		—
	6/17/2019	13,522	(7)	1,865,495	—		—
	6/16/2020	27,837	(7)	3,840,393	—		—

(1) Represents PIRSUs that were earned based on the achievement of the non-GAAP net revenue and FCF goals over the four-year performance period ending April 3, 2021. The earned PIRSUs vested on May 26, 2021. For additional information regarding the specific terms of the PIRSUs granted to certain of our NEOs, see the discussion under the section titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Vesting of Performance Awards with Performance Periods Ending in Fiscal 2021—PIRSU Awards*" in the "*Compensation Discussion and Analysis*" above.

(2) Represents the third tranche of PRSUs granted in June 2018 that were earned based on EA's Relative NASDAQ-100 TSR Percentile for the 36-month measurement period ending April 3, 2021, plus Remaining Award Units in respect of the first and second tranches of the PRSUs that were earned because EA's Relative NASDAQ-100 TSR Percentile for the 36-month measurement period ending April 3, 2021 was higher than the preceding 24-month measurement period ending March 28, 2020. The earned PRSUs (and Remaining Award Units) vested on May 18, 2021. For additional information regarding the specific terms of the PRSUs granted to our NEOs, including the actual percentage attainment for the PRSUs (and Remaining Award Units) that were earned at the end of fiscal 2021 and vested in May 2021, see the discussion under the sections titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units" and "Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Vesting of Performance Awards with Performance Periods Ending in Fiscal 2021—PRSU Awards*" in the "*Compensation Discussion and Analysis*" above.

(3) Represents the second tranche of PRSUs granted in June 2019 that were earned based on EA's Relative NASDAQ-100 TSR Percentile for the 24-month measurement period ending April 3, 2021. The earned PRSUs vested on May 17, 2021. For additional information regarding the specific terms of the PRSUs granted to our NEOs, including the actual percentage attainment for the outstanding PRSUs that were earned at the end of fiscal 2021 and vested in May 2021, see the discussion under the sections titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units" and "Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Vesting of Performance Awards with Performance Periods Ending in Fiscal 2021—PRSU Awards*" in the "*Compensation Discussion and Analysis*" above.

(4) Represents the third tranche of PRSUs granted in June 2019 assuming target achievement, plus Remaining Award Units at 2% and 16% of target 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 2, 2022 based on EA's Relative NASDAQ-100 TSR Percentile for such measurement period. Any earned PRSUs would be eligible to vest in May 2022. For additional information regarding the specific terms of the PRSUs granted to our NEOs, see the discussion under the section titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units*" in the "*Compensation Discussion and Analysis*" above.

(5) Represents the first tranche of PRSUs granted in June 2020 that were earned based on EA's Relative NASDAQ-100 TSR Percentile for the 12-month measurement period ending April 3, 2021. Any earned PRSUs vested on May 16, 2021. For additional information regarding the specific terms of the PRSUs granted to our NEOs, including the actual percentage attainment for the outstanding PRSUs that were earned at the end of fiscal 2021 and vested in May 2021, see the discussion under the sections titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units*" and "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Vesting of Performance Awards with Performance Periods Ending in Fiscal 2021—PRSU Awards*" in the "*Compensation Discussion and Analysis*" above.

(6) Represents the second and third tranches of PRSUs granted in June 2020 assuming target achievement, plus Remaining Award Units at 72% of target for the first tranche. The second and third tranches of these PRSUs (plus, if applicable, any Remaining Award Units) are available to be earned at the end of the 24-month measurement period ending April 2, 2022 and the 36-month measurement period ending April 1, 2023, respectively, based on EA's Relative NASDAQ-100 TSR Percentile for the applicable measurement period. Any earned PRSUs would be eligible to vest in May 2022 and May 2023, as applicable. For additional information regarding the specific terms of the PRSUs granted to our NEOs, see the discussion under the section titled "*Our NEOs' Fiscal 2021 Compensation—Equity Compensation—Fiscal 2021 Annual Equity Awards—Performance-Based Restricted Stock Units*" in the "*Compensation Discussion and Analysis*" above.

(7) 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 one month prior to the third anniversary of the grant date.

(8) Represents the November 2019 PRSUs, assuming target achievement. One-half of the November 2019 PRSUs are available to be earned and converted into shares on each of the second and fourth anniversaries of the grant date, based on EA's Relative NASDAQ-100 TSR Percentile for the first and second measurement periods, respectively.

Fiscal 2021 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 2021.

	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	716,389	67,284,918	116,021	13,715,281
Blake Jorgensen	24,275	2,163,145	55,989	6,618,841
Laura Miele	—	—	38,498	4,551,333
Kenneth Moss	—	—	42,540	5,028,814
Chris Bruzzo	19,000	1,783,530	36,652	4,332,942

(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 and PRSUs during fiscal 2021.

(3) The value realized upon vesting of RSUs and PRSUs is calculated by multiplying the number of RSUs and PRSUs 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 termination date. 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 relative TSR 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 our actual Relative NASDAQ-100 TSR Percentiles for any measurement periods in the performance period that have not been completed as of 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.

PIRSUs. The award agreements for our PIRSUs provide that if an NEO's employment terminates due to death or disability, the PIRSUs will vest on a pro-rata basis on the termination date based on actual achievement of the performance measures prior to the date of termination. As described in the "*Compensation Discussion and Analysis*" above, vesting of the PIRSUs was based on the achievement of aggressive growth targets in the Company's non-GAAP net revenue and FCF, weighted equally, over a four-year performance period ending on April 3, 2021. Based on our actual performance, the PIRSUs were earned at 98.3% of target and vested on May 26, 2021. Assuming an NEO's employment terminated due to death or disability on April 3, 2021, the last day of our fiscal year, 100% of the earned PIRSUs would vest on the date of such termination instead of on May 26, 2021.

Termination of Employment in Connection with a Change in Control

Electronic Arts Change in Control Plan

Our NEOs participate in the Electronic Arts Inc. Change in Control 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). 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, continued health benefits or equivalent payments for up to 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.

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, his or her payment will be reduced accordingly.

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 no defamation provision.

Performance-Based RSUs

Pursuant to the terms of the PRSUs granted each year in June and the PRSUs granted in November 2019, 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 Company's Relative NASDAQ-100 TSR Percentile as of the effective date of the change in control will be applied to determine the number of PRSUs earned and eligible to vest ("Eligible Units") at each remaining vesting opportunity in the applicable vesting measurement period(s).

If the employment of the NEO is terminated without "cause" or the NEO resigns 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 (a "Qualifying Termination"), 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.

PIRSUs

The award agreements for the PIRSUs provide that if there is a change in control of the Company prior to the completion of the four-year performance period, the number of units eligible to vest will be determined as of the effective date of the change in control of the Company and will remain eligible to vest on the regularly scheduled vest date, or if earlier, will vest in full on the later of the date of the change in control and the date of a Qualifying Termination. As described in the "*Compensation Discussion and Analysis*" above, vesting of the PIRSUs was based on the achievement of aggressive growth targets in the Company's non-GAAP net revenue and FCF, weighted equally, over a four-year performance period ending on April 3, 2021. Based on our actual performance for the performance period, the PIRSUs were earned at 98.3% of target and vested on May 26, 2021. Assuming a Qualifying Termination occurred on April 3, 2021, the earned PIRSUs would vest on the date of such termination, instead of May 26, 2021, 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 3, 2021, the last day of fiscal 2021. For purposes of the estimates below, we used the closing price of our common stock on April 1, 2021 (the last trading day of fiscal 2021) of $137.96 per share.

Name	Cash Severance ($)(1)	RSUs ($)(2)	PRSUs ($)(3)	PIRSUs ($)(4)	Other ($)(5)	Total ($)
Andrew Wilson						
Termination due to Death	—	19,954,258	—(3)	17,190,092	—	37,144,350
Termination due to Disability	—	2,801,278	—(3)	17,190,092	—	19,991,370
Qualifying Termination	7,560,000	19,954,258	12,750,125	17,190,092	56,434	57,510,909
Blake Jorgensen						
Termination due to Death	—	7,782,462	—(3)	11,459,923	—	19,242,385
Termination due to Disability	—	1,400,432	—(3)	11,459,923	—	12,860,355
Qualifying Termination	3,037,500	7,782,462	14,400,403	11,459,923	27,416	36,707,704
Laura Miele						
Termination due to Death	—	6,877,720	—(3)	—	—	6,877,720
Termination due to Disability	—	1,027,112	—(3)	—	—	1,027,112
Qualifying Termination	2,409,750	6,877,720	12,800,343	—	42,871	22,130,684
Kenneth Moss						
Termination due to Death	—	6,329,053	—(3)	8,021,960	—	14,351,013
Termination due to Disability	—	1,027,112	—(3)	8,021,960	—	9,049,072
Qualifying Termination	2,160,000	6,329,053	10,734,392	8,021,960	42,871	27,288,276
Chris Bruzzo						
Termination due to Death	—	6,102,661	—(3)	—	—	6,102,661
Termination due to Disability	—	933,575	—(3)	—	—	933,575
Qualifying Termination	2,160,000	6,102,661	3,481,834	—	42,871	11,787,366

(1) Represents the sum of each NEO's annual base salary as of April 3, 2021 and target cash bonus opportunity for fiscal 2021, respectively, multiplied by 2 for Mr. Wilson and by 1.5 for Mr. Jorgensen, Ms. Miele, Mr. Moss and Mr. Bruzzo.

(2) *Termination due to Death*: Represents the value of unvested RSUs that would accelerate and vest in full assuming a termination date of April 3, 2021.

Termination due to Disability: Represents the value of unvested RSUs that would accelerate on a pro-rata basis assuming a termination date of April 3, 2021, 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 on a qualifying termination of employment in connection with a change in control occurring on April 3, 2021.

(3) *Termination due to Death*: Upon a termination due to death, PRSUs remain eligible to vest on their regularly scheduled vest dates, based on our actual Relative NASDAQ-100 TSR Percentiles 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 3, 2021.

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 our actual Relative NASDAQ-100 TSR Percentiles 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 3, 2021.

Qualifying Termination: Represents the estimated value of unvested PRSUs that would accelerate and vest assuming a Qualifying Termination occurred on April 3, 2021. For purposes of this table we have applied the actual vesting percentages to these awards based on our Relative NASDAQ-100 TSR Percentiles as of April 3, 2021, as follows: (a) the PRSUs granted in June 2018 would accelerate and vest as to 16% of the target number of units for the third tranche of the award, plus Remaining Award Units equal to 12% of the target number of units for the first and second tranches of the award; (b) the PRSUs granted in June 2019 would accelerate and vest as to 84% of the target number of units for the second and third tranches of the award; (c) the PRSUs granted in June 2020 would accelerate and vest as to 28% of the target number of units for the first, second and third tranches of the award; and (d) the PRSUs granted in November 2019 would accelerate and vest as to 90% of the target number of units for the first and second tranches of the award.

(4) Represents the value of the PIRSUs that were earned at 98.3% of target based on actual attainment of the non-GAAP net revenue and FCF goals at the end of the four-year performance period ending April 3, 2021, and that vested on May 26, 2021.

(5) Includes 24 months of post-termination health benefits for Mr. Wilson and 18 months of post-termination health benefits for Messrs. Jorgensen, Moss and Bruzzo, and Ms. Miele.

Fiscal 2021 Pay Ratio

For fiscal 2021, the annual total compensation of our median employee was $123,935, and the annual total compensation of Mr. Wilson, was $39,165,820. The ratio of these amounts is 316 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") to all employees on our worldwide payroll as of January 4, 2021, including full time, part-time, regular, and temporary employees.

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

- base salary as of January 4, 2021 (annualized for permanent employees on leave of absence or not employed for the full year);
- discretionary bonuses (performance or other bonuses) paid to employees in calendar year 2020;
- the grant date fair market value of equity awards granted to employees in calendar year 2020; 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. Our employee population data described above does not include approximately 770 employees of Codemasters, which we acquired in February 2021.

The median employee's annual total compensation for fiscal 2021 was determined using the same methodology used to determine Mr. Wilson's annual total compensation set forth in the "Fiscal 2021 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 3, 2021, 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").

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,805,727[(1)]	$35.71[(2)]	17,259,101[(3)]
Equity compensation plans not approved by security holders	—	—	—
Total	8,805,727		17,259,101

(1) Includes (a) 267,353 shares of common stock issuable upon exercise of outstanding options under the 2000 EIP with a weighted-average exercise price of $35.71; (b) 3,654,121 unvested time-based and performance-based restricted stock unit awards outstanding under the 2000 EIP; and (c) 4,884,253 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 (e.g., RSUs, PRSUs, November 2019 PRSUs and PIRSUs) 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. The 17,259,101 shares remaining available for future issuance under our 2019 EIP and ESPP includes (a) 12,383,284 shares available for issuance under the 2019 EIP based on the 1.43 reduction for full-value awards, and (b) 4,875,817 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 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 ensures that a coordinated approach is used 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 2022, the Audit Committee and the Board of Directors have considered the performance of KPMG LLP in fiscal 2021, 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 interest of the Company 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 2021. Our KPMG LLP concurring audit partner has been working on the Company's audit since the first quarter of fiscal 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, 2021	Year Ended March 31, 2020
Audit(1)	$5,127,000	$4,669,000
Audit-related services(2)	38,000	276,000
Tax services(3)	20,000	57,000
Total	$5,185,000	$5,002,000

(1) Audit Fees. This category includes the annual audit of the Company's financial statements and internal control 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 non-US subsidiaries, and other documents filed with the SEC, as well as Sarbanes-Oxley Section 404 compliance consultation, a comfort letter, as well as fees related to the Codemasters acquisition.

(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 2021 and 2020, these fees were for accounting consultations and services in the U.S. and in connection with other regulatory filings in international jurisdictions.

(3) 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, and 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 2021 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 2021, the Audit Committee consisted of Richard A. Simonson, Jeffrey T. Huber and Talbott Roche. The Board of Directors has determined that Mr. Simonson 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 also 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 also discussed with the independent auditors matters required to be discussed by the applicable requirements of the PCAOB, 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 2021 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 2022.

AUDIT COMMITTEE

Richard A. Simonson (Chair)
Jeffrey T. Huber
Talbott Roche

Stock Ownership Information

Security Ownership of Certain Beneficial Owners and Management

The following table shows, as of June 4, 2021, the number of shares of our common stock owned by our directors, NEOs, our directors and executive officers as a group, and beneficial owners known to us holding more than 5% of our common stock. As of June 4, 2021, there were 286,041,708 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)	23,793,414	—	8.31%
Vanguard Group Inc.(5)	22,162,337	—	7.75%
Andrew Wilson(6)	234,173	—	*
Blake Jorgensen	87,004	—	*
Laura Miele	36,032	13,706	*
Kenneth Moss	216,657	122,850	*
Chris Bruzzo	27,658	9,902	*
Leonard S. Coleman	36,240	15,684	*
Jay C. Hoag(7)	135,376	1,769	*
Jeffrey T. Huber(8)	85,907	13,641	*
Lawrence F. Probst III(9)	485,648	78,630	*
Talbott Roche	14,507	1,769	*
Richard A. Simonson	43,582	66,675	*
Luis A. Ubiñas	—	57,175	*
Heidi J. Ueberroth	4,563	4,499	*
All executive officers and directors as a group (16) persons(10)	1,469,522	386,300	0.65%

* 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 4, 2021, (b) in the case of Mr. Simonson, reflects 53,034 RSUs that have vested but have been deferred, (c) in the case of Mr. Coleman, reflects 13,915 RSUs that have vested but have been deferred, (d) in the case of Mr. Ubiñas, reflects 50,534 RSUs that have vested but have been deferred and (e) in the case of Ms. Ueberroth, reflects 2,730 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 4, 2021.

(4) As of March 31, 2021, based on information contained in a report on Form 13F-HR filed with the SEC on May 7, 2021 by Blackrock, Inc. The address for Blackrock, Inc. is 55 East 52nd Street, New York, NY 10055.

(5) As of March 31, 2021, based on information contained in a report on Form 13F-HR filed with the SEC on May 14, 2021 by Vanguard Group Inc. The address for Vanguard Group Inc. is PO Box 2600, V26, Valley Forge, PA 19482-2600.

(6) Shares of common stock are held by Mr. Wilson's family trust and Mr. Wilson has investment power over, and pecuniary interest in, all such shares.

(7) Represents 637 shares of common stock held directly by Mr. Hoag and 134,739 shares of common stock held by entities affiliated with Mr. Hoag, as follows: (a) 25,359 shares held by the Hoag Family Trust U/A Dtd 8/2/94 (the "Hoag Family Trust") and (b) 109,380 shares held by Hamilton Investments Limited Partnership. Mr. Hoag, a director of the Company, is a trustee of Hoag Family Trust and a general partner and limited partner of Hamilton Investments Limited Partnership but disclaims beneficial ownership of the shares held or beneficially owned by such entities except to the extent of his pecuniary interest therein. The address for each of Mr. Hoag and the entities affiliated with Mr. Hoag is c/o TCV, 250 Middlefield Road, Menlo Park, CA 94025.

(8) Includes 13,493 shares of common stock held directly by Mr. Huber, 67,412 shares of common stock held by Mr. Huber's family trust and 5,002 shares of common stock and 11,872 vested options held by the Maywood Trust U/A/D 9/19/2012 of which Mr. Huber is the sole trustee.

(9) Includes 73,297 shares of common stock held directly by Mr. Probst, 29,294 shares of common stock held by Mr. Probst's grantor's retained annuity trust, in which 14,647 shares are held in trust for Lawrence F. Probst IV and 14,647 shares are held in trust for Scott Probst; and 383,057 shares of common stock held by the Probst Family L.P. of which Mr. Probst is a partner.

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

Stock Ownership Requirements

Stock Ownership Guidelines for 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 2021, each of our directors had fulfilled his or her ownership requirements. Mr. Hoag is eligible to satisfy his ownership requirements through holdings of EA common stock by investment vehicles over which Mr. Hoag maintains investment control and pecuniary interest. 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.

Stock Ownership Holding Requirements for Section 16 Officers

In February 2021 in response to stockholder feedback, the Board of Directors adopted stock ownership guidelines with stricter holding requirements for our CEO and Section 16 officers who are executive vice presidents than under our previous stock ownership guidelines. For more information on these stricter stock ownership holding requirements, please see the discussion above under the heading *"Compensation Discussion and Analysis — Other Compensation Practices and Policies"*.

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 2021 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 election or re-election. Each of our director nominees currently serves on the Board and was elected to a one-year term at the 2020 annual meeting, except for Mr. Bruce who is standing for initial election at the Annual Meeting. Mr. Lawrence F. Probst III and Mr. Jay Hoag are not standing for re-election at the Annual Meeting. In connection with Mr. Probst's decision to not stand for re-election, the Board of Directors appointed Mr. Andrew Wilson, EA's Chief Executive Officer and a member of the Board of Directors since 2013, as Chair of the Board of Directors, effective upon the Annual Meeting and subject to Mr. Wilson's re-election to the Board of Directors at the Annual Meeting. Also, effective at the Annual Meeting, the size of the Board will be reduced from nine members to eight members while the Board of Directors engages in succession planning.

- Kofi A. Bruce
- Leonard S. Coleman
- 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 NEOs for fiscal 2021. 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 NEOs 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 traditionally have received strong support for our say-on-pay proposals including 94%, 86%, and 96% of the votes cast in our favor at the 2019, 2018 and 2017 annual meetings, respectively. We were disappointed that the 2020 advisory say-on-pay proposal did not receive majority support. In response to the 2020 say-on-pay vote, EA's management and the Compensation Committee took decisive steps to respond to the vote outcome and stockholder feedback. For example, we granted no special equity awards in fiscal 2021 following our August 2020 annual meeting, and no special equity awards outside of our regular compensation program will be granted in fiscal 2022 to any of our NEOs. We changed our fiscal 2022 PRSU program to add financial and operating metrics (net bookings and operating income) to increase line-of-sight for our NEOs and align our long-term incentive program with our broader business strategy, while maintaining strong alignment to results for our stockholders. We also changed our fiscal 2022 PRSU program to eliminate annual vesting and replace it with three-year cliff vesting, remove the lookback feature, and align the relative TSR payout scale to market and peer practice. We also increased our stock ownership guidelines for our executives and expanded our Clawback Policy.

EA's management, the Compensation Committee and the Board of Directors are committed to maintaining pay-for-performance alignment in our executive compensation programs. 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. 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.

We are asking our stockholders to indicate their support for the compensation paid to our named executive officers, by voting "FOR" 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 2021, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosures in this Proxy Statement."

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 2022 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, 2022. 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, 2022.

PROPOSAL 4

Amend and Restate our Certificate of Incorporation to Permit Stockholders to Act by Written Consent

Our Board of Directors has unanimously approved, and recommends that our stockholders approve, our Amended and Restated Certificate of Incorporation (the "Charter") to enable stockholders who comply with the applicable requirements and procedures set forth in our Charter to act by written consent (the "Company Written Consent Proposal"). Currently, stockholders may only act at in-person or virtual stockholders' meetings. The description in this Proposal 4 should be read in conjunction with the full text of the Charter, which is filed by the Company as Appendix B to this Proxy Statement and marked to show the proposed modifications. If Proposal 4 is approved by our stockholders, we will promptly file the Charter with the Secretary of State of the State of Delaware, at which point it will become effective.

- **Consistent with the Board of Directors' strong track record of stockholder responsiveness, our Board of Directors is recommending that stockholders approve a written consent right in the Company's Certificate of Incorporation.**
- **Our Board of Directors recommends a written consent right that implements an orderly, consistent and deliberative process that provides fairness and transparency in connection with stockholders' ability to exercise this right.**

Supporting Discussion

Currently our Charter does not permit stockholders to act by written consent. Following the receipt of a stockholder proposal for our 2020 annual meeting regarding written consent, our Board of Directors committed to understanding stockholder perspectives in this area and included this topic as part of its stockholder engagement efforts in late 2020 and early 2021. We heard mixed reactions from our stockholders. Some stockholders were opposed to written consent and believed that our current governance practices and avenues by which stockholders can raise matters for consideration are robust and sufficient (including the ability for stockholders to call a special meeting); other stockholders viewed written consent as a fundamental governance right that should be offered to stockholders, regardless of a company's underlying governance profile. Several of our largest stockholders stressed that if we adopt written consent, we should include in our Charter amendments appropriate safeguards for the interests of all of our stockholders so that the right is not misused.

After considering stockholder feedback solicited as part of the Company's engagement efforts, and consistent with the Board's strong track record of stockholder responsiveness, our Board of Directors has declared advisable, and is submitting to stockholders for approval, this Amended and Restated Charter.

Overview of the Written Consent Right

The Board of Directors determined that it would be in the best interests of the Company and its stockholders to implement an orderly, consistent and deliberative written consent process that provides fairness and transparency in connection with stockholders' ability to exercise this right. The Board of Directors considered the stockholder feedback discussed above, market practice with regard to the procedures in place at companies that have adopted written consent and related additional considerations, and determined to adopt a written consent right with certain procedural and informational requirements:

- **To ensure adequate underlying support before committing Company resources to the consent solicitation process,** the Charter will require that stockholder seeking to act by written consent must own, individually or in the aggregate, at least 25% of our outstanding shares of common stock to request that the Board of Directors set a record date to determine the stockholders entitled to act by written consent. This 25% ownership threshold is the same ownership threshold required for stockholders to call a special meeting, which the Board of Directors believes is appropriate so that a limited group of stockholders cannot use written consent to push forward an action that lacks sufficient support to merit calling a special meeting. The Board of Directors believes that this 25% threshold, which is consistent with market practice, permits stockholders to initiate action around a matter that has achieved a critical mass of support.

- **To ensure that all stockholders have a voice**, stockholders that seek to act by written consent must solicit written consents from all stockholders entitled to vote on the matter, giving each stockholder the right to consider and act on the proposal, similar to what would be done at a stockholder meeting. This protection eliminates the possibility that a small group of stockholders could act without a democratic process for determining the merits of any proposed action.
- **To ensure transparency**, stockholders that seek to act by written consent must provide the Company with similar information that would be required to propose such action at a stockholder meeting.
- **To provide the Board of Directors with sufficient time to evaluate and respond to a valid stockholder request for a record date,** the Board of Directors must act and fix a record date by the later of (1) twenty days after delivery of such request and (2) five days after delivery by the stockholders of any information reasonably requested in good faith by the Company to determine the validity of such request. The record date must be no more than ten days after the date on which the resolution fixing the record date is adopted.
- **To provide stockholders with sufficient time to consider the proposal,** as well as to provide the Board of Directors the opportunity to present its views regarding the proposed action, no executed consents may be delivered until 60 days after the delivery of a valid request to set a record date.
- **To protect against duplicative matters or other abuses,** the Charter will provide that the written consent process is not available in a limited number of circumstances, including:
  - The business requested to be conducted through written consent is not a proper subject for stockholder action under applicable law or that involves a violation of applicable law;
  - A substantially similar item of business was covered at a stockholder meeting called by the Board of Directors that was held within 90 days prior to the record date request;
  - The record date request is received within 90 days prior to the anniversary of EA's last annual meeting of stockholders;
  - A substantially similar item will be covered at a stockholder meeting to be held (1) within 90 days after EA's receipt of the request for a record date, or (2) at any time provided that EA announced the meeting by the time that it receives the request for a record date;
  - If the record date request was made in a manner that violates applicable law; or
  - In certain cases, the requesting stockholders revoke their request or their stock ownership falls below the 25% threshold.
- **To promote management's focus on EA's business**, the Charter will provide that a consent will not be effective unless it is delivered to the Company within 60 days of the earliest-dated consent delivered to the Company, but in no event later than 120 days after the record date.

Required Vote and Impact of Vote

To pass, the Company Written Consent Proposal requires the affirmative vote of a majority of the outstanding stock entitled to vote thereon. If the Company's stockholders approve the Company Written Consent Proposal, we will promptly file with the Secretary of State of the State of Delaware the Charter attached to this Proxy Statement as Appendix B to implement the written consent right. If the Company's stockholders do not approve the Company Written Consent Proposal, stockholders will not have the ability to act by written consent.

As described below in Proposal 5, the Company was notified that a stockholder intends to present a proposal for consideration at the Annual Meeting that also addresses stockholders' ability to act by written consent. Although the Company Written Consent Proposal and the stockholder proposal concern the same subject matter, the terms and effects of each proposal differ, including the fact that the stockholder proposal is not binding (it requests that the Board of Directors consider the matter, but does not amend either the Charter or the Company's Amended and Restated Bylaws).

The Board of Directors recommends a vote FOR the amendment and restatement of our Charter to permit stockholders to act by written consent.

PROPOSAL 5

Stockholder Proposal on Written Consent

The Company has been advised that James McRitchie and Myra K. Young, 9295 Yorkship Court, Elk Grove, CA 95758, who have indicated that they are beneficial owners of at least $2,000 in market value of EA's common stock, intend to submit the following proposal at the Annual Meeting.

Proposal 5 — Written Consent

Shareholders of Electronic Arts Inc. (EA) request that our board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon are present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

This proposal topic won 95%-support at a Dover Corporation shareholder meeting and 88%-support at an AT&T shareholder meeting. And that was before the shareholder ability to call a special in-person shareholder meeting was essentially eliminated by the 2020 pandemic. Last year the topic won majority support at NetApp, OGE Energy, HP, and Stanley Black & Decker.

This proposal topic won 53% support at our 2020 annual meeting, despite the pandemic. Written consent can be structured so that all shareholders get notice of a proposed action. Plus, in 2020 CMG management also ignored the fact that winning written consent would require 60%-approval of shares voted at a typical annual meeting, since many shareholders do not vote.

With the near universal use of online annual shareholder meetings, which can last only 10-minutes, the shareholder right to call a special meeting has been severely reduced in value. Shareholders can be restricted in making their views known at online shareholder meetings because constructive questions and comments can be easily screened out by the incumbent management and board.

For example, the 2020 Goodyear shareholder meeting was spoiled for shareholders by a trigger-happy management mute button. (*Goodyear's virtual meeting creates issues with shareholder,* https://www.crainscleveland.com/manufacturing/goodyears-virtual-meeting-creates-issues-shareholder)

AT&T would not allow shareholders to speak. (*AT&T investors denied a dial-in as annual meeting goes online,* https://whbl.com/2020/04/17/att-investors-denied-a-dial-in-as-annual-meeting-goes-online/1007928/)

The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support for a written consent shareholder proposal. This compares to the 53% support at Electronic Arts in 2020. BK's action was taken a year before the pandemic put an end to the vast majority of in-person shareholder meetings – perhaps forever.

Now more than ever shareholders need to have the option to take action outside of a shareholder meeting and send a wake-up call to management, if need be, since tightly controlled online shareholder meetings have the potential to dramatically reduce shareholder engagement and management transparency.

Please vote yes:

Shareholder Right to Act by Written Consent - Proposal 5

The Company's Statement in Opposition to Proposal 5

Our Board of Directors recommends a vote "**AGAINST**" this proposal because it is not in the best interests of the Company or its stockholders, particularly in light of the Company Written Consent Proposal (Proposal 4) which, if passed, will enable stockholders who comply with the applicable requirements and procedures set forth in our Charter to act by written consent.

- **This stockholder proposal is unnecessary. In Proposal 4 of this Proxy Statement, the Board of Directors has recommended that stockholders approve a written consent right that implements the subject matter of this stockholder proposal.**
- **The written consent right recommended by the Board of Directors (Proposal 4) implements an orderly, consistent and deliberative process that provides fairness and transparency in connection with stockholders' ability to exercise this right.**

The stockholder proposal is unnecessary and moot in light of the Company Written Consent Proposal.

The Board of Directors believes that the stockholder proposal is unnecessary and moot in light of Proposal 4, the Company's proposal to enable stockholders to act by written consent. The stockholder proposal requests that the Board of Directors take "such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon are present and voting. This includes shareholder ability to initiate any appropriate topic for written consent." As described in further detail in Proposal 4, after engaging with the Company's stockholders to understand their positions on whether the Company should adopt a written consent right and appropriate parameters in light of the Company's existing strong corporate governance practices, the Board of Directors unanimously approved the proposed amendment and restatement of the Company's Charter to implement a written consent right.

If Proposal 4 is approved by stockholders, stockholders will have the right to act by written consent. We will promptly file the Charter with the Secretary of State of the State of Delaware. We told the proponent for this stockholder proposal that the Board of Directors would recommend adoption of a written consent right in the proxy (Proposal 4) and they declined to withdraw this Proposal 5. We also note that the stockholder proposal is advisory in nature and therefore not binding (it requests that the Board of Directors consider the matter but its approval does not result in the amendment of either the Company's Charter or Bylaws).

The written consent right as set forth in Proposal 4/Company Written Consent Proposal will add to EA's strong corporate governance practices that 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 written consent right as set forth in Proposal 4/Company Written Consent Proposal will add to EA's key substantive stockholder rights and strong corporate governance practices, which include:

- **25% Special Meeting Right:** Our special meeting right allows stockholders owning at least 25% or more of our outstanding shares to call special meetings.
- **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 when warranted.
- **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 of Directors and other meetings of the Board of Directors in the absence of the Chairman and the ability to call meetings of the independent directors.
- **Majority-Independent Board of Directors**: All director nominees except our CEO are independent under NASDAQ rules and have deep expertise in gaming, technology, finance, media, sports, investments, and stockholder value creation.
- **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 fewer than six years.
- **Diverse Board of Directors:** Our Board of Directors reflects diversity in experience, skills, race, ethnicity, age and gender. 62% of our director nominees identify as female or from an underrepresented community.

- **Annual Elections of Board of Directors**: We do not have a classified Board of Directors. 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.
- **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 have 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 in Place:** We do not maintain a stockholder rights plan.

The Board of Directors recommends a vote AGAINST the stockholder proposal regarding written consent.

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.

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/EA2021 on Thursday, August 12, 2021 at 2:00 p.m. local time. We have adopted a virtual format for the Annual Meeting this year to protect our stockholders and employees in light of continuing public health and safety considerations posed by the COVID-19 pandemic. 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 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 are entitled to participate in the Annual Meeting if you were a stockholder as of the close of business on the record date, June 18, 2021. To attend the Annual Meeting, go to www.virtualshareholdermeeting.com/EA2021 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. We encourage you to join 15 minutes before the start time. Stockholders may submit questions online during the Annual Meeting at www.virtualshareholdermeeting.com/EA2021. A copy of the Annual Meeting rules of conduct will be available online at the Annual Meeting. The list of stockholders will be available for inspection by stockholders during the meeting at www.virtualshareholdermeeting.com/EA2021. 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 of 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 (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 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 conserve natural resources.***

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, by telephone, by mail or by attending the Annual Meeting virtually at www.virtualshareholdermeeting.com/EA2021 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 18, 2021 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 may not 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 285,733,636 shares of common stock outstanding on the record date, June 18, 2021.

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 142,866,819 shares, as of June 18, 2021 is present or represented by proxies at the Annual Meeting. On June 18, 2021, a total of 285,733,636 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 11, 2021.

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, Leonard S. Coleman, 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, 2022 (Proposal 3);
- Amend and Restate our Certificate of Incorporation to permit stockholders to act by written consent (Proposal 4); and
- Consider and vote upon a stockholder proposal, if properly presented at the Annual Meeting, on whether to allow stockholders to act by written consent (Proposal 5).

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, by telephone or by mail (if you have received printed proxy materials) prior to 11:59 p.m. Eastern Time on August 11, 2021. By doing so, you are giving a proxy appointing Andrew Wilson (the Company's Chief Executive Officer), Blake Jorgensen (the Company's Chief Operating Officer and Chief Financial Officer) and Jacob Schatz (the Company's General Counsel 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. Jorgensen 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, by telephone or, if you received printed proxy materials, to complete and return 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, 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, 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 11, 2021 (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 election 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 or the stockholder proposal. Under the Delaware General Corporation Law ("DGCL"), Proposal 4 requires that a majority of our outstanding common stock vote "for" Proposal 4 in order for it to be approved. Thus, a share voted "abstain" with respect to Proposal 4 has the same impact as a share voted "against" Proposal 4. If 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. Jorgensen 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 without instructions from the beneficial owners and instructions are not given. These matters are referred to as "non-routine" matters. Proposals 1, 2, 4 and the stockholder proposal are "non-routine". In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are considered present at the Annual Meeting 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 will have the same impact as a vote "against" on Proposal 4. Broker non-votes will not affect the outcome of Proposals 1, 2 or the stockholder proposal. Proposal 3, the ratification of KPMG LLP as our independent auditor for fiscal 2022, is a "routine" proposal and no broker non-votes are expected. 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 2021 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 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. Jorgensen 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) and the stockholder proposal (Proposal 5) 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 amend and restate our Charter to permit stockholders to act by written consent (Proposal 4) 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 matter 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 or the stockholder proposal. Abstentions and broker non-votes will have the same impact as a vote "against" Proposal 4.

18. What is the deadline to propose matters for consideration at the 2022 annual meeting of stockholders?

Proposals to be considered for inclusion in our proxy materials: No later than February 25, 2022. All proposals must comply with Rule 14a-8 under the Exchange Act.

Other proposals to be brought at our 2022 annual meeting: No earlier than April 14, 2022 and no later than May 14, 2022. 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 2022 annual meeting of stockholders?

Director nominations for inclusion in our proxy materials (proxy access nominees): No earlier than March 15, 2022 and no later than April 14, 2022. 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 14, 2022 and no later than May 14, 2022. 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.

20. Where should I send proposals and director nominations for the 2022 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 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 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. If you choose to access the proxy materials and/or vote on the Internet, you are responsible for the Internet access charges you may incur. If you choose to vote by telephone, you are responsible for the telephone charges you may incur. 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. We have retained Morrow Sodali, LLC for a fee of $12,500 plus reasonable out-of-pocket expenses, to help us solicit proxies from brokers, bank nominees and other institutional stockholders. 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 2021 contained 53 weeks and ended on April 3, 2021. For simplicity of disclosure, fiscal periods are referred to as ending on a calendar month end, even if the technical end of a fiscal period was not the last day of a calendar month.

Thus, in this Proxy Statement, "fiscal 2022," "fiscal 2021," "fiscal 2020" and "fiscal 2019" refer to our fiscal years ending or ended (as the case may be) on March 31, 2022, 2021, 2020 and 2019 respectively.

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 (FY21 – For purposes other than our PIRSU Awards)

(in millions, except earnings per share)	Fiscal Year Ended March 31, 2021
GAAP net revenue	$ 5,629
Change in deferred net revenue (online-enabled games)	561
Non-GAAP net revenue	$ 6,190
GAAP gross profit	$ 4,135
Acquisition-related expenses	4
Change in deferred net revenue (online-enabled games)	561
Stock-based compensation	5
Non-GAAP gross profit	$ 4,705
GAAP operating expenses	$ 3,089
Acquisition-related expenses	(30)
Stock-based compensation	(430)
Non-GAAP operating expenses	$ 2,629
GAAP net income	$ 837
Acquisition-related expenses	34
Change in deferred net revenue (online-enabled games)	561
Stock-based compensation	435
Income tax rate adjustments	(188)
Non-GAAP net income	$ 1,679
GAAP diluted earnings per share	$ 2.87
Non-GAAP diluted earnings per share	$ 5.75
GAAP diluted shares	292
Non-GAAP diluted shares	292

Calculation of Non-GAAP Financial Measures (PIRSU Awards - 4 Year Aggregate)

(in millions)	Fiscal Year 2018 through Fiscal Year 2021 (4-Year Aggregate)
GAAP net revenue	$ 21,266
Change in deferred net revenue (online-enabled games)	608
Mobile Platform Fees	(349)
Non-GAAP net revenue (as reported)	$ 21,525
FY21 Change in Presentation*	(189)
Non-GAAP net revenue (PIRSU actuals)	$ 21,336
Cash Provided by Operating Activities	$ 6,970
Capital Expenditures	(490)
Free Cash Flow (as reported)**	$ 6,480
Adjustments for exceptional tax items***	385
Free Cash Flow (PIRSU actuals)	$ 6,865

* Fiscal 2021 non-GAAP net revenue was adjusted to be comparable with prior periods and with the non-GAAP net revenue attainment target for the PIRSUs. For more information, see below under "Mobile Platform Fees".

** Free cash flow is defined as cash provided by operations (a GAAP measure) minus capital expenditures over the 4-year performance period of the PIRSUs.

*** Free cash flow was adjusted during the performance period for exceptional tax items such as the impact of the U.S. Tax Cuts and Jobs Act of 2017.

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)
- Mobile platform fees
- Acquisition-related expenses
- Stock-based compensation
- Income tax rate adjustments

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

Change in Deferred Net Revenue (Online-enabled Games)

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 original game software. In addition, we may also offer a hosted connection for online playability ("online hosted service"), 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 hosted service 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.

Mobile Platform Fees

For transactions after April 1, 2018, GAAP requires companies to assess whether a third-party partner for sales transactions (such as the Apple App Store and Google Play Store) is an "agent" or a "principal" to determine if revenue should be reported net or gross of the fees retained by that third-party. In certain relationships, our management has determined that we (and not the third-party partner) are the principal for sales transactions. Thus, for GAAP reporting purposes, we report revenue from these third-party partners on a gross basis and the related platform fees as cost of revenue. As a result, both revenue and cost of revenue increase by the amount of these platform fees. Prior to fiscal year 2021, our management classified all platform fees as a reduction of revenue, regardless of whether we or the third-party partner is the principal to the transaction, providing a consistent comparison of the amount of money received from our third-party partner. At the beginning of fiscal year 2021, we changed the way in which we present non-GAAP net revenue to align with GAAP net revenue measures. Non-GAAP net revenue from mobile platform partners is now presented gross of platform provider fees.

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 when future events indicate there has been a decline in its value. 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 2021, the Company applied a tax rate of 18% to determine the non-GAAP income tax expense.

Appendix B:
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF ELECTRONIC ARTS INC.

ARTICLE I

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

ARTICLE II

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

ARTICLE III

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

ARTICLE IV

The total number of shares of stock of all classes which the Company is authorized to issue is 1,010,000,000 shares, consisting of 1,000,000,000 shares of Common Stock, par value $0.01 per share ~~("Common Stock")~~, and 10,000,000 shares of Preferred Stock, par value $0.01 per share.

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

ARTICLE V

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

ARTICLE VI

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

ARTICLE VII

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

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

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

ARTICLE VIII

(a) Any action required or permitted to be taken by the stockholders of the Company must be taken at a duly called annual or special meeting of such holders ~~and may not be taken~~ or by consent in writing by such holders.

(b) 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% 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.

(c) Subject to the rights of the holders of any series of Preferred Stock to elect additional Directors or to consent to specific actions taken by the corporation and to other provisions of this Amended and Restated Certificate of Incorporation, any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be as fixed by the Board of Directors or as otherwise established under this ARTICLE VIII. Any person seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall, by written notice (in writing and not by electronic transmission) addressed to the Secretary of the Company and delivered to the Company and signed by one or more stockholders of record (or their duly authorized agents) that, at the time the notice is delivered, own in the aggregate, at least 25% (the "Requisite Consent Percent") of the Company's then outstanding shares entitled to vote on the action or actions proposed to be taken by written consent, request that a record date be fixed for such purpose. For purposes of satisfying the Requisite Consent Percent under this ARTICLE VIII, "own", "owning", "owned" and "ownership" shall have the meaning set forth in the Company's Bylaws. The written notice must contain the information set forth in paragraph (d) of this ARTICLE VIII. Following receipt of the notice, the Board of Directors shall, by the later of (i) twenty (20) calendar days after delivery of the notice, and (ii) five (5) calendar days after delivery of all information requested by the Company to determine the validity of the request or to determine whether the action to which the request relates may be effected by written consent, determine the validity of the request, and if appropriate, adopt a resolution fixing the record date for such purpose. The record date for such purpose shall be no more than ten (10) calendar days after the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not precede the date such resolution is adopted.

(d) Any stockholder's notice required by paragraph (c) of this ARTICLE VIII must describe the action that the stockholder proposes to take by consent. For each such proposal, every notice by a stockholder must include (i) evidence of ownership reasonably satisfactory to the Company as to each stockholder of record, or if such stockholder is a nominee or custodian the beneficial owner(s) on whose behalf the notice is submitted, (ii) the text of the proposal (including the text of any resolutions to be effected by consent and the language of any proposed amendment to the bylaws of the corporation), (iii) the reasons for soliciting consents for the proposal, (iv) any material interest in the proposal held by the stockholder and the beneficial owner, if any, on whose behalf the action is to be taken, (v) the information, representations, and completed and signed questionnaires, to the extent applicable, then required to be set forth in a stockholder's notice pursuant to the advance notice provisions in the Company's Bylaws, as if the action or actions proposed to be taken by written consent were a nomination or other business proposed to be brought before a meeting of stockholders, (vi) an agreement to solicit consents in accordance with subparagraph (f) of this ARTICLE VIII, and (vii) any other information relating to the stockholder, the beneficial owner, or the proposal that would be required to be disclosed in filings in connection with the solicitation of proxies or consents pursuant to Section 14 of the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations promulgated thereunder (or any successor provision of the Exchange Act or the rules or regulations promulgated thereunder). The Company may require any stockholder seeking to take action by written consent to furnish such other information as may reasonably be required by the Company to determine the validity of a request for a record date, and to determine whether such request relates to an action that may be effected by written consent under this ARTICLE VIII and applicable law. In connection with an action or actions proposed to be taken by written consent, stockholders seeking to take action by written consent shall further update and supplement the information previously provided to the Company in connection therewith, if necessary, so that the information shall be true and correct as of the record date to the same extent as would be required by the advance notice provisions in the Company's Bylaws as of the record date for a meeting of stockholders if such action were a nomination or other business proposed to be brought before a meeting of stockholders, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Company not later than five (5) business days after the record date.

(e) Every written consent purporting to take or authorize the taking of corporate action (each such written consent is referred to in this paragraph and in paragraph (e) as a "Consent") must bear the date of signature of each stockholder who signs the Consent, and no Consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated Consent delivered in the manner required by this ARTICLE VIII but not later than 120 days after the record date (or such later date as may be determined in good faith by the Board of Directors (and which determination shall be conclusive and binding) in the event it concludes, consistent with its fiduciary duties, that additional time is required for stockholders to deliver consents), Consents signed by a sufficient number of stockholders to take such action are so delivered to the Company. A written consent shall not be valid if it purports to provide (or if the person signing such consent provides, through instructions to an agent or otherwise) that it will be effective at a future time or at a time determined upon the happening of an event.

(f) Stockholders may take action by written consent only if the stockholder seeking to take action by written consent solicits consents from all stockholders of the Company entitled to vote on the action or actions proposed to be taken by written consent pursuant to and in accordance with this ARTICLE VIII, Regulation 14A of the Exchange Act (without reliance upon any exemption in Regulation 14A, including the exemption contained in clause (iv) of Rule 14a-1(l)(2) or Rule 14a-2(b) thereunder) (or any subsequent provisions replacing such Act or regulations), and applicable law.

(g) No consents may be delivered to the Company until (i) 60 days after the delivery of a valid request to set a record date that meets all of the requirements of this ARTICLE VIII, or (B) such later date as may be determined in good faith by the Board of Directors (and which determination shall be conclusive and binding) in the event it concludes, consistent with its fiduciary duties, that additional time is required for stockholders to make an informed decision in connection with such consent. Every Consent must be delivered to the Company by delivery to the Secretary of the Company at its principal place of business. Delivery must be made by hand or by certified or registered mail, return receipt requested and in accordance with the other provisions of Section 228 of the DGCL not inconsistent with this ARTICLE VIII. The Company shall not be required to accept a Consent given by electronic transmission unless a paper reproduction of the consent is delivered in accordance with the preceding sentence. Within five (5) business days after receipt of the earliest dated Consent delivered to the Company in the manner provided above, the Secretary of the Company shall engage an independent inspector of elections for the purpose of performing a ministerial review of the validity of the consents and revocations. The cost of retaining the inspector of election shall be borne by the Company. Consents and revocations shall be delivered to the inspector of elections upon receipt by the Company. As soon as consents and revocations are received, the inspector shall review the consents and revocations and shall maintain a count of the number of valid and unrevoked consents. The inspector shall not reveal the count to the soliciting stockholder or their representatives. In the event the inspectors determine that valid and unrevoked consents representing a sufficient number of shares to approve the actions proposed to be taken by consent have been delivered, the inspector shall inform the Company and the soliciting stockholders of that determination, and in any event the inspectors shall inform the Company and the soliciting stockholders of the number of valid, unrevoked consents received by the inspectors as of the close of business on the thirtieth (30th) day following the earliest-dated consent delivered to the Company.

(h) Notwithstanding anything in this Amended and Restated Certificate of Incorporation to the contrary, no action may be taken by written consent except in accordance with this ARTICLE VIII and applicable law. Notwithstanding anything in this Amended and Restated Certificate of Incorporation to the contrary, if the Board of Directors shall determine in good faith (and which determination shall be conclusive and binding) that any request to take any stockholder action by written consent was not properly made in accordance with, or relates to an action that may not be effected by written consent pursuant to, this ARTICLE VIII, the Company's Bylaws, or applicable law, or the stockholder or stockholders seeking to take such action do not otherwise comply with this ARTICLE VIII, the Company's Bylaws, or applicable law, then the Board of Directors shall not be required to fix a record date and any such purported action by written consent shall be null and void to the fullest extent permitted by applicable law. No action by written consent without a meeting shall be effective until such date as the Secretary, such other officer or agent of the Company as the Board of Directors may designate, or the inspector certify to the Company that the consents delivered to the Company in accordance with this ARTICLE VIII represent at least the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. The action by written consent will take effect as of the date and time of such certification and will not relate back to the date that the written consents were delivered to the Company.

(i) A request to take action by written consent may be revoked by a stockholder's written revocation delivered to, or mailed and received by, the Secretary at any time, and any stockholder signing a request may revoke such request as to the voting shares that such person owns at any time by written revocation delivered to, or mailed and received by, the Secretary at the principal executive offices of the Company. If, as a result of such revocation(s), there no longer are valid and unrevoked requests from stockholders who own the Requisite Consent Percent of the Company's then outstanding shares entitled to vote on the action or actions proposed to be taken by written consent, then the Board of Directors shall not be required to fix a record date. Further, in the event that the stockholder seeking to take action by written consent withdraws the request, the Board of Directors, in its discretion, may cancel the action by written consent and any consents relating to such action shall be null and void.

(j) The Board of Directors shall not be obligated to set a record date (and no related action may be taken by written consent) if (1) such action relates to an item of business that is not a proper subject for stockholder action under applicable law, or that involves a violation of applicable law; (2) the request for a record date is delivered during the period commencing 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders and ending on the earlier of (i) the date of the next annual meeting of stockholders, or (ii) 30 days after the first anniversary of the immediately preceding annual meeting of stockholders; (3) such action relates to an item of business that is the same or a substantially similar item (as determined in good faith by the Board of Directors, a "Similar Item" (and which determination shall be conclusive and binding)), other than the election of directors, was presented at an annual or special meeting of stockholders held not more than 12 months before the request for a record date is delivered; (4) a Similar Item was presented at an annual or special meeting of stockholders held not more than 90 days before the request for a record date is delivered (and, for purposes of this clause (4), the election of directors shall be deemed to be a "Similar Item" with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from an increase in the number of directors); (5) a Similar Item is included in the Company's notice of meeting as an item of business to be brought before an annual or special meeting of stockholders that has been called but not yet held or that is called for a date within 90 days of the receipt by the Company of a request for a record date (and, for purposes of this clause (5), the election of directors shall be deemed to be a "Similar Item" with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from an increase in the number of directors); (6) the a request for a record date was made, any request for a record date was solicited, or any consents were solicited, in a manner that involved a violation of the Exchange Act and the rules and regulations thereunder (or any subsequent provisions replacing the Exchange Act, rules or regulations) or other applicable law; or (7) the request for a record date does not comply with the requirements of this ARTICLE VIII.

(k) Nothing contained in this ARTICLE VIII shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any Consent or related revocations, whether before or after such certification by the inspector or to take any other action (including, without limitation, the commencement, prosecution, or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(l) Notwithstanding anything to the contrary set forth above, the Board of Directors may authorize one or more actions to be taken by written consent and, with respect to such actions, none of the foregoing provisions of this ARTICLE VIII shall apply to such actions unless the Board of Directors determines otherwise. The Board of Directors shall be entitled to solicit stockholder action by written consent in accordance with applicable law.

Table of Contents

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, 2021

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 2, 2020, the last business day of our second fiscal quarter, was $37,181 million.

As of May 24, 2021, there were 286,191,176 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 2021 Annual Meeting of Stockholders (the "2021 Proxy") are incorporated by reference into Part III hereof. The 2021 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 2021 Proxy is not deemed to be filed as part hereof.

ELECTRONIC ARTS INC.
2021 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 the impact of the COVID-19 pandemic 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 9. 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 played and watched on game consoles, PCs, mobile phones and tablets.

Our Strategic Pillars

Our strategic pillars focus on delivering amazing games and content, offering services that extend and enhance the experience, and connecting more players across more platforms, and more ways to play. We believe that the breadth and depth of our portfolio, live services offerings, and our use of multiple business models and distribution channels 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., FIFA, 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. In fiscal year 2021, execution against our strategic pillars and increased engagement with our products and services led to growth in our business, aided by consumers spending more time at home because of social restrictions and local government mandates related to the COVID-19 pandemic. In addition, longer-term trends that benefit our business accelerated. Live services and other net revenue for fiscal year 2021 increased more than 10 percent year-over-year. We have also experienced a significant increase in the percentage of our games purchased digitally. The full extent of the impact of the COVID-19 pandemic to our business, operations and financial results will depend on numerous evolving factors that cannot be accurately predicted at this time, including those factors included in Part I, Item 1A of this Annual Report under the heading “Risk Factors” beginning on Page 9.

Amazing Games and Content; Services that Extend and Enhance the Experience

Our foundation is a portfolio of intellectual property from which we create innovative games and content that enables 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 Battlefield, The Sims, Apex Legends, Need for Speed and Plants vs. Zombies) or license from others (such as FIFA, Madden NFL and Star Wars).

We develop and publish games and services across diverse genres, such as sports, racing, first-person shooter, action, role-playing and simulation. We have added to the breadth of our portfolio in recent years by, among other things, launching *Apex Legends*, our first free-to-play console game, expanding the ways in which players can engage with *The Sims 4* and adding new modes through which players can engage with our sports franchises. The depth of our portfolio is demonstrated by providing players with opportunities for choice within genres and franchises. For example, our sports portfolio includes the FIFA (soccer), Madden NFL (American football), NHL (ice hockey), Formula 1 (auto racing), and UFC (ultimate fighting) franchises, among others. And within our franchises we have innovated by providing multiple modalities of play designed to satisfy the various motivations of our players. For example, within *FIFA 21*, in addition to the professional soccer simulation base game, players can also engage with *FIFA Ultimate Team*, designed for players motivated by competition and self-improvement as well as *VOLTA FOOTBALL*, designed for players that play for social connection and self-expression. FIFA is our largest and most popular game and franchise. Revenue from our FIFA 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. We seek to add to the breadth and depth of 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.

In addition, we acquired Glu Mobile, Inc. ("Glu") on April 29, 2021 and Codemasters Group Holdings plc ("Codemasters") on February 18, 2021. The $2.3 billion 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 $1.2 billion Codemasters acquisition grows our presence in racing, creating a global leader in racing entertainment. For more information about the Glu and Codemasters acquisition, see Part II, Item 8 of this Form 10-K in the Notes to the Consolidated Financial Statements in *Note 7 — Business Combinations*.

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 2021. We expect that live services net revenue, particularly extra content net revenue, will continue to be material to our business. Our most popular live service is the extra content purchased within the *Ultimate Team* mode associated with our sports franchises. *Ultimate Team* allows players to collect current and former professional players in order to build, and compete as, a personalized team. Net revenue from *Ultimate Team* represented 29 percent of our total net revenue during fiscal year 2021, a substantial portion of which was derived from *FIFA Ultimate Team*. In addition, in fiscal year 2021, we provided players with additional engagement opportunities through launching four seasons of content for *Apex Legends*, expanding *Apex Legends* to the Nintendo Switch platform, releasing five additional content packs for *The Sims 4* and continuing a robust schedule of live events for *Ultimate Team* across our FIFA, Madden NFL and NHL franchises.

Within our games and live services, we offer additional services that are designed to connect players to their friends and to the games they love, such as access to online marketplaces and in-game player rewards and achievements, which such services do not directly monetize. We also promote positive play in our games and services, aiming to offer safe, fun and inclusive environments in which to play by, among other things, providing players with information about their engagement and tools that allow them control of their experiences.

We also are investing in a number of long-term service-based initiatives that we believe will allow us to better serve and deepen our engagement with our players, such as an infrastructure that will enable us to better deliver content that will resonate with players and provide more choice in the way that players connect with their games, with each other, and with new types of content, and our esports initiatives. We believe that the interest and enthusiasm that surrounds esports will drive engagement and monetization in our products and services in addition to providing revenue opportunities through partnerships with sponsors and broadcasters.

Connecting More Players, Across more Platforms, and More Ways to Play

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. Our games and services can be played and watched 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 the FIFA franchise that allow players to engage with FIFA 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. In fiscal year 2021 we expanded our reach, including by launching *FIFA 21* and *Madden NFL 21* on the Microsoft Xbox Series X and the Sony Playstation 5, and by launching *FIFA 21*, *Madden NFL 21* and *Star Wars Jedi: Fallen Order* on Google Stadia. Our direct sales to Sony and Microsoft represented approximately 34 percent and 18 percent of total net revenue, respectively, in fiscal year 2021. 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 mobile and tablet 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. In fiscal year 2021, we expanded the audience for EA Play by launching on Steam and integrating with Microsoft GamePass.

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.

Significant Relationships

Sony & Microsoft. Under the terms of agreements we have entered into with Sony Computer Entertainment Inc. and its affiliates and with Microsoft Corporation and its affiliates, we are authorized to develop and distribute disc-based and digitally-delivered software 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, Zynga, 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, and entertainment industries have converged in recent years and larger, well-funded technology companies such as Alphabet, Amazon, Apple, Facebook and Microsoft are pursuing and strengthening their interactive entertainment capabilities and new entrants continue to emerge.

More broadly, we compete against providers of different sources of entertainment, such as movies, television, social networking, 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.

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. 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 user privacy, data collection and retention, consumer protection, protection of minors, content, including user-generated content, advertising, localization, information security, intellectual property, competition and taxation, 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 2022, there is no assurance that it will.

Human Capital

A healthy culture and engaged workforce is essential to our ability to execute our strategic pillars 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 and that our future success will depend, in large measure, on our ability to continue attracting, training, motivating and retaining qualified employees. As of March 31, 2021, we employed approximately 11,000 people globally, with 64 percent located internationally.

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 seven employee resource groups ("ERGs") which are a critical component of our culture and provide allyship across groups and functions within the company. Our ERGs connect employees, create a sense of belonging, and contribute directly to our inclusion and diversity pillars. Our largest ERG, Women's Ultimate Team, has approximately 1,500 members. In addition, to support our employees during the COVID-19 pandemic, during fiscal year 2021 we 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

Inclusion and diversity is a business imperative because our global player community crosses lines of gender, race, ethnicity and geography. To create games and experiences that resonate with players, we need to cultivate a workforce that reflects this diverse player community. We work to embed inclusion across our systems and processes in order to (1) develop relatable content and games, (2) enable expansion into new and diverse markets, (3) attract, develop and retain talent that can thrive and do their best work and (4) bridge to better representation that authentically reflects our players.

In fiscal year 2021, we published our Company-wide gender and racial/ethnic representation for the first time which will allow our communities and stakeholders to measure our progress. To accelerate this progress with respect to representation, we strive to (1) create an inclusive culture that welcomes different viewpoints and enables employees to do the best work of their careers, (2) equip our leaders with training and education that increases understanding and provides them with the tools and behaviors to be inclusive managers that advocate for equity, inclusion, and diversity and (3) evaluate people processes with an eye to systemic inclusion and execution of inclusive behaviors and practices.

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 ensure our compensation philosophy and practices are fair and free from unconscious bias, resulting in equitable pay.

Talent Acquisition, Development and Retention

Our talent planning and hiring strategies are aligned with our strategic vision and where we need to invest and develop as a business. We target talent that possess skills that are critical to the future of our business, including investing in the development and growth of the next generation of diverse talent through community outreach and STEAM education.

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. In response to the COVID-19 pandemic, we introduced temporary expansions of our benefits programs that we determined were in the best interests of our employees and our communities. These include payments to assist with work from home costs and care needs and a pandemic care leave program.

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. We also conduct regular manager surveys, and during fiscal year 2021, 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 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, 2020 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 26, 2021:

Name	Age	Position
Andrew Wilson	46	Chief Executive Officer
Blake Jorgensen	61	Chief Operating Officer and Chief Financial Officer
Laura Miele	51	Chief Studios Officer
Kenneth Moss	55	Chief Technology Officer
Christopher Bruzzo	51	Executive Vice President, Marketing, Commercial and Positive Play
Mala Singh	50	Chief People Officer
Kenneth A. Barker	54	Senior Vice President, Chief Accounting Officer
Jacob J. Schatz	51	Executive Vice President, General Counsel and Corporate Secretary

Mr. Wilson has served as EA's Chief Executive Officer and as a director of EA since September 2013. 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. Jorgensen has served as EA's Chief Financial Officer since September 2012 and as EA's Chief Operating Officer since April 2018. Prior to joining EA, he served as Executive Vice President, Chief Financial Officer of Levi Strauss & Co. from July 2009 to August 2012. From June 2007 to June 2009, Mr. Jorgensen served as Executive Vice President, Chief Financial Officer of Yahoo! Inc. Mr. Jorgensen earned his M.B.A. from Harvard Business School and his undergraduate degree from Stanford University.

Ms. Miele has served as EA's Chief Studios Officer since April 2018. Ms. Miele joined EA in March 1996 and has held several positions at the Company, including Executive Vice President, Global Publishing from April 2016 to April 2018, Senior Vice President of Americas Publishing from June 2014 to April 2016, 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, including leadership roles, at Microsoft Corporation for twenty years. Mr. Moss graduated from Princeton University.

Mr. Bruzzo has served as EA's Executive Vice President, Marketing, Commercial and Positive Play since October 2020. From September 2014 to October 2020, Mr. Bruzzo served as EA's Chief Marketing Officer. 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.

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.

Mr. Barker has served as the Company's Chief Accounting Officer since June 2003. From February 2012 to September 2012, he also served as Interim Chief Financial Officer. Prior to joining EA, Mr. Barker was at Sun Microsystems, Inc., as its Vice President and Corporate Controller and at Deloitte & Touche as an audit partner. Mr. Barker serves on the Board of Directors of Gatepath, a non-profit organization, and on the Accounting Advisory Board for the University of Notre Dame. Mr. Barker graduated from the University of Notre Dame.

Mr. Schatz has served as EA's General Counsel and Corporate Secretary since June 2014. Mr. Schatz joined EA in 1999, and prior to his current role, he served as Deputy General Counsel and as Vice President from 2006 to 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.

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 occurs, 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 are pursuing and strengthening their interactive entertainment capabilities. We 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 largest and most popular game, FIFA, annualized versions of which are consistently one of the best-selling games in the marketplace. Any events or circumstances that negatively impact our FIFA franchise, such as product or service quality, 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 service is the extra content available for the Ultimate Team mode associated with our sports franchises. Any events or circumstances that negatively impact our ability to reliably provide content or sustain engagement for Ultimate Team, particularly FIFA Ultimate Team, 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 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 sales could suffer materially. For example, the COVID-19 pandemic has resulted in the disruption, postponement, and cancellation of sports seasons and sporting events. Further disruption, postponement and cancellation of sports seasons and sporting events around which we seek to launch our games and provide live services could have a material adverse impact on our business and operating results.

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 products and services will be competitive in the market. We have invested, and in the future may invest, in new business and marketing strategies, 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. In addition, we are investing in a technological infrastructure that we expect will enable us to deliver content that will resonate with players and provide more choice in the way that players connect with their games, with each other, and with new types of content. Such endeavors involve significant risks and uncertainties. No assurance can be given that the 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 adopt 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 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.

Negative perceptions about our business, products and services and the communities within our products and services may damage our business, and we may incur costs to address concerns.

Expectations regarding the quality, performance and integrity of our products and services are high. Players have sometimes been critical of our brands, products, services, online communities, business models and/or business practices for a wide variety of reasons, including perceptions about gameplay fun, fairness, game content, features or services, or objections to certain of our business practices. These negative responses may not be foreseeable. We also may not effectively manage these 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 features and services for our games, after taking into consideration, among other things, feedback from our community even if those decisions negatively impacted our operating results in the short term. We expect to continue to take actions to address concerns as appropriate, including actions that may result in additional expenditures and the loss of revenue.

We aim to offer our players safe, fun and inclusive environments in which to play; provide players with information about their engagement and tools that allow them control of their experiences; and deploy tools and technologies to give 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, our brand and reputation may be harmed and our financial and operating results may be adversely impacted. Negative sentiment about gameplay fairness, our online communities, our business practices, business models or game content also can lead to investigations or increased scrutiny from governmental bodies and consumer groups, as well as litigation, which, regardless of their outcome, may be costly, damaging to our reputation and harm our business.

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, the distributed workforce model resulting from the COVID-19 pandemic. 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 on our ability to connect more players, across more platforms, and more ways to play by accurately predicting which consoles, systems and devices will be successful in the marketplace, our ability to develop commercially successful products and services that reach players across multiple channels, our ability to simultaneously manage products and services on multiple consoles, systems and devices and our ability to effectively transition our products and services to new 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. Additionally, 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 or new consoles, systems or devices may take market share and interactive entertainment consumers away from those for which we have devoted significant resources. If consumer demand for the consoles, systems or devices for which we are developing products and services is lower than our expectations, we may be unable to fully recover the investments we have made in developing our products and services, and our financial performance will be harmed. Alternatively, a console, system or device for which we have not devoted significant resources could be more successful than we initially anticipated, 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 than anticipated and may put downward pressure on legacy generation pricing, which could negatively affect our operating results. Our revenue from sales for the new generation consoles from Sony and Microsoft may not offset the negative effects of the transition on our operating results. Alternatively, adoption of the new generation consoles in which we have made significant investments may be slower than we anticipate or wide consumer availability may be delayed. 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 this transition may be more volatile and difficult to predict.

We may experience declines or fluctuations in the recurring portion of our business.

Our business model includes revenue that we deem recurring in nature, such as revenue from our annualized sports franchises (e.g., FIFA, 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. 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 recurring 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 recurring 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 as a result of a number of factors, including satisfaction with our products and services, our ability to provide engaging products and services, third parties offering their products and services within our subscription, partners that provide, or don't provide, access to our subscription, products and services offered by our competitors, reliability of our infrastructure and the infrastructure of our partners, pricing, the actual or perceived security of our and our partners information technology systems and reductions in consumer spending levels. In addition, if our subscription offerings are successful, sales could be diverted from established business models. If we do not select a target price that is optimal for our subscription services, maintain our target pricing structure or correctly project renewal rates, our financial results may be harmed.

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) minority investments in strategic partners, and (3) investments in new interactive entertainment businesses as part of our long-term business strategy. For example, in February 2021 we acquired Codemasters and in April 2021 we acquired Glu. The Codemasters acquisition, the Glu acquisition, and other transactions involve significant challenges and risks including that the transaction does not advance our business strategy, 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. 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 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.

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. The COVID-19 pandemic has resulted in closures of the retail stores of certain partners, which could negatively impact the sales of our packaged goods products and accelerate deterioration of the financial position of such partners. 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 expose 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.

OPERATIONAL RISKS

The COVID-19 pandemic has affected how we are operating our business and the full extent of the impact of the COVID-19 pandemic on our business and financial results is uncertain.

As a result of the COVID-19 pandemic and related public health measures, federal, state, local and foreign governmental authorities have imposed, and continue to impose, protocols and restrictions intended to contain the spread of the virus, including limitations on the size of gatherings, mandated closure of work facilities, schools and businesses, quarantines, lockdowns and travel restrictions. In addition, we have established, and will continue to maintain protocols to promote the health and safety of our workforce and business partners. Substantially all of our office locations, including our global headquarters in Redwood Shores, California and key studios across North America, Europe and Asia remain closed to the majority of our employees with onsite access limited to those with a critical need.

The global work-from-home operating environment has caused strain and fatigue to our global workforce. In addition, certain of our development teams currently work 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. Each of these factors 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. While we were able to execute against our product and service launch schedules with minimal impact and deliver quality games and services at scale during fiscal year 2021, 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 release dates, may be heightened as the work-from-home period persists.

We are actively planning so that we are ready to re-open locations when 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. In addition, the long-term effects of the COVID-19 pandemic on the nature of the office environment and remote working 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.

During the COVID-19 pandemic, we have seen increased demand for our products and services and changing player behavior with more people staying at home. Our financial results and operating metrics benefited during fiscal year 2021 from these factors. In addition, longer-term trends that benefit our business accelerated, including a significant increase in live services revenue and the proportion of our games purchased digitally. These trends from fiscal year 2021 may not be indicative of results for future periods, particularly as factors related to the COVID-19 pandemic lessen and consumers can engage with other forms of entertainment, if the trend towards digital adoption decelerates, or if global macroeconomic effects related to the COVID-19 pandemic persist even after the pandemic has subsided.

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, 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.

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 may 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, such as cyber-attacks 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 to 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. 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 while workforces remains distributed. The costs to respond to, mitigate, and/or notify affected parties of cyber-attacks and other security vulnerabilities are significant. 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 have included, and could in the future include, the loss of proprietary and personal data and interruptions or delays in our business operations, as well as loss of player confidence and damage to our brand and reputation. 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 to generate virtual item or currency illegitimately, and such activity may 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 and 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 complex. 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. 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.

We may not attract, train, motivate and retain key personnel.

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. 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 may experience significant compensation costs to hire and retain senior executives and other personnel that we deem critical to our success. If we cannot successfully recruit, train, motivate and retain qualified employees, develop and maintain a diverse and inclusive work environment, or replace key employees following their departure, 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. In addition, we are dependent on these partners to invest in, and upgrade, the capabilities of their systems in a manner than 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 experiences 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.

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 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, content, advertising, localization, information security, intellectual property, competition and taxation, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. For example, the World Health Organization included "gaming disorder" in the 11th Revision of the International Classification of Diseases, prompting discussion and consideration of legislation and policies aimed at mitigating the risk of overuse of, and overspending within, video games. 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 that impact these business models and features - each of which could vary significantly across jurisdictions - 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, 2021, international net revenue comprised 56 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, including lower interest rates resulting from actions taken in connection with the COVID-19 pandemic, 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 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, 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. For example, the outcome of future guidance related to the U.S. Tax Act could cause us to change our analysis and materially impact our previous estimates and consolidated financial statements. The impact of excess tax benefits and tax deficiencies could result in significant fluctuations to our effective tax rate.

In addition, 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, cause us to change the way in which we structure our business and result in other costs. 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, including changes to the expected mix and timing of product releases and future taxable income, expected growth rates of future taxable income, which are based primarily on third party market and industry growth data, changes in interest rates, and actions we take in connection with acquisitions. 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 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 that negatively impact discretionary consumer spending and consumer demand, including inflation, slower growth, recession and other macroeconomic conditions, including those resulting from, and that may persist from, public health outbreaks such as the COVID-19 pandemic and geopolitical issues, such as the impact from the United Kingdom’s departure from the European Union, could have a material adverse impact on our business and operating results.

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 721 holders of record of our common stock as of May 24, 2021. 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. We paid aggregate cash dividends of $98 million during the fiscal year ended March 31, 2021. 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 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 repurchased approximately 0.7 million, 12.3 million and 10.4 million shares for approximately $78 million, $1,207 million and $1,116 million under this program, respectively, during the fiscal years ended March 31, 2021, 2020 and 2019. 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 repurchased approximately 4.9 million shares for approximately $651 million under this program during the fiscal year ended March 31, 2021. 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, 2021:

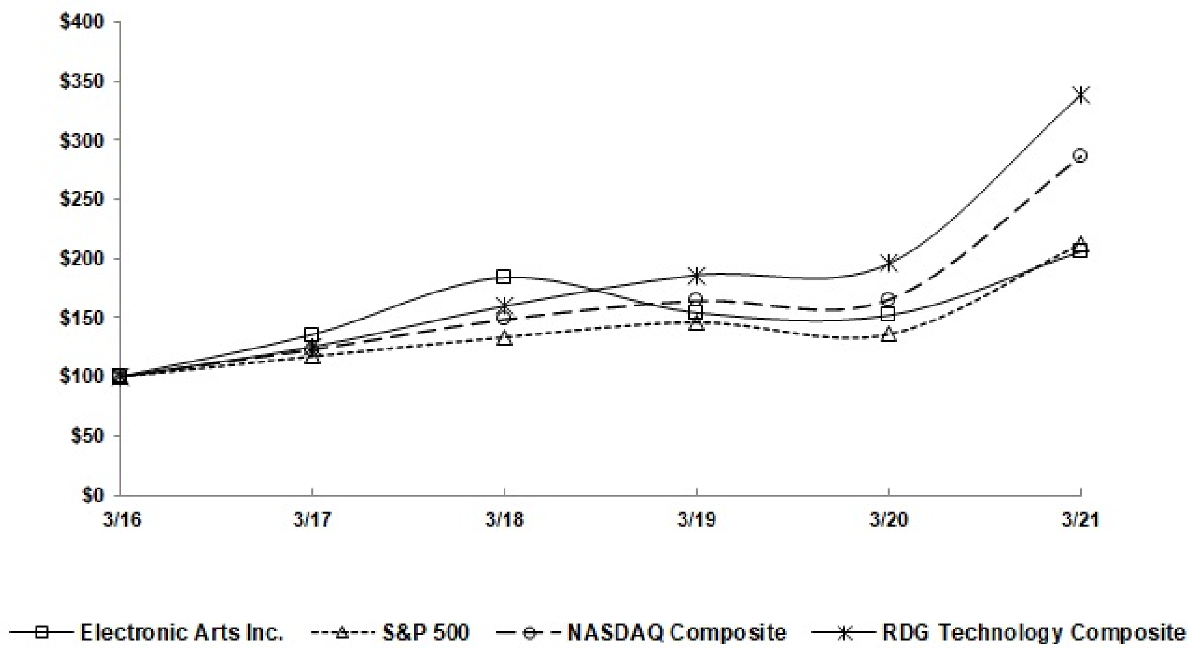
Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publicly Announced Programs	Maximum Dollar Value that May Still Be Purchased Under the Programs (in millions)
January 3, 2021 - January 30, 2021	702,598	$ 141.77	702,598	$ 2,175
January 31, 2021 - February 27, 2021	507,258	$ 144.29	507,258	$ 2,102
February 28, 2021 - April 3, 2021	1,151,916	$ 132.14	1,151,916	$ 1,950
	2,361,772	$ 137.61	2,361,772	

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, 2016 through March 31, 2021, 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, 2016 in stock or index, including reinvestment of dividends.

	March 31,					
	2016	2017	2018	2019	2020	2021
Electronic Arts Inc.	$ 100	$ 135	$ 183	$ 154	$ 152	$ 205
S&P 500 Index	100	117	134	146	136	213
NASDAQ Composite Index	100	123	148	164	165	287
RDG Technology Composite Index	100	125	160	186	196	339

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, 2021, 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 this "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 played and watched on game consoles, PCs, mobile phones and tablets. We believe that the breadth and depth of our portfolio, live services offerings, and our use of multiple business models and distribution channels provide us with strategic advantages. Our foundation is a collection of intellectual property from which we create innovative games and content that enables 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 Battlefield, The Sims, Apex Legends, Need for Speed and Plants vs. Zombies) or license from others (such as FIFA, Madden NFL, UFC, NHL, Formula 1 and Star Wars). 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. 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, 2021 were as follows:

- Total net revenue was $5,629 million, up 2 percent year-over-year.
- Live services and other net revenue was $4,016 million, up 10 percent year-over-year.
- Gross margin was 73.5 percent, down 2 percentage points year-over-year.
- Operating expenses were $3,089 million, up 13 percent year-over-year.
- Operating income was $1,046 million, down 28 percent year-over-year.
- Net income was $837 million, down 72 percent year-over-year. Net income for the fiscal year ended March 31, 2020 was $3,039 million and included a one-time net tax benefit of $1,760 million.
- Diluted earnings per share was $2.87, down 72 percent year-over-year driven by the one-time net tax benefit included in net income for the fiscal year ended March 31, 2020.
- Operating cash flow was $1,934 million, up 8 percent year-over-year.
- Total cash, cash equivalents and short-term investments were $6,366 million.
- We repurchased 5.6 million shares of our common stock for $729 million.
- In November 2020, we initiated and declared a quarterly cash dividend of $0.17 per share of common stock. We paid cash dividends of $98 million during the fiscal year ended March 31, 2021.
- On May 10, 2021, we declared a quarterly cash dividend of $0.17 per share of our common stock, payable June 23, 2021 to shareholders of record as of the close of business on June 2, 2021.

From time to time, we make comparisons of current periods to prior periods with reference to constant currency. For the fiscal year ended March 31, 2021, foreign currency exchange rates did not have a material impact on our net revenue and operating expenses.

Trends in Our Business

COVID-19 Impact. We are closely monitoring the impact of the COVID-19 pandemic to our people and our business. Since the outbreak of COVID-19, 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.

Our People: The wellbeing of our people is our top priority, and to keep everyone as safe as possible, the vast majority of our workforce is expected to work from home at least through September 2021. We are offering support and resources to our people, 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. We have developed a detailed protocol for how we evaluate the readiness to return to work for each of our offices around the world, accounting for guidance from health authorities and government, vaccine availability and effectiveness, the comfort level of our employees, and preparation of our facilities for continued physical distancing.

Our Business: In fiscal year 2021, execution against our strategic pillars and increased engagement with our products and services led to growth in our business, aided by consumers spending more time at home because of social restrictions and local government mandates related to the COVID-19 pandemic. In addition, longer-term trends that benefit our business accelerated. Live services and other net revenue for fiscal year 2021 increased more than 10 percent year-over-year. We have also experienced a significant increase in the percentage of our games purchased digitally.

Future Outlook: The full extent of the impact of the COVID-19 pandemic to our business, operations and financial results will depend on numerous evolving factors that cannot be accurately predicted at this time, such as the duration and spread of the pandemic, 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. Trends from fiscal year 2021 that benefited our industry and business may not be indicative of results for future periods, particularly as factors related to the COVID-19 pandemic lessen and consumers can engage with other forms of entertainment, if the trend towards digital adoption decelerates, or if global macroeconomic effects of the COVID-19 pandemic persist even after the pandemic has subsided. Additional factors that could impact our business include: our ability to timely deliver high quality and technically stable games and services while our teams, including our development teams, work in a distributed environment, our ability to safely reintroduce our employees to our offices when it is appropriate to do so, and other factors included in Part I, Item 1A of this Annual Report under the heading “Risk Factors”.

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 outside of the sale of our base games. Our net revenue attributable to live services and other was $4,016 million, $3,650 million and $3,157 million for the fiscal years ended March 31, 2021, 2020 and 2019, 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 $3,068 million, $2,826 million and $2,373 million for the fiscal years ended March 31, 2021, 2020 and 2019, respectively. Extra content net revenue has increased as players engage with our games and services over longer periods of time, and purchase additional content designed to provide value to players and extend and enhance gameplay. Our most popular live service is the extra content purchased for the *Ultimate Team* mode associated with our sports franchises. *Ultimate Team* allows players to collect current and former professional players in order to build and compete as a personalized team. Net revenue from extra content sales for Ultimate Team was $1,623 million, $1,491 million and $1,369 million during fiscal years 2021, 2020 and 2019, respectively, a substantial portion of which was derived from FIFA Ultimate Team.

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 $918 million, $811 million and $681 million during fiscal years 2021, 2020 and 2019, respectively; while our net revenue attributable to packaged goods sales decreased from $1,112 million in fiscal year 2019 to $1,076 million in fiscal year 2020 and $695 million in fiscal year 2021. 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 62 percent, 49 percent, and 49 percent of our total units sold during fiscal years 2021, 2020 and 2019 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.

During fiscal year 2021, the percentage of our full games purchased digitally accelerated, likely aided by factors associated with the COVID-19 pandemic, including store closures of our key retail partners for a portion of fiscal year 2021. While digital adoption may decelerate in fiscal year 2022, as factors related to the COVID-19 pandemic lessen or if global macroeconomic effects of the COVID-19 pandemic persist even after the pandemic has subsided, we believe that the significant increase in digital adoption we experienced in fiscal year 2021 is likely a permanent structural change. 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.

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 have added additional growth opportunities through mergers and acquisitions activity. Likewise, the consumer acceptance of free-to-play, live service-based, online PC 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 largest and most popular game, FIFA, the annualized version of which is consistently one of the best-selling games in the marketplace.

Recurring Revenue Sources. Our business model includes revenue that we deem recurring in nature, such as revenue from our annualized sports franchises (e.g., FIFA, 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 recurring 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)	**2021**	**2020**
Total net revenue	$ 5,629	$ 5,537
Change in deferred net revenue (online-enabled games)	561	(165)
Net bookings [(a)]	$ 6,190	$ 5,372

(a) At the beginning of fiscal year 2021, we changed the way in which we present net bookings to align with GAAP net revenue measures. Net bookings from mobile platform partners are now presented gross of platform provider fees. Historically, we presented net bookings from these partners net of platform fees. Net bookings for the fiscal year ended March 31, 2020 has been recast for comparability.

Net bookings were $6,190 million for fiscal year 2021 driven by sales related to *FIFA 21*, *Apex Legends, FIFA 20, The Sims 4,* and *Madden NFL 21*. Net bookings increased $818 million or 15 percent as compared to fiscal year 2020 primarily driven by the FIFA franchise, *Apex Legends, Star Wars: Galaxy of Heroes*, *The Sims 4*, and the Madden franchise, partially offset by *Star Wars Jedi: Fallen Order, Battlefield V,* and *Need for Speed Heat.* Live services and other net bookings were $4,592 million for fiscal year 2021, and increased $1,000 million or 28 percent as compared to fiscal year 2020. The increase in live services and other net bookings was due primarily to an increase in sales of extra content for *Ultimate Team, Apex Legends, Star Wars: Galaxy of Heroes,* and *The Sims 4*. Full game net bookings were $1,598 million for fiscal year 2021, and decreased $182 million or 10 percent as compared to fiscal year 2020 due to *Star Wars Jedi: Fallen Order*, partially offset by *Star Wars: Squadrons* and *UFC 4*.

Mergers and Acquisitions

Acquisition of Glu Mobile. Subsequent to the fiscal year ended March 31, 2021, we completed the acquisition of Glu Mobile Inc., a leading global developer and publisher of mobile games ("Glu" and the "Glu acquisition") for cash consideration of approximately $2.3 billion. We also assumed all outstanding unvested equity awards held by Glu employees. We expect the Glu acquisition 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 will be integrated into the Company for financial reporting purposes in the first fiscal quarter of fiscal year 2022. For more information about the Glu acquisition, see Part II, Item 8 of this Form 10-K in the Notes to the Consolidated Financial Statements in *Note 7 — Business Combinations*.

Acquisition of Codemasters. On February 18, 2021, we completed the acquisition of Codemasters Group Holdings plc ("Codemasters" and the "Codemasters acquisition") for total cash consideration of $1.2 billion, net of cash acquired. Codemasters is a UK-based game developer and publisher of high-quality racing games across console, PC and mobile. We expect the Codemasters acquisition to grow our presence in racing, creating a global leader in racing entertainment. Codemasters was integrated into the Company for financial reporting purposes during the fourth quarter of fiscal year 2021. For more information about the Codemasters acquisition, 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 played 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 offers 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 (which is usually at or near the same time as the booking of the transaction). 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

In certain countries, 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 analyses, third-party external pricing of similar or same products and services such as software licenses and maintenance support within the enterprise software industry. 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 played. 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 noted that generally, consumers were playing our games for longer periods of time as players engage with services we provide that are designed to enhance and extend gameplay. Based on this, we concluded that the Estimated Offering Period applied to sales made after June 30, 2020 should be lengthened. Revenue for service related performance obligations for games and extra content sold through retail are now 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 are now recognized over an estimated eight-month period beginning in the month of sale, which results in revenue being recognized over a longer period of time. 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, 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.

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. Determining the fair value of assets acquired requires an assessment of the highest and best use of the asset or group of assets that maximizes the value from a market participant perspective or the expected price to sell the asset and the related expected future cash flows. Determining the fair value of acquired in-process technology also requires an assessment of our expectations related to the use of that technology. Such estimates are inherently difficult and subjective and can have a material impact on our Consolidated Financial Statements.

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 significant 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 involve complex issues and 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, 2021 contained 53 weeks and ended on April 3, 2021. Our results of operations for the fiscal years ended March 31, 2020 and 2019 contained 52 weeks each and ended on March 28, 2020 and March 30, 2019, respectively. 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 2021 to Fiscal Year 2020

Net Revenue

Net revenue for fiscal year 2021 was $5,629 million, primarily driven by *FIFA 21*, *FIFA 20, The Sims 4, Apex Legends,* and *Madden NFL 21*. Net revenue for fiscal year 2021 increased $92 million, as compared to fiscal year 2020. This increase was driven by a $489 million increase in net revenue primarily from The Sims, FIFA, and Madden franchises, and *Apex Legends*. This increase was partially offset by a $397 million decrease in net revenue primarily from *Anthem,* and the Star Wars and Battlefield 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 have updated our presentation of net revenue by composition to align with this management view.

Our net revenue by composition for fiscal years 2021 and 2020 was as follows (in millions):

	Year Ended March 31,			
	2021	2020	$ Change	% Change
Net revenue:				
Full game downloads	$ 918	$ 811	$ 107	13 %
Packaged goods	695	1,076	(381)	(35)%
Full game	$ 1,613	$ 1,887	$ (274)	(15)%
Live services and other	$ 4,016	$ 3,650	$ 366	10 %
Total net revenue	$ 5,629	$ 5,537	$ 92	2 %

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, OEM bundles).

Full game net revenue for fiscal year 2021 was $1,613 million, primarily driven by *FIFA 21, Madden NFL 21, FIFA 20, Star Wars Jedi: Fallen Order,* and *Need for Speed Heat*. Full game net revenue for fiscal year 2021 decreased $274 million, or 15 percent, as compared to fiscal year 2020. This decrease was driven by a $381 million decrease in packaged goods net revenue primarily driven by the FIFA franchise, *Star Wars Jedi: Fallen Order*, and *Anthem.* This decrease was partially offset by a $107 million increase in full game downloads net revenue primarily driven by the FIFA and Madden franchises and *UFC 4*, partially offset by *Anthem* and *Battlefield V*.

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 2021 was $4,016 million, primarily driven by sales of extra content for *FIFA Ultimate Team, Apex Legends,* and *The Sims 4*. Live services and other net revenue for fiscal year 2021 increased $366 million, or 10 percent, as compared to fiscal year 2020. This increase was driven by sales of extra content for *FIFA Ultimate Team, Apex Legends, The Sims 4,* and *Madden Ultimate Team.*

Comparison of Fiscal Year 2020 to Fiscal Year 2019

Net Revenue

Net revenue for fiscal year 2020 was $5,537 million, primarily driven by *FIFA 20*, *FIFA 19, The Sims 4, Apex Legends,* and *Madden NFL 20*. Net revenue for fiscal year 2020 increased $587 million, as compared to fiscal year 2019. This increase was driven by a $924 million increase in net revenue primarily from *Apex Legends, Star Wars Jedi: Fallen Order* and *Anthem.* This increase was partially offset by a $337 million decrease in net revenue primarily from the Battlefield franchise.

Net Revenue by Composition

Our net revenue by composition for fiscal years 2020 and 2019 was as follows (in millions):

	Year Ended March 31,			
	2020	2019	$ Change	% Change
Net revenue:				
Full game downloads	$ 811	$ 681	$ 130	19 %
Packaged goods	1,076	1,112	(36)	(3)%
Full game	$ 1,887	$ 1,793	$ 94	5 %
Live services and other	$ 3,650	$ 3,157	$ 493	16 %
Total net revenue	$ 5,537	$ 4,950	$ 587	12 %

Full Game Net Revenue

Full game net revenue for fiscal year 2020 was $1,887 million, primarily driven by *FIFA 20, Star Wars Jedi: Fallen Order, Madden NFL 20, Anthem,* and *FIFA 19*. Full game net revenue for fiscal year 2020 increased $94 million, or 5 percent, as compared to fiscal year 2019. This increase was driven by a $130 million increase in full game downloads net revenue primarily driven by *Star Wars Jedi: Fallen Order* and *Anthem*, partially offset by the Battlefield franchise. This increase was partially offset by a $36 million decrease in packaged goods net revenue primarily driven by the FIFA and Battlefield franchises, partially offset by *Star Wars Jedi: Fallen Order* and *Anthem.*

Live Services and Other Net Revenue

Live services and other net revenue for fiscal year 2020 was $3,650 million, primarily driven by sales of extra content for *FIFA Ultimate Team, Apex Legends, The Sims 4,* and *Star Wars: Galaxy of Heroes.* Live services and other net revenue for fiscal year 2020 increased $493 million, or 16 percent, as compared to fiscal year 2019. This increase was driven by sales of extra content for *Apex Legends, FIFA Ultimate Team,* and *The Sims 4,* partially offset by the Battlefield franchise.

Cost of Revenue

Cost of revenue consists of (1) manufacturing royalties, net of volume discounts and other vendor reimbursements, (2) certain royalty expenses for celebrities, professional sports leagues, movie studios and other organizations, and independent software developers, (3) data center, bandwidth and server costs associated with hosting our online games and websites, (4) inventory costs, (5) payment processing fees, (6) 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), (7) expenses for defective products, (8) write-offs of post launch prepaid royalty costs and losses on previously unrecognized licensed intellectual property commitments, (9) amortization of certain intangible assets, (10) personnel-related costs, and (11) warehousing and distribution costs. We generally recognize volume discounts when they are earned from the manufacturer (typically in connection with the achievement of unit-based milestones); whereas other vendor reimbursements are generally recognized as the related revenue is recognized.

Cost of revenue for fiscal years 2021 and 2020 was as follows (in millions):

March 31, 2021	% of Net Revenue	March 31, 2020	% of Net Revenue	% Change	Change as a % of Net Revenue
$ 1,494	27 %	$ 1,369	25 %	9 %	2 %

Cost of Revenue

Cost of revenue increased by $125 million, or 9 percent during fiscal year 2021, as compared to fiscal year 2020. This increase was primarily due to an increase in royalty costs driven by higher sales associated with the FIFA and Madden franchises, and an increase in platform fees and hosting fees driven by higher sales of *Star Wars: Galaxy of Heroes* and *Apex Legends*, partially offset by a decrease in inventory costs driven by the Star Wars, FIFA, and Need for Speed franchises, and a decrease in royalty costs driven by the Star Wars franchise.

Cost of revenue as a percentage of total net revenue increased by 2 percent during fiscal year 2021, as compared to fiscal year 2020. This increase was primarily due to increases in deferred net revenue, platform fees, and hosting fees, partially offset by a decrease in royalty costs due to product mix and lower inventory costs due to the favorable mix of net revenues from lower packaged goods as compared to digital full game downloads.

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 2021 and 2020 were as follows (in millions):

March 31, 2021	% of Net Revenue	March 31, 2020	% of Net Revenue	$ Change	% Change
$ 1,778	32 %	$ 1,559	28 %	$ 219	14 %

Research and development expenses increased by $219 million, or 14 percent, in fiscal year 2021, as compared to fiscal year 2020. This increase was primarily due to a $173 million increase in personnel-related costs primarily resulting from an increase in headcount due to our continued investment in our studios and an increase in variable compensation and related expenses, a $56 million increase in stock-based compensation, and a $19 million increase in contracted services. These increases were partially offset by a $28 million decrease in travel and entertainment expense.

Marketing and Sales

Marketing and sales expenses consist of personnel-related costs, related overhead costs, advertising, marketing and promotional expenses, net of qualified advertising cost reimbursements from third parties.

Marketing and sales expenses for fiscal years 2021 and 2020 were as follows (in millions):

March 31, 2021	% of Net Revenue	March 31, 2020	% of Net Revenue	$ Change	% Change
$ 689	12 %	$ 631	11 %	$ 58	9 %

Marketing and sales expenses increased by $58 million, or 9 percent, in fiscal year 2021, as compared to fiscal year 2020. This increase was primarily due to a $42 million increase in personnel-related costs primarily resulting from an increase in variable compensation and related expenses, a $24 million increase in advertising and promotional spending primarily on the FIFA franchise, and a $9 million increase in stock-based compensation. These increases were partially offset by a $15 million decrease in travel and entertainment expense, and a $4 million decrease in contracted services.

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, related overhead costs, fees for professional services such as legal and accounting, and allowances for doubtful accounts.

General and administrative expenses for fiscal years 2021 and 2020 were as follows (in millions):

March 31, 2021	% of Net Revenue	March 31, 2020	% of Net Revenue	$ Change	% Change
$ 592	11 %	$ 506	9 %	$ 86	17 %

General and administrative expenses increased by $86 million, or 17 percent, in fiscal year 2021, as compared to fiscal year 2020. This increase was primarily due to a $53 million increase in personnel-related costs driven by an increase in variable compensation and related expenses, a $22 million increase in stock-based compensation, a $13 million increase in contracted services, and an $11 million increase in facility related costs. These increases were partially offset by a $16 million decrease in travel and entertainment expense.

Income Taxes

Provision for (benefit from) income taxes for fiscal years 2021 and 2020 was as follows (in millions):

March 31, 2021	Effective Tax Rate	March 31, 2020	Effective Tax Rate
$ 180	17.7 %	$ (1,531)	(101.5)%

Our effective tax rate for the fiscal year ended March 31, 2021 was 17.7 percent as compared to negative 101.5 percent for the same period in fiscal year 2020. 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 “Swiss intra-entity sale”). The transaction did not result in a taxable gain. Under U.S. GAAP, any profit resulting from this intercompany transaction is 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 (the “Swiss Deferred Tax Asset”).

Our effective tax rate and resulting provision for income taxes for the fiscal year ended March 31, 2021 includes a $103 million tax benefit related to changes in our Swiss Deferred Tax Asset. This benefit was more than offset by a $180 million charge related to our decision to capitalize for income tax purposes certain foreign expenses which increased the taxable income in our foreign entities that is subject to U.S. tax. In accordance with our existing accounting policy, we do not establish deferred tax assets to offset this charge, but we expect future deductions of the capitalized amounts.

Our effective tax rate and resulting provision for income taxes for the fiscal year ended March 31, 2020 were significantly impacted by our recognition of the Swiss Deferred Tax Asset related to the Swiss intra-entity sale.

During the fiscal year ended March 31, 2020, we recognized a $1.840 billion 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 Altera opinion. The Altera opinion also requires related parties in an intercompany cost-sharing arrangement to share stock-based compensation expenses. The Altera opinion 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 total 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.

Excluding the impacts of the Swiss Deferred Tax Asset and Altera opinion, our effective tax rate for the year ended March 31, 2020 would have been 15.0 percent. Our effective tax rate for the year ended March 31, 2021 of 17.7 percent was higher primarily due to the increase in U.S. taxes on foreign earnings, which was partially offset by uncertain tax position and valuation allowance benefits.

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 2020 to Fiscal Year 2019

For the comparison of our results of operations as it relates to Cost of Revenue, Operating Expenses, and Income Taxes between fiscal year 2020 and fiscal year 2019, 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, 2020, filed with the SEC on May 20, 2020 under the subheading "*Comparison of Fiscal Year 2020 to Fiscal Year 2019.*"

LIQUIDITY AND CAPITAL RESOURCES

	As of March 31,		
(In millions)	**2021**	**2020**	**Increase/(Decrease)**
Cash and cash equivalents	$ 5,260	$ 3,768	$ 1,492
Short-term investments	1,106	1,967	(861)
Total	$ 6,366	$ 5,735	$ 631
Percentage of total assets	48 %	52 %	

	Year Ended March 31,		
(In millions)	**2021**	**2020**	**Change**
Net cash provided by operating activities	$ 1,934	$ 1,797	$ 137
Net cash used in investing activities	(505)	(1,357)	852
Net cash used in financing activities	(15)	(1,358)	1,343
Effect of foreign exchange on cash and cash equivalents	78	(22)	100
Net increase (decrease) in cash and cash equivalents	$ 1,492	$ (940)	$ 2,432

For the comparison of fiscal year 2020 to fiscal year 2019, 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, 2020, filed with the SEC on May 20, 2020 under the subheading "Liquidity and Capital Resources".

Changes in Cash Flow

Operating Activities. Net cash provided by operating activities increased by $137 million during fiscal year 2021, as compared to fiscal year 2020, primarily driven by higher collections 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, aided by players spending more time at home as a result of the COVID-19 pandemic, lower travel and entertainment payments, lower inventory costs, and lower marketing and advertising payments. These increases were partially offset by higher cash payments for income taxes, higher personnel-related costs resulting from an increase in headcount and payments to employees during fiscal year 2021 to assist with work-from-home costs and care needs, higher cash outflow from hedging activities, higher variable compensation payments related to fiscal year 2020 performance, higher prepayments made to contracted services, lower interest income, higher hosting and platform fees, and higher royalty costs.

Investing Activities. Net cash used in investing activities decreased by $852 million during fiscal year 2021, as compared to fiscal year 2020, primarily driven by a $1,544 million increase in proceeds from maturities and sales of short-term investments and a $531 million decrease in the purchase of short-term investments. These decreases were offset by a payment of $1,239 million in connection with our acquisition of Codemasters during fiscal year 2021.

Financing Activities. Net cash used in financing activities decreased by $1,343 million during fiscal year 2021, as compared to fiscal year 2020, primarily driven by proceeds from the issuance of the 2031 Notes and 2051 Notes for $1,478 million in February 2021, a $478 million decrease in the repurchase and retirement of our common stock, and a $122 million of contingent consideration payment in connection with our acquisition of Respawn Entertainment, LLC during the fiscal year ended March 31, 2020. These decreases were offset by a repayment of $600 million of our 2021 Notes in February 2021, payments of $98 million of cash dividends in the current year, and a $61 million increase in cash paid to taxing authorities in connection with withholding taxes for stock-based compensation.

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, 2021, our short-term investments had gross unrealized gains of $1 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 $600 million aggregate principal amount of the 2021 Notes and $400 million aggregate principal amount of the 2026 Notes. The effective interest rate was 3.94% for the 2021 Notes and is 4.97% for the 2026 Notes. Interest is payable semiannually in arrears, on March 1 and September 1 of each year. We redeemed $600 million aggregate principal amount of the 2021 Notes on February 1, 2021 plus accrued and unpaid interest of $9 million.

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, 2021, 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, 2021 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 more than double in fiscal year 2022 to approximately $250 million 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 debt repayment obligations of $1.9 billion, and fund our operating requirements for the next 12 months and beyond, including working capital requirements, capital expenditures, the implementation of our $2.6 billion share repurchase program, quarterly cash dividend, which is currently $0.17 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 2021, we returned $827 million to stockholders through our capital return programs, repurchasing 5.6 million shares for approximately $729 million and $98 million through our quarterly cash dividend program which was initiated in November 2020.

During fiscal year 2021, we also increased our mergers and acquisitions activity, completing our acquisition of 100% of the equity interests of Codemasters for total cash consideration of $1.2 billion, net of cash acquired, on February 18, 2021, and completing the acquisition of Glu for cash consideration of approximately $2.3 billion on April 29, 2021. We also assumed all outstanding unvested equity awards held by Glu employees.

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, 2021, approximately $1.1 billion of our cash, cash equivalents, and short-term investments 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 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, 2021, 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, including increased volatility in connection with the COVID-19 pandemic. 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, 2021, 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 $223 million or $447 million, respectively. As of March 31, 2021, 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 $92 million or $184 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, 2021, 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, 2021, a hypothetical 150 basis point increase in interest rates would have resulted in a $13 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, 2021	March 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,260	$ 3,768
Short-term investments	1,106	1,967
Receivables, net	521	461
Other current assets	326	321
Total current assets	7,213	6,517
Property and equipment, net	491	449
Goodwill	2,868	1,885
Acquisition-related intangibles, net	309	53
Deferred income taxes, net	2,045	1,903
Other assets	362	305
TOTAL ASSETS	$ 13,288	$ 11,112
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 96	$ 68
Accrued and other current liabilities	1,341	1,052
Deferred net revenue (online-enabled games)	1,527	945
Senior notes, current, net	—	599
Total current liabilities	2,964	2,664
Senior notes, net	1,876	397
Income tax obligations	315	373
Deferred income taxes, net	43	1
Other liabilities	250	216
Total liabilities	5,448	3,651
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; 286 and 288 shares issued and outstanding, respectively	3	3
Additional paid-in capital	—	—
Retained earnings	7,887	7,508
Accumulated other comprehensive loss	(50)	(50)
Total stockholders' equity	7,840	7,461
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 13,288	$ 11,112

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)	Year Ended March 31, 2021	2020	2019
Net revenue	$ 5,629	$ 5,537	$ 4,950
Cost of revenue	1,494	1,369	1,322
Gross profit	4,135	4,168	3,628
Operating expenses:			
Research and development	1,778	1,559	1,433
Marketing and sales	689	631	702
General and administrative	592	506	460
Acquisition-related contingent consideration	—	5	14
Amortization of intangibles	30	22	23
Total operating expenses	3,089	2,723	2,632
Operating income	1,046	1,445	996
Interest and other income (expense), net	(29)	63	83
Income before provision for (benefit from) income taxes	1,017	1,508	1,079
Provision for (benefit from) income taxes	180	(1,531)	60
Net income	$ 837	$ 3,039	$ 1,019
Earnings per share:			
Basic	$ 2.90	$ 10.37	$ 3.36
Diluted	$ 2.87	$ 10.30	$ 3.33
Number of shares used in computation:			
Basic	289	293	303
Diluted	292	295	306

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended March 31,		
(In millions)	2021	2020	2019
Net income	$ 837	$ 3,039	$ 1,019
Other comprehensive income (loss), net of tax:			
Net gains (losses) on available-for-sale securities	4	(3)	7
Net gains (losses) on derivative instruments	(68)	17	88
Foreign currency translation adjustments	64	(34)	(21)
Total other comprehensive income (loss), net of tax	—	(20)	74
Total comprehensive income	$ 837	$ 3,019	$ 1,093

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions, 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, 2018	**306,370**	**$ 3**	**$ 657**	**$ 4,062**	**$ (127)**	**$ 4,595**
Cumulative-effect adjustment from the adoption of ASC 606	—	—	—	590	22	612
Cumulative-effect adjustment from the adoption of ASU 2018-02	—	—	—	(1)	1	—
Total comprehensive income	—	—	—	1,019	74	1,093
Stock-based compensation	—	—	284	—	—	284
Issuance of common stock	2,722	—	(61)	—	—	(61)
Repurchase and retirement of common stock	(10,985)	—	(880)	(312)	—	(1,192)
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**

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended March 31, 2021	2020	2019
OPERATING ACTIVITIES			
Net income	$ 837	$ 3,039	$ 1,019
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	181	150	145
Acquisition-related contingent consideration	—	5	14
Stock-based compensation	435	347	284
Change in assets and liabilities:			
Receivables, net	(41)	164	(88)
Other assets	(70)	35	(24)
Accounts payable	18	(36)	59
Accrued and other liabilities	136	119	3
Deferred income taxes, net	(143)	(1,871)	(16)
Deferred net revenue (online-enabled games)	581	(155)	151
Net cash provided by operating activities	1,934	1,797	1,547
INVESTING ACTIVITIES			
Capital expenditures	(124)	(140)	(119)
Proceeds from maturities and sales of short-term investments	3,686	2,142	1,688
Purchase of short-term investments	(2,828)	(3,359)	(1,342)
Acquisitions, net of cash acquired	(1,239)	—	(58)
Net cash provided by (used in) investing activities	(505)	(1,357)	169
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	86	62	61
Cash dividends paid	(98)	—	—
Cash paid to taxing authorities for shares withheld from employees	(152)	(91)	(122)
Repurchase and retirement of common stock	(729)	(1,207)	(1,192)
Acquisition-related contingent consideration payment	—	(122)	—
Net cash used in financing activities	(15)	(1,358)	(1,253)
Effect of foreign exchange on cash and cash equivalents	78	(22)	(13)
Increase (decrease) in cash and cash equivalents	1,492	(940)	450
Beginning cash and cash equivalents	3,768	4,708	4,258
Ending cash and cash equivalents	$ 5,260	$ 3,768	$ 4,708
Supplemental cash flow information:			
Cash paid during the year for income taxes, net	$ 340	$ 170	$ 100
Cash paid during the year for interest	40	42	$ 42
Non-cash investing activities:			
Change in accrued capital expenditures	$ 17	$ (8)	$ 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 played and watched on game consoles, PCs, mobile phones and tablets. We believe that the breadth and depth of our portfolio, live services offerings, and our use of multiple business models and distribution channels provide us with strategic advantages. Our foundation is a collection of intellectual property from which we create innovative games and content that enables 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 Battlefield, The Sims, Apex Legends, Need for Speed and Plants vs. Zombies) or license from others (such as FIFA, Madden NFL, UFC, NHL, Formula 1 and Star Wars). 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. 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, 2021 contained 53 weeks and ended on April 3, 2021. Our results of operations for the fiscal years ended March 31, 2020 and 2019 contained 52 weeks each and ended on March 28, 2020 and March 30, 2019, 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 generally involve complex issues and 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.

Reclassifications

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 have updated our presentation of net revenue by composition to align with this management view. Certain prior year amounts were reclassified to conform to current year presentation.

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326). The update changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. This update replaces the existing incurred loss impairment model with an expected loss model. It also requires credit losses related to available-for-sale debt securities to be recognized as an allowance for credit losses rather than as a reduction to the carrying value of the securities. We adopted ASU 2016-13 in the first quarter of fiscal year 2021. The adoption did not have a material impact on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement.* This update eliminates, adds, and modifies certain fair value measurement disclosure requirements. We adopted ASU 2018-13 in the first quarter of fiscal year 2021. The adoption did not have an impact on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software* (Subtopic 350-40). This update requires a customer in a cloud computing service arrangement to follow the internal-use software guidance in order to determine which implementation costs to defer and recognize as an asset. We adopted ASU 2018-15 in the first quarter of fiscal year 2021. The adoption did not have a material impact on our Consolidated Financial Statements.

Other Recently Issued 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. This update is effective for us beginning in the first quarter of fiscal year 2022. We do not expect the adoption to have a material impact on our Consolidated Financial Statements.

(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 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. Prior to the adoption of ASU 2016-13 in fiscal year 2021, this assessment took into account whether a decline in fair value was other-than-temporary, considering the severity and duration of the decline in value, our intent to sell the security, whether it was more likely than not we would be required to sell the security before recovery of its amortized cost basis, and whether we expected to recover the entire amortized cost basis of the security. 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, 2021. As of March 31, 2020, we did not consider any of our investments to be other-than-temporarily impaired.

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	3 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 16 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 $72 million and $56 million as of March 31, 2021 and 2020, 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 two to six 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, 2021, 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 played 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 offers 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 (which is usually at or near the same time as the booking of the transaction). 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

In certain countries, 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 analyses, third-party external pricing of similar or same products and services such as software licenses and maintenance support within the enterprise software industry. 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 played. 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 noted that generally, consumers were playing our games for longer periods of time as players engage with services we provide that are designed to enhance and extend gameplay. Based on this, we concluded that the Estimated Offering Period applied to sales made after June 30, 2020 should be lengthened. Revenue for service related performance obligations for games and extra content sold through retail are now 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 are now recognized over an estimated eight-month period beginning in the month of sale, which results in revenue being recognized over a longer period of time. 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, 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.

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 of generally eight to ten months after June 30, 2020, 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, 2021, we had two customers who accounted for approximately 35 percent and 34 percent of our consolidated gross receivables, respectively. At March 31, 2020, we had two customers who accounted for approximately 31 percent and 27 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 2021, 2020, and 2019, approximately 78 percent, 68 percent, and 65 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, 2021, 2020 and 2019, 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 64 percent, 67 percent, and 66 percent, respectively. These platform partners have significant influence over the products and services that we offer on their platforms. Our agreements with Sony and Microsoft typically give significant control to them over the approval, manufacturing and distribution of our products and services that are distributed through their platform, which could, in certain circumstances, leave us unable to get our products and services approved, manufactured or distributed to customers.

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 $22 million, $38 million, and $46 million reduced marketing and sales expense for the fiscal years ended March 31, 2021, 2020 and 2019, respectively. For the fiscal years ended March 31, 2021, 2020 and 2019, advertising expense, net of vendor reimbursements, totaled approximately $222 million, $195 million, and $271 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 $9 million, $11 million, and $(9) million for the fiscal years ended March 31, 2021, 2020 and 2019, 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 $(19) million, $(4) million, and $50 million for the fiscal years ended March 31, 2021, 2020 and 2019, 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 significant 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, 2021 and 2020, 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, 2021	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	$ —	

	As of March 31, 2020	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	$ 78	$ 78	$ —	$ —	Cash equivalents
Money market funds	1,599	1,599	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	687	—	687	—	Short-term investments and cash equivalents
U.S. Treasury securities	603	603	—	—	Short-term investments and cash equivalents
U.S. agency securities	8	—	8	—	Short-term investments
Commercial paper	414	—	414	—	Short-term investments and cash equivalents
Foreign government securities	42	—	42	—	Short-term investments
Asset-backed securities	269	—	269	—	Short-term investments
Certificates of deposit	56	—	56	—	Short-term investments
Foreign currency derivatives	76	—	76	—	Other current assets and other assets
Deferred compensation plan assets [(a)]	13	13	—	—	Other assets
Total assets at fair value	$ 3,845	$ 2,293	$ 1,552	$ —	
Liabilities					
Foreign currency derivatives	$ 36	$ —	$ 36	$ —	Accrued and other current liabilities and other liabilities
Deferred compensation plan liabilities [(a)]	14	14	—	—	Other liabilities
Total liabilities at fair value	$ 50	$ 14	$ 36	$ —	

(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, 2021 and 2020, our cash and cash equivalents were $5,260 million and $3,768 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, 2021 and 2020 (in millions):

	As of March 31, 2021				As of March 31, 2020			
	Cost or Amortized Cost	Gross Unrealized		Fair Value	Cost or Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses			Gains	Losses	
Corporate bonds	$ 372	$ —	$ —	$ 372	$ 684	$ 1	$ (4)	$ 681
U.S. Treasury securities	374	1	—	375	530	4	—	534
U.S. agency securities	3	—	—	3	8	—	—	8
Commercial paper	136	—	—	136	377	—	—	377
Foreign government securities	67	—	—	67	42	—	—	42
Asset-backed securities	112	—	—	112	273	—	(4)	269
Certificates of deposit	41	—	—	41	56	—	—	56
Short-term investments	$ 1,105	$ 1	$ —	$ 1,106	$ 1,970	$ 5	$ (8)	$ 1,967

The following table summarizes the amortized cost and fair value of our short-term investments, classified by stated maturity as of March 31, 2021 and 2020 (in millions):

	As of March 31, 2021		As of March 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments				
Due within 1 year	$ 895	$ 896	$ 1,568	$ 1,567
Due 1 year through 5 years	203	203	395	393
Due after 5 years	7	7	7	7
Short-term investments	$ 1,105	$ 1,106	$ 1,970	$ 1,967

(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, 2021			As of March 31, 2020		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 370	$ 14	$ 1	$ 316	$ 1	$ 19
Forward contracts to sell	$ 1,840	$ 15	$ 35	$ 1,371	$ 61	$ 1

The effects of cash flow hedge accounting in our Consolidated Statements of Operations for the fiscal years ended March 31, 2021, 2020 and 2019 are as follows (in millions):

	Year Ended March 31,					
	2021		2020		2019	
	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	$ 5,629	$ 1,778	$ 5,537	$ 1,559	$ 4,950	$ 1,433
Gains (losses) on foreign currency forward contracts designated as cash flow hedges	$ (30)	$ 4	$ 71	$ (9)	$ 18	$ (10)

Upon adoption of ASU 2017-12 on April 1, 2019, we no longer measure and report hedge ineffectiveness separately. The amount excluded from the assessment of hedge effectiveness and recognized in interest and other income (expense) was a gain of $25 million during fiscal year ended March 31, 2019.

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, 2021			As of March 31, 2020		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 599	$ —	$ 4	$ 388	$ 1	$ 16
Forward contracts to sell	$ 450	$ 4	$ —	$ 292	$ 13	$ —

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, 2021, 2020 and 2019, was as follows (in millions):

	Year Ended March 31,		
	2021	2020	2019
	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	$ (29)	$ 63	$ 83
Gain (losses) on foreign currency forward contracts not designated as hedging instruments	$ (19)	$ (4)	$ 25

(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, 2021, 2020 and 2019 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, 2018	$ (8)	$ (89)	$ (30)	$ (127)
Cumulative-effect adjustment from the adoption of ASC 606	—	22	—	22
Cumulative-effect adjustment from the adoption of ASU 2018-02	—	1	—	1
Balances as of April 1, 2018	$ (8)	$ (66)	$ (30)	$ (104)
Other comprehensive income (loss) before reclassifications	6	96	(21)	81
Amounts reclassified from accumulated other comprehensive income (loss)	1	(8)	—	(7)
Total other comprehensive income (loss), net of tax	7	88	(21)	74
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)

The effects on net income of amounts reclassified from accumulated other comprehensive income (loss) for the fiscal years ended March 31, 2021, 2020 and 2019 were as follows (in millions):

	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)		
	Year Ended March 31,		
Statement of Operations Classification	2021	2020	2019
(Gains) losses on available-for-sale securities:			
Interest and other income (expense), net	$ (1)	$ (2)	$ 1
Total, net of tax	(1)	(2)	1
(Gains) losses on foreign currency forward contracts designated as cash flow hedges			
Net revenue	30	(71)	(18)
Research and development	(4)	9	10
Total, net of tax	26	(62)	(8)
Total net (gain) loss reclassified, net of tax	$ 25	$ (64)	$ (7)

(7) BUSINESS COMBINATIONS

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 total cash consideration of $1.2 billion, net of cash acquired. Codemasters is an UK-based game developer and publisher of high-quality racing games. The Codemasters acquisition grows our presence in racing, creating a global leader in racing entertainment. The transaction costs associated with the acquisition were approximately $9 million and were recognized in general and administrative expense. The following table summarizes the preliminary allocation of the purchase consideration to the fair value of the assets acquired and liabilities assumed:

(in millions)		
Current assets	$	37
Property and equipment, net		15
Other assets		2
Intangible assets		293
Goodwill		984
Deferred tax liabilities		(45)
Current liabilities		(58)
Other liabilities		(1)
Total purchase price, net of cash acquired	$	1,227

The fair values assigned to assets acquired and liabilities assumed are based on management's best estimates and assumptions as of the reporting date and are considered preliminary pending finalization of the valuation of deferred tax assets, tax liabilities, and payroll tax liabilities. We expect to finalize the valuation as soon as practicable, but not later than one year from the acquisition date.

We recognized goodwill of $984 million, which consists largely of workforce and synergies with our existing business. The goodwill is not deductible for tax purposes.

The results of operations of Codemasters and the preliminary fair value of the assets acquired have been included in our Consolidated Financial Statements since the date of acquisition. Pro forma results of operations have not been presented because the effect of the acquisition was not material to our Consolidated Statements of Operations.

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 cash consideration of approximately $2.3 billion. We also assumed all outstanding unvested equity awards held by Glu employees. 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.

Due to the proximity of the acquisition date to our filing of our annual report on Form 10-K for the year ended March 31, 2021, the initial purchase accounting for the Glu acquisition is incomplete, and therefore we are unable to disclose certain information required by ASC 805, *Business Combinations*, including the provisional amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed and goodwill. Glu will be integrated into the Company for financial reporting purposes in the first fiscal quarter of fiscal year 2022.

(8) GOODWILL AND ACQUISITION-RELATED INTANGIBLES, NET

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

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2020 are as follows (in millions):

	As of March 31, 2019	Activity	Effects of Foreign Currency Translation	As of March 31, 2020
Goodwill	$ 2,260	$ —	$ (7)	$ 2,253
Accumulated impairment	(368)	—	—	(368)
Total	$ 1,892	$ —	$ (7)	$ 1,885

Acquisition-related intangibles consisted of the following (in millions):

	As of March 31, 2021			As of March 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net
Developed and core technology	$ 691	$ (472)	$ 219	$ 474	$ (450)	$ 24
Trade names and trademarks	188	(144)	44	161	(132)	29
Registered user base and other intangibles	5	(5)	—	5	(5)	—
Carrier contracts and related	85	(85)	—	85	(85)	—
In-process research and development	46	—	46	—	—	—
Total	$ 1,015	$ (706)	$ 309	$ 725	$ (672)	$ 53

The fair value of acquisition-related intangible assets acquired in the Codemasters acquisition was $293 million, of which $219 million was allocated to developed and core technology, $47 million was allocated to in-process research and development, and $27 million was allocated to trade names and trademarks. 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 Codemasters' acquired intangible assets was approximately 3.8 years.

Amortization of intangibles for the fiscal years ended March 31, 2021, 2020 and 2019 are classified in the Consolidated Statements of Operations as follows (in millions):

	Year Ended March 31,		
	2021	2020	2019
Cost of revenue	$ 4	$ 12	$ 4
Operating expenses	30	22	23
Total	$ 34	$ 34	$ 27

There were no impairment charges for acquisition-related intangible assets during fiscal years 2021, 2020 and 2019.

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 from 2 to 6 years. As of March 31, 2021 and 2020, the weighted-average remaining useful life for acquisition-related intangible assets was approximately 3.5 and 2.4 years, respectively.

As of March 31, 2021, 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,		
2022	$	113
2023		95
2024		54
2025		26
2026 and thereafter		21
Total	$	309

(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 2021, 2020 and 2019, 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,			
	2021		2020	
Other current assets	$	24	$	74
Other assets		20		25
Royalty-related assets	$	44	$	99

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,			
	2021		2020	
Accrued royalties	$	210	$	171
Other liabilities		—		26
Royalty-related liabilities	$	210	$	197

As of March 31, 2021, we were committed to pay approximately $1,945 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, 2021 and 2020 consisted of (in millions):

	As of March 31,	
	2021	2020
Computer, equipment and software	$ 808	$ 722
Buildings	370	340
Leasehold improvements	172	161
Equipment, furniture and fixtures, and other	93	83
Land	66	65
Construction in progress	12	20
	1,521	1,391
Less: accumulated depreciation	(1,030)	(942)
Property and equipment, net	$ 491	$ 449

Depreciation expense associated with property and equipment was $138 million, $120 million and $121 million for the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

Accrued and Other Current Liabilities

Accrued and other current liabilities as of March 31, 2021 and 2020 consisted of (in millions):

	As of March 31,	
	2021	2020
Other accrued expenses	$ 351	$ 273
Accrued compensation and benefits	494	326
Accrued royalties	210	171
Sales returns and price protection reserves	115	109
Deferred net revenue (other)	95	104
Operating lease liabilities (See Note 13)	76	69
Accrued and other current liabilities	$ 1,341	$ 1,052

Deferred net revenue (other) includes the deferral of subscription revenue, advertising revenue, licensing arrangements, and other revenue for which revenue recognition criteria has not been met.

Deferred net revenue

Deferred net revenue as of March 31, 2021 and 2020, consisted of (in millions):

	As of March 31,	
	2021	2020
Deferred net revenue (online-enabled games)	$ 1,527	$ 945
Deferred net revenue (other)	95	104
Deferred net revenue (noncurrent)	14	8
Total deferred net revenue	$ 1,636	$ 1,057

During the fiscal years ended March 31, 2021 and 2020, we recognized $1,010 million and $1,178 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, 2021, revenue allocated to remaining performance obligations consists of our deferred revenue balance of $1,636 million and amounts to be invoiced and recognized as revenue in future periods of $25 million. These balances exclude any estimates for future variable consideration as we have elected the optional exemption to exclude sales-based royalty revenue. We expect to recognize substantially all of these balances as revenue over the next 12 months.

(11) INCOME TAXES

The components of our income before provision for (benefit from) income taxes for the fiscal years ended March 31, 2021, 2020 and 2019 are as follows (in millions):

	Year Ended March 31,		
	2021	2020	2019
Domestic	$ 299	$ 380	$ 170
Foreign	718	1,128	909
Income before provision for (benefit from) income taxes	$ 1,017	$ 1,508	$ 1,079

Provision for (benefit from) income taxes for the fiscal years ended March 31, 2021, 2020 and 2019 consisted of (in millions):

	Current	Deferred	Total
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)
Year Ended March 31, 2019			
Federal	$ 29	$ (18)	$ 11
State	5	—	5
Foreign	42	2	44
	$ 76	$ (16)	$ 60

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, 2021, 2020 and 2019 were as follows:

	Year Ended March 31,		
	2021	**2020**	**2019**
Statutory federal tax expense rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	1.7 %	1.0 %	0.7 %
Differences between statutory rate and foreign effective tax rate	7.0 %	(8.4)%	(14.4)%
Tax reform	— %	— %	(0.4)%
Excess tax benefit from equity compensation	(2.7)%	(0.1)%	(1.9)%
Research and development credits	(2.4)%	(1.2)%	(2.4)%
Swiss Deferred Tax Asset	(10.1)%	(122.1)%	— %
The Altera opinion	— %	5.4 %	— %
Non-deductible stock-based compensation	3.3 %	2.3 %	2.3 %
Other	(0.1)%	0.6 %	0.7 %
Effective tax rate	17.7 %	(101.5)%	5.6 %

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 “Swiss intra-entity sale”). 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.

Our effective tax rate and resulting provision for income taxes for the fiscal year ended March 31, 2021 includes a $103 million tax benefit related to changes in our Swiss Deferred Tax Asset. This benefit was more than offset by a $180 million charge related to our decision to capitalize for income tax purposes certain foreign expenses which increased the taxable income in our foreign entities that is subject to U.S. tax. In accordance with our existing accounting policy, we do not establish deferred tax assets to offset this charge, but we expect future deductions of the capitalized amounts.

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.

The components of net deferred tax assets, as of March 31, 2021 and 2020 consisted of (in millions):

	As of March 31,	
	2021	2020
Deferred tax assets:		
Accruals, reserves and other expenses	$ 158	$ 141
Tax credit carryforwards	161	137
Stock-based compensation	43	37
Net operating loss and capital loss carryforwards	258	195
Swiss intra-entity tax asset	1,781	1,818
Total	2,401	2,328
Valuation allowance	(230)	(288)
Deferred tax assets, net of valuation allowance	2,171	2,040
Deferred tax liabilities:		
Amortization and depreciation	(140)	(85)
ASC 606 Revenue Recognition	(21)	(43)
Other	(8)	(10)
Total	(169)	(138)
Deferred tax assets, net of valuation allowance and deferred tax liabilities	$ 2,002	$ 1,902

As of March 31, 2021, we have net operating loss carry forwards of approximately $2.1 billion of which approximately $1.8 billion is attributable to Switzerland and $146 million to California. Substantially all of these carryforwards, if not fully realized, will begin to expire in 2027. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. We also have California credit carryforwards of $156 million. The California tax credit carryforwards can be carried forward indefinitely.

As of March 31, 2021, we maintained a total valuation allowance of $230 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, 2021, 2020 and 2019 were $584 million, $983 million and $417 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, 2018	$ 457
Increases in unrecognized tax benefits related to prior year tax positions	—
Decreases in unrecognized tax benefits related to prior year tax positions	(41)
Increases in unrecognized tax benefits related to current year tax positions	43
Decreases in unrecognized tax benefits related to settlements with taxing authorities	(16)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(21)
Changes in unrecognized tax benefits due to foreign currency translation	(5)
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

As of March 31, 2021, approximately $319 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 $34 million as of March 31, 2021 and $34 million as of March 31, 2020.

We file income tax returns in the United States, including various state and local jurisdictions. As of March 31, 2021, 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 2016. In addition, as of the period ended March 31, 2021, we remain subject to income tax examination for several other jurisdictions including in Switzerland for fiscal years after 2011, Canada for fiscal years after 2013, Sweden for fiscal years after 2015, Italy for fiscal years after 2017, France for fiscal years after 2017, Germany for fiscal years after 2016, and the United Kingdom for fiscal years after 2019.

We are also currently under income tax examination in the United States for fiscal year 2017, Italy for fiscal year 2016, 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 uncertain tax positions.

It is also reasonably possible that an additional reduction of up to $5 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 $600 million aggregate principal amount of 3.70% Senior Notes due March 1, 2021 (the "2021 Notes") and $400 million aggregate principal amount of 4.80% Senior Notes due March 1, 2026 (the "2026 Notes"). Our proceeds were $989 million, net of discount of $2 million and issuance costs of $9 million. Both the discount and issuance costs are being amortized to interest expense over the respective terms of the 2021 Notes and the 2026 Notes using the effective interest rate method. The effective interest rate was 3.94% for the 2021 Notes and is 4.97% for the 2026 Notes. Interest is payable semiannually in arrears, on March 1 and September 1 of each year. We redeemed $600 million aggregate principal amount of the 2021 Notes on February 1, 2021 plus accrued and unpaid interest of $9 million.

The carrying and fair values of the Senior Notes are as follows (in millions):

	As of March 31, 2021	As of March 31, 2020
Senior Notes:		
4.80% Senior Notes due 2026	$ 400	$ 400
1.85% Senior Notes due 2031	750	—
2.95% Senior Notes due 2051	750	—
3.70% Senior Notes due 2021	—	600
Total principal amount	$ 1,900	$ 1,000
Unaccreted discount	(7)	(1)
Unamortized debt issuance costs	(17)	(3)
Net carrying value of Senior Notes	$ 1,876	$ 996
Fair value of Senior Notes (Level 2)	$ 1,873	$ 1,030

As of March 31, 2021, the remaining life of the 2026 Notes, 2031 Notes and 2051 Notes is approximately 4.9 years, 9.9 years, and 29.9 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 our option, at the base rate plus an applicable spread or an adjusted LIBOR rate plus an applicable spread, in each case 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) in the case of loans bearing interest at the adjusted LIBOR rate. 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. LIBOR is expected to be discontinued, and the Credit Facility contains a process by which we and the administrative agent agree on an alternate rate in such event. If we fail to agree on an alternate rate, then any loans will bear interest at a base rate tied to an ABR Borrowing rate, plus an applicable spread.

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, 2021, 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, 2021 and 2020, 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 2021, 2020, and 2019 that is included in interest and other income (expense), net on our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2021	**2020**	**2019**
Amortization of debt discount	$ —	$ —	$ (1)
Amortization of debt issuance costs	(2)	(2)	(2)
Coupon interest expense	(43)	(42)	(41)
Other interest expense	—	—	(1)
Total interest expense	$ (45)	$ (44)	$ (45)

(13) LEASES

On April 1, 2019, at the beginning of fiscal year 2020, we adopted ASC Topic 842, *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 16 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. 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, 2021 and 2020 are as follows (in millions):

	Year Ended March 31,	
	2021	2020
Operating lease costs	$ 87	$ 70
Variable lease costs	21	37
Short-term lease costs	2	14
Total lease expense	$ 110	$ 121

Supplemental cash and noncash information related to our operating leases for the fiscal years ended March 31, 2021 and 2020 are as follows (in millions):

	Year Ended March 31,	
	2021	2020
Cash paid for amounts included in the measurement of lease liability	$ 85	$ 69
ROU assets obtained in exchange for new lease obligations	$ 90	$ 52

Weighted average remaining lease term and discount rate at March 31, 2021 and 2020 are as follows:

	At March 31, 2021	At March 31, 2020
Lease term	7.2 years	4.5 years
Discount rate	2.7 %	3.2 %

Operating lease ROU assets and liabilities recorded on our Consolidated Balance Sheets as of March 31, 2021 and 2020 are as follows (in millions):

	As of March 31,				
	2021		2020		Balance Sheet Classification
Operating lease ROU assets	$	242	$	193	Other assets
Operating lease liabilities	$	76	$	69	Accrued and other current liabilities
Noncurrent operating lease liabilities		202		155	Other liabilities
Total operating lease liabilities	$	278	$	224	

Future minimum lease payments under operating leases as of March 31, 2021 were as follows (in millions):

Fiscal Years Ending March 31,		
2022	$	56
2023		72
2024		42
2025		34
2026		27
Thereafter		77
Total future lease payments		308
Less imputed interest		(30)
Total operating lease liabilities	$	278

In addition to what is included in the table above, as of March 31, 2021, we have entered into six office leases and one equipment lease that have not yet commenced with aggregate future lease payments of approximately $163 million. These leases are expected to commence between fiscal year 2022 and fiscal year 2025, and will have lease terms ranging from 3 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 that may not be dependent on any deliverables. Celebrities and organizations with whom we have contracts include, but are not limited to: FIFA (Fédération Internationale de Football Association), FIFPRO Foundation, FAPL (Football Association Premier League Limited), DFL Deutsche Fußball Liga E.V. (German Soccer League), and Liga Nacional De Futbol Profesional (professional soccer); National Basketball Association and National Basketball Players Association (professional basketball); National Hockey League and NHL Players’ Association (professional hockey); NFL Properties LLC, NFL Players Association and NFL Players Inc. on behalf of OneTeam Partners, LLC (professional football); William Morris Endeavor Entertainment LLC (professional mixed martial arts); ESPN (content in EA SPORTS games); Disney Interactive (Star Wars); Formula One Digital Media Limited and Formula Motorsport Limited (professional racing); and PGA Tour, Inc. (professional golf). 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 our minimum contractual obligations as of March 31, 2021 (in millions):

		Fiscal Year Ending March 31,					
	Total	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Unrecognized commitments							
Developer/licensor commitments	$ 1,945	$ 297	$ 377	$ 377	$ 387	$ 294	$ 213
Marketing commitments	671	157	136	130	122	86	40
Senior Notes interest	897	56	55	55	55	54	622
Operating lease imputed interest	30	7	6	4	3	2	8
Operating leases not yet commenced	163	3	6	7	9	14	124
Other purchase obligations	216	47	43	124	1	1	—
Total unrecognized commitments	3,922	567	623	697	577	451	1,007
Recognized commitments							
Senior Notes principal and interest	1,907	7	—	—	—	400	1,500
Operating leases	278	49	66	38	31	25	69
Transition Tax and other taxes	44	24	3	4	6	7	—
Licensing commitments	27	27	—	—	—	—	—
Total recognized commitments	2,256	107	69	42	37	432	1,569
Total Commitments	$ 6,178	$ 674	$ 692	$ 739	$ 614	$ 883	$ 2,576

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, 2021; 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, 2021, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest totaling $292 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 ("NGA") has asserted that the randomized selection of virtual items in the FIFA Ultimate Team mode of our FIFA franchise contravenes the Dutch Betting and Gaming Act. On October 15, 2020, the District Court of the Hague affirmed the NGA's decision. We have appealed the District Court's order, and the NGA's decision is suspended through the appeals process. We do not believe that the operational or financial consequences from these proceedings will have a material adverse effect on our Consolidated Financial Statements. We do not believe that our products and services violate applicable gambling laws.

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 2021, 2020, and 2019.

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,		
	2021	2020	2019
Risk-free interest rate	0.1%	1.5 - 1.9%	2.2 - 2.5%
Expected volatility	32 - 39%	23 - 37%	29 - 33%
Weighted-average volatility	36%	26%	33%
Expected term	6 - 12 months	6 - 12 months	6 - 12 months
Expected dividends	0.3%	None	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,		
	2021	2020	2019
Risk-free interest rate	0.2%	1.6 - 1.8%	2.6%
Expected volatility	23 - 63%	14 - 65%	16 - 47%
Weighted-average volatility	37%	29%	28%
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 17.7 million options or 12.4 million restricted stock units were available for grant under our 2019 Equity Plan as of March 31, 2021.

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 are fully vested and exercisable.

The following table summarizes our stock option activity for the fiscal year ended March 31, 2021:

	Options (in thousands)	Weighted-Average Exercise Prices	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of March 31, 2020	1,074	$ 30.85		
Granted	3	127.35		
Exercised	(810)	29.60		
Forfeited, cancelled or expired	—	—		
Outstanding as of March 31, 2021	267	$ 35.71	3.22	$ 27
Vested and expected to vest	267	$ 35.71	3.22	$ 27
Exercisable as of March 31, 2021	267	$ 35.71	3.22	$ 27

The aggregate intrinsic value represents the total pre-tax intrinsic value based on our closing stock price as of March 31, 2021, 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 2021, 2020, and 2019 were $76 million, $22 million and $24 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, 2021:

	Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Values
Outstanding as of March 31, 2020	6,217	$ 100.42
Granted	3,322	127.27
Vested	(3,285)	103.68
Forfeited or cancelled	(490)	109.64
Outstanding as of March 31, 2021	5,764	$ 113.25

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 2021, 2020, and 2019 were $127.27, $93.52 and $128.76 respectively. The fair values of restricted stock units that vested during fiscal years 2021, 2020, and 2019 were $420 million, $240 million and $300 million, respectively.

Performance-Based Restricted Stock Units

Our performance-based restricted stock units cliff vest after a four-year performance period contingent upon the achievement of pre-determined performance-based milestones based on our non-GAAP net revenue and free cash flow 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. Each quarter, we update our assessment of the probability that the non-GAAP net revenue and free cash flow 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 of non-GAAP net revenue and free cash flow. 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 where 50 percent of the total performance-based restricted stock units that vest will be determined based on non-GAAP net revenue and the other 50 percent will be determined based on free cash flow. 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, 2021:

	Performance-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2020	579	$ 110.51
Granted	—	—
Forfeited or cancelled	—	—
Outstanding as of March 31, 2021	579	$ 110.51

We expect approximately 266,000 of the 579,000 outstanding performance-based restricted stock units will be earned and vest on May 26,2021 and the remaining outstanding units will be cancelled.

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, three-year cumulative period or a two-year and four-year cumulative 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, 2021:

	Market-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2020	1,898	$ 128.41
Granted	874	145.78
Vested	(157)	113.72
Forfeited or cancelled	(420)	137.69
Outstanding as of March 31, 2021	2,195	$ 134.60

The weighted-average grant date fair values of market-based restricted stock units granted during fiscal years 2021, 2020, and 2019 were $145.78, $109.04, and $185.24, respectively. The fair values of market-based restricted stock units that vested during fiscal years 2021, 2020, and 2019 were $19 million, $9 million, and $54 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, 2021, 2020 and 2019:

	Shares Issued (in millions)	Exercise Prices for Purchase Rights	Weighted-Average Fair Values of Purchase Rights
Fiscal Year 2019	0.5	$89.46 - $107.51	$ 31.88
Fiscal Year 2020	0.7	$74.70 - $74.89	$ 29.05
Fiscal Year 2021	0.7	$74.70 - $119.37	$ 29.80

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, 2021, 4.9 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,		
	2021	2020	2019
Cost of revenue	$ 5	$ 4	$ 4
Research and development	285	229	184
Marketing and sales	46	37	33
General and administrative	99	77	63
Stock-based compensation expense	$ 435	$ 347	$ 284

During the fiscal years ended March 31, 2021, 2020 and 2019, we recognized $56 million, $43 million and $40 million, respectively, of deferred income tax benefit related to our stock-based compensation expense.

As of March 31, 2021, our total unrecognized compensation cost related to restricted stock units, market-based restricted stock units, and performance-based restricted stock units was $558 million and is expected to be recognized over a weighted-average service period of 1.7 years. Of the $558 million of unrecognized compensation cost, $476 million relates to restricted stock units, $81 million relates to market-based restricted stock units, and $1 million relates to performance-based restricted stock units. As of March 31, 2021, there were no unrecognized compensation cost related to stock options as they were fully vested.

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 $18 million and $13 million as of March 31, 2021 and 2020, respectively. As of March 31, 2021 and 2020, $19 million and $14 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 $40 million, $29 million and $43 million to these plans in fiscal years 2021, 2020, and 2019, respectively.

Stock Repurchase Program

In May 2017, a Special Committee of our Board of Directors, on behalf of the full Board of Directors, authorized a two-year program to repurchase up to $1.2 billion of our common stock. We repurchased approximately 0.6 million shares for approximately $76 million under this program during the fiscal year ended March 31, 2019. 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 repurchased approximately 0.7 million, 12.3 million and 10.4 million shares for approximately $78 million, $1,207 million and $1,116 million under this program, respectively, during the fiscal years ended March 31, 2021, 2020 and 2019. 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 repurchased approximately 4.9 million shares for approximately $651 million under this program during the fiscal year ended March 31, 2021. We are actively repurchasing shares under this program.

The following table summarizes total shares repurchased during fiscal years 2021, 2020, and 2019:

	May 2017 Program		May 2018 Program		November 2020 Program		Total	
(In millions)	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Fiscal Year 2019	0.6	$ 76	10.4	$ 1,116	—	$ —	11.0	$ 1,192
Fiscal Year 2020	—	$ —	12.3	$ 1,207	—	$ —	12.3	$ 1,207
Fiscal Year 2021	—	$ —	0.7	$ 78	4.9	$ 651	5.6	$ 729

(16) INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income (expense), net, for the fiscal years ended March 31, 2021, 2020 and 2019 consisted of (in millions):

	Year Ended March 31,		
	2021	2020	2019
Interest expense	(45)	(44)	(45)
Interest income	24	100	88
Net gain (loss) on foreign currency transactions	9	11	(9)
Net gain (loss) on foreign currency forward contracts	(19)	(4)	50
Other income (expense), net	2	—	(1)
Interest and other income (expense), net	$ (29)	$ 63	$ 83

(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.

	Year Ended March 31,		
(In millions, except per share amounts)	2021	2020	2019
Net income	$ 837	$ 3,039	$ 1,019
Shares used to compute earnings per share:			
Weighted-average common stock outstanding — basic	289	293	303
Dilutive potential common shares related to stock award plans and from assumed exercise of stock options	3	2	3
Weighted-average common stock outstanding — diluted	292	295	306
Earnings per share:			
Basic	$ 2.90	$ 10.37	$ 3.36
Diluted	$ 2.87	$ 10.30	$ 3.33

For the fiscal years ended March 31, 2021, 2020 and 2019, two million of 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, respectively, as their inclusion would have had an antidilutive effect.

(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, 2021, 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, 2021, 2020 and 2019 is presented below (in millions):

	Year Ended March 31,		
	2021	2020	2019
Net revenue by timing of recognition			
Revenue recognized at a point in time	$ 2,006	$ 2,043	$ 1,902
Revenue recognized over time	3,623	3,494	3,048
Net revenue	$ 5,629	$ 5,537	$ 4,950

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 the estimated offering period 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, 2021, 2020 and 2019 is presented below (in millions):

	Year Ended March 31,		
	2021	2020	2019
Net revenue by composition			
Full game downloads	$ 918	$ 811	$ 681
Packaged goods	695	1,076	1,112
Full game	1,613	1,887	1,793
Live services and other	4,016	3,650	3,157
Net revenue	$ 5,629	$ 5,537	$ 4,950

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, OEM bundles).

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.

Information about our total net revenue by platform for the fiscal years ended March 31, 2021, 2020 and 2019 is presented below (in millions):

	Year Ended March 31,		
	2021	2020	2019
Platform net revenue			
Console	$ 3,716	$ 3,774	$ 3,333
PC and other	1,195	1,036	793
Mobile	718	727	824
Net revenue	$ 5,629	$ 5,537	$ 4,950

Information about our operations in North America and internationally for the fiscal years ended March 31, 2021, 2020 and 2019 is presented below (in millions):

	Year Ended March 31,		
	2021	2020	2019
Net revenue from unaffiliated customers			
North America	$ 2,474	$ 2,270	$ 1,906
International	3,155	3,267	3,044
Net revenue	$ 5,629	$ 5,537	$ 4,950

	As of March 31,	
	2021	2020
Long-lived assets		
North America	$ 397	$ 375
International	94	74
Total	$ 491	$ 449

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 2021, 2020, and 2019 represents $2,731 million, $2,586 million and $2,303 million or 49 percent, 47 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 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. In fiscal year 2019, our direct sales to Sony and Microsoft represented approximately 29 percent and 16 percent of total net revenue, respectively.

Reports 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 3, 2021 and March 28, 2020, 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 3, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of April 3, 2021, 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 3, 2021 and March 28, 2020, and the results of its operations and its cash flows for each of the fiscal years in the three fiscal year period ended April 3, 2021, 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 3, 2021 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 $5,629 million for the year-ended April 3, 2021, and deferred net revenue of $1,636 million as of April 3, 2021.

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.

Evaluation of the realizability of the Swiss deferred tax assets

As discussed in Notes 2 and 11 to the consolidated financial statements, during the year ended March 28, 2020, the Company recognized $1.840 billion of deferred tax benefits related to an intra-entity sale of some of its intellectual property rights to its Swiss subsidiary, which was net of the impact of a $131 million valuation allowance and a $393 million reduction due to the Altera opinion. The Company periodically performs an analysis to determine whether it is more likely than not that all or a portion of its Swiss deferred tax assets will be realized. The Company's realizability analysis considers whether sufficient taxable income will be generated by the Swiss subsidiary over the period that the

Swiss deferred tax assets will reverse. As of April 3, 2021, the Swiss intra-entity deferred tax asset balance was $1.781 billion.

We identified the evaluation of the realizability of the Company's Swiss deferred tax assets as a critical audit matter. This evaluation required especially challenging auditor judgment to assess the Company's estimated future Swiss taxable income over the period that the Swiss deferred tax assets will reverse. Specifically, the Company's assumptions of expected future growth rates of Swiss taxable income were based primarily on third-party market and industry growth data. Changes in assumptions regarding estimated future Swiss taxable income could have a significant impact on the realization of the Company's Swiss deferred tax assets and the amount of the valuation allowance.

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 income tax process over the valuation allowance, including controls over the process to develop estimates of future Swiss taxable income. We performed a sensitivity analysis of the valuation allowance to assess the impact of reasonably possible changes in expected future growth rates. We compared the Company's estimated future Swiss taxable income to historical growth rates and other projected financial information prepared by the Company. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the Company's benchmarking study of third-party market and industry growth data by assessing the relevance and reliability of the benchmarking data.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Santa Clara, California
May 26, 2021

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 83.

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, 2021 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B: ***Other Information***

None.

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 2021 Proxy under the headings "Proxy Highlights" and "Board of Directors and Corporate Governance."

Item 11: ***Executive Compensation***

The information required by Item 11 is incorporated herein by reference to the information to be included in the 2021 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 2021 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 2021 Proxy under the headings "Director Independence," and "Related Persons Transaction Policy."

Item 14: ***Principal Accounting 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 2021 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 42 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 89 are filed or incorporated by reference as part of this report.

ELECTRONIC ARTS INC.

2021 FORM 10-K ANNUAL REPORT

EXHIBIT INDEX

		Incorporated by Reference			
Number	**Exhibit Title**	**Form**	**File No.**	**Filing Date**	**Filed Herewith**
2.01	Agreement and Plan of Merger, dated as of February 8, 2021, by and among Electronic Arts Inc., Giants Acquisition Sub, Inc. and Glu Mobile Inc.	8-K	000-17948	2/8/2021	
2.02	Rule 2.7 Announcement in connection with the Company's acquisition of Codemasters Group Holdings plc, dated December 14, 2020	8-K	000-17948	12/14/2020	
2.03	Co-operation Agreement, dated December 14, 2020, by and between Electronic Arts Inc., Codex Games Limited and Codemasters Group Holdings PLC	8-K	000-17948	12/14/2020	
3.01	Amended and Restated Certificate of Incorporation	8-K	000-17948	8/9/2019	
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. Change in Control Plan	8-K	000-17948	5/18/2018	
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*	EA Bonus Plan Fiscal Year 2020 Addendum	8-K	000-17948	5/20/2019	
10.08*	Form of 2019 Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/20/2019	
10.09*	Form of Performance-Based Restricted Stock Unit Agreement	10-K	000-17948	5/20/2020	
10.10*	Form of Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/25/2021	
10.11*	Form of November 2019 Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	11/12/2019	
10.12*	Form of Restricted Stock Unit Award Agreement for Outside Directors	10-Q	000-17948	11/7/2017	
10.13*	2000 Equity Incentive Plan, as amended, and related documents	8-K	000-17948	8/1/2016	

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.14*	2000 Employee Stock Purchase Plan, as amended	8-K	000-17948	8/1/2016	
10.15*	2019 Equity Incentive Plan, and related documents	8-K	000-17948	8/9/2019	
10.16*	Offer Letter for Employment at Electronic Arts Inc. to Andrew Wilson, dated September 15, 2013	8-K	000-17948	9/17/2013	
10.17*	Offer Letter for Employment at Electronic Arts Inc. to Blake Jorgensen, dated July 25, 2012	8-K	000-17948	7/31/2012	
10.18*	Offer Letter for Employment at Electronic Arts Inc. to Ken Moss, dated June 6, 2014	10-Q	000-17948	8/5/2014	
10.19*	Offer Letter for Employment at Electronic Arts Inc. to Chris Bruzzo, dated July 21, 2014	10-Q	000-17948	11/4/2014	
10.20*	Offer Letter for Employment at Electronic Arts Inc. to Mala Singh, dated August 27, 2016	10-Q	000-17948	11/8/2016	
10.21**	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	
10.22**	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	
10.23**	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	
10.24**	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	
10.25	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†	XBRL Instance Document				X
101.SCH†	XBRL Taxonomy Extension Schema Document				X

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document				X

* 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.

† Attached as Exhibit 101 to this Annual Report on Form 10-K for the year ended March 31, 2020 are the following formatted in eXtensible Business Reporting Language ("XBRL"): (1) Consolidated Balance Sheets, (2) Consolidated Statements of Operations, (3) Consolidated Statements of Comprehensive Income (Loss), (4) Consolidated Statements of Stockholders' Equity, (5) Consolidated Statements of Cash Flows, and (6) Notes to Consolidated Financial Statements.

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

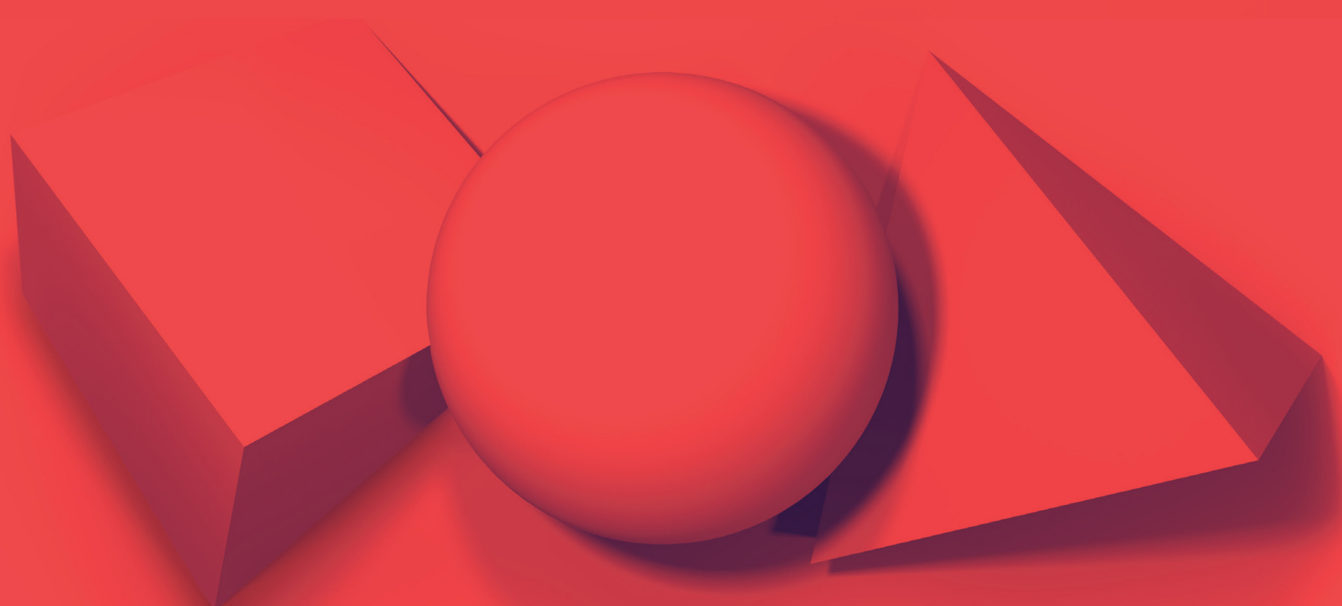
Andrew Wilson

Chief Executive Officer

Date: May 26, 2021

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 26th of May 2021.

Name	Title
/s/ Andrew Wilson Andrew Wilson	Chief Executive Officer
/s/ Blake Jorgensen Blake Jorgensen	Chief Operating Officer and Chief Financial Officer
/s/ Kenneth A. Barker Kenneth A. Barker	Chief Accounting Officer (Principal Accounting Officer)
Directors:	
/s/ Lawrence F. Probst III Lawrence F. Probst III	Chairman of the Board
/s/ Leonard S. Coleman Leonard S. Coleman	Director
/s/ Jay C. Hoag Jay C. Hoag	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
/s/ Andrew Wilson Andrew Wilson	Director



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