

July 1, 2021

Mr. Luis Ubiñas
Chair, Compensation Committee
C/O: EA Corporate Secretary, Stockholder Communications
Electronic Arts Inc.
209 Redwood Shores Pkwy.
Redwood City, CA 94065

Dear Mr. Ubiñas:

After reviewing the compensation changes Electronic Arts Inc. (EA) has disclosed in its 2021 proxy statement, we believe they do not sufficiently address the core issue of repeated special equity award grants in the wake of last year's failed Say on Pay vote. We are particularly concerned that the Board of Directors only committed to pause special equity awards to Named Executive Officers (NEOs) through fiscal 2022, a mere year. Given that EA NEOs have already received special equity awards in the recent past (Blake Jorgensen and Kenneth Moss both received multi-million dollar special equity awards in both fiscal 2020 and fiscal 2018 and CEO Andrew Wilson received his last special award in fiscal 2018), and to demonstrate that the Compensation Committee is serious about reigning in the frequency of special and/or larger than usual equity awards, **we urge you to commit to a period of at least eight years** of not granting special awards to NEOs. This period represents approximately two long-term incentive performance cycles, given that the average cycle is between three to five years. We ask that you announce this change by July 15 to allow investors to consider it prior to making their voting decisions for this year's annual meeting on August 12, 2021.

The SOC Investment Group, formerly known as CtW Investment Group, works with pension funds sponsored by unions affiliated with the Strategic Organizing Center, a coalitions of four unions representing more than four million members, to enhance long term shareholder value through active ownership. These funds have over \$250 billion in assets under management and are substantial EA shareholders. We previously voiced concern in a [letter](#) to EA shareholders dated July 8, 2020 regarding the company's frequency of special award grants.

We note that the proxy is careful not to refer to Mr. Wilson's increased equity award for fiscal 2021 as a "special" award, instead using the terms "enhanced" and "larger than normal." This is a matter of semantics, however, as an award of identical size (\$15 million on top of his ordinary annual equity award of \$15 million) and similar composition was referred to as a "special equity award" in the company's fiscal 2018 proxy filing. The fact that company does not refer to it that way in the 2021 proxy does not make it any less so.

The company makes three main points of note in support of the Compensation Committee's decision to grant the increased award to Mr. Wilson, which concern his performance since becoming CEO, retention concerns, and grant timing. We acknowledge and commend the company's stock price appreciation and Mr. Wilson's role in that during his tenure as CEO thus far, we further acknowledge

the company's potential retention challenges, and we also recognize that Mr. Wilson's increased equity award was granted prior to last year's annual meeting.

However, in our view, none of those realities alone or taken together completely mitigates the Compensation Committee's decision in this case and contradict the Committee's own statements that special awards (which this equity award is) should be used "only in rare circumstances." First and perhaps most importantly, a three-year span in between equity awards of this magnitude simply is not considered rare in our view – Mr. Wilson received a special equity award of identical size in fiscal 2018. Second, the response to outside recruitment threats cannot each and every time be to offer multi-million-dollar special retention equity awards. As we have discussed with you, we believe that boards must strike a balance between retention and appropriate executive pay and executives should be content with ordinary course equity award levels, which in Mr. Wilson's case is \$15 million and will increase to \$18 million in fiscal 2022. Third, the timing of Mr. Wilson's special equity grant does not fully negate our concerns regarding its size and frequency.

We strongly believe that EA executives are already well incentivized through the company's ordinary course pay program alone (without special awards or "enhanced" "one-time" awards that are much larger than usual) because they already receive significant amounts of annual equity grants that appreciate when the company performs well. Conversely, it is our belief that when shareholders experience a loss in their long-term investment in the company, executives should as well. However, when a company frequently grants very high equity awards, such as in this case, ***executives may be insulated from falling stock prices to a greater extent than shareholders because diminished compensation is constantly replenished at outsized levels***, which runs counter to the notion that equity pay appropriately aligns the interests of executives with those of shareholders.

We look forward to your response. Please contact my colleague Michael Varner, Director of Executive Compensation Research, at michael.varner@ctwinvestmentgroup.com to arrange a time to discuss these concerns before July 15, 2021.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dieter Waizenegger".

Dieter Waizenegger
Executive Director