

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, 2024

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 number 001-34003

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware	51-0350842
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
110 West 44th Street	
New York, New York	10036
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (646) 536-2842

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, \$.01 par value	TTWO	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. (Check one):

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. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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 voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant's most recently completed second fiscal quarter was approximately \$ 23,342,656,391 .

As of May 6, 2024, there were 171,385,386 shares of the Registrant's Common Stock outstanding, net of treasury stock.

Documents Incorporated by Reference:

Portions of the registrant's definitive proxy statement for the 2024 Annual Meeting of Stockholders are incorporated by reference into Part III herein.

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## CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements contained herein, which are not historical facts, including statements relating to Take-Two Interactive Software, Inc.'s ("Take-Two," the "Company," "we," "us," or similar pronouns) outlook, are considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for our future business and financial performance. Such forward-looking statements are based on the current beliefs of our management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including risks relating to our combination with Zynga Inc. (the "Zynga Acquisition"); the risks of conducting business internationally, including as a result of unforeseen geopolitical events; the impact of changes in interest rates by the Federal Reserve and other central banks, including on our short-term investment portfolio; the impact of inflation; volatility in foreign currency exchange rates; our dependence on key management and product development personnel; our dependence on our NBA 2K and Grand Theft Auto products and our ability to develop other hit titles; our ability to leverage opportunities on PlayStation®5 and Xbox Series X|S; factors affecting our mobile business, such as player acquisition costs; the timely release and significant market acceptance of our games; the ability to maintain acceptable pricing levels on our games; and other risks included herein; as well as, but not limited to, the risks and uncertainties discussed under the heading "[Risk Factors](#)" included in Part I, Item 1A herein. All forward-looking statements are qualified by these cautionary statements and speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

All figures are in millions, except per share amounts, employee figures, or as otherwise noted.

## PART I

### Item 1. Business

#### General

We are a leading developer, publisher, and marketer of interactive entertainment for consumers around the globe. We develop, operate, and publish products principally through Rockstar Games, 2K, Private Division, and Zynga. Our products are currently designed for console gaming systems, including, but not limited to, the Sony Computer Entertainment, Inc. ("Sony") PlayStation®4 ("PS4") and PlayStation5 ("PS5"), Microsoft Corporation ("Microsoft") Xbox One® ("Xbox One") and Xbox Series X|S ("Xbox Series X|S"), and Nintendo's Switch™ ("Switch"), as well as personal computers ("PC"), and mobile, including, smartphones and tablets. We deliver our products through physical retail, digital download, online platforms, and cloud streaming services.

Our website address is [www.take2games.com](http://www.take2games.com). We make all of our filings with the Securities and Exchange Commission ("SEC") available free of charge on our website under the caption "Financial Information—SEC Filings." Included in these filings are our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, which are available as soon as reasonably practicable after we electronically file or furnish such materials with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. Our website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K. The SEC maintains a website that contains annual, quarterly and current reports, proxy and information statements and other information that issuers (including the Company) file electronically with the SEC. The SEC's website is [www.sec.gov](http://www.sec.gov).

#### Strategy

**Overview.** Our strategy is to be the most creative, innovative, and efficient company in the evolving interactive entertainment industry. With our diverse portfolio that spans all key platforms and numerous genres, we strive to create the highest quality, most engaging interactive entertainment franchises and captivate our global audience. Most of our intellectual property is internally owned and developed, which we believe best positions us financially and competitively. We have established a portfolio of proprietary software content for the major hardware and mobile platforms in a wide range of genres, including action, adventure, family/casual, hyper-casual, role-playing, shooter, social casino, sports, and strategy, which we distribute worldwide. We believe that our player-first mentality and commitment to creativity and innovation are distinguishing strengths, enabling us to differentiate our products in the marketplace by combining advanced technology with compelling storylines and characters that provide unique gameplay experiences for consumers. We have created, acquired, or licensed a group of highly recognizable brands to match the broad consumer demographics that we serve, ranging from adults to children and game enthusiasts to casual gamers. Another cornerstone of our strategy is to support the success of our products in the

marketplace through innovative marketing programs and global distribution on platforms and through channels that are relevant to our target audience.

**Support World-Class Creative Teams.** Creativity and innovation remain two of the core tenets of our organization and are the lifeblood of our ongoing success. We have 9,639 employees working in game development in studios around the world, including some of the most well-known names in the business. The creative teams at Rockstar Games, 2K, Private Division, and Zynga are renowned for their consistent ability to deliver games that set new benchmarks for excellence. In addition, Private Division is dedicated to bringing titles from top independent developers to market. Our teams balance the art and science of game making by combining creative innovation with a player-centric, data driven approach to delight players. We support our teams by focusing on talent acquisition and retention, and we seek to foster an environment where people build long-term careers and do their best work.

**Focus on Core Strength of Producing High-Quality Titles.** We focus on publishing high-quality titles based on internally owned and developed intellectual properties. We currently own the intellectual property rights to 48 proprietary brands. In addition, we selectively develop titles based on licensed properties, including sports leagues, and also publish externally developed titles. We take steps to optimize efficiency and effectiveness in our operations while also maintaining high standards of quality and customer satisfaction. Our objective is to achieve greater operating expense leverage as we grow our scale with the release of our eagerly-anticipated pipeline.

We use a product investment review process to evaluate potential titles for investment, to review existing titles in development, and to assess titles after release by measuring their performance in the market and the return on our investment. We apply this process to all of our products, whether internally or externally developed. Our product investment review process includes reviews of each project at various stages of development by our executive management team and the senior management of our publishing labels and also includes coordination between our sales and marketing personnel before the launch of titles. This disciplined approach to product investment is expected to enhance the competitiveness and profitability of our titles.

We develop our products using a combination of our internal development teams and external development resources acting under contract with us. We select external developers based on their track record and expertise in developing products in the same category or genre. One developer will generally produce the same game for multiple platforms and will also produce sequels to the original game. We believe that selecting and using development resources in this manner allows us to leverage the particular expertise of our internal and external development resources, which is designed to maintain our quality standards for our products.

**Leverage Emerging Technologies, Platforms, and Distribution Channels, Including Digitally-Delivered Content.** Interactive entertainment, played online and on mobile, presents significant opportunities to enhance our growth and profitability. In addition, the interactive entertainment software industry is delivering the majority of content for traditional platforms through digital download. Virtually all of our products are available through direct digital download (from websites we own or third-party websites). We will continue to invest in emerging opportunities in mobile and online gameplay, particularly for our wholly-owned franchises, as well as downloadable content and microtransactions that enable gamers to pay to download additional content to enhance their game playing experience. We aim to drive ongoing engagement and incremental revenue from recurrent consumer spending on our titles through virtual currency, add-on content, and in-game purchases.

**Expand International Business.** The global market for interactive entertainment continues to grow, and we seek to increase our presence internationally, particularly in Asia, the Middle East, and Latin America. We are continuing to execute on our growth initiatives in Asia, where our strategy is to build on our licensing relationships and also broaden the distribution of our existing products and expand our online gaming presence, especially in China. 2K has secured a multi-year license from the NBA to develop an online version of our NBA simulation game in China, Taiwan, Hong Kong, and Macau. Our first such title, *NBA 2K Online*, a free-to-play NBA simulation game based on the console edition of *NBA 2K*, which was co-developed by 2K and Tencent, is the top online PC sports game in China with over 60 million registered users. We have released two iterations of *NBA 2K Online* and continue to enhance the title with new features. We are also a direct publisher in Japan and South Korea. While we retain title to all intellectual property, in some regions, local publishers, under license agreements, are responsible for localization of software content, distribution, and marketing of the products in their respective local markets.

## **Our Businesses**

We derive substantially all of our revenue from the sale of our interactive entertainment content, which includes the sale of internally developed software titles and software titles developed by third parties, the sale of in-game virtual items and advertising, and live services on console, PC, and mobile. Operating margins are dependent in part upon our ability to release new, commercially successful software products and to manage effectively their development and marketing costs. We have

internal development studios located in Australia, Canada, China, Czech Republic, Finland, Germany, Hungary, India, Serbia, South Korea, Spain, Turkey, the United Kingdom (U.K.), and the United States (U.S.). As of March 31, 2024, we had a research and development staff of 9,639 employees with the technical capabilities to develop software titles for all major consoles, PCs, and mobile platforms in multiple languages and territories.

Agreements with third-party developers generally give us exclusive publishing and marketing rights and require us to make development payments, pay royalties based on product sales, and satisfy other conditions. Development payments for software titles are typically recoupable against royalties otherwise due to developers based on software sales. Our agreements with third-party developers generally provide us with the right to monitor development efforts and to cease making development payments if specified development milestones are not satisfied. We also regularly monitor the level of development payments in light of the expected sales for the related titles.

We engage in evolving business models such as online gaming, virtual currency, add-on content, and in-game purchases, and we expect to continue to generate incremental revenue from these opportunities. We also generate revenue from advertising within our software products.

**Rockstar Games.** Rockstar Games' strategy is to develop a limited number of titles that are known for their quality and longevity in the market for which they can create sequels and incremental revenue opportunities through virtual currency, add-on content, and in-game purchases. Software titles published by our Rockstar Games label are primarily internally developed. We expect Rockstar Games, our wholly-owned publisher of the *Grand Theft Auto*, *LA Noire*, *Max Payne*, *Midnight Club*, *Red Dead Redemption*, and other popular franchises, to continue to be a leader in the action/adventure product category and to create groundbreaking entertainment. We believe that Rockstar Games has established a uniquely original, popular, cultural phenomenon with its *Grand Theft Auto* series, which is the interactive entertainment industry's most iconic and critically acclaimed brand and has sold-in over 420 million units worldwide. Our most recent installment, *Grand Theft Auto V*, which was released in 2013, has sold-in over 195 million units worldwide and includes access to *Grand Theft Auto Online*. Rockstar Games continues to invest in the franchise and plans to release *Grand Theft Auto VI* in the Fall of calendar 2025. The label released its first trailer for the title in December 2023 and will share more details over time. *Red Dead Redemption 2*, which has been a critical and commercial success that set numerous entertainment industry records, has sold-in more than 60 million units worldwide to date. Rockstar Games continues to expand on its established series by developing sequels, offering downloadable episodes, and providing additional content. Rockstar Games' titles are published across all key platforms, including mobile.

**2K.** Our 2K label has published a variety of popular entertainment properties across all key platforms and across a range of genres including shooter, action, role-playing, strategy, sports, and family/casual entertainment. In recent years, 2K has expanded its offerings to include several new franchises that are expected to enhance and diversify its slate of games and provide opportunities for sequels and additional content. We expect 2K to continue to develop new, successful franchises in the future. 2K's internally owned and developed franchises include the critically acclaimed, multi-million unit selling *BioShock*, *Mafia*, *Sid Meier's Civilization*, and *XCOM* franchises. 2K also has long-held publishing rights for *Borderlands* and *Tiny Tina's Wonderlands* from Gearbox. As set forth under "Recent Developments," below, on March 27, 2024, we entered into an agreement to purchase Gearbox, which is expected to close in first quarter of Fiscal 2025 and will bring these intellectual properties in-house. 2K's realistic sports simulation titles include our flagship *NBA 2K* series, which continues to be the top-ranked NBA basketball video game, the *WWE 2K* professional wrestling series, *PGA TOUR 2K*, and *TopSpin 2K*. 2K also publishes mobile titles, including *WWE SuperCard*. We have expanded our relationship with the NBA through the *NBA 2K League*, a competitive eSports league jointly owned by us and the NBA.

**Private Division.** Our Private Division label is dedicated to bringing titles from the industry's leading creative talent to market and is the publisher, developer, and owner of *Kerbal Space Program* and *OlliOlli World*.

**Zynga.** Our Zynga label publishes popular free-to-play mobile games that deliver high quality, deeply engaging entertainment experiences and generates revenue from in-game sales and in-game advertising. Zynga's strategy is to have numerous games in concept development and to determine which titles are best suited for soft launch and worldwide launch based on the achievement of various milestones and KPI thresholds. Zynga's diverse portfolio of popular game franchises has been downloaded more than six billion times, including *CSR Racing*, *Dragon City*, *Empires & Puzzles*, *FarmVille*, *Golf Rival*, *Harry Potter: Puzzles & Spells*, *Match Factory!*, *Merge Dragons!*, *Merge Magic!*, *Monster Legends*, *Toon Blast*, *Top Eleven*, *Top Troops*, *Toy Blast*, *Two Dots*, *Words With Friends*, *Zynga Poker*, and a high volume of hyper-casual mobile titles, including *Fill the Fridge!*, *Parking Jam 3D*, *Power Slap*, *Pull the Pin*, *Twisted Tangle*, and *Tangled Snakes*.

## Recent Developments

*Pending Acquisition.* On March 27, 2024, we entered into a Share Purchase Agreement to purchase 100% of the issued and outstanding capital stock of The Gearbox Entertainment Company, Inc. ("Gearbox"), from Embracer Group AB. The purchase price is \$460.0, consisting of newly issued shares of Take-Two common stock, valued based on the volume weighted average closing price per share of our common stock on the Nasdaq Global Select Market for the five consecutive trading days ending on (and including) the trading day immediately preceding the closing date, subject to adjustments as defined in the Share Purchase Agreement. The transaction, which is currently anticipated to close during the first quarter in fiscal 2025, is subject to the satisfaction or waiver of customary closing conditions for both parties.

## Intellectual Property

Our business is highly dependent on the creation, acquisition, licensing, and protection of intellectual property. We believe that content ownership facilitates our internal product development efforts and maximizes profit potential. We attempt to protect our software and production techniques under copyright, patent, trademark, and trade secret laws as well as through contractual restrictions on disclosure, copying, and distribution.

We also enter into content license agreements, such as those with sports leagues, players associations, copyrighted fictional characters and entertainment brands, car manufacturers, music labels, and musicians. These licenses are typically limited to the use of the licensed rights in products for specific time periods. In addition, we license and include console manufacturer technology in our products on a non-exclusive basis, which allows our games to be played on their respective hardware systems.

## Manufacturing

Platform manufacturers, such as Sony, Microsoft, and Nintendo, either manufacture or control the selection of approved manufacturers of physical copies of software products sold for use on their respective hardware platforms. We place a purchase order for the manufacture of our products with Sony, Nintendo, or Microsoft's approved replicator and then send software code to the manufacturer, together with related artwork, user instructions, warranty information, brochures and packaging designs for approval, defect testing and manufacture. Games are generally shipped within two to three weeks of receipt of our purchase order and all materials.

Our software titles typically carry a 90-day limited warranty.

## Arrangements with Platform Manufacturers

We have entered into license agreements with Sony and Microsoft to develop and publish software in Asia, Australia, Europe, North America, and certain Latin American, Middle Eastern, and African countries. We are not required to obtain any licenses from hardware manufacturers to develop titles for the PC.

*Sony.* Effective March 23, 2017, we entered into a PlayStation Global Developer and Publisher Agreement with Sony Computer Entertainment, Inc. and certain of its affiliates, pursuant to which Sony granted us the right and license to develop, publish, have manufactured, market, advertise, distribute and sell PlayStation compatible products for all PlayStation systems. The agreement requires us to submit products to Sony for approval and for us to make royalty payments to Sony based on the number of units manufactured or revenue from digitally downloaded content. In addition, products for PlayStation systems are required to be manufactured by Sony-approved manufacturers. On September 30, 2020, we entered into a PlayStation 5 Amendment, with an effective date of May 1, 2020 (the "PS5 Amendment"), to our existing PlayStation Global Developer and Publisher Agreement. The PS5 Amendment amends the existing agreement to include the PlayStation 5 interactive entertainment system in the definition of systems in the agreement and to extend all of the terms and conditions of the existing agreement to our PlayStation 5 products and services.

The term of the agreement, as amended, expires on March 31, 2025, with automatic one-year renewal terms thereafter (unless one party gives the other notice of termination). Sony may terminate the agreement for any or no reason upon 30 days' notice. The agreement may also be terminated by Sony immediately in the event of a breach by us or our bankruptcy or insolvency. Upon expiration or termination of the agreement, we have certain rights to sell off existing inventories.

*Microsoft.* Under the terms of the license agreements that we have entered into with Microsoft Corporation and its affiliates, Microsoft granted us the right and license to develop, publish, have manufactured, market, advertise, distribute and sell Xbox compatible products. The agreements require us to submit products to Microsoft for approval and to make royalty payments to Microsoft based on the number of units manufactured or revenue from digitally downloaded content. In addition, products for the Xbox consoles are required to be manufactured by Microsoft-approved manufacturers.

Effective as of November 17, 2005, we entered into an Xbox 360 Publisher License Agreement with Microsoft for the Xbox 360 console (the "Xbox 360 Agreement"). Effective as of July 1, 2020, we entered into an Xbox Console Publisher License Agreement with Microsoft for the Xbox Series X|S and Xbox One consoles (the "Xbox Next Gen Agreement" and together with Xbox 360 Agreement, the "Xbox Agreements"). The terms of both Xbox Agreements expire on March 31, 2025, each with automatic one-year renewal terms thereafter (unless one party gives the other advance notice of non-renewal). These Xbox Agreements may be terminated by Microsoft immediately in the event of a breach by us, and the Xbox Next Gen Agreement may also be terminated by Microsoft immediately in the event of our bankruptcy or insolvency. Upon expiration or termination of each of the Xbox Agreements, we have certain rights to sell off existing inventories.

## **Sales**

We sell software titles both digitally and physically through direct relationships with digital storefronts and platform partners, large retail customers, and third-party distributors. We sell our products globally and have sales operations in Australia, Canada, France, Germany, Japan, Singapore, South Korea, Spain, Taiwan, the United Kingdom, and the United States.

We are dependent on a limited number of customers that account for a significant portion of our sales. Sales to our five largest customers during the fiscal year ended March 31, 2024, accounted for 79.8% of our net revenue, with Sony, Apple, Google, and Microsoft each accounting for more than 10.0% of our net revenue.

We distribute our titles, add-on content, and in-game purchases through direct digital download to consoles, PCs, and mobile devices. We view digital distribution as the principal channel for our industry and Company; however, we expect that packaged goods and traditional retailers will continue to be an important channel for the sale of our console products for the foreseeable future, particularly in connection with the release of certain titles for consoles or certain regions where digital distribution is not as well established.

We also sell advertising within a number of our games. Our advertising offerings provide creative ways for marketers and advertisers to reach and engage with our players and are generally essential for our free-to-play titles. Our advertising offerings include banner and interstitial advertisements, engagement advertisements and offers in which players can participate in watch-to-earn engagements or other offer engagements, branded virtual items, and sponsorships that integrate relevant advertising and messaging within game play.

## **Marketing**

Our marketing and promotional efforts are intended to acquire new users, maximize consumer interest in our titles, promote brand name recognition of our franchises, assist retailers and to properly position, package and merchandise our titles. Marketing is particularly important for our mobile titles to build a large community of players. From time to time, we also receive marketing support from hardware manufacturers in connection with their own promotional efforts.

We market titles by:

- Implementing public relations campaigns, using social, digital, online, television, outdoor, and print marketing, including certain performance marketing programs. We aim to label and market our products in accordance with the applicable principles and guidelines of the Entertainment Software Rating Board, ("ESRB"), an independent self-regulatory body that assigns ratings and enforces advertising guidelines for the interactive software industry.
- Stimulating continued sales by reducing the wholesale prices of our products to retailers, digital storefronts, and platform providers at various times during the life of a product. Price protection may occur at any time in a product's life cycle but typically occurs three to nine months after a product's initial launch. In certain international markets, we also provide volume rebates to stimulate continued product sales.
- Employing various other marketing methods designed to promote consumer awareness, including social media, in-store promotions and point-of-purchase displays, direct mail, cooperative advertising, attendance at trade shows as well as product sampling through demonstration software distributed via the Internet or the digital online services.
- We have been able to build a large community of players, particularly for mobile titles, through players discovering of our games in platform storefronts, the viral and social features built into the network effects of our games, as well as the cross-promotion of our games to our existing audience. However, we also acquire our players through paid advertising channels. We advertise our mobile games primarily within other mobile applications and on social networks, often through in-app and other advertising partners such as Facebook and Google.

As of March 31, 2024, we had a sales and marketing staff of 1,353 people.

## Competition

In our business, we compete with:

- Other interactive entertainment companies, including those offering mobile games, that range in size and cost structure from very small with limited resources to very large with greater financial, marketing, technical, and other resources than ours. Examples of our competitors include Activision Blizzard, Electronic Arts Inc., Embracer Group AB, Playrix, Playtika, Roblox, Scopely, Tencent, and Ubisoft Entertainment S.A. We also expect new competitors to enter the market and existing competitors to allocate more resources to develop and market competing games and applications.
- Sony, Microsoft, and Nintendo for the sale of interactive entertainment software. Each of these competitors is a large developer and marketer of software for their own platforms and has the financial resources to withstand significant price competition and to implement extensive advertising campaigns.
- Other software, hardware, entertainment, and media for limited retail shelf space and promotional resources. The competition for shelf space, whether physical or virtual, and promotional support is intense among an increasing number of newly introduced entertainment software titles and hardware.
- Other forms of entertainment such as motion pictures, television, social networking, online applications, and other forms of entertainment, which may be less expensive or provide other advantages to consumers.

Competition in the interactive entertainment industry is based on innovation, features, playability, product quality, brand name recognition, compatibility with popular platforms, access to distribution channels, price, marketing, and customer service. Our business is driven by hit titles, which require increasing budgets for development and marketing. Competition for our titles is influenced by the timing of competitive product releases and the similarity of such products to our titles.

## International Operations

International sales are a significant part of our business. For the fiscal years ended March 31, 2024, 2023 and 2022, we earned 38.7%, 37.2% and 40.1%, respectively, of our net revenue outside the United States. We are continuing to execute on our growth initiatives in Asia, where our strategy is to broaden the distribution of our existing products and expand our online gaming presence, especially in China. We are subject to risks inherent in foreign trade, including increased credit risks, tariffs and duties, fluctuations in foreign currency exchange rates, shipping delays and international political, regulatory, and economic developments, all of which can have a significant effect on our operating results. See [Notes 1](#) and [2](#) to our Consolidated Financial Statements.

## Segment and Geographic Information

We have one operating and reportable segment. See [Notes 1](#), [2](#), and [8](#) to our Consolidated Financial Statements.

## Human Capital

*Human Capital Management.* One of Take-Two's most important assets is our people. With 12,371 full-time employees as of March 31, 2024, of which 7,621 were located outside of the United States, we are constantly focused on our teams – their success, their structure, and how best to support them given their particular needs and projects. 46% of our employees are located in North America, 36% in Europe, and 18% in the Asia-Pacific region; 78% of our employees are focused on product development.

Although some repercussions of COVID-19 remain across the industry, most of our employees have returned to their offices, with many of our teams productively working in a hybrid work environment. This approach to the workplace presents new challenges, as well as opportunities, for managing teams and supporting employees. In that vein, we are continuing existing programs and identifying others to ensure our people feel supported in their roles, including enhanced manager training to help strengthen teams despite the varied approaches to working, broadening our wellness and mental health offerings, encouraging people to step away from their screens when they can and spending a lot of time listening to employee feedback.

Our varying approaches to the workplace, facilitate our continued focus on creativity and innovation as two of the core tenets of our organization and the lifeblood of our ongoing success. The creative teams at our labels are renowned for their consistent ability to deliver games that set new benchmarks for excellence. We support our creative and corporate teams by focusing on talent acquisition and retention, including through offering job development and skills training initiatives, extensive employee benefits and numerous well-being programs, and partnering with the leadership at our labels to foster the types of cultures our leaders believe best support and grow the creative processes for their particular teams.



*Sustainability.* We recognize the synergies between corporate citizenship and smart business and are committed to focusing on, and measuring, the impact of our Sustainability activities, which are rooted in our core tenets of creativity, innovation, and efficiency. We believe Sustainability creates value for all stakeholders, including employees and customers, while also helping to mitigate risks, reduce costs, protect brand value, and identify market opportunities. We have an organization-wide Sustainability committee, overseen by the Board of Directors, to lead our Sustainability efforts. Through this committee, we developed a comprehensive, Sustainability framework that reflects our top priority issues and stakeholder needs. In 2023, we made significant progress in managing our Sustainability performance. We are dedicated to driving positive change across our industry and society through our Sustainability efforts.

*Diversity, Equity, and Inclusion.* We firmly believe that diverse teams are more valuable and effective, and that diversity is key to our success. We are committed to enhancing workforce diversity at Take-Two, and we strive to provide an inclusive workplace in which everyone feels respected, heard, and safe. We believe our culture of compassion and respect fosters a warm, welcoming environment for all qualified candidates and colleagues. Specific efforts we take include company-sponsored service projects in the communities in which we operate; providing financial and other support to organizations working to eradicate social injustice as well as providing educational, athletic, and other opportunities to underserved communities; working with organizations to support the rights of the LGBTQ+ community; endeavoring to expand the diversity of our industry's candidate pool through scholarships to minority game design students and contributions to organizations providing STEM opportunities to children in underserved communities; delivering interview training and career counseling to young adults in those same communities; and celebrating cultural differences through various employee affinity groups and company events and offerings.

*Talent Assessment & Development and Employee Experience.* We strongly believe in internal growth opportunities and career development tracks. We also recognize the importance of our employees staying current in an ever-changing industry. To that end, our global Learning & Development team curates a wide variety of training materials and programs targeting both hard skills development and career progression as well as programs in leadership development and employee round tables. Further, our compliance training program seeks to ensure that our employees recognize and report any signs of harassment, discrimination, retaliation, or other inappropriate behaviors in the workplace and that they understand and abide by our Code of Business Conduct and other internal policies.

Our learning and development programs are designed to be closely aligned with our performance management process and succession planning. Our formalized performance management process provides the platform for evaluating each individual employee's contributions to the team and our success, with a focus on regular communication and transparency. We work hard to ensure that development opportunities are individually tailored and that all decisions regarding hiring, career progression, and compensation are based on qualifications, work ethic, and job performance.

Beyond formal performance management, we stay connected with our teams throughout the year with global town hall meetings, engagement and "pulse" surveys, culture assessments and employee round tables. The feedback generated through these tools helps to ensure we are providing a supportive, dynamic, and stimulating work environment for all of our employees. These efforts and more contributed to Take-Two being named one of Forbes' Best Mid-Size Employers list in 2019, 2021, 2022, and 2024, and one of Newsweek's America's Greatest Workplaces for Diversity, Women, LGBTQ+, and Job Starters in 2024. In addition, we were included on Fortune's Great Places to Work list in 2020, 2021, and 2022 and were honored by Gay Gaming Professionals in 2021 as a DEI&B leader in the interactive entertainment industry.

*Compensation and Benefits.* The main objectives of our compensation and benefit programs are to attract, retain, motivate, and reward our employees, who operate in a highly competitive and technologically challenging environment. We offer competitive compensation packages designed to incentivize high individual and company performance. We regularly review our compensation and benefits packages from both an internal and external standpoint to ensure competitiveness, including through industry benchmarking analysis. We seek to link compensation (including annual changes in compensation) to our overall and business unit performance, as well as each individual's contribution to the results achieved. The emphasis on our overall performance is intended to align our employees' financial interests with the interests of our shareholders. In addition to awarding Restricted Stock Units to employees at certain levels, we also offer an Employee Stock Purchase Plan to further align the interests of our employees with our shareholders.

We also provide a comprehensive benefits package that includes traditional offerings, such as medical, dental vision, retirement, disability, accident and life insurance, prescription drugs, and leaves, and also includes programs such as well-being, fitness reimbursement, mental health benefits, mental health awareness training for Human Resources personnel and managers throughout the Company, and charitable giving with a company match.

## Item 1A. Risk Factors

*Our business is subject to many risks and uncertainties, which may affect our future financial performance. Because of the risks and uncertainties described below, as well as other factors affecting our operating results and financial condition, past financial performance should not be considered to be a reliable indicator of future performance and our business and financial performance could be harmed and the market value of our securities could decline. These risks are not presented in order of importance or probability of occurrence.*

### Summary of Risk Factors

Material risks that may affect our business, operating results and financial condition include, but are not necessarily limited to:

#### Risks relating to our business and industry

- Our industry is highly competitive
- Uncertainty of achieving market acceptance, delays or disruptions for our products may have an adverse effect
- We face development risks and must adapt to changes in software technologies
- The development and use of artificial intelligence into our products may present operational and reputational risks
- Increased use of mobile devices for gaming will drive future growth of mobile gaming
- Increased competition for retailer support could increase expenses
- Our ability to develop successful products for current video game platforms
- We require approval of hardware licensors to publish titles
- Reliance on complex information technology systems and networks and potential adverse impact of security breaches
- Potential adverse impact of inadequate consumer data protection
- Dependence on key management and product development personnel
- Attracting, managing, and retaining our talent is critical to our success
- Offensive consumer-created content can harm our results of operations or reputation
- We rely on software development arrangements with third parties
- The risk of distributors, development, and licensing partners or other third parties being unable to honor their commitments or otherwise putting our brand at risk
- Increasing importance of digital sales and free-to-play games exposes us to the risks of that business model
- We must compete for advertisements and offers that are incorporated into our free-to-play games
- Our acquisitions and investments may not have the anticipated results
- International operations risks
- The loss of server capacity, lack of sufficient bandwidth, or connectivity issues could cause our business to suffer
- Use of open-source software exposes us to risks
- Our software is susceptible to errors
- The continued ability to acquire and maintain license to intellectual property is key
- We may experience fluctuations in the recurring portion of our business
- We are dependent on the timing of our product releases
- We are dependent on the future success of our Grand Theft Auto products and other "hit" titles
- Adverse effects of price protection and returns
- A limited number of customers account for a significant portion of our sales
- Content policies could negatively affect sales
- Entertainment Software Rating Board ratings for our products could negatively affect our ability to distribute and sell
- The competitive position and value of our products could be adversely affected by unprotected intellectual property
- We have a significant amount of outstanding debt
- The value of our virtual items is highly dependent on how we manage the economies in our games
- There is potential for unauthorized or fraudulent transactions of accounts and virtual items outside of our games

#### Risks related to legal or regulatory compliance

- Government regulation of the internet can affect our business
- Legislation could subject us to claims or otherwise harm our business
- Failure to comply with laws and regulations, including data privacy, could harm our business
- Adverse effect of alleged or actual infringement on the intellectual property rights of third parties

#### Risks related to financial and economic condition

- Provisions in our charter documents and debt agreements may impede or discourage a takeover
- Adverse effects of changes in tax rates and additional tax liabilities

- We are subject to risks and uncertainties of international trade, including foreign currency fluctuations
- Potential adverse effects of existing or future accounting standards
- Adverse effects of declines in consumer spending and changes in the economy

#### General Risk Factors

- Additional issuances of equity securities would cause dilution and could affect the market price of our common stock
- We are subject to risks related to corporate and social responsibility and reputation
- Catastrophic events and climate change may have a long-term impact on our business
- We may be adversely affected by the effects of inflation
- We are and may become involved in legal proceedings that may result in adverse outcomes

#### **Risks relating to our business and industry**

##### ***The interactive entertainment software industry is highly competitive.***

We compete for both licenses to properties and the sale of interactive entertainment software with Sony and Microsoft, each of which is a large developer and marketer of software for its own platforms. We also compete with game publishers, such as Activision Blizzard, Inc., Electronic Arts Inc., Embracer Group AB, Microsoft, Nintendo, Playrix, Playtika, Scopely, Sony, Tencent, and Ubisoft Entertainment S.A. We also face competition from online game developers and distributors who have primarily focused on specific international markets and with high-profile companies with significant online presences with new and expanded mobile gaming offerings, such as Apple, Google, and Microsoft. 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. As our business is dependent upon our ability to develop hit titles, which require increasing budgets for development and marketing, the availability of significant financial resources has become a major competitive factor in developing and marketing software games. Some of our competitors have greater financial, technical, personnel, and other resources than we do and are able to finance larger budgets for development and marketing, make higher offers to licensors and developers for commercially desirable properties, adopt more aggressive pricing policies to develop more commercially successful video game products than we do, recruit our key creative and technical talent or otherwise disrupt our operations. Internationally, local competitors may have a greater brand recognition than us in their local country and a stronger understanding of local culture and commerce. They may also offer their products and services in local languages we not offer. Additionally, competitors may develop content that imitates or competes with our best-selling games, potentially reducing our sales or our ability to charge the same prices we have historically charged for our products. These competing products may take a larger share of consumer spending than anticipated, which could cause product sales to fall below expectations. Our titles also compete with other forms of entertainment, such as social media, in addition to motion pictures, television and audio and video products featuring similar themes, online computer programs and other entertainment, which may be less expensive or provide other advantages to consumers.

A number of software publishers who compete with us have developed and commercialized or are currently developing online and mobile games. Technological advances that significantly increase the availability of online and mobile games could result in a decline in our platform-based software sales and negatively affect sales of such products. Other large companies that to date have not actively focused on mobile and social games may decide to develop mobile and social games or partner with other developers. Some of these current and potential competitors have significant resources for developing or acquiring additional games, may be able to incorporate their own strong brands and assets into their games, have a more diversified set of revenue sources than we do and may be less severely affected by changes in consumer preferences, regulations or other developments that may impact our industry.

As there are relatively low barriers to entry to develop a mobile or online game, we expect new game competitors to enter the market and existing competitors to allocate more resources to develop and market competing games and applications. We also compete or will compete with a vast number of small companies and individuals who are able to create and launch games and other content for devices and platforms using relatively limited resources and with relatively limited start-up time or expertise. The proliferation of titles in these open developer channels makes it difficult for us to differentiate ourselves from other developers and to compete for players without substantially increasing our marketing expenses and development costs. Increasing competition could result in loss of players, increasing player acquisition and retention costs, and loss of talent, all of which could harm our business, financial condition or results of operations.

Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others, including our current or future business partners or third-party software providers. By doing so, these competitors may increase their scale, their ability to meet the needs of existing or prospective players and compete for

similar human capital. If we are unable to compete effectively, successfully and at a reasonable cost against our existing and future competitors, our results of operations, cash flows and financial condition would be adversely impacted.

Additionally, we compete with other forms of entertainment and leisure activities. While we monitor general market conditions, significant shifts in consumer demand that could materially alter public preferences for different forms of entertainment and leisure activities are difficult to predict. Failure to adequately identify and adapt to these competitive pressures could have a negative impact on our business.

***The inability of our products to achieve significant market acceptance, the failure to retain existing players, delays in product releases or disruptions following the commercial release of our products may have a material adverse effect on our business, financial condition and operating results.***

New products may not achieve significant market acceptance, generate sufficient sales, or be introduced in a timely manner to permit us to recover development, manufacturing and marketing costs associated with these products. These products or enhancements may not be well-received by consumers, even if well-reviewed and of high quality. The life cycle of a console or PC title generally involves a relatively high level of sales during the first few months after introduction followed by a rapid decline in sales. Because sales associated with an initial product launch on console or PC generally constitute a high percentage of the total sales associated with the life of a product, delays in product releases or disruptions following the commercial release of one or more new products could have a material adverse effect on our business, financial condition, and operating results and therefore cause our operating results to be materially different from our expectations.

In addition, to retain players, we must devote significant resources so that players stay engaged, which could also result in attracting them to our other games. We might not succeed in our efforts to increase monetization rates, particularly if we are unable to retain our paying players. If we fail to grow or sustain the number of our paying players, if the rates at which we attract and retain paying players declines (whether due to financial hardship as a result of an economic downturn or for any other reason), or if the average amount our players pay declines, our financial results could be negatively affected.

***We are subject to product development risks which could result in delays and additional costs, and we must adapt to changes in software technologies.***

We depend on our internal development studios and third-party software developers to develop new interactive entertainment software within anticipated release schedules and cost projections. The development cycle for new titles generally ranges from 12 months or less for most mobile titles and annual console/PC sports releases, to multiple years for certain of our top-selling titles. Therefore, our development costs can be substantial. If we or our third-party developers experience unanticipated development delays, financial difficulties, or additional costs, for example, as a result of unforeseen circumstances, we may not be able to release titles according to our schedule and at budgeted costs. There can be no assurance that our products will be sufficiently successful so that we can recoup these costs or make a profit on these products. For our products with live services, we are required to support continued development. There can be no assurance that these continued efforts will generate sufficient revenue to offset these costs.

Additionally, in order to stay competitive, our internal development studios must anticipate and adapt to rapid technological changes affecting software development, such as cloud-based game streaming, and evolving business models, such as free-to-play and subscription-based access to a portfolio of interactive content. 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. However, forecasting the financial impact of any such strategic investment is inherently uncertain and volatile. Supporting a new technology or business model, for example, may require partnering with a new platform, business, or technology partner, which may be on terms that are less favorable to us than those for traditional technologies or business models. There can be no assurance that these strategic investments will achieve expected returns. Any inability to respond to technological advances and implement new technologies could render our products obsolete or less marketable. Further, the failure to pursue the development of new technology, platforms, or business models that obtain meaningful commercial success in a timely manner may negatively affect our business, resulting in increased production or development costs and more strenuous competition.

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. In either case, our products and services may be technologically inferior to those of our competitors, less appealing to consumers, or both.

***The development and use of artificial intelligence (“AI”) into our products may present operational and reputational risks.***

The growth of AI technologies in our industry has influenced games production for developers and gaming experience for players. The use of this new and emerging technology, which is in its early stages of commercial use, presents social and ethical issues that may result in legal and reputational harm and liability. Further, intellectual property ownership surrounding AI technologies has not been fully addressed by U.S. courts or other federal or state laws or regulations, and the use or adoption of third-party AI technologies into our products and services may result in exposure to claims of copyright infringement or other intellectual property misappropriation.

***If the use of mobile devices as game platforms and the proliferation of mobile devices generally do not increase, our business could be adversely affected.***

Following our acquisition of Zynga, an increased percentage of our operations consists of mobile gaming. The number of people using mobile Internet-enabled devices has increased dramatically over time, and we expect that this trend will continue. However, the mobile market, particularly the market for mobile games, may not grow in the way we anticipate. Our future success is substantially dependent upon the continued growth of the market for mobile games. In addition, we do not currently offer our games on all mobile devices. If the mobile devices on which our games are available decline in popularity or become obsolete faster than anticipated, we could experience a decline in revenue and bookings and may not achieve the anticipated return on our development efforts. Any such declines in the growth of the mobile market or in the use of mobile devices for games could harm our business, financial condition or results of operations.

***Increased competition for limited shelf space and promotional support from retailers could affect the success of our business and require us to incur greater expenses to market our titles.***

While digital sales are increasingly important to our business, for physical sales, retailers have limited shelf space and promotional resources. Competition is intense among newly introduced interactive entertainment software titles for adequate levels of shelf space and promotional support, with most and highest quality shelf space devoted to those products expected to be best sellers. We cannot be certain that our new products will consistently achieve bestseller status. Competition for retail shelf space is expected to continue to increase, which may require us to increase our marketing expenditures to maintain desirable sales levels of our titles. Competitors with more extensive lines and more popular titles may have greater bargaining power with retailers. Accordingly, we may not be able, or we may have to pay more than our competitors, to achieve similar levels of promotional support and shelf space. Similarly, as digital sales increase in importance to our business, there is increasing competition for premium placements of products on websites. Such placement is subject to many risks similar to the physical shelf space risks discussed above.

***Our business is subject to our ability to develop commercially successful products for the current video game platforms.***

We derive a significant portion of our revenue from the sale of products made for video game platforms manufactured by third parties, such as Sony's PlayStation consoles and Microsoft's Xbox consoles, which comprised 40.5% of our net revenue by product platform for the fiscal year ended March 31, 2024. The success of our business is subject to the continued popularity of these platforms and our ability to develop commercially successful products for these platforms. We also rely on the availability of an adequate supply of these video game consoles (which sometimes has been negatively affected by supply chain issues) and the continued support for these consoles by their manufacturers, including our ability to reach consumers via the online networks operated by these console manufacturers. If the consoles for which we develop new software products or modify existing products do not attain significant consumer acceptance, we may not be able to recover our development costs, which could be significant and may further incur expense to adjust our products and development efforts in response to changing consumer preferences.

Historically, when next generation consoles are announced or introduced into the market, consumers have typically reduced their purchases of products for prior-generation consoles in anticipation of purchasing a next-generation console and products for that console. During these periods, sales of the products we publish may decline until new platforms achieve wide consumer acceptance. Console transitions may have a comparable impact on sales of downloadable content, amplifying the impact on our revenues. This decline may not be offset by increased sales of products for the next-generation consoles. In addition, as console hardware moves through its life cycle, hardware manufacturers typically enact price reductions, and decreasing prices may put downward pressure on software prices. During console transitions, we may simultaneously incur costs both in continuing to develop and market new titles for prior-generation video game platforms, which may not sell at premium prices, and also in developing products for next-generation platforms, which may not generate immediate or near-term revenues. As a result, our business and operating results may be more volatile and difficult to predict during console transitions than during other times.

Additionally, we derive a significant portion of our revenue from distribution of our games on the Apple App Store and the Google Play Store, and the virtual items we sell in our games are purchased using the payment processing systems of

these platform providers. In the fiscal year ended March 31, 2024, we derived 95.0% of our mobile revenue on Apple and Google platforms. We are subject to the standard policies and terms of service of third-party platforms, which govern the promotion, distribution, content and operation generally of games on the platform. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to us and other developers, and those changes may be unfavorable to us. A platform provider may also change its fee structure, add fees associated with access to and use of its platform, alter how we are able to advertise on the platform, change how the personal information of its users is made available to application developers on the platform, limit the use of personal information for advertising purposes, or restrict how players can share information with their friends on the platform or across platforms. For example, in April 2021, Apple began requiring developers to get explicit permission from users, on an app-by-app basis, to use the identifier-for-advertisers, a device identifier assigned by Apple to each of its devices and used by advertisers to attribute app installs to advertising campaigns, target users through user acquisition, and deliver targeted ads. These requirements are known as Apple's AppTracking Transparency framework and have been maintained in subsequent versions of Apple iOS. Additionally, in February 2022, Google announced plans to make privacy-focused changes to its Android advertising identifiers after a two-year process, taking into account feedback from developers, regulators and other interested parties. Also, beginning January 2024, Google began requiring publishers and developers using certain Google advertising products to serve ads in the U.K. or European Union (E.U.) to use a Google certified consent management platform. We are continuing to evaluate how these rules or changes may affect our business, operations and financial results.

In addition, third-party platforms also impose certain file size limitations, which may limit the ability of players to download some of our larger games in over-the-air updates. Aside from these over-the-air file size limitations, a larger game file size could cause players to delete our games once the file size grows beyond the capacity of their devices' storage limitations or could reduce the number of downloads of these games.

Such changes of terms of use with third-party platforms may decrease the visibility or availability of our games, limit our distribution capabilities, prevent access to our existing games, reduce the amount of revenue and bookings we may recognize from in-game purchases, increase our costs to operate on these platforms or result in the exclusion or limitation of our games on such platforms. Any such changes could adversely affect our business, financial condition or results of operations.

Moreover, if we violate, or a platform provider believes we have violated, its terms of service (or if there is any change or deterioration in our relationship with these platform providers), that platform provider could limit or discontinue our access to the platform. A platform provider could also limit or discontinue our access to the platform if it establishes more favorable relationships with one or more of our competitors or it determines that we are a competitor. Any limit or discontinuation of our access to any platform could adversely affect our business, financial condition or results of operations. Furthermore, obtaining and maintaining high ratings of our games on the third-party platforms on which we operate are important as they help drive players to find our games. If the ratings of any of our games decline or if we receive significant negative reviews that result in a decrease in our ratings, our games could be more difficult for players to find or recommend. In addition, we may be subject to negative review campaigns or defamation campaigns intended to harm our ratings. Any such decline may lead to loss of players and revenues, additional advertising and marketing costs, and reputation harm.

We also rely on the continued popularity, customer adoption, and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged, or even short-term, basis or other similar issues arise that impact players' ability to access our games, access social features or purchase a license to virtual items, our business, financial condition, results of operations or reputation may be harmed.

***We cannot publish our titles without the approval of hardware licensors that are also our competitors, and we rely on a limited number of channel partners, some of whom influence the fee structures for online distribution of our games on their platforms.***

We are required to obtain licenses from certain of our competitors, including Sony and Microsoft, to develop and publish titles for their respective hardware platforms. Our existing platform licenses require that we obtain approval for the publication of new titles on a title-by-title basis. As a result, the number of titles we are able to publish for these hardware platforms, our ability to manage the timing of the release of these titles, and, accordingly, our net revenue from titles for these hardware platforms, may be limited. If a licensor chooses not to renew or extend our license agreement at the end of its current term, or if a licensor were to terminate our license for any reason or does not approve one or more of our titles, we may be unable to publish that title as well as additional titles for that licensor's platform. During or following a console transition, like the one that occurred in 2020, hardware platform manufacturers may seek to change the terms governing our relationships with them. Termination of any such agreements or disapproval of titles could seriously hurt our business and prospects. We may be unable to continue to enter into license agreements for certain current generation platforms on satisfactory terms or at all. Failure to enter into any such agreement could also seriously hurt our business. In addition, because our products compete with

a vast array of other interactive entertainment software products that also are available on these hardware platforms, a hardware platform manufacturer may give priority to those competing products.

In addition, platform providers, such as Sony and Microsoft, control the networks over which consumers purchase digital products and services for their platforms and through which we provide online game capabilities for our products. The control that these platform providers have over consumer access to our games, the fee structures and/or retail pricing for products and services for their platforms and online networks and the terms and conditions under which we do business with them could impact the availability of our products or the volume of purchases of our products made over their networks and our profitability. The networks provided by these platform providers are the exclusive means of selling and distributing our content on these platforms. If the platform provider establishes terms that restrict our offerings on its platform, significantly alters the financial terms on which these products or services are offered, or does not approve the inclusion of content on its platform, our business could be negatively impacted. Increased competition for digital "shelf space" has put channel partners in more favorable bargaining positions in relation to such terms of distribution.

We also derive significant revenues from distribution on third-party mobile and web platforms, such as the Apple App Store, the Google Play Store, and Facebook, which are also our direct competitors and, in some cases, the exclusive means through which our content reaches gamers on those platforms, and most of the virtual currency we sell is purchased using these platform providers' payment processing systems. Because of the significant use of our games on mobile devices, our application must remain interoperable with these and other popular mobile app stores and platforms, and related hardware. We are subject to the standard policies and terms of service of these platforms. These policies and terms of service govern the availability, promotion, distribution, content, and operation of applications and experiences on such platforms. Each provider of these platforms has broad discretion to change and interpret its terms of service and policies with respect to our games and those changes may be unfavorable to us. If these platforms deny access to our games, or modify their current discovery mechanisms, communication channels available to developers, operating systems, or other policies and terms of service (including fees), our business could be negatively impacted. For example, at any time, the platform providers can change their policies on how we operate on their operating system or in their application stores by applying content moderation for applications and advertising or imposing technical or code requirements. These actions by the platform providers may affect our ability to collect, process, and use data as desired and could negatively impact our ability to leverage data about the experiences our games provide to players, which in turn could impact our resource planning and feature development planning for our products. These platform providers or their services may be unavailable, may not function as intended, or may experience issues with their in-app purchasing functionality.

Some of these platforms have retained the right to change the fee structures for online distribution of both paid content and free content (including patches and corrections), and their ability to set or influence royalty rates may increase costs, which could negatively affect our operating margins. Further, if we are unable to distribute our content in a cost-effective or profitable manner through such distribution channels, it could adversely affect our business, financial condition, and operating results. There is no guarantee that new devices, platforms, systems and software application stores will continue to support our games or that we will be able to maintain the same level of service on these new systems. If it becomes more difficult for our players to access and engage with our games, our business and player retention, growth, and engagement could be significantly harmed.

***We rely on complex information technology systems and networks to operate our business. Any significant system or network disruption or cyberattack could have a negative impact on our business.***

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are within Take-Two and some of which are managed or hosted by third-party providers. The supply chain of hardware needed to maintain this technological infrastructure has been disrupted and geopolitical events, including the Russia-Ukraine war and the Israel-Hamas war and any indirect effects, may further complicate existing supply chain constraints. All information technology systems and networks are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to cyberattacks, computer viruses, malicious software, security breaches, energy blackouts, natural disasters, terrorism, war, and telecommunication failures. We securely store the source code for our interactive entertainment software products as it is created. A breach, whether physical, electronic, or otherwise, of the systems on which such source code and other sensitive data are stored could lead to damage or piracy of our software. In addition, certain parties with whom we do business are given access to our sensitive and proprietary information in order to provide services and support our team. These third parties may misappropriate our information and engage in unauthorized use of it. A data intrusion into a server for a game with online features or for our proprietary online gaming service could also disrupt the operation of such game or platform. Further, the risk of such a breach may be heightened by world events, such as the Russia-Ukraine war and the Israel-Hamas war. If we or these third parties are subject to data security breaches, we may have a loss in sales or increased costs arising from the restoration or implementation of additional security measures which could materially and adversely affect our business, financial condition, and operating results. Any theft and/or unauthorized use or publication of our trade secrets and other confidential business information because of such an event could adversely affect our competitive position, reputation,

brand, and future sales of our products. Our business could be subject to significant disruption, and we could suffer monetary and other losses and reputational harm, in the event of such incidents and claims.

We have faced, and in the future could face, sophisticated attacks, including attacks referred to as advanced persistent threats, which are cyberattacks aimed at compromising our intellectual property and other commercially sensitive information, such as the source code and game assets for our software or confidential customer or employee information, which remain undetected for prolonged periods of time. In September 2022, we experienced a network intrusion in which an unauthorized third party illegally accessed and downloaded confidential information from Rockstar Games' systems, including early development footage for the next Grand Theft Auto. Subsequently, also in September 2022, an unauthorized third party illegally accessed credentials for a vendor platform that 2K Games uses to provide help desk support to its customers. The unauthorized third party sent a communication to certain players containing a malicious link. 2K Games immediately notified all affected users and took steps to restrict further unauthorized activity until service was restored. In connection with this activity (the "Cybersecurity Incident"), we have incurred certain immaterial incremental one-time costs related to consultants, experts and data recovery efforts and expect to incur additional costs related to cybersecurity protections in the future. We have implemented and will continue to implement a variety of measures to enhance further our cybersecurity protections. See ["Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Cybersecurity Incident"](#) in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 for further discussion. Our software supply chain may also be subject to attacks, which would result in future security incidents and breaches.

Information technology system disruptions, network failures, or security breaches (including the Cybersecurity Incident and similar incidents) have negatively affected, and in the future could negatively affect our business continuity, operations, financial results, and the reliability and stability of our products and services. These risks extend to the networks and e-commerce sites of console platform providers and other partners who sell or host our content online. The risk of such threats is heightened by events outside of our control, such as the extended period of remote work arrangements due to COVID-19, the Russia-Ukraine war and the Israel-Hamas war. The risk could also be affected by events within our control, such as the migration of data among data centers and to third-party hosted environments, and the performance of upgrades and maintenance on our systems. Along with our partners, we have expended, and expect to continue to expend, financial and operational resources to implement certain systems, processes, and technologies to guard against cyber risks and to help protect our data and systems. However, the techniques used to exploit, disable, damage, disrupt or gain access to our networks, our products and services, supporting technological infrastructure, intellectual property and other assets change frequently, continue to evolve in sophistication and volume, and may not be detected for long periods of time.

Our systems, processes and technologies, and the systems, processes and technologies of our business partners or our third-party service providers, have not been and in the future may not be adequate against all eventualities. We do not have redundancy for all our systems and our disaster recovery planning may not account for all outcomes. 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. 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 our business. In addition, the costs to respond to, mitigate, or notify affected parties of cyberattacks and other security vulnerabilities are significant. Failures to prevent or mitigate security breaches or cyber risks, or detect or respond adequately to a security breach or cyber risk, could result in a loss of anticipated revenue, interruptions to our products and services, our having to incur significant remediation and notification costs, a degradation of the user experience, causing consumers to lose confidence in our products and services, prompting regulatory inquiries and significant legal and financial costs. Additionally, applicable insurance policies may be insufficient to reimburse us for all such losses, and it is uncertain whether we will be able to maintain the current level of insurance coverage in the future on reasonable terms or at all.

Successful exploitation of our systems can have other negative effects upon the products, services and user experience we offer. In particular, 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 affect our business. Virtual economies involve the use of virtual currency or virtual assets that can be used or redeemed by a player within a particular game or service. Although we have implemented and continue to develop programs reasonably designed to prevent such negative impacts, the abuse or exploitation of our virtual economies can include the illegitimate generation and sale of accounts and/or virtual items in black markets. These kinds of activities and the steps that we take to address and prevent these issues may result in a loss of anticipated revenue, interfere with players' enjoyment of a balanced game environment and cause reputational harm.



***Our business could be adversely affected if our consumer data protection measures are not seen as adequate or there are breaches of our security measures or unintended disclosures of our consumer data.***

We are collecting and storing consumer information, including personal information. We take measures to protect our consumer information from unauthorized access or disclosure. It is possible that our security controls over consumer information may not prevent the improper access or disclosure of personal information. In addition, due to the high-profile nature of our products, we may draw a disproportionately higher amount of attention and attempts to breach our security controls than companies with lower profile products. A security incident, such as the Cybersecurity Incident, that leads to disclosure of consumer information (including personal information) could harm our reputation, compel us to comply with disparate breach notification laws in various jurisdictions and otherwise subject us to liability under laws that protect personal information, any of which could result in increased costs or loss of revenue. A resulting perception that our products or services do not adequately protect personal information could result in a loss of current or potential consumers and business partners. In addition, if any of our business partners experience a security incident that leads to disclosure of consumer information, our reputation could be harmed, resulting in loss of revenue.

In addition, certain of our products include online functionality. The ability of our products to enable this functionality, and our ability to offer content through a video game platform's digital distribution channel, is dependent upon the continued operation and security of such platform's online network. These third-party networks, as well as our own internal systems and websites, and the related security measures may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise, and result in someone obtaining unauthorized access to our customers' information or our data, including our intellectual property and other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Further, the risk of such a breach may be heightened by world events, such as the Russia-Ukraine war and the Israel-Hamas war. If an actual or perceived breach of our safeguards occurs, we may lose business, suffer irreparable damage to our reputation, and/or incur significant costs and expenses relating to the investigation and possible litigation of claims relating to such event.

***We depend on our key management and product development personnel.***

Our continued success will depend to a significant extent on our senior management team and our relationship with ZMC Advisors, L.P. ("ZMC"). Our Executive Chairman/Chief Executive Officer and President are partners of ZMC. We are also highly dependent on the expertise, skills and knowledge of our key creative personnel responsible for content creation and development, such as of our *Grand Theft Auto* and other hit titles. We may not be able to continue to retain these personnel at current compensation levels or at all. Our industry is generally characterized by a high level of employee mobility, competitive compensation programs, and aggressive recruiting among competitors for employees with technical, marketing, sales, engineering, product development, creative, and/or management skills.

The loss of the services of our executive officers, ZMC, or certain key creative personnel could significantly harm our business. In addition, if one or more key employees were to join a competitor or form a competing company, we may lose additional personnel, experience material interruptions in product development, delays in bringing products to market and difficulties in our relationships with licensors, suppliers and customers, which would significantly harm our business. Failure to continue to attract and retain qualified management and creative personnel could adversely affect our business and prospects.

***Attracting, managing and retaining our talent is critical to our success.***

Our business depends on our ability to attract, train, motivate, and retain executive, technical, creative, marketing, and other personnel that are essential to the development, marketing, and support of our products and services. The market for highly-skilled workers and leaders in our industry is extremely competitive, particularly in the geographic locations in which many of our key personnel are located. 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. If we cannot successfully recruit, train, motivate, attract, and retain qualified employees, develop and maintain a healthy culture, or replace key employees following their departure, our reputation, brand, and culture may be negatively affected and our business will be impaired. Our global workforce is primarily non-unionized, but we are aware of an increase in the industry of workers exercising their right to form or join a union. If significant employee populations were to unionize, we could experience operational changes that may materially impact our business.

***Our results of operations or reputation may be harmed as a result of offensive or potentially dangerous consumer-created content.***

We are subject to risks associated with the collaborative online features in our games which allow consumers to post narrative comments, in real time, that are visible to other consumers. From time to time, objectionable and offensive or

potentially dangerous consumer content may be posted to a gaming or other site with online chat features or game forums which allow consumers to post comments. We have been and may be subject to lawsuits, governmental inquiries and regulation or restrictions, and consumer backlash (including decreased sales and harmed reputation), as a result of consumers posting offensive content. We may also be subject to consumer backlash from comments made in response to postings we make on social media sites such as Facebook, YouTube and Twitter. If we fail to appropriately respond to the dissemination of such content, 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.

***Our business is partly dependent on our ability to enter into successful software development arrangements with third parties.***

Our success depends on our ability to continually identify and develop new titles timely. We rely on third-party software developers for the development of some of our titles. Quality third-party developers are continually in high demand, and those who have developed titles for us in the past may not be available to develop software for us in the future. Due to the limited availability of third-party software developers and the limited control that we exercise over them, these developers may not be able to complete titles for us on a timely basis or within acceptable quality standards, if at all. We have entered into agreements with third parties to acquire the rights to publish and distribute interactive entertainment software as well as to use licensed intellectual properties in our titles. These agreements typically require us to make development payments, pay royalties, and satisfy other conditions. Our development payments may not be sufficient to permit developers to develop new software successfully, which could result in material delays and significant increases in our costs to bring particular products to market. Software development costs, promotion and marketing expenses and royalties payable to software developers and third-party licensors have continued to increase and reduce potential profits derived from sales of our software. Future sales of our titles may not be sufficient to recover development payments and advances to software developers and licensors, and we may not have adequate financial and other resources to satisfy our contractual commitments to such developers. If we fail to satisfy our obligations under agreements with third-party developers and licensors, the agreements may be terminated or modified in ways that are burdensome to us and have a material adverse effect on our business, financial condition, and operating results.

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 may be harmed if our distributors, retailers, development, and licensing partners, or other third parties with whom we do business are unable to honor their commitments or act in ways that put our brand at risk.***

In many cases, our business partners are given access to sensitive and proprietary information or control over our intellectual property to provide services and support to our team. These third parties may misappropriate or misuse our information or intellectual property and engage in unauthorized use of it. Further, the failure of these third parties to provide adequate services and technologies or to adequately maintain or update their services and technologies could result in a disruption to our business operations or an adverse effect on our reputation and may negatively impact our business. At the same time, if the media, consumers, or employees raise any concerns about our actions with respect to third parties including consumers who play our games, this could also damage our reputation or our business. Further, should we terminate our relationship with a third-party business partner for any reason, we may experience interruptions in our business and incur costs as we transition to a new partner.

***The increasing importance of digital sales and free-to-play games to our business exposes us to the risks of that business model, including greater competition.***

The proportion of our revenues derived from digital content delivery, as compared to traditional retail sales, has increased significantly in recent years. The increased importance of digital content delivery in our industry, including through subscription-based access to a portfolio of interactive content, increases our potential competition, as the minimum capital needed to produce and publish a digitally delivered game is significantly less than that needed to produce and publish one that is delivered through retail distribution. This shift also requires us to dedicate capital to developing and implementing alternative marketing strategies, which may not be successful. If either occurs, we may be unable to effectively market and distribute our products, which could materially adversely affect our business, financial condition, and operating results. In addition, a continuing shift to digital delivery could result in a deprioritization of our products by traditional retailers. Also, while digitally-distributed products generally have higher profit margins than retail sales, as business shifts to digital distribution, the volume of orders from retailers for physical discs has been, and is expected to be, reduced.

We are also increasingly dependent on our ability to develop, enhance, and monetize free-to-play games. As such, we are increasingly exposed to the risks of the free-to-play business model. For example, we may invest in the development of new free-to-play interactive entertainment products that do not achieve significant commercial success, in which case our revenues from those products likely will be lower than anticipated and we may not recover our development costs. Further, our business may be negatively impacted if: (i) we are unable to encourage new and existing consumers to purchase our virtual items, (ii) we fail to offer monetization features that appeal to these consumers, (iii) our platform providers make it more difficult or expensive for players to purchase our virtual items, (iv) we cannot encourage significant additional consumers to purchase virtual items in our game, or (v) our free-to-play releases reduce sales of our other games.

Successfully monetizing free-to-play games is difficult and requires that we deliver valuable and entertaining player experiences that a sufficient number of players will pay for or that we are able to otherwise sufficiently monetize our games (for example, by serving in-game advertising). The success of our games depends, in part, on unpredictable and volatile factors beyond our control including consumer preferences, competing games, new mobile platforms and the availability of other entertainment experiences. If our games do not meet consumer expectations, or if they are not brought to market in a timely and effective manner, our revenue and financial performance will be negatively affected.

In addition to the market factors noted above, our ability to successfully develop games for mobile platforms and their ability to achieve commercial success will depend on our ability to:

- effectively market our games to existing and new players;
- achieve benefits from our player acquisition costs;
- achieve viral organic growth and gain customer interest in our games through free or more efficient channels;
- adapt to changing player preferences;
- adapt to new technologies and feature sets for mobile and other devices;
- expand and enhance games after their initial release;
- attract, retain and motivate talented and experienced game designers, product managers and engineers;
- partner with mobile platforms and obtain featuring opportunities;
- continue to adapt game feature sets for an increasingly diverse set of mobile devices, including various operating systems and specifications, limited bandwidth and varying processing power and screen sizes;
- minimize launch delays and cost overruns on the development of new games and features;
- achieve and maintain successful customer engagement and effectively monetize our games;
- maintain a quality social game experience and retain our players;
- develop games that can build upon or become franchise games;
- compete successfully against a large and growing number of existing market participants;
- accurately forecast the timing and expense of our operations, including game and feature development, marketing and customer acquisition, customer adoption and success of bookings growth;
- minimize and quickly resolve bugs or outages; and
- acquire and successfully integrate high quality mobile game assets, personnel or companies.

These and other uncertainties make it difficult to know whether we will succeed in continuing to develop successful live service games and launch new games and features in accordance with our operating plan. If we do not succeed in doing so, our business, financial condition, results of operations and reputation will suffer.

***We derive revenues from advertisements and offers that are incorporated into our free-to-play games through relationships with third parties. If we are unable to continue to compete for these advertisements and offers, or if any events occur that negatively impact our relationships with advertisers, our advertising revenues and operating results would be negatively impacted.***

We derive revenue from advertisements and offers we serve to players. We need to maintain good relationships with advertisers to provide us with a sufficient inventory of advertisements and offers. Online advertising, including through mobile games and other mobile applications, is an intensely competitive industry. Many large companies, such as Amazon, Facebook and Google, invest significantly in data analytics to make their websites and platforms more attractive to advertisers. For our advertising business to continue to succeed, we need to continue to demonstrate the reach of our player network and success of

our advertising partners. If our relationship with any advertising partners terminates for any reason, or if the commercial terms of our relationships are changed or do not continue to be renewed on favorable terms, we would need to qualify new advertising partners, which could negatively impact our revenues, at least in the short term. Alternatively, if our advertising inventory is unavailable and demand exceeds supply, our ability to generate further revenues from advertising would be limited, particularly during peak hours and in key geographies. This could have an adverse effect on our reputation and our business, financial condition, and results of operations. In addition, if we include advertising in our games that players view as excessive, such advertising may materially detract from players' gaming experiences, thereby creating player dissatisfaction, which may cause us to lose players and revenues and may negatively affect the in-game experience for players making purchases of virtual items in our games.

In addition, internet-connected devices and operating systems controlled by third parties increasingly contain features that allow device users to disable functionality that allows for the delivery of targeted advertising on their devices. Device and browser manufacturers may include or expand these features as part of their standard device specifications. For example, Apple previously created a proprietary identifier-for-advertisers, which simplifies the process for Apple users to opt out of certain types of advertising. In April 2021, Apple began requiring developers to get explicit permission from users, on an app-by-app basis, to use the identifier-for-advertisers, a device identifier assigned by Apple to each of its devices and used by advertisers to attribute app installs to advertising, campaigns and target users through user acquisition, and deliver targeted ads. These requirements are known as Apple's AppTracking Transparency framework and have been maintained in subsequent versions of Apple iOS. Beginning January 2024, Google began requiring publishers and developers using certain Google advertising products to serve ads in the U.K. or E.U. to use a Google-certified consent management platform. If users do not elect to participate in functionality that supports the delivery of targeted advertising on their devices, our ability to deliver effective advertising campaigns on behalf of our advertisers could suffer, which could cause our business, financial condition, or results of operations to suffer.

Finally, the revenues that we derive from advertisements and offers is subject both to seasonality, as companies' advertising budgets are generally highest during the fourth calendar quarter and decline significantly in the first calendar quarter of the following year, which negatively impacts our revenues in such first calendar quarter, and to the financial health of advertisers, who, as they experience downturns or uncertainty in their own business operations for various reasons, such as the economic effects resulting from world events, may decrease their advertising spending.

***If we acquire or invest in other businesses, intellectual properties, or other assets, we may be unable to integrate them with our business, our financial performance may be impaired and/or we may not realize the anticipated financial and strategic goals for such transactions.***

If appropriate opportunities present themselves, we may acquire or make investments in businesses, intellectual properties and other assets that we believe are strategic, such as our acquisition of Zynga and our pending acquisition of Gearbox. We may not be able to identify, negotiate or finance any future acquisition or investment successfully. Even if we do succeed in acquiring or investing in a business, intellectual property or other asset, such acquisitions and investments involve a number of risks, including:

- retaining key employees and maintaining the key business and customer relationships of the businesses we acquire;
- cultural challenges associated with integrating employees from an acquired company or business into our organization;
- the possibility that the combined company would not achieve the expected benefits, including any anticipated operating and product synergies, of the acquisition as quickly as anticipated or that the costs of, or operational difficulties arising from, an acquisition would be greater than anticipated;
- the potential for the acquired business to underperform relative to our expectations and the acquisition price;
- unexpected tax consequences from the acquisition, or the tax treatment of the acquired business's operations going forward, giving rise to incremental tax liabilities that are difficult to predict;
- significant acquisition-related accounting adjustments, particularly relating to an acquired company's deferred revenue, that may cause reported revenue and profits of the combined company to be lower than the sum of their stand-alone revenue and profits;
- significant accounting charges resulting from the completion and integration of a sizable acquisition and increased capital expenditures, including potential impairment charges incurred to write down the carrying amount of intangible assets generated as a result of an acquisition;
- the possibility that significant acquisitions, when not managed cautiously, may result in the over-extension of our existing operating infrastructures, internal controls and information technology systems;

- the possibility that we will not discover important facts during due diligence that could have a material adverse effect on the value of the businesses we acquire, including the possibility that a change of control of a company we acquire triggers a termination of contractual or intellectual property rights important to the operation of its business;
- the need to integrate an acquired company's accounting, management information, human resource and other administrative systems to permit effective management and timely reporting, and the need to implement or remediate controls, procedures and policies appropriate for a public company in an acquired company that, prior to the acquisition, lacked these controls, procedures and policies;
- litigation or other claims in connection with, or inheritance of claims or litigation risks as a result of, an acquisition, including claims from terminated employees, customers or other third parties;
- to the extent that we engage in strategic transactions outside of the U.S., we face additional risks, including risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries; and
- the need to implement controls, procedures and policies appropriate for a larger, U.S.-based public company at companies that prior to acquisition may not have as robust controls, procedures and policies, particularly, with respect to the effectiveness of cyber and information security practices and incident response plans, compliance with data privacy and protection and other laws and regulations protecting the rights of players and customers, and compliance with U.S.-based economic policies and sanctions which may not have previously been applicable to the acquired company's operations.

Further, any such transaction may involve the risk that our senior management's attention will be excessively diverted from our other operations, the risk that our industry does not evolve as anticipated, and that any intellectual property or personnel skills acquired do not prove to be those needed for our future success, and the risk that our strategic objectives, cost savings or other anticipated benefits are otherwise not achieved.

Future acquisitions and investments could also involve the issuance of our equity and equity-linked securities (potentially diluting our existing stockholders), 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 such as stock-based compensation. Any of the foregoing factors could harm our financial condition or prevent us from achieving improvements in our financial condition and operating performance that could have otherwise been achieved by us on a stand-alone basis. Our stockholders may not have the opportunity to review, vote on or evaluate future acquisitions or investments.

***We face risks from our international operations.***

We are subject to certain risks because of our international operations, particularly as we continue to grow our business and presence in Asia, Latin America, and other parts of the world. Changes to and compliance with a variety of foreign laws and regulations may increase our cost of doing business and our inability or failure to obtain required approvals could harm our international and domestic sales. In either the U.S. or other countries, trade legislation, such as a change in the current tariff structures, import/export compliance laws, a change in the relationship between either us or the U.S. and any country in which we have significant operations or sales, or other trade laws or policies, could adversely affect our ability to sell or to distribute in international markets. Additionally, cultural differences may affect consumer preferences and as a result, some of our "hit" products may not sell as well as they do in the U.S. Cultural differences may also require us to modify the content of our products or the method by which we charge our customers. If we do not correctly assess consumer preferences in the countries in which we sell our products, or respond to other risks related to our international operations, it could negatively affect our business.

Our business may also be affected directly or indirectly by major world events, such as the Russia-Ukraine war and the Israel-Hamas war. Such events could decrease the demand for our products and services, make it difficult or impossible for us to deliver products and services to certain of our customers, or result in restrictions in trade, all of which could negatively affect our business.

Further, the enforcement of regulations relating to mobile and other games with an online element in China remains uncertain, and further changes, either in the regulation or their enforcement could have a negative impact on our business in China. In order to operate in China, all games must have regulatory approval. A decision by the Chinese government to revoke its approval for any of our games or to decline to approve any products we desire to sell in China in the future could have a negative impact on our business. China has also enacted a new privacy law that may affect how we structure our business and process of personal information.

We are subject to a variety of laws in the U.S. and abroad that affect our business, including state and federal laws regarding consumer protection, electronic marketing, protection of minors, data protection and privacy, competition, taxation,

intellectual property, export, and national security, which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the U.S. There is a risk that existing or future laws may be interpreted in a manner that is not consistent with our current practices and could have an adverse effect on our business. We incur legal compliance costs associated with our international operations and could become subject to legal penalties in foreign countries if we do not comply with local laws and regulations which may be substantially different from those in the U.S.

In many foreign countries, particularly in those with developing economies, it may be common to engage in business practices that are prohibited by U.S. laws and regulations, such as the Foreign Corrupt Practices Act, and by local laws, such as laws prohibiting corrupt payments to government officials. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. We can be held liable for the corrupt or other illegal activities of our employees, agents, representatives, business partners or third-party intermediaries, even if we do not authorize or have knowledge of such activities. Although we implement policies and procedures designed to ensure compliance with these laws, there can be no assurance that all our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, including those based in countries where practices which violate such laws may be customary, will not take actions in violation of our policies. Any such violation, even if prohibited by our policies, could have a material adverse effect on our business.

We are potentially subject to a number of foreign and domestic laws and regulations that affect the offering of certain types of content, such as that which depicts violence or is generated by our users, many of which are ambiguous, still evolving and could be interpreted in ways that could harm our business or expose us to liability, or result in us incurring increased compliance costs.

In 2020, the U.K. left the E.U. ("Brexit"). Subsequently, the U.K. and the E.U. struck a bilateral trade and cooperation deal governing the future relationship between the U.K. and the E.U. (the "Trade and Cooperation Agreement"), which took effect on May 1, 2021. There remains unavoidable uncertainties and risks to our business related to Brexit and the new relationship between the U.K. and E.U., which will continue to be developed and defined. We are seeking to mitigate those risks with operational and commercial changes to the extent possible and warranted. However, the legal and regulatory landscape remains uncertain, and we have no assurance that such actions will enable us to avoid a material adverse impact on our business from Brexit. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace and replicate.

The effects of the U.K.'s future trade agreements with the E.U. or other nations could potentially disrupt the markets we serve and may cause us to lose customers, distributors, and employees. The Trade and Cooperation Agreement sets out preferential arrangements in areas such as the trade in goods and services but does not reach the level of integration that existed while the U.K. was an E.U. member state, which could have a detrimental impact on our U.K. growth. Such a decline could also make our doing business in Europe more difficult, which could negatively affect sales to consumers of our products. Without access to a single market that includes the U.K. and countries of the E.U., it may be more challenging and costly to distribute our products to those regions.

The laws of some countries either do not protect our products, brands, and intellectual property to the same extent as the laws of the U.S. or are inconsistently enforced. Legal protection of our rights may be ineffective in countries with weaker intellectual property enforcement mechanisms. Competitors may use our technologies without authorization, in jurisdictions where we have not obtained protection, to develop their own games and, further, may export otherwise violating games to territories where we have protection but enforcement is not as strong as that in the U.S. These games may compete with our games, and our intellectual property rights may not be effective or sufficient to prevent such competition. 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.

***We depend on servers and Internet bandwidth to operate our games and digital services with online features. If we were to lose server capacity or lack sufficient Internet bandwidth for any reason, our business could suffer. Connectivity issues could affect our profitability and our ability to sell and provide online services for our products.***

We rely upon third-party digital delivery platforms, such as Microsoft's Xbox Live, PlayStation Network, Steam, Epic, and other third-party service providers, to provide connectivity from the consumer to our digital products and our online services. Connectivity issues could prevent customers from accessing this content and our ability to successfully market and sell

our products could be adversely affected. Given the increasing global usage of online platforms, the risks of connectivity issues may be heightened. In addition, we could experience similar issues related to services we host on our internal servers. Such issues also could affect our ability to provide game-related services and could have a material adverse effect on our business, financial condition, and operating results.

Events such as limited hardware failure, any broad-based catastrophic server malfunction, a significant intrusion by hackers that circumvents security measures, or a failure of disaster recovery services would likely interrupt the functionality of our games with online services and could result in a loss of sales for games and related services. An extended interruption of service could materially adversely affect our business, financial condition and operating results.

We expect a significant portion of our games to be online enabled in the future, and therefore we must project our future server needs and make advance purchases of servers or server capacity to accommodate expected business demands. If we underestimate the amount of server capacity our business requires, if our business were to grow more quickly than expected, or if Internet bandwidth becomes limited, our consumers may experience service problems, such as slow or interrupted gaming access. Insufficient server capacity may result in decreased sales, a loss of our consumer base and adverse consequences to our reputation. Conversely, if we overestimate the amount of server capacity required by our business, we may incur additional operating costs.

Because of the importance of our online business to our revenues and results of operations, our ability to access adequate Internet bandwidth and online computational resources to support our business is critical. If the price of such resources increases, we may not be able to increase our prices or subscriber levels to compensate for such costs, which could materially adversely affect our business, financial condition, and operating results.

***We use open-source software in connection with certain of our games and services, which may pose particular risks to our proprietary software, products, and services in a manner that could have a negative impact on our business.***

We use open-source software in connection with certain of our games and the services we offer. The original developers of the open source code provide no warranties on such code and open-source software may have unknown bugs, malfunctions and other security vulnerabilities, which could impact the performance and information security of our technology. Some open-source software licenses require users who distribute open-source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open-source code on unfavorable terms or at no cost. From time to time, we may face claims from the copyright holders of open-source software alleging copyright infringement and breach of contract for failure to meet the open source license terms, such as the failure to publicly disclose our proprietary code that is a derivative work of the open-source software. Additionally, the copyright holders of open-source software could demand release of the source code of any of our proprietary code that is a derivative work of the open-source software, or otherwise seek to enforce, have us specifically perform, or recover damages for the alleged infringement or breach of, the terms of the applicable open-source license. These claims could also result in litigation, require us to purchase costly licenses or require us to devote additional research and development resources to change our games. The terms of various open-source licenses have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our use of the open-source software. If it were determined that our use was not in compliance with a particular license, we may be required to release our proprietary source code, pay damages for breach of contract, re-engineer our games, discontinue distribution in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our game development efforts, any of which could harm our business. Open-source compliance problems can also result in damage to reputation and challenges in recruitment or retention of engineering personnel. Additionally, the shared nature of open-source software may increase the ability of cyberattackers to discover and exploit vulnerabilities, which may increase the likelihood of a data breach, ransomware, network interruption, or other type of cyberattack against us or against third parties who may use open-source software, such as our platform partners or key vendors, any of which could negatively impact our business.

***Our software is susceptible to errors, which can harm our financial results and reputation.***

The technological advancements of new hardware platforms result in the development of more complex software products. As software products become more complex, the risk of undetected errors in new products increases. We may need to produce and distribute patches in order to repair such errors, which could be costly and may distract our developers from working on new products. If, despite testing, errors are found in new products or releases after shipments have been made, we may have to consider suspending distribution of defective products or offering refunds, and we could experience a loss of or delay in timely market acceptance, product returns, loss of revenue, increases in costs relating to the repair of such errors and damage to our reputation. 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.

***Our ability to acquire and maintain licenses to intellectual property, especially for sports titles, affects our revenue and profitability. Competition for these licenses may make them more expensive and increase our costs.***

Certain of our products are based on or incorporate intellectual property owned by others. For example, certain of our 2K products include rights licensed from major sports leagues and players' associations. Similarly, some of our other titles are based on licenses of popular products and entertainment brands. Competition for these licenses is intense. If we are unable to maintain and renew these licenses or obtain additional licenses on reasonable economic terms or with significant commercial value, our revenue and profitability could decline significantly. Competition for these licenses may also increase the advances, guarantees and royalties that we must pay to the licensor, which could significantly increase our costs and adversely affect our profitability. In addition, on certain intellectual property licenses, we are subject to guaranteed minimum payments, royalties or standards of performance and may not be able to terminate these agreements prior to their stated expiration. If such licensed products do not generate revenues in excess of such minimum guarantees, our profitability will be adversely affected.

Moreover, if we breach our obligations under existing or future licenses, we may be required to pay damages and our licensors might have the right to terminate the license or change an exclusive license to a nonexclusive license. Termination by a licensor would cause us to lose valuable rights and could inhibit our ability to commercialize future games, which would harm our business, results of operations and financial condition. In addition, certain intellectual property rights may be licensed to us on a nonexclusive basis. The owners of nonexclusively licensed intellectual property rights are free to license such rights to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Our licensors may own or control intellectual property rights that have not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, the agreements under which we license intellectual property rights or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

Our business model includes revenue that we expect to be recurring in nature, such as revenue from our annualized titles and associated services, and ongoing mobile businesses. While we have been able to forecast the revenue from these areas of our business with greater certainty than for new offerings, we cannot provide assurances that consumers will purchase these games and services on a consistent basis. Furthermore, we may cease to offer games and services that we previously had deemed to be recurring in nature. Consumer purchases of our games and services may 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 platforms, 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. Any decline or fluctuation in this portion of our business may have a negative impact on our financial and operating results.

***Our quarterly and annual operating results are dependent on the release of "hit" titles and therefore dependent on the timing of our product releases, which may cause our quarterly operating results to fluctuate significantly.***

We have experienced and may continue to experience wide fluctuations in quarterly operating results. The release of a "hit" title typically leads to a high level of sales during the first few months after introduction followed by a rapid decline in sales. In addition, the interactive entertainment industry is highly seasonal, with sales typically higher during the fourth calendar quarter, due primarily to increased demand for games during the holiday season. Demand for and sales of titles in our NBA 2K series are also seasonal in that they are typically released just prior to the start of the NBA season. If a key event or sports season to which our product release schedule is tied were to be delayed or interrupted, our sales might also suffer disproportionately. Our failure or inability to produce "hit" titles or introduce products on a timely basis to meet seasonal fluctuations in demand could adversely affect our business, financial condition and operating results. The uncertainties associated with software development, manufacturing lead times, production delays and the approval process for products by hardware manufacturers and other licensors make it difficult to predict the quarter in which our products will ship and therefore may cause us to fail to meet financial expectations. We also expect that a relatively limited number of popular franchises will continue to produce a disproportionately high percentage of our revenues and profits. Due to this dependence on a limited number of franchises, the failure to achieve anticipated results by one or more products based on these franchises could negatively impact our business. Additionally, if the popularity of a franchise declines, as has happened in the past with other



popular franchises, we may have to write off the unrecovered portion of the underlying intellectual property assets, which could negatively impact our business.

***We are dependent on the future success of our Grand Theft Auto products, and we must continue to publish "hit" titles or sequels to such "hit" titles in order to compete successfully in our industry.***

*Grand Theft Auto* and certain of our other titles, such as *Red Dead Redemption* or *NBA 2K*, are "hit" products and have historically accounted for a substantial portion of our revenue. *Grand Theft Auto* products contributed 14.7% of our net revenue for the fiscal year ended March 31, 2024, and the five best-selling franchises (including *Grand Theft Auto*), which may change year over year, in the aggregate accounted for 56.5% of our net revenue for the fiscal year ended March 31, 2024. If we fail to continue to develop and sell new commercially successful "hit" titles or sequels to such "hit" titles or experience any delays in product releases or disruptions following the commercial release of our "hit" titles or their sequels, our revenue and profits may decrease substantially, and we may incur losses. In addition, competition in our industry is intense and a relatively small number of "hit" titles account for a large portion of total revenue in our industry. "Hit" products offered by our competitors may take a larger share of consumer spending than we anticipate, which could cause revenue generated from our products to fall below our expectations. If our competitors develop more successful products or services at lower price points or based on payment models perceived as offering better value, or if we do not continue to develop consistently high quality and well-received products and services, our revenue and profitability may decline. In addition, both the online and mobile games marketplaces are characterized by frequent product introductions, relatively low barriers to entry, and new and evolving business methods, technologies and platforms for development. Widespread consumer adoption of these new platforms for games and other technological advances in and/or new business or payment models in online or mobile game offerings could negatively affect our sales of console and traditional PC products.

***Price protection granted to our customers and returns of our published titles by our customers may adversely affect our operating results.***

We are exposed to the risk of price protection and product returns with respect to our customers. Our distribution arrangements with customers generally do not give them the right to return titles to us or to cancel firm orders. However, we sometimes accept product returns from our distribution customers for stock balancing and negotiate accommodations for customers, which include credits and returns, when demand for specific products falls below expectations. We grant price protection and accept returns in connection with our publishing arrangements, and revenue is recognized after deducting estimated price protection and reserves for returns. While we believe that we can reliably estimate price protection and returns, if price protection and return rates for our products exceed our reserves, our revenue could decline, which could have a material adverse effect on our business, financial condition, and operating results.

***A limited number of customers account for a significant portion of our sales. The loss of a principal customer or other significant business relationship could seriously hurt our business.***

A substantial portion of our product sales are made to a limited number of customers. Sales to our five largest customers during the fiscal year ended March 31, 2024 accounted for 79.8% of our net revenue, with Sony, Apple, Google, and Microsoft each accounting for more than 10.0%. Our sales are made primarily without long-term agreements or other commitments, and our customers may terminate their relationship with us at any time. Certain of our customers may decline to carry products containing mature content. The loss of our relationships with principal customers or a decline in sales to principal customers, including as a result of a product being rated "AO" (age 18 and over), could materially adversely affect our business, financial condition, and operating results. In addition, if our customers are subject to pricing pressures due to deteriorating demand for our products, competition, or otherwise, such customers may pass those pricing pressures through to us, which could materially adversely affect our business, financial condition and operating results.

In addition, because some of our customers are also publishers of games for their own hardware platforms and may manufacture products for other licensees, such customers may give priority to their own products or those of our competitors. Accordingly, console manufacturers like Sony or Microsoft could cause unanticipated delays in the release of our products, as well as increases to projected development, manufacturing, marketing, or distribution costs, any of which could negatively impact our business.

Furthermore, our customers may also be placed into bankruptcy, become insolvent, or be liquidated due to economic downturns, global credit contractions, or other factors. Bankruptcies or consolidations of certain large retail customers could seriously hurt our business, including as a result of uncollectible accounts receivable from such customers and the concentration of purchasing power among large retailers. In addition, our results of operations may be adversely affected if certain of our customers who purchase on credit terms are no longer eligible to purchase on such terms due to their financial distress or lack of credit insurance, which may reduce the quantity of products they demand from us.

***Content policies adopted by retailers, consumer opposition and litigation could negatively affect sales of our products.***

Retailers, including digital storefronts and platform partners, may decline to sell interactive entertainment software containing what they judge to be graphic violence, sexually explicit material, or other content that they deem inappropriate. If retailers decline to sell our products based on their opinion that they contain objectionable themes, graphic violence, sexually explicit material, or other generally objectionable content, or if any of our previously "M" rated series products are rated "AO," we might be required to significantly change or discontinue particular titles or series, which in the case of our best-selling *Grand Theft Auto* titles could seriously affect our business. Consumer advocacy groups have opposed sales of interactive entertainment software containing objectionable themes, violence, sexual material, or other objectionable content by pressing for legislation in these areas and by engaging in public demonstrations and media campaigns. Additionally, although lawsuits seeking damages for injuries allegedly suffered by third parties as a result of video games have generally been unsuccessful in the courts, claims of this kind have been asserted against us from time to time and may be asserted and be successful in the future. An increase in the number of lawsuits filed by the families of victims of violence may trigger supplemental governmental scrutiny, damage our reputation, and negatively affect the sale of our products. Further, in 2019, the World Health Organization included "gaming disorder" in the 11th revision of the International Classification of Diseases, leading some to consider legislation and policies aimed at addressing this issue, and, more recently prompting lawsuits against many in the industry, including us. In addition, public dialogue concerning interactive entertainment may have an adverse impact on our reputation and our customers' willingness to purchase our products.

***We submit our products for rating by the Entertainment Software Rating Board ("ESRB") in the United States and other voluntary or government ratings organizations in foreign countries. Failure to obtain a target rating for certain of our products could negatively affect our ability to distribute and sell those games, as could the re-rating of a game for any reason.***

We voluntarily submit our game products to the ESRB, a U.S.-based non-profit and independent ratings organization. The ESRB system provides consumers with information about game content using a rating symbol that generally suggests the appropriate player age group and specific content descriptors, such as graphic violence, profanity or sexually explicit material. The ESRB may impose significant penalties on game publishers for violations of its rules related to rating or marketing games, including revocation of a rating or monetary fines. Other countries require voluntary or government backed ratings as prerequisites for product sales. In some instances, we may have to modify our products in order to market them under the target rating, which could delay or disrupt the release of our products. In addition, some of our titles may not be sold at all or without extensive edits in certain countries.

In the U.S., if the ESRB rates a game as "AO" (age 18 and older), platform licensors may not certify the game and retailers may refuse to sell it. In addition, some consumers have reacted to re-ratings or controversial game content by refusing to purchase such games, demanding refunds for games that they had already purchased, and refraining from buying other games published by us. Many of our Rockstar titles and certain of our 2K titles have been rated "M" (age 17 and older) by the ESRB. If we are unable to obtain "M" ratings and instead receive "AO" ratings on future versions of those or similar titles as a result of changes in the ESRB's ratings standards or for other reasons, including the adoption of legislation in this area, our business and prospects could be negatively affected. If any of our games are re-rated by the ESRB or other foreign-based ratings organizations, we could be exposed to litigation, administrative fines and penalties and other potential liabilities, and our operating results and financial condition could be significantly affected.

We have implemented processes to comply with the requirements of the ESRB and other ratings organizations and properly display the designated rating symbols and content descriptions. Nonetheless, these processes are subject to human error, circumvention, overriding, and reasonable resource constraints. If a video game we publish were found to contain undisclosed pertinent content, the ESRB could re-rate that game and change the associated content descriptors originally assigned, require us to recall the game and/or change the game or game packaging, and/or impose a fine on us. In addition, retailers could refuse to sell the game and demand that we accept the return of any unsold copies or returns from customers, and consumers could refuse to buy such game, or demand that we refund their money and/or refrain from buying other games published by us. This could have a material negative effect on our operating results and financial condition. In addition, we may be exposed to litigation, administrative fines, and penalties, and our reputation could be harmed, which could affect sales of our other video games. If any of these were to occur, our business and financial performance could be significantly harmed.

Certain other countries have also established content rating systems as prerequisites for product sales in those countries. In addition, certain stores use other ratings systems, such as Apple's use of its proprietary "App Rating System" and Google Play's use of the International Age Rating Coalition ("IARC") rating system. If we are unable to obtain the ratings we have targeted for our products, it could have a negative impact on our business. In some instances, we may be required to modify our products to meet the requirements of the rating systems, which could delay or disrupt the release of any given product or may prevent its sale altogether in certain territories. Further, if one of our games is re-rated for any reason, a ratings

organization could require corrective actions, which could include a recall, retailers could refuse to sell it and demand that we accept the return of any unsold or returned copies or consumers could demand a refund for copies previously purchased.

Additionally, retailers may decline to sell interactive entertainment software containing what they judge to be graphic violence or sexually explicit material or other content that they deem inappropriate for their businesses, whether because a product received a certain rating by the ESRB or other content rating system, or otherwise. If retailers decline to sell our products based upon their opinion that they contain objectionable themes, graphic violence or sexually explicit material, or other generally objectionable content, we might be required to modify particular titles or forfeit the revenue opportunity of selling such titles with that retailer.

***If we are unable to protect the intellectual property relating to our software, the commercial value of our products will be adversely affected, and our competitive position could be harmed.***

We develop proprietary software and have obtained the rights to publish and distribute software developed by third parties. We attempt to protect our software and production techniques under patent, copyright, trademark and trade secret laws as well as through contractual restrictions on disclosure, copying and distribution. Nonetheless, our software is susceptible to piracy and unauthorized copying, and third parties may potentially exploit or misappropriate our intellectual property and proprietary information, causing significant reputational damage. Unauthorized third parties, for example, may be able to copy or to reverse engineer our software to obtain and use programming or production techniques that we regard as proprietary. Well organized piracy operations have also proliferated in recent years, resulting in the ability to download pirated copies of our software over the Internet. Although we attempt to incorporate protective measures into our software, piracy of our products could negatively affect our future profitability.

In addition, "cheating" programs or other unauthorized software tools and modifications that enable consumers to cheat in games harm the experience of players who play fairly and could negatively impact the volume of microtransactions or purchases of downloadable content which may disrupt the virtual economies of our games and reduce the demand for virtual items, disrupting our in-game economy. In addition, unrelated third parties have attempted to scam our players with fake offers for virtual items or other game benefits. We devote significant resources to discovering, discouraging, and disabling these cheating and scam programs and activities, including by "taking down" offending content and by initiating litigation where appropriate. Despite our efforts, if we are unable to do so quickly, our operations may be disrupted, our reputation may be damaged, players may stop playing our games and our ability to reliably validate our audience metrics may be negatively affected. These cheating programs and scam offers result in lost revenue from paying players, disrupt our in-game economies, divert time from our personnel, increase costs of developing technological measures to combat these programs and activities, increase our customer service costs needed to respond to dissatisfied players, and may lead to legal claims.

Also, vulnerabilities in the design of our applications and of the platforms upon which they run could be discovered after their release. This may lead to lost revenues from paying consumers or increased cost of developing technological measures to respond to these, either of which could negatively affect our business.

***We have a significant amount of outstanding indebtedness, and may incur other indebtedness in the future, all of which may adversely affect our financial condition and future financial results.***

As of March 31, 2024, we had \$3,050.0 aggregate principal amount of outstanding senior notes ("Senior Notes") and a \$500.0 revolving credit facility under the 2022 Credit Agreement with no outstanding borrowings. (Refer to [Note 11 – Debt](#) to our Consolidated Financial Statements, herein.)

As our outstanding Senior Notes mature, we will have to expend significant resources to either repay or refinance such notes. If we decide to refinance our Senior Notes, we may be required to do so on different or less favorable terms or we may be unable to refinance such notes at all, either of which may adversely affect our financial condition.

Our current or future levels of indebtedness may adversely affect our financial condition and future financial results by, among other things:

- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions;
- requiring the dedication of a greater than expected portion of our expected cash from operations to service our indebtedness, thereby reducing the amount of expected cash flow available for general corporate purposes, including capital expenditures and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry.

We are required to comply with the covenants set forth in the indentures governing our outstanding indebtedness, including our Senior Notes, Convertible Notes, and 2022 Credit Agreement. Our ability to comply with these covenants may be

affected by events beyond our control. If we breach any of the covenants and do not obtain a waiver from the holders of our indebtedness or the lenders under the 2022 Credit Agreement, then, subject to applicable cure periods, any outstanding indebtedness may be declared immediately due and payable. Further, these covenants may limit our ability to take various actions, including incurring additional debt, paying dividends, repurchasing shares, and acquiring or disposing of assets or businesses. Accordingly, we may be restricted from taking actions that we believe would be desirable and in the best interest of us and our stockholders. In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of our securities. Downgrades in our credit ratings could also restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

***The value of our virtual items is highly dependent on how we manage the economies in our games. If we fail to manage our game economies properly, our business may suffer.***

Paying players make purchases in our games because of the perceived value of these virtual items, which is dependent on the relative ease of obtaining an equivalent good by playing our game. The perceived value of these virtual items can be impacted by various actions that we take in the games including offering discounts for virtual items, giving away virtual items in promotions or providing easier non-paid means to secure these goods. Managing game economies is difficult and relies on our assumptions and judgement. If we fail to manage our virtual economies properly or fail to promptly and successfully respond to any such disruption, our reputation may suffer and our players may be less likely to play our games and to purchase virtual items from us in the future, which would cause our business, financial condition and results of operations to suffer.

***Some of our players may make sales or purchases of virtual items used in our games through unauthorized or fraudulent third-party websites, which may reduce our revenue.***

Game accounts and virtual items in our games have no monetary value outside of our games. Nonetheless, some of our players may make sales and/or purchases of game accounts or virtual items, such as virtual currency, through unauthorized third-party sellers in exchange for real currency. These unauthorized or fraudulent transactions are usually arranged on third-party websites and the virtual items offered may have been obtained through unauthorized means such as exploiting vulnerabilities in our games, from scamming our players with fake offers for virtual items or other game benefits, or from credit card fraud. We do not in any way facilitate these transactions and do not generate any revenue from them. These unauthorized purchases and sales from third-party sellers have in the past and could in the future impede our revenue and profit growth by, among other things:

- decreasing revenue from authorized transactions;
- creating downward pressure on the prices we charge players for our virtual items;
- increasing chargebacks from unauthorized credit card transactions;
- causing us to lose revenue from dissatisfied players who stop playing a particular game;
- causing us to lose revenue from players who we take disciplinary action against, including banning certain players who may have previously made purchases within our games;
- increasing costs we incur to develop technological measures to detect, prevent, and curtail unauthorized transactions;
- increasing costs we incur in pursuing enforcement action against the individuals and websites responsible for facilitating such unauthorized transactions;
- increasing risk of certain monetization practices in our games being erroneously deemed a form of gambling in certain jurisdictions by virtue of the existence of such authorized marketplaces;
- resulting in negative publicity or harm our reputation with players and partners; and
- increasing customer support costs to respond to dissatisfied players.

To discourage unauthorized purchases and sales of game accounts and virtual items, we state in our terms of service that the buying or selling of game accounts and virtual items from unauthorized third-party sellers may result in bans from our games or legal action. We periodically encounter such issues and expect to continue to do so. We have banned players as a result of such activities. We have also issued DMCA notices and filed lawsuits against third parties attempting to "sell" game accounts and virtual items from our games outside of our games. We have also employed technological measures to help detect unauthorized transactions and continue to develop additional methods and processes by which we can identify unauthorized transactions and block such transactions. However, there can be no assurance that our efforts to detect, prevent or minimize these unauthorized or fraudulent transactions will be successful and that these actions will not increase over time.

#### **Risks related to legal or regulatory compliance**

***Companies and governmental agencies may restrict access to platforms, our website, mobile applications or the Internet generally, which could have a negative impact on our business.***

We rely on our consumers' access to significant levels of Internet bandwidth for the sale and digital delivery of our content and the functionality of our games with online features. Changes in laws or regulations that adversely affect the growth, popularity, or use of the Internet, including laws affecting "net neutrality" or measures enacted in certain jurisdictions, for example as a result of the COVID-19 pandemic, could decrease the demand for our products and services or increase our cost of doing business. Although certain jurisdictions have implemented laws and regulations intended to prevent Internet service providers from discriminating against particular types of legal traffic on their networks, other jurisdictions may lack such laws and regulations or repeal existing laws or regulations. For example, on December 14, 2017, the Federal Communications Commission voted to repeal net neutrality regulations in the U.S., and, following that decision, several states enacted net neutrality regulations. Given uncertainty around these rules, including changing interpretations, amendments, or repeal, coupled with the potentially significant political and economic power of local Internet service providers and the relatively significant level of Internet bandwidth access our products and services require, we could experience discriminatory or anti-competitive practices that could impede our growth, cause us to incur additional expenses, or otherwise negatively affect our business.

Additionally, our players generally need to access the Internet and in particular platforms such as the Apple App Store, the Google Play Store, Facebook, Snapchat or our website to play our mobile games. Companies and governmental agencies could block access to, impose restrictions on or require a license for any platform, our website or mobile applications for a number of reasons such as security or confidentiality concerns or regulatory reasons which may include, among other things, governmental restrictions on certain content in a particular country, requirements to establish a local presence in a particular jurisdiction, and a requirement that player information be stored on servers in a country within which we operate. Companies may also adopt policies that prohibit employees from accessing Apple, Google, Facebook and our website or any social platform. If companies or governmental entities block or limit such or otherwise adopt policies restricting players from playing our games, our business could be negatively impacted and could lead to the loss or slower growth of our player base.

***Our business and products are subject to a variety of existing U.S. and foreign laws and regulations, many of which are unsettled and still developing, as well as potential new legislation, all of which could subject us to claims or otherwise harm our business.***

As a global company, we are subject to a variety of regulations and laws in the U.S. and abroad, including regarding consumer protection (including the use of prepaid cards, online safety, and the protection of minors), subscriptions, advertising, electronic marketing, privacy (including verified parental consent and age assurance), biometrics, cybersecurity, data protection and data localization requirements, AI, online services, online gaming, anti-competition, freedom of speech, labor, real estate, taxation, escheatment, intellectual property ownership and infringement, tax, export and national security, tariffs, anti-corruption and telecommunications, all of which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us, which in some cases can be enforced by private parties in addition to government entities and regulatory bodies, are often uncertain and may be conflicting, particularly laws outside the U.S., and compliance with laws, regulations, codes of practice, and similar requirements may be burdensome and expensive. Laws and regulations may be inconsistent from jurisdiction to jurisdiction, which may increase the cost of compliance and doing business and expose us to possible litigation, penalties or fines, which in ascertain circumstances can be linked to a percentage of our global turnover. Any changes which we may introduce to our games in order to comply with these laws, regulations, codes of practice, and similar requirements, could make our games less attractive to our players, or cause us to change or limit our ability to sell our products in certain jurisdictions. We have policies and procedures designed to ensure compliance with applicable laws and regulations, but we cannot assure you that we will not be deemed to have violated any such laws and regulations.

Several proposals have been made for federal legislation to regulate our industry. Such proposals seek to prohibit the sale of products containing certain content and functionality included in some of our games. If any such proposals are enacted into law, it may limit the potential market for some of our games in the U.S., and adversely affect our business, financial condition and operating results. Other countries have adopted laws regulating content both in packaged games and those transmitted over the Internet that are stricter than current U.S. laws. In the U.S., proposals have also been made by numerous state legislators to regulate and prohibit the sale of interactive entertainment software products containing certain types of violent or sexual content to audiences under the ages of 17 or 18, such as the State of California's "ultraviolent video games law" that sought to ban the sale or rental of violent video games to minors. While such legislation to date has been enjoined by industry and retail groups or been found unconstitutional, the adoption into law of such legislation in federal and/or in state jurisdictions in which we do significant business could severely limit the retail market for some of our games.

In addition, there are ongoing academic, political and regulatory discussions in the U.S., Europe, Middle East, Asia, Australia, Brazil and other jurisdictions regarding whether certain game genres, such as social casino, or certain game mechanics, such as "loot boxes," should be subject to a higher level or different type of regulation than other game genres or mechanics to protect consumers, in particular minors and vulnerable adults, and, if so, what such regulation should include. If

new regulations are imposed, or other regulations are interpreted to apply to our social casino games or certain game mechanics, certain, or all, of our casino-themed games and games that include such game mechanics may become subject to such rules and regulations and expose us to civil and criminal penalties if we do not comply.

Additionally, in July 2023, the trade body, the U.K. Interactive Entertainment Association, published industry guidance on loot boxes which is designed to address the concerns raised by the government in its response to a 2020 call for evidence into loot boxes and gambling like behavior. The guidance provides for a twelve-month implementation period. In addition, in Australia, the Guidelines for the Classification of Computer Games 2023 which are set to go into effect late 2024 would limit games containing “simulated gambling” features to adults aged 18 and over, and require games that do not contain simulated gambling, but which contain loot boxes, to be rated M (Mature), meaning they would only be recommended as being suitable for players aged 15 and over.

Furthermore, in June 2023, the Dutch Minister of Economic Affairs sent a letter to Parliament, outlining her Consumer Agenda, which included a ban on loot boxes in the E.U. and in the Netherlands and the amendment of legislation to characterize loot boxes as an unfair commercial practice. While details of this proposed ban remain unclear, the European Commission has confirmed that loot boxes are being considered as part of its current Fitness Check of E.U. consumer law on digital fairness which it is expected to complete later this year. In February 2023, an Austrian court ruled that loot boxes in one of our competitor's video games constitute illegal gambling due, principally, to the existence of a secondary market for certain of the game's virtual items. Lastly, in April 2024, the Spanish Minister of Social Rights and Consumer Affairs referred to plans to promote the regulation of loot boxes in connection with a review of Spain's gambling laws. It is possible that other courts or regulatory agencies could adopt similar regulations or similarly broad interpretations of existing gambling laws to effectively regulate loot boxes in their jurisdiction as a form of gambling or otherwise as a prohibited commercial practice. In some of our games, such as *CSR Racing 2*, *Dragon City*, *Empires & Puzzles*, *FarmVille 3*, *Golf Rival*, *Harry Potter: Puzzles & Spells*, *Merge Dragons!*, *Merge Magic!*, *Monster Legends*, *NBA 2K*, *Top Eleven*, *Top Troops*, *WWE 2K*, and *Zynga Poker*, certain mechanics may be deemed as “loot boxes.”

New regulation by the FTC, U.S. states or other international jurisdictions, which may vary significantly across jurisdictions and which we may be required to comply with, could require that these game mechanics be modified or removed from games, increase the costs of operating our games, impact player engagement and monetization or otherwise harm our business performance. It is difficult to predict how existing or new laws may be applied to these or similar game mechanics. If we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our games, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition or results of operations.

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. 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.

***The laws and regulations concerning data privacy and certain other aspects of our business are continually evolving. Failure to comply with these laws and regulations could harm our business.***

We are subject to certain privacy and data protection laws, including those in the U.S. Certain activities related to processing the personal data of individuals in the U.K. and E.U. are conducted by our U.K.-based data controller or our local entities in the E.U. The U.S. Children's Online Privacy Protection Act also regulates the collection, use, and disclosure of personal information from children under 13 years of age, and age-based privacy laws can apply to how we collect and use personal information or provide certain game features to players up to 18 years of age. Failure to comply with privacy and data protection laws or age restrictions may increase our costs, subject us to expensive and distracting government investigations, and result in substantial fines, or result in lawsuits and claims against us to the extent these laws include a private right of action.

Privacy and data protection laws and industry terms are rapidly changing and likely will continue to do so for the foreseeable future, which may be difficult to comply with and which could have a negative impact on or materially change our approach to the sale and marketing of our products. For example, the E.U. General Data Protection Regulation ("GDPR") and the UK Data Protection Act 2018 ("DPA 2018") both became effective in May 2018. GDPR and DPA 2018 apply to us because we receive and process the personal information of individuals in the E.U. and the U.K., and we maintain certain local entities in the E.U. and the U.K. responsible for processing personal information. GDPR and DPA 2018 contain significant penalties for non-compliance, which have been imposed by regulators. In addition, the E.U. Digital Services Act ("DSA") became fully applicable on February 17, 2024. The DSA imposes new content moderation obligations, notice and transparency obligations, advertising restrictions and other requirements on digital platforms to protect consumers and their rights online. Noncompliance with the DSA could result in fines of up to 6% of annual global revenues, which are in addition to the ability of civil society organizations and non-governmental organizations to lodge class action lawsuits. Countries in the E.U. are still enacting national laws that correspond to certain portions of the GDPR. The U.K. also implemented an Age Appropriate Design Code that applies to how personal data is used for individuals up to age 18. In the U.S., the California Consumer Privacy Act ("CCPA") became effective on January 1, 2020 and applies to processing of personal information of California residents. California also enacted the California Privacy Rights Act ("CPRA"), which updates the CCPA. Fifteen other U.S. states have enacted comprehensive privacy laws, and other states are considering similar privacy or data protection laws that may apply to us. The U.S. government, including the FTC and the Department of Commerce, also continue to review the need for greater or different regulation over the collection of personal information and information about consumer behavior on the Internet and on mobile devices, and the U.S. Congress is considering a number of legislative proposals to regulate in this area, including a draft Federal comprehensive privacy law, updates to existing children's privacy laws that may expand the scope of coverage, and online safety laws.

Various government and consumer agencies worldwide have also called for new regulation and changes in industry practices. Further, and most notably in the mobile ecosystem, companies that provide the platforms on which our games are played are changing the terms on how publishers can collect and use personal data obtained from users on those platforms.

Player use of our games is subject to our privacy policy and terms of service ("TOS"). If we fail to comply with our posted privacy policy or TOS, or if we fail to comply with existing privacy or data protection laws and regulations, it could result in proceedings or litigation against us by governmental authorities or others, which could result in fines or judgments against us, damage our reputation, affect our financial condition, and harm our business. If regulators, the media, or consumers raise any concerns about our privacy and data protection or consumer protection practices, even if unfounded, this could also result in fines or judgments against us, damage our reputation, negatively affect our financial condition, and damage our business.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in the U.S. and elsewhere that could restrict the interactive entertainment industry, including player privacy, advertising, taxation, content suitability, and moderation, online safety, copyright, distribution, and antitrust. Furthermore, the growth and development of electronic commerce and virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as ours conducting business through digital sales. Any such changes would require us to devote legal and other resources to address such regulation. For example, existing laws or new laws regarding the regulation of currency, banking institutions, and unclaimed property may be interpreted to cover virtual currency or virtual goods. If that were to occur, we may be required to seek licenses, authorizations, or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the U.S. or elsewhere regarding these activities may lessen the growth of the interactive entertainment industry and impair our business, financial condition, and operating results. Similarly, new regulatory developments internationally aimed at better protecting consumers online from illegal or harmful content and interactions may introduce additional compliance and reporting obligations for our business which may increase operating costs. If we were to fail to comply with such new regulations, it could result in proceedings or litigation against us by governmental authorities or regulators, which could result in substantial fines or judgments against us, damage our reputation, affect our financial condition, and harm our business.

Although we have structured and operate our skill tournaments and game mechanics, including random digital item mechanics, with applicable laws in mind, including any applicable laws relating to gambling, and believe that playing these games does not constitute gambling, our skill tournaments or game mechanics could become subject to gambling-related rules and regulations, or be deemed violative of current rules and regulations, and expose us to civil and criminal penalties. We also sometimes offer consumers of our online and casual games various types of contests and promotional opportunities. We are subject to laws in a number of jurisdictions concerning the operation and offering of such activities and games, many of which are still evolving and could be interpreted in ways that could harm our business. Further, random digital item mechanics may become subject to further regulations in various jurisdictions. If this were to occur, we might be required to alter some of our

games to address these additional requirements or seek licenses, authorizations, or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements, and we may be subject to additional regulation and oversight, such as reporting to regulators, all of which could significantly increase our operating costs. Moreover, the inclusion of random digital item mechanics has attracted the attention of the interactive gaming 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. Changes in current laws or regulations or the imposition of new laws and regulations in the U.S., the E.U., or elsewhere regarding these activities may lessen the growth of online or casual game services and impair our business. Also, existing laws or new laws regarding the marketing of in-game or in-app purchases, regulation of currency, banking institutions, unclaimed property, or money laundering may be interpreted to cover virtual currency or goods.

***If we infringe on or are alleged to infringe on the intellectual property rights of third parties, our business could be adversely affected.***

As our industry grows, we have been, and may be, subject to an increasing amount of litigation that is common in the software industry based on allegations of infringement or other alleged violations of patent, copyright, or trademarks. In addition, we believe that interactive entertainment software will increasingly become the subject of claims that such software infringes on the intellectual property rights of others with both the growth of online functionality and advances in technology, game content and software graphics as games become more realistic. From time to time, we receive notices from third parties or are named in lawsuits by third parties alleging infringement of their proprietary rights. Although we believe that our software and technologies and the software and technologies of third-party developers and publishers with whom we have contractual relations do not and will not infringe or violate proprietary rights of others, it is possible that infringement of proprietary rights of others may occur. Any claims of infringement, with or without merit, could be time consuming, costly and difficult to defend. Moreover, intellectual property litigation or claims could require us to discontinue the distribution of products, obtain a license or redesign our products, which could result in additional substantial costs and material delays.

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.

#### **Risks related to financial and economic condition**

***Delaware law, our charter documents, and provisions of our debt agreements may impede or discourage a takeover, which could cause the market price of our shares to decline.***

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing stockholders. Our Board of Directors has the power, without stockholder approval, to adopt a stockholder rights plan and/or to designate the terms of one or more series of preferred stock and issue shares of preferred stock. The ability of our Board of Directors to create and issue a new series of preferred stock and certain provisions of Delaware law, our certificate of incorporation and bylaws could impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which, under certain circumstances, could reduce the market price of our common stock and the value of any outstanding notes.

***Changes in our tax rates or exposure to additional tax liabilities could adversely affect our earnings and financial condition.***

We are a multinational corporation with operations in the U.S. and various other jurisdictions around the world. Accordingly, we are subject to tax in the U.S. and in various other jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes, and, in the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. We are required to estimate future taxes. Although we currently believe our tax estimates are reasonable, the estimation process is inherently uncertain, and such estimates are not binding on tax authorities. Further, our effective tax rate or tax payable could be adversely affected by a variety of factors, including changes in the business, the mix and level of earnings between countries with differing statutory tax rates, changes in the realizability of deferred tax assets, changes in tax elections, and changes in applicable tax laws. Additionally, tax determinations are regularly subject to audit by tax authorities, and developments in those audits could adversely affect our income tax provision. Should our ultimate tax liability exceed estimates, our income tax provision and net income or loss could be materially affected.

We have recorded a valuation allowance against the majority of our deferred tax assets due to uncertainty with respect to their realization. We expect to provide for a valuation allowance until other significant positive evidence arises that suggests that the benefits associated with the deferred tax assets are more likely than not to be realized.



The Tax Cuts and Jobs Act of 2017 ("TCJA") eliminated the ability to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them pursuant to IRC Section 174. Although Congress is considering legislation that would modify the capitalization and amortization requirement, we have no assurance that the requirement will be deferred, repealed, or otherwise modified. It is possible that a change in the requirement could have a significant adverse impact on our effective tax rate, tax payments, and financial condition in future periods.

In addition, the American Rescue Plan Act of 2021 ("ARPA") provides for numerous tax and other stimulus measures, one of which will expand the limitation of compensation deductions for certain covered employees of publicly held corporations to also include the next five highly compensated employees. This limitation will be effective for us beginning April 1, 2027.

The Inflation Reduction Act of 2022 (the "Inflation Reduction Act") includes a corporate alternative minimum tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with an average AFSI exceeding \$1.0 billion over a consecutive three-year period. The CAMT became effective for the fiscal year ended March 31, 2024. It is possible that the CAMT could result in an additional tax liability over the regular federal corporate tax liability in a particular year based on differences between book and taxable income. We estimate no tax liability relating to the CAMT for the current fiscal year. We will continue to evaluate the potential impact the Inflation Reduction Act may have on our operations and Consolidated Financial Statements in future periods. It is possible that these changes could have an adverse impact on our effective tax rate, tax payments, and financial condition in future periods.

Additionally, a number of countries are actively pursuing fundamental changes to the tax laws applicable to multinational companies like us and agreed to implement a global minimum tax regime, referred to as Pillar Two, intended to conform to the new and evolving Organisation for Economic Cooperation and Development ("OECD") guidelines. Countries may enact Pillar Two differently than the OECD model rules and on different timelines. For instance, on December 15, 2022, the E.U. Member States formally adopted the E.U.'s Pillar Two Directive requiring E.U. members to implement legislation. On July 11, 2023, the U.K. similarly enacted legislation. Pillar Two is generally effective for years beginning on or after January 1, 2024 in the E.U. and U.K. Although the U.S. has not yet enacted Pillar Two legislation, it is expected that many other countries will also implement similar legislation with varying effective dates in the future. Many aspects of Pillar Two are effective for the fiscal year ended March 31, 2025. It is possible that Pillar Two could result in additional tax liability over the regular corporate tax liability in a particular jurisdiction to the extent tax expense is less than the 15% minimum rate and could have an adverse impact on our effective tax rate, tax payments, and financial condition in future periods. Additionally, certain jurisdictions have modified or are seeking to modify their tax incentives to align with the Pillar Two criteria. Changes, or the failure to change tax incentive provisions could have an adverse impact. We will continue to monitor legislative and regulatory developments to assess potential impact. In addition, an increasing number of countries have enacted, or are considering enacting, revenue-based taxes on digital services. These digital services taxes target various business activities, including online advertising and, in some cases, video game sales. While the scope and applicability of these taxes often remains unclear, digital services taxes that ultimately apply to us could have an adverse impact on our business.

***We are subject to risks and uncertainties of international trade, including fluctuations in the values of local foreign currencies against the dollar.***

Sales in international markets, primarily in Europe, have accounted for a significant portion of our net revenue. For the fiscal year ended March 31, 2024, 38.7% of our net revenue was earned outside the U.S. We are continuing to execute on our growth initiatives in Asia, where our strategy is to broaden the distribution of our existing products and expand our online gaming presence, especially in China. We are subject to risks inherent in foreign trade, including increased credit risks, tariffs, and duties, fluctuations in foreign currency exchange rates, shipping delays, and international political, regulatory and economic developments, such as the Russia-Ukraine war and the Israel-Hamas war, all of which can have a significant influence on our operating results. Many of our international sales are made in local currencies, which could fluctuate against the dollar. While we may use forward exchange contracts to a limited extent to seek to mitigate foreign currency risk, our operating results could be adversely affected by unfavorable foreign currency fluctuations.

***Our reported financial results could be adversely affected by the application of existing or future accounting standards to our business as it evolves.***

Our financial results are reported under the accounting policies promulgated by the SEC and national accounting standards bodies and the methods, estimates, and judgments that we use in applying our accounting policies. For example, standards regarding revenue recognition have and could further significantly affect the way we account for revenue related to our products and services. We expect that an increasing number of our games will be supported with material post-release activities, such as content updates and online-enabled features, and we could therefore be required to recognize more of the related revenues for those games over a period of time rather than at the time of sale. Further, as we increase our downloadable content and add new features to our online services, user playing patterns can affect our estimate of the service period, and we

could be required to recognize revenues, and defer related costs, over a shorter or longer period of time than we initially allocated. As we enhance, expand and diversify our business and product offerings, the application of existing or future financial accounting standards, particularly those relating to the way we account for revenue, could have a significant adverse effect on our reported results although not necessarily on our cash flows.

***Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition and operating results.***

Most of our products involve discretionary spending on the part of consumers. We believe that consumer spending is influenced by general economic conditions and the availability of discretionary income. This makes our products particularly sensitive to general economic conditions and economic cycles as consumers are generally more willing to make discretionary purchases, including purchases of products like ours, during periods in which favorable economic conditions prevail. Adverse economic conditions, such as a prolonged U.S. or international general economic downturn, including periods of increased inflation, unemployment levels, tax rates, interest rates, energy prices, or declining consumer confidence, could reduce consumer spending. Natural disasters, acts of war, pandemics, terrorism, transportation disruptions, climate change, adverse weather conditions, and other reasons beyond our control could further reduce discretionary spending on entertainment activities and products. Reduced consumer spending has and may in the future continue to result in reduced demand for our products and may also require increased selling and promotional expenses, which has had and may continue to have an adverse effect on our business, financial condition and operating results. Moreover, we maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. If the financial conditions affecting the banking industry and financial markets cause additional banks and financial institutions to enter receivership or become insolvent, our ability to access our existing cash, cash equivalents and investments, or to draw on our existing lines of credit, may be threatened and could have a material adverse effect on our business and financial condition.

In addition, during periods of relative economic weakness, our consolidated credit risk, reflecting our counterparty dealings with distributors, customers, capital providers and others may increase, perhaps materially so. As a result of geopolitical conditions, our counterparty credit risk may be particularly exacerbated, as certain of our counterparties may face financial difficulties in paying owed amounts on a timely basis or at all. Furthermore, uncertainty and adverse changes in the economy could also increase the risk of material losses on our investments, increase costs associated with developing and publishing our products, increase the cost and availability of sources of financing, and increase our exposure to material losses from bad debts, any of which could have a material adverse effect on our business, financial condition and operating results. If economic conditions worsen, our business, financial condition and operating results could be adversely affected.

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 products; changes in consumer demographics; the availability and popularity of other forms of entertainment and leisure; and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted.

**General Risk Factors**

***Additional issuances or sales of equity securities by us would dilute the ownership of our existing stockholders and could adversely affect the market price of our common stock.***

We may issue equity or equity-based securities in the future to facilitate acquisitions or strategic transactions, as we did in connection with our acquisition of Zynga and as we intend to do in connection with our pending acquisition of Gearbox, to adjust our ratio of debt to equity, to fund expansion of our operations or for other purposes. To the extent we issue additional equity securities, the percentage ownership of our existing stockholders would be reduced. The sale of substantial amounts of our common stock could adversely affect its price. The sale or the availability for sale of a large number of shares of our common stock in the public market could cause the price of our common stock to decline.

***We are subject to risks related to corporate and social responsibility and reputation.***

Many factors influence our reputation including the perception held by our customers, business partners and other key stakeholders. Our business faces increasing scrutiny related to environmental, social and governance activities. We risk damage to our reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, supply chain management, climate change, workplace conduct, human rights and philanthropy. Any harm to our reputation could impact employee engagement and retention and the willingness of customers and our partners to do business with us, which could have a material adverse effect on our business, results of operations and cash flows. Negative reactions to our products and services may not be foreseeable. We also may not effectively manage or respond to these negative perceptions for reasons within or outside of our control. We expect to continue to expend resources to address concerns with our products and services. Negative perceptions could arise despite our efforts, though, and may result in loss of engagement with our products

and services, increased scrutiny from government bodies and consumer groups, and/or litigation, any of which could negatively impact our business.

***Catastrophic events and climate change may have a long-term impact on 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, geopolitical conflict (such as the Russia-Ukraine war and the Israel-Hamas war), 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 all of which could materially impact our reputation and brand, financial condition and operating result.

Furthermore, climate change could result in an increase in the frequency or severity of natural disasters, such as earthquakes, fires, floods, or significant power outages and other catastrophic events. Such events may adversely impact critical infrastructure, have the potential to disrupt our business, our third-party suppliers, or the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. In addition, rapidly changing customer and regulatory requirements, along with stakeholder expectations, to reduce carbon emissions and otherwise to reduce our environmental footprint could increase our costs of operations to comply or present a risk of loss of business, if we are not able to meet those requirements.

***We may be adversely affected by the effects of inflation.***

Inflation has the potential to adversely affect our business, results of operations, financial position and liquidity by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. The existence of inflation in the economy has the potential to result in higher interest rates and capital costs, supply shortages, increased costs of labor and other similar effects. Further, world events, such as the Russia-Ukraine war and the Israel-Hamas war, could affect inflationary trends. As a result of inflation, we have experienced and may continue to experience, increases in our costs associated with operating our business including labor, equipment and other inputs. Although we may take measures to mitigate the impact of this inflation through pricing actions and efficiency gains, if these measures are not effective our business, results of operations, financial position and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred.

***We are and may become involved in legal proceedings that may result in adverse outcomes.***

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.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

*Risk Management and Strategy*

Our business operations depend on the availability, integrity and secure processing, storage, and transmission of confidential and sensitive information, including personal information, digitally and through interconnected systems, including those of our vendors, service providers and other third parties on which we rely. Consequently, we maintain a formal information security program, including physical, technical and administrative safeguards, to prevent and mitigate the risks posed by cybersecurity threats and incidents and to identify, analyze, address, mitigate and remediate those incidents that do occur. As part of our program:

a. we regularly review and update at least annually our standard policies and procedures related to information technology and analyze those policies against the standards and controls that we believe are most relevant to our Company set by organizations such as the National Institute of Standards and Technology (NIST) cybersecurity framework and the International Organization for Standardization (ISO);

- b. we maintain a dedicated cybersecurity team under the direction of our Chief Technology Officer (CTO) and supported by our Chief Information Security Officer (CISO), each of whom has expertise related to data and network security, data governance and risk management;
- c. we regularly test our internal IT controls;
- d. we regularly conduct internal vulnerability assessments as well as third-party penetration tests;
- e. we maintain, and we require our third-party service providers to maintain, security controls designed to ensure the confidentiality, integrity, and availability of our information systems and the confidential and sensitive information we maintain and process, or which is processed on our behalf;
- f. we conduct pre-engagement and recurring reviews of the security controls and security-compliance posture of applicable third-party service providers;
- g. all employees are required to complete periodic trainings that cover security and privacy best practices and company policies;
- h. we have prepared and regularly review and test our business continuity, disaster recovery and other back-up plans, including as they relate to cybersecurity incidents; and
- i. we perform periodic simulations of attack scenarios by an internal "Red Team" to test the efficacy of both security controls and our tactical incident response procedures.

We also work with third-party cybersecurity and data privacy professionals as part of the design and implementation of our information security program, including our auditors, independent assessors (for example, for penetration testing) of our cybersecurity program, internal and external legal counsel, and other consultants.

We have a documented incident monitoring, escalation and reporting process and procedure that we believe to be effective in detecting and analyzing cyber incidents as they occur to determine appropriate response action and reporting, including the materiality of any such incidents to our financial condition and operations. This process includes:

- a. continual monitoring of our systems and logs by both dedicated cybersecurity internal and outsourced staff;
- b. immediate escalation to and review by our CISO of certain signals, including evidence of external threat actors, ransomware attacks, data exfiltration, identity compromise or unusual requests from management or certain departments;
- c. if deemed appropriate, reporting by our CISO to the Company's Management and its Disclosure Committee, comprised of multi-disciplinary senior leaders across the organization, including representatives of our accounting, human resources, finance, information technology and legal functions, and consultation with internal and external legal counsel, for further review and determination of the scope and materiality of the incident or incidents, including whether public disclosure is appropriate or required; and
- d. informing the Audit Committee of our Board of Directors (the "Board") of significant or material cybersecurity incidents, as appropriate.

All incidents are documented and recorded and catalogued for further review by the CISO and their team. Incidents that are deemed to be significant and/or rise to the level of a "security breach" are documented in a security incident register as part of our established vulnerability monitoring and incident response procedures.

While we, our clients and our vendors are regularly exposed to malicious technology-related events and threats, none of these threats or incidents, either individually or in the aggregate of related occurrences, have materially affected the Company in the period covered by this report. We have faced—and in the future may face—sophisticated attacks, including attacks referred to as advanced persistent threats, which are cyberattacks aimed at compromising our intellectual property and other commercially sensitive information, such as the source code and game assets for our software or confidential customer or employee information, which may remain undetected for prolonged periods of time. In September 2022, we experienced a network intrusion in which an unauthorized third party illegally accessed and downloaded confidential information from Rockstar Games' systems, including early development footage for the next Grand Theft Auto. Subsequently, also in September 2022, an unauthorized third party illegally accessed credentials for a vendor platform that 2K Games uses to provide help desk support to its customers. The unauthorized party sent a communication to certain players containing a malicious link. 2K Games immediately notified all affected users and took steps to restrict further unauthorized activity until service was restored. In connection with this activity, we have incurred certain immaterial incremental one-time costs related to

consultants, experts and data recovery efforts and we generally expect to incur additional costs related to cybersecurity protections in the future.

In determining materiality, cybersecurity incidents are reviewed not only for potential financial impacts, which could include potential legal and regulatory penalties, stolen assets or funds, system damage, forensic and remediation costs, lost client revenue or litigation costs, but also the breadth and sensitivity of data exposure, data exfiltration, impacts on the ability to operate our business or provide our services, client dissatisfaction, reputational harm, and loss of investor confidence. See Item 1A, Risk Factors, for more information on the cybersecurity threats facing our Company.

#### *Governance*

Our Board actively oversees our risk management activities both directly and through its committees and considers various risk topics throughout the year, including, through the Audit Committee, cybersecurity and information security risk management and controls. As part of its oversight function, the Board, directly and through its Audit Committee, oversees the Company's risk assessment and risk management policies, including related to cybersecurity. At least semi-annually (with respect to the Audit Committee) and annually (with respect to the Board), our CTO and CISO report to the Audit Committee or the Board addressing a broad range of topics, including significant cybersecurity incidents that have occurred, if any, since the last update, the status of projects and initiatives to update our cybersecurity policies and practices, and ongoing efforts to prevent, detect, and respond to internal and external critical threats.

Our senior management is responsible for assessing and managing the Company's various exposures to risk, including those related to cybersecurity, on a day-to-day basis, including the identification of risks through an enterprise risk management framework and the creation of appropriate risk management programs and policies to address such risks. Our CTO and CISO have primary responsibility for managing our information security program and efforts, including with respect to cybersecurity. They work closely with key stakeholders, including internal committees such as our Cyber Steering Group, peer institutions, and industry groups, in order to manage cybersecurity and information security risk. Our internal audit team is responsible for testing and auditing our information-technology internal controls. In addition, leaders from our communications, finance, legal and risk teams participate in incident response training, including tabletop exercises, designed to enhance our ability to respond to cybersecurity incidents quickly, efficiently and with the appropriate degree of urgency.

We believe our information technology team to be well-qualified in this area. These qualifications include collective decades of professional experience in the field, in both private enterprise and government, and relevant training and certifications, such as Certified Information Systems Security Professional (CISSP) certification, ISO 27001 certification, and other technical cybersecurity certifications from ISC2, the SANs Institute and OffSec as well as recent participation in IT and cybersecurity programs organized by leading educational institutions with expertise in the field.

#### **Item 2. Properties**

Our principal executive offices are located at 110 West 44th Street (also known as 1133 Avenue of the Americas), New York, New York, in approximately 117,100 square feet of space under a lease expiring in December 2037.

We also lease approximately 64,000 square feet of space under a lease expiring in March 2030 at 622 Broadway, New York, New York.

Take-Two Interactive Software Europe Ltd, our wholly-owned subsidiary, leases approximately 39,500 square feet of office space in London, United Kingdom, which expires in December 2034 and owns two office buildings in Edinburgh, United Kingdom.

2K corporate offices and two development studios occupy approximately 123,000 square feet of leased office space in Novato, California. The lease expires in October 2033 with respect to approximately 59,000 square feet and July 2025 with respect to approximately 64,000 square feet.

Zynga corporate office occupy approximately 62,000 square feet of leased office space in San Mateo, California. The lease expires in June 2032. In addition, Zynga leases approximately 185,000 square feet for its former corporate headquarters located in San Francisco, California, which is now closed. The lease expires in June 2031.

In addition, our other subsidiaries lease office space in Sydney and Pyrmont, Australia; Halifax, Oakville, Montreal, Parksville, Toronto, and Vancouver, Canada; Chengdu, Beijing, Hong Kong, and Shanghai, China; Prague, Czech Republic; Helsinki, Finland; Cesson-Sévigné and Paris, France; Munich and Berlin, Germany; Budapest, Hungary; Bangalore, India; Dublin, Ireland; Tel Aviv, Israel; Tokyo, Japan; Amsterdam and The Hague, Netherlands; Belgrade, Serbia; Singapore; Seoul, South Korea; Barcelona, Madrid, and Valencia, Spain; Luzerne, Switzerland; Taipei, Taiwan; Istanbul, Turkey; Birmingham, Brighton, Dundee, London, Lincoln, and Leeds, United Kingdom; and, in the United States: Agoura Hills, Carlsbad, Foothill

Ranch, Irvine, Los Angeles, Petaluma, Moorpark, San Francisco, San Jose, San Mateo, and San Rafael, California; Chicago, Illinois; Sparks, Maryland; Andover and Westwood, Massachusetts; Las Vegas, Nevada; Bethpage and New York, New York; Eugene, Oregon; Austin, Texas; and Kirkland and Seattle, Washington.

For information regarding our lease commitments, see [Note 13 - Leases](#) to our Consolidated Financial Statements.

**Item 3. Legal Proceedings**

Refer to [Note 14 - Commitments and Contingencies](#) to our Consolidated Financial Statements 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

#### Market Information and Holders

Our common stock trades on the NASDAQ Global Select Market under the symbol "TTWO." The number of record holders of our common stock was 324 as of May 6, 2024.

#### Dividend Policy

We have never declared or paid cash dividends. We currently anticipate that all future earnings will be retained to finance the growth of our business and we do not expect to declare or pay any cash dividends in the foreseeable future. The payment of dividends in the future is within the discretion of our Board of Directors and will depend upon future earnings, capital requirements and other relevant factors. Our Credit Agreement requires us to meet certain incurrence tests prior to paying a dividend. See "Liquidity and Capital Resources" under [Item 7](#) for additional information on our Credit Agreement.

#### Securities Authorized for Issuance under Equity Compensation Plans

The table setting forth this information is included in [Part III—Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters](#).

#### Issuer Purchases of Equity Securities

**Share Repurchase Program**—Our Board of Directors has authorized the repurchase of up to 21.7 shares of our common stock. Under this program, we may purchase shares from time to time through a variety of methods, including in the open market or through privately negotiated transactions, in accordance with applicable securities laws. Repurchases are subject to the availability of stock, prevailing market conditions, the trading price of the stock, our financial performance and other conditions. The program does not require us to repurchase shares and may be suspended or discontinued at any time for any reason.

During the fiscal years ended March 31, 2024, 2023, and 2022, we repurchased 0.0, 0.0, and 1.3 shares of our common stock in the open market, respectively, for \$0.0, \$0.0, and \$200.0, respectively, including commissions, as part of the program. As of March 31, 2024, we had repurchased a total of 11.7 shares of our common stock under the program, and 10.0 shares of our common stock remained available for repurchase under the share repurchase program. All of the repurchased shares are classified as Treasury stock in our Consolidated Balance Sheets.

**Summary Table**—The table below details the share repurchases that were made by us during the three months ended March 31, 2024:

Period	Shares purchased	Average price per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the repurchase program
January 1 - 31, 2024	—	—	—	10.0
February 1 - 28, 2024	—	—	—	10.0
March 1 - 31, 2024	—	—	—	10.0

### Item 6. [Reserved]

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

#### Overview

#### Our Business

We are a leading developer, publisher, and marketer of interactive entertainment for consumers around the globe. We develop, operate, and publish products principally through Rockstar Games, 2K, Private Division, and Zynga. Our products are currently designed for console gaming systems, PC, and mobile, including smartphones and tablets. We deliver our products through physical retail, digital download, online platforms, and cloud streaming services. Refer to [Item 1 - Business](#) for additional discussion.

## **Impairments**

During the fiscal year ended March 31, 2024, we recognized Goodwill impairment charges of \$2,342.1, representing a partial impairment related to one of our reporting units, and we recognized impairment charges of \$577.4 for acquisition-related Developed Game Technology intangible assets within Cost of revenue as a result of a reduction in the forecasted performance of certain games due to industry conditions and changes in our strategies in response to those conditions. Key assumptions and estimates used in deriving the fair values of these assets are forecasted revenue, EBITDA margins, long-term decay rate, and discount rate (refer to [Note 9 - Goodwill and Intangible Assets, Net](#)). Future changes in those key assumptions and estimates could result in additional impairments.

During the fiscal year ended March 31, 2024, we also recognized impairment charges related to our Software development costs and licenses of \$109.9, of which \$88.2 related to title cancellations as part of our cost reduction program (refer to [Note 7 - Software Development Costs and Licenses](#) and [Note 21 - Business Reorganization](#)).

## **Debt Transactions**

On April 14, 2023, we completed our offering and sale of \$1,000.0 aggregate principal amount of our senior notes, consisting of \$500.0 principal amount of our 5.000% Senior Notes due 2026 (the "2026 Notes") and \$500.0 principal amount of our 4.950% Senior Notes due 2028 ("the 2028 Notes"). On January 8, 2024, we completed our add-on offering and sale of \$350.0 aggregate principal amount of our senior notes, consisting of \$50.0 principal amount of additional 2026 Notes and \$300.0 principal amount of additional 2028 Notes. The additional 2026 Notes and additional 2028 Notes (the "New Notes") were issued as additional notes under the existing Indenture (refer to [Note 11 - Debt](#)).

Our senior notes are the Company's senior unsecured obligations and rank equally with all of our other existing and future unsubordinated obligations. We will pay interest on the 2026 Notes and 2028 Notes semi-annually on March 28 and September 28 of each year, commencing September 28, 2023 for the 2026 Notes and 2028 Notes. During the fiscal year ended March 31, 2024, we made interest payments of \$137.0 for our various debt obligations.

On June 5, 2023, pursuant to a tender offer, we purchased and retired \$650.0 in aggregate principal amount of our 3.300% Senior Notes due 2024 (the "2024 Notes"), with proceeds received from the 2026 Notes and 2028 Notes. We repaid the remaining \$350.0 of principal amount of our 2024 Notes on their maturity date on March 28, 2024, with proceeds received from the issuance of the New Notes. During the fiscal year ended March 31, 2024, we recognized a debt extinguishment gain of approximately \$7.7, net of unamortized debt discount and debt issuance costs recorded within Interest and other, net in our Consolidated Statement of Operations.

## **Trends and Factors Affecting our Business**

**Product Release Schedule.** Our financial results are affected by the timing of our product releases and the commercial success of our titles. Generally, a significant portion of our revenue has been derived from a few popular franchises, particularly around new releases within those franchises, some of which have annual or biennial releases. Our *Grand Theft Auto* products in particular have historically accounted for a significant portion of our revenue. Sales of *Grand Theft Auto* products generated 14.7% of our net revenue for the fiscal year ended March 31, 2024. The timing of our *Grand Theft Auto* product releases may affect our financial performance on a quarterly and annual basis.

**Economic Environment and Retailer Performance.** We continue to monitor various macroeconomic and geopolitical factors that may affect our business in several areas, including consumer demand, inflation, pricing pressure on our products, credit quality of our receivables, and foreign currency exchange rates. For example, in response to the conflict in Ukraine, we suspended sales of our products in Russia and Belarus, which had a negative impact on our financial results. Actions taken to date and other potential actions could result in additional negative impact in future periods.

The economic environment has affected our customers in the past and may do so in the future. There has been increased consolidation in our industry, as larger, better capitalized competitors will be in a stronger position to withstand prolonged periods of economic downturn and sustain their business through the financial volatility. Also, bankruptcies or consolidations of our large retail customers could seriously hurt our business, due to uncollectible accounts receivable and the concentration of purchasing power among the remaining large retailers.

**Hardware Platforms.** We derive a substantial portion of our revenue from the sale of products made for video game consoles manufactured by third parties. Such console revenue comprised 40.5% of our net revenue by product platform for the fiscal year ended March 31, 2024. The success of our business is dependent upon consumer acceptance of these platforms and the continued growth in the installed base of these platforms. When new hardware platforms are introduced, demand for interactive entertainment used on older platforms typically declines, which may negatively affect our business during the market transition to the new consoles. The latest Sony and Microsoft consoles provide "backwards compatibility" (i.e., the ability to play games for the previous generation of consoles). The inclusion of such features on new consoles could mitigate



the risk of such a decline. However, we cannot be certain how backwards compatibility will affect demand for our products. Further, events beyond our control may impact the availability of these new consoles, which may also affect demand. We manage our product delivery on each current and future platform in a manner we believe to be most effective to maximize our revenue opportunities and achieve the desired return on our investments in product development. Accordingly, our strategy for these platforms is to focus our development efforts on a select number of the highest quality titles.

**Online Content and Digital Distribution.** We provide a variety of online delivered products, including direct digital downloads of our titles, and access to additional offerings through virtual currency, add-on content, and in-game purchases, which drive ongoing engagement and incremental revenue from recurrent consumer spending on our titles. Net revenue from digital online channels comprised 95.6% of our net revenue for the fiscal year ended March 31, 2024. We expect online delivery of games and game offerings to continue to be the primary part of our business over the long term.

A significant portion of our mobile titles are distributed, marketed, and promoted through third parties, primarily Apple's App Store and the Google Play Store. Virtual items for our mobile games are purchased through the payment processing systems of these platform providers. We generate a significant portion of our net revenue through the Apple and Google platforms and expect to continue to do so for the foreseeable future. Apple and Google generally have the discretion to set the amounts of their platform fees and change their platforms' terms of service and other policies with respect to us or other developers at their sole discretion, and those changes may be unfavorable to us. These platform fees are recorded as cost of revenue as incurred. Further, as a result of the platform fees associated with online game sales, our mobile net revenue generally generates a lower gross margin percentage than our Console or PC revenue. Accordingly, the overall product mix between mobile and other game sales may affect our gross margin percentage. We are also expanding our direct-to-consumer efforts more meaningfully across our mobile portfolio to enhance profitability.

In addition, we aim to drive ongoing engagement and incremental revenue from recurrent consumer spending on our titles through virtual currency, add-on content, in-game purchases, and in-game advertising, all of which are typically delivered digitally.

**Player acquisition costs.** Principally for our mobile titles, we use advertising and other forms of player acquisition and retention to grow and retain our player audience. These expenditures, which are recorded within Sales and marketing in our Consolidated Statements of Operations, generally relate to the promotion of new game launches and ongoing performance-based programs to drive new player acquisition and lapsed player reactivation. Over time, the effectiveness or cost of these acquisition and retention-related programs may change, affecting our operating results.

#### **Content Release Highlights**

During fiscal year 2024, 2K released *WWE 2K24*, *LEGO 2K Drive* and *NBA 2K24*; Zynga released *Match Factory!* and *Top Troops*; and Private Division released *Penny's Big Breakaway*.

During fiscal year 2025 to date, 2K released *TopSpin 2K25* and Private Division released *No Rest for the Wicked* early access on PC. Rockstar plans to release *Grand Theft Auto VI* in the Fall of calendar 2025.

In addition, throughout the year, we expect to continue to deliver new content for our franchises. We will also continue to invest in opportunities that we believe will enhance and scale our business and have the potential to drive growth over the long term.

#### **Fiscal 2024 Financial Summary**

Our net revenue for the fiscal year ended March 31, 2024 was essentially flat year-on-year at \$5,349.6, a decrease of \$0.3 or 0.0% compared to the fiscal year ended March 31, 2023 and included net revenue of \$2,390.9 from Zynga, which we acquired in May 2022 (refer to [Note 20 - Acquisitions](#)), including top contributors *Toon Blast*, our hyper-casual mobile portfolio, *Empires & Puzzles*, *Merge Dragons!*, and *Words With Friends*, as well as a variety of our top franchises, primarily *NBA 2K*, *Grand Theft Auto*, *Red Dead Redemption*, and *WWE 2K*.

Our operating loss for the fiscal year ended March 31, 2024 was \$3,590.6 compared to operating loss of \$1,165.2 for fiscal year ended March 31, 2023, primarily due to Goodwill impairment charges of \$2,342.1, representing a partial impairment related to one of our reporting units. For the fiscal year ended March 31, 2024, our net loss was \$3,744.2, as compared to net loss of \$1,124.7 in the prior year. Diluted loss per share for the fiscal year ended March 31, 2024 was \$22.01, as compared to Diluted loss per share of \$7.03 for the fiscal year ended March 31, 2023.

At March 31, 2024, we had \$1,102.0 of Cash, cash equivalents, and restricted cash and cash equivalents, compared to \$1,234.6 at March 31, 2023. The decrease was primarily due to Net cash used in financing activities, primarily related to net share settlements of our restricted stock awards and payment of contingent earn-outs for prior acquisitions, partially offset by issuance of common stock and our net debt activity. The debt activity included proceeds from the issuance of 2026 Notes and

2028 Notes offset by our repayment of 2024 Notes and Term Loan (refer to [Note 11 - Debt](#)). To a lesser extent, the decrease was also due to i) Net cash used in investing activities, which was due primarily to the purchase of fixed assets and our individually immaterial acquisitions and investments, offset by our sales and maturities of available for sale securities, and ii) Net cash used in operating activities, which was due primarily to investments in software development and licenses, partially offset by sales of our products.

### Critical Accounting Policies and Estimates

Our most critical accounting policies, which are those that require significant judgment, include revenue recognition; capitalization and recognition of software development costs and licenses; fair value estimates including valuation of goodwill and intangible assets; valuation and recognition of stock-based compensation; and income taxes. See [Note 1 - Basis of Presentation and Significant Accounting Policies](#) in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

### Recently Adopted and Recently Issued Accounting Pronouncements

See [Note 1 - Basis of Presentation and Significant Accounting Policies](#).

### Operating Metric

#### Net Bookings

We monitor Net Bookings as a key operating metric in evaluating the performance of our business. Net Bookings is defined as the net amount of products and services sold digitally or sold-in physically during the period and includes licensing fees, merchandise, in-game advertising, strategy guides, and publisher incentives. Net Bookings were as follows:

Fiscal Year Ended March 31,						
	2024	2023	Increase/(decrease)	Increase/(decrease) %		
Net Bookings	\$ 5,333.0	\$ 5,283.6	\$ 49.4	0.9	%	

For the fiscal year ended March 31, 2024, Net Bookings increased by \$49.4 as compared to the prior year. The increase was primarily due to an increase in Net Bookings of \$247.5 from Zynga, which we acquired in May 2022 (refer to [Note 20 - Acquisitions](#)), including from our hyper-casual mobile portfolio, which benefited from our November 2022 acquisition of Popcore (refer to [Note 20 - Acquisitions](#)), and our other top contributors *Toon Blast*, *Empires & Puzzles*, *Words with Friends*, and *Merge Dragons!*, as well as an increase in Net Bookings from our *Grand Theft Auto* and *Red Dead Redemption* franchises, including our August 2023 release of *Red Dead Redemption* and *Undead Nightmare*. This increase was partially offset by a decrease in Net Bookings from *Tiny Tina's Wonderlands*, which released in March 2022, *The Quarry*, which released in June 2022, and our *Sid Meier's Civilization*, *PGA TOUR 2K*, the latest installment of which, *PGA TOUR 2K23* released in October 2022, and *NBA 2K* franchises.

## Results of Operations

In this section, we discuss the results of our operations for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023. For the comparison of fiscal year 2023 to fiscal year 2022, 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 the year ended March 31, 2023.

The following table sets forth, for the periods indicated, our statements of operations, net revenue by geographic region, net revenue by platform, net revenue by distribution channel, and net revenue by content type:

	Fiscal Year Ended March 31,					
	2024		2023		2022	
Total net revenue	\$	5,349.6	100.0 %	\$	5,349.9	100.0 %
Cost of revenue		3,107.8	58.1 %		3,064.6	57.3 %
Gross profit		2,241.8	41.9 %		2,285.3	42.7 %
Selling and marketing		1,550.2	29.0 %		1,586.5	29.7 %
Research and development		948.2	17.7 %		887.6	16.6 %
General and administrative		716.1	13.4 %		839.5	15.7 %
Depreciation and amortization		171.2	3.2 %		122.3	2.3 %
Goodwill impairment		2,342.1	43.8 %		—	— %
Business reorganization		104.6	1.9 %		14.6	0.3 %
Total operating expenses		5,832.4	109.0 %		3,450.5	64.5 %
(Loss) income from operations		(3,590.6)	(67.1)%		(1,165.2)	(21.8)%
Interest and other, net		(103.6)	(1.9)%		(141.9)	(2.7)%
(Loss) gain on fair value adjustments, net		(8.6)	(0.2)%		(31.0)	(0.6)%
(Loss) income before income taxes		(3,702.8)	(69.2)%		(1,338.1)	(25.0)%
Provision for (benefit from) income taxes		41.4	0.8 %		(213.4)	(4.0)%
Net (loss) income	\$	(3,744.2)	(70.0)%	\$	(1,124.7)	(21.0)%

	Fiscal Year Ended March 31,						
	2024		2023		2022		
Net revenue by platform:							
Mobile	\$	2,748.0	51.4 %	\$	2,538.6	47.5 %	\$ 403.4 11.5 %
Console		2,167.3	40.5 %		2,303.8	43.0 %	2,528.9 72.2 %
PC and other		434.3	8.1 %		507.5	9.5 %	572.5 16.3 %
Net revenue by distribution channel:							
Digital online	\$	5,112.2	95.6 %	\$	5,085.7	95.1 %	\$ 3,149.0 89.8 %
Physical retail and other		237.4	4.4 %		264.2	4.9 %	355.8 10.2 %
Net revenue by content:							
Recurrent consumer spending	\$	4,213.5	78.8 %	\$	4,180.4	78.1 %	\$ 2,271.2 64.8 %
Full game and other		1,136.1	21.2 %		1,169.5	21.9 %	1,233.6 35.2 %

### Fiscal Years ended March 31, 2024 and 2023

	2024	% of net revenue	2023	% of net revenue	Increase/(decrease)	% Increase/(decrease)
Total net revenue	\$	5,349.6	100.0 %	\$	5,349.9	100.0 %
Game intangibles		1,301.1	24.3 %		1,169.7	21.9 %
Product costs		756.6	14.1 %		714.0	13.3 %
Internal royalties		397.6	7.4 %		438.9	8.2 %
Software development costs and royalties <sup>(1)</sup>		346.7	6.5 %		435.1	8.1 %
Licenses		305.8	5.8 %		306.9	5.7 %
Cost of revenue		3,107.8	58.1 %		3,064.6	57.3 %
Gross profit	\$	2,241.8	41.9 %	\$	2,285.3	42.7 %

<sup>(1)</sup> Includes \$24.4 and \$(9.5) of stock-based compensation expense in fiscal year 2024 and 2023, respectively.



For the fiscal year ended March 31, 2024, net revenue decreased by \$0.3, as compared to the prior year. The decrease was due primarily to a decrease in net revenue of \$58.0 from *Tiny Tina's Wonderlands*, which released in March 2022, \$44.2 from *The Quarry*, which released in June 2022, \$38.9 from our *Sid Meier's Civilization* franchise, and \$30.0 from our *NBA 2K* franchise. The decrease was partially offset by an increase in net revenue of (i) \$225.7 from Zynga, which we acquired in May 2022 (refer to [Note 20 - Acquisitions](#)), including top contributors *Toon Blast*, our hyper-casual mobile portfolio, which benefited from our November 2022 acquisition of Popcore (refer to [Note 20 - Acquisitions](#)), *Empires & Puzzles*, *Merge Dragons!*, and *Words with Friends*, and (ii) \$41.0 from our *Red Dead Redemption* franchise, including our August 2023 release of *Red Dead Redemption* and *Undead Nightmare*.

Net revenue from mobile increased by \$209.4 and accounted for 51.4% of our total net revenue in the fiscal year ended March 31, 2024, as compared to 47.5% in the prior year. The increase was due to an increase in net revenue of \$205.2 from Zynga, including top contributors *Toon Blast*, our hyper-casual mobile portfolio, *Empires & Puzzles*, *Merge Dragons!*, and *Words with Friends*, as well as an increase in our *Grand Theft Auto* franchise, partially offset by a decrease in *Two Dots* and our *WWE 2K* franchise. Net revenue from console games decreased by \$136.5 and accounted for 40.5% of our total net revenue in the fiscal year ended March 31, 2024, as compared to 43.0% in the prior year. The decrease was due to a decrease in net revenue from *The Quarry*, *Tiny Tina's Wonderlands*, our *Grand Theft Auto*, *NBA 2K*, *PGA TOUR 2K*, the latest installment of which, *PGA TOUR 2K23* released in October 2022, *Mafia*, and *Borderlands* franchises, partially offset by an increase in net revenue from our *Red Dead Redemption* franchise and *LEGO 2K Drive*, which released in May 2023. Net revenue from PC and other decreased by \$73.2 and accounted for 8.1% of our total net revenue in the fiscal year ended March 31, 2024, as compared to 9.5% in the prior year. The decrease was due to a decrease in net revenue from our *Sid Meier's Civilization* franchise; *Tiny Tina's Wonderlands*; our *NBA 2K* franchise; *The Quarry*; our *Borderlands* franchise; *Marvel's Midnight Suns*, which released in December 2022; and our *XCOM* and *Red Dead Redemption* franchises, partially offset by an increase in net revenue of \$20.6 from Zynga, including top contributors *Hit It Rich* and *Zynga Poker*, and our *Grand Theft Auto* franchise.

Net revenue from digital online channels increased by \$26.5 and accounted for 95.6% of our total net revenue for the fiscal year ended March 31, 2024, as compared to 95.1% in the prior year. The increase was due to an increase in net revenue of \$226.2 from Zynga, including top contributors *Toon Blast*, our hyper-casual mobile portfolio, *Empires & Puzzles*, *Merge Dragons!*, and *Words with Friends*, as well as an increase in net revenue from our *Red Dead Redemption* franchise. These increases were partially offset by a decrease in net revenue from *Tiny Tina's Wonderlands*, our *Sid Meier's Civilization* franchise and *The Quarry*. Net revenue from physical retail and other channels decreased by \$26.8 and accounted for 4.4% of our total net revenue for the fiscal year ended March 31, 2024, as compared to 4.9% for the prior year. The decrease was due to a decrease in net revenue from our *NBA 2K* franchise; *The Quarry*, *Marvel's Midnight Suns*, our *PGA TOUR 2K* franchise, and *Tiny Tina's Wonderlands*. These decreases were partially offset by an increase in net revenue from our *Red Dead Redemption* franchise and *LEGO 2K Drive*.

Recurrent consumer spending ("RCS") is generated from ongoing consumer engagement and includes revenue from virtual currency, add-on content, in-game purchases, and in-game advertising. Net revenue from recurrent consumer spending increased by \$33.1 and accounted for 78.8% of net revenue for the fiscal year ended March 31, 2024, as compared to 78.1% for the prior year. The increase was due to an increase in net revenue of \$224.5 from Zynga, including top contributors *Toon Blast*, our hyper-casual mobile portfolio, *Empires & Puzzles*, *Merge Dragons!*, and *Words With Friends*, partially offset by a decrease in net revenue from our *Grand Theft Auto* franchise, *Tiny Tina's Wonderlands*, our *NBA 2K* franchise, *Two Dots*, and our *Sid Meier's Civilization* franchise. Net revenue from full game and other decreased by \$33.4 and accounted for 21.2% of net revenue for the fiscal year ended March 31, 2024, as compared to 21.9% for the prior year. The decrease was due to a decrease in net revenue from *The Quarry*, *Tiny Tina's Wonderlands*, our *Sid Meier's Civilization*, *PGA TOUR 2K*, and *Mafia* franchises, partially offset by an increase in net revenue from our *Grand Theft Auto* and *Red Dead Redemption* franchises, and *LEGO 2K Drive*.

Gross profit as a percentage of net revenue for the fiscal year ended March 31, 2024 was 41.9%, as compared to 42.7% in the prior year. The percentage decrease was due primarily to higher amortization related to intangible assets related to our Zynga acquisition, including a \$577.4 impairment charge (refer to [Note 9 - Goodwill and Intangible Assets, net](#)) partially offset by lower internal royalties due to the timing of when royalties are earned.

Changes in foreign currency exchange rates increased net revenue and gross profit by \$10.2 and \$3.5, respectively, in the fiscal year ended March 31, 2024 as compared to the prior year.

## Operating Expenses

	2024	% of net revenue	2023	% of net revenue	Increase/(decrease)	% Increase/(decrease)
Selling and marketing	\$ 1,550.2	29.0 %	\$ 1,586.5	29.7 %	\$ (36.3)	(2.3) %
Research and development	948.2	17.7 %	887.6	16.6 %	60.6	6.8 %
General and administrative	716.1	13.4 %	839.5	15.7 %	(123.4)	(14.7) %
Depreciation and amortization	171.2	3.2 %	122.3	2.3 %	48.9	40.0 %
Goodwill impairment	2,342.1	43.8 %	—	— %	2,342.1	100.0 %
Business reorganization	104.6	1.9 %	\$ 14.6	0.3 %	90.0	616.4 %
Total operating expenses	\$ 5,832.4	109.0 %	\$ 3,450.5	64.5 %	\$ 2,381.9	69.0 %

Includes stock-based compensation expense, which was allocated as follows:

	2024	2023
Selling and marketing	\$ 95.3	\$ 95.2
Research and development	104.4	116.6
General and administrative	111.5	115.5

Foreign currency exchange rates increased total operating expenses by \$19.5 for the fiscal year ended March 31, 2024 as compared to the prior year.

### Selling and marketing

Selling and marketing expenses decreased by \$36.3 for the fiscal year ended March 31, 2024 as compared to the prior year period, due primarily to lower amortization related to intangible assets offset by an increase in personnel expense due to increased headcount, including as a result of our Zynga acquisition.

### Research and development

Research and development expenses increased by \$60.6 for the fiscal year ended March 31, 2024, as compared to the prior year period, due primarily to increases in personnel expenses due to increased headcount, including related to our acquisition of Zynga. These increases were partially offset by lower production and development expenses primarily due to a reduction in the number of titles in development at certain studios as a result of our ongoing development pipeline management process and additional capitalization of costs for development on titles having established technological feasibility compared to the prior year.

### General and administrative

General and administrative expenses decreased by \$123.4 for the fiscal year ended March 31, 2024, as compared to the prior year period, due to a decrease in professional fees related to our acquisition and integration of Zynga, a right-of-use asset impairment expense related to Zynga's San Francisco office (see [Note 13 - Leases](#)) in the prior year with no corresponding expense in the current year, a reduction of expense in the current year as compared to the prior year related to updating the fair value of contingent earn-out liability related to our acquisition of Nordeus, and a decrease in the fair value of the contingent earn-out liability related to our acquisition of Popcore. These decreases were partially offset by an increase in personnel expense due to increased headcount as well as an increase in IT-related expenses for cloud-based services and IT infrastructure.

General and administrative expenses for the fiscal years ended March 31, 2024 and 2023 include occupancy expense (primarily rent, utilities and office expenses) of \$69.9 and \$66.8, respectively, related to our development studios.

### Depreciation and amortization

Depreciation and amortization expenses increased by \$48.9 for the fiscal year ended March 31, 2024, as compared to the prior year period, due primarily to leasehold improvements for office buildouts, acquired intangible assets, and depreciation expense related to Zynga.

### Goodwill impairment

Goodwill impairment expense was \$2,342.1 for the fiscal year ended March 31, 2024 due to a partial impairment recognized related to one of our reporting units (refer to [Note 9 - Goodwill and Intangible Assets, Net](#)), with no corresponding expense in the prior year.

### Business reorganization

Business reorganization expense increased by \$90.0 for the fiscal year ended March 31, 2024, as compared to the prior year period, due primarily to titles cancelled as part of our approved cost reduction program.

### ***Interest and other, net***

	2024	% of net revenue	2023	% of net revenue	Increase/(decrease)	% Increase/(decrease)
Interest income	\$ 62.3	1.2 %	\$ 33.8	0.6 %	\$ 28.5	84.3 %
Interest expense	(140.6)	(2.6) %	(129.6)	(2.4) %	(11.0)	8.5 %
Foreign currency exchange gain (loss)	(28.6)	(0.5) %	(31.8)	(0.6) %	3.2	(10.1) %
Other	3.3	0.1 %	(14.3)	(0.3) %	17.6	(123.1) %
Interest and other, net	\$ (103.6)	(1.9) %	\$ (141.9)	(2.7) %	\$ 38.3	(27.0) %

Interest and other, net was expense of \$103.6 for the fiscal year ended March 31, 2024, as compared to \$141.9 for the fiscal year ended March 31, 2023. The net decrease was due primarily to an increase in interest income primarily due to increases in interest rates, a gain on debt extinguishment recognized on the partial repayment of our 2024 Notes, a decrease in interest expense related to our bridge loan commitment in connection with our acquisition of Zynga in the prior year, and a decrease in foreign currency losses. These decreases in expense were partially offset by an increase in interest expense related to our debt transactions (refer to [Note 11 - Debt](#)).

### ***Loss on fair value adjustments, net***

Loss on fair value adjustments, net for the fiscal year ended March 31, 2024 was a loss of \$8.6 compared to a loss of \$31.0 in the prior year period. The change was due primarily to a prior year loss for the increase in fair value of our Convertible Notes, partially offset by a prior year gain related to our Capped Calls, both as result of our Zynga Acquisition (refer to [Note 11 - Debt](#) and [Note 20 - Acquisitions](#)).

### ***Provision for income taxes***

Our income tax expense was \$41.4 for the fiscal year ended March 31, 2024 as compared to a benefit from income taxes of \$213.4 for the fiscal year ended March 31, 2023.

When compared to the statutory rate of 21%, the effective tax rate of (1.1)% for the fiscal year ended March 31, 2024 was due primarily to an expense of \$474.7 from nondeductible goodwill impairments, \$337.2 from an increase in the U.S. valuation allowance expense, \$41.6 from an increase in the foreign valuation allowance expense, \$39.0 from our geographic mix and foreign earnings, and \$29.2 from a decrease in the net deferred tax asset relating to the Swiss cantonal basis step-up (as noted below) partially offset by a \$63.3 benefit from tax credits anticipated to be utilized and \$32.7 benefit from changes in reserves due to statute lapses.

When compared to the statutory rate of 21%, the effective tax rate of 15.9% for the fiscal year ended March 31, 2023 was due primarily to an expense of \$84.0 from an increase in the U.S. valuation allowance, expense of \$39.7 from our geographic mix and foreign earnings, and \$20.2 nondeductible expense relating to compensation expense related to covered employees pursuant to Section 162(m) and loss on the redemption of convertible debt, partially offset by a \$76.8 benefit from tax credits anticipated to be utilized.

The effective tax rate in the current year was lower compared to the prior year primarily due to increased expense from nondeductible goodwill impairments, increased expense related to an increase in our valuation allowance, decreased benefits from tax credits, and the impact of geographic mix and foreign earnings.

The accounting for share-based compensation will increase or decrease our effective tax rate based upon the difference between our share-based compensation expense and the deductions taken on our tax return, which depends on the stock price at the time of the employee award vesting.

We anticipate that additional excess tax benefits or shortfalls from employee stock compensation, tax credits, changes in valuation allowance, and changes in our geographic mix of earnings could have a significant impact on our effective tax rate in the future. In addition, we are regularly examined by domestic and foreign taxing authorities. Examinations may result in tax assessments in excess of amounts claimed and the payment of additional taxes. We believe our tax positions comply with applicable tax law, and that we have adequately provided for reasonably foreseeable tax assessments. It is possible that settlement of audits or the expiration of the statute of limitations could have an impact on our effective tax rate in future periods.

The American Rescue Plan Act of 2021 (the "ARPA"), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective for tax years starting after December 31, 2026 (April 1, 2027 for the Company), ARPA expands the limitation to cover the next five most highly compensated employees. ARPA did not have a material impact on our Consolidated Financial Statements for the fiscal year ended March 31, 2024. We continue to evaluate the potential impact ARPA may have on our operations and Consolidated Financial Statements in future periods.

The Inflation Reduction Act of 2022 (the "Inflation Reduction Act") includes a new corporate alternative minimum tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with an average AFSI exceeding \$1.0 billion over a consecutive three-year period. The CAMT was effective for taxable year ending March 31, 2024. It is possible that the CAMT could result in an additional tax liability over the regular federal corporate tax liability in a particular year based on differences between book and taxable income. We estimate no tax liability relating to the CAMT for the current fiscal year. We will continue to evaluate the potential impact the Inflation Reduction Act may have on our operations and Consolidated Financial Statements in future periods.

The Organization for Economic Co-operation and Development ("OECD") has proposed a global minimum tax of 15% of reported profits, referred to as Pillar Two. Many countries have already implemented or are taking steps to implement Pillar Two. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar Two slightly differently than the model rules and on different timelines. Many aspects of Pillar Two are effective for the fiscal year ending March 31, 2025. It is possible that Pillar Two could result in additional tax liability over the regular corporate tax liability in a particular jurisdiction to the extent tax expense is less than the 15% minimum rate. We will continue to evaluate the potential impact Pillar Two may have on our operations and Consolidated Financial Statements in future periods.

Switzerland's Federal Act on Tax Reform and AVH Financing ("TRAF") abolished preferential tax regimes for holding companies, domicile companies, and mixed companies at the cantonal level. The TRAF allows the cantons to establish transition rules, the implementation of which may be subject to a ruling from the canton. For the fiscal year ended March 31, 2024, we recorded a net tax expense of \$29.2 due to an increase in the valuation of allowance of \$81.3 offset by an increase in the deferred tax asset of \$52.1 relating to the Swiss cantonal basis step-up, as it is more-likely-than-not that such deferred tax assets would not be realized.

As of March 31, 2024, we had gross unrecognized tax benefits, including interest and penalties, of \$276.3, of which \$167.9 would affect our effective tax rate if realized. For the fiscal year ended March 31, 2024, gross unrecognized tax benefits decreased by \$18.5.

We are no longer subject to audit for U.S. federal income tax returns for periods prior to our fiscal year ended March 31, 2021 and state income tax returns for periods prior to the fiscal year ended March 31, 2020. With few exceptions, we are no longer subject to income tax examinations in non-U.S. jurisdictions for years prior to fiscal year ended March 31, 2016. Certain taxing authorities are currently examining our income tax returns for the fiscal years ended March 31, 2016 through March 31, 2022.

#### ***Net loss and loss per share***

For the fiscal year ended March 31, 2024, net loss was \$3,744.2, as compared to a net loss of \$1,124.7 in the prior year. Basic and diluted loss per share for the fiscal year ended March 31, 2024 was \$22.01, as compared to basic and diluted loss per share of \$7.03 for the fiscal year ended March 31, 2023. Basic weighted average shares of 170.1 were 10.2 higher due primarily to normal stock compensation activity, including vests as well as grants and forfeitures in the prior year being fully outstanding in the current year. See [Note 12 - \(Loss\) Earnings Per Share](#) to our Consolidated Financial Statements for additional information.

#### **Liquidity and Capital Resources**

Our primary cash requirements are to fund (i) the development, manufacturing and marketing of our published products, (ii) working capital, (iii) capital expenditures, (iv) debt and interest payments, (v) tax payments, and (vi) acquisitions. We expect to rely on cash and cash equivalents as well as on short-term investments, funds provided by our operating activities, and our 2022 Credit Agreement to satisfy our working capital needs. Refer to [Note 11 - Debt](#) for additional discussion of our outstanding debt obligations.

#### ***Short-term Investments***

As of March 31, 2024, we had \$22.0 of short-term investments, which primarily consisted of bank time deposits with maturities greater than 90 days. From time to time, we may place additional short-term investments depending on future market conditions and liquidity needs.



## **Senior Notes**

On April 14, 2023, we completed our offering and sale of \$1,000.0 aggregate principal amount of our senior notes, consisting of \$500.0 principal amount of our 5.000% Senior Notes due 2026 (the "2026 Notes") and \$500.0 principal amount of our 4.950% Senior Notes due 2028 ("the 2028 Notes"). On January 8, 2024, we completed our add-on offering and sale of \$350.0 aggregate principal amount of our senior notes, consisting of \$50.0 principal amount of additional 2026 Notes and \$300.0 principal amount of additional 2028 Notes. The additional 2026 Notes and additional 2028 Notes (the "New Notes") were issued as additional notes under the existing Indenture (refer to [Note 11 - Debt](#)).

On April 14, 2022, we completed our offering and sale of \$2,700.0 aggregate principal amount of our senior notes, consisting of \$1,000.0 principal amount of our 3.300% Senior Notes due 2024 (the "2024 Notes"), \$600.0 principal amount of our 3.550% Senior Notes due 2025 (the "2025 Notes"), \$600.0 principal amount of our 3.700% Senior Notes due 2027 (the "2027 Notes"), and \$500.0 principal amount of our 4.000% Senior Notes due 2032 (the "2032 Notes" and together with the 2024 Notes, 2025 Notes, 2026 Notes, 2027 Notes, and 2028 Notes, the "Senior Notes").

The Senior Notes are the Company's senior unsecured obligations and rank equally with all of our other existing and future unsubordinated obligations. We will pay interest on the 2024 Notes, 2026 Notes, and 2028 Notes semi-annually on March 28 and September 28 of each year, commencing September 28, 2022 for the 2024 Notes and September 28, 2023 for the 2026 Notes and 2028 Notes. We will pay interest on each of the 2025 Notes, 2027 Notes, and 2032 Notes semi-annually on April 14 and October 14 of each year, commencing October 14, 2022. During the fiscal year ended March 31, 2024, we made interest payments of \$135.2. The proceeds from the issuances of the Senior Notes were used to finance a portion of our acquisition of Zynga and repay certain of our debt. Subject to market conditions, we currently intend to refinance the 2025 Notes prior to maturity.

On June 5, 2023, pursuant to a tender offer, we purchased and retired \$650.0 in aggregate principal amount of our 2024 Notes, with proceeds received from the 2026 Notes and 2028 Notes. We repaid the remaining \$350.0 of principal amount of our 2024 Notes on its maturity date on March 28, 2024, with proceeds received from the New Notes. During the fiscal year ended March 31, 2024, we recognized a debt extinguishment gain of approximately \$7.7, net of unamortized debt discount and debt issuance costs recorded within Interest and other, net in our Consolidated Statement of Operations.

## **Credit Agreement**

On May 23, 2022, we entered into an unsecured Credit Agreement (as amended, the "2022 Credit Agreement"), which replaced in its entirety the Company's prior Credit Agreement, dated as of February 8, 2019, which was paid off in full and terminated. The 2022 Credit Agreement provides for an unsecured five-year revolving credit facility with commitments of \$500.0, including sublimits for (i) the issuance of letters of credit in an aggregate face amount of up to \$100.0 and (ii) borrowings and letters of credit denominated in Pounds Sterling, Euros, and Canadian Dollars in an aggregate principal amount of up to \$100.0. In addition, the 2022 Credit Agreement contains uncommitted incremental capacity permitting the incurrence of up to an additional amount not to exceed the greater of \$250.0 and 35.0% of the Company's Consolidated Adjusted EBITDA (as defined in the 2022 Credit Agreement). On May 16, 2024, we increased the total commitments under the facility to \$750.0 pursuant to the 2022 Credit Agreement's incremental provisions, leaving no further uncommitted incremental capacity.

Loans under the 2022 Credit Agreement will bear interest at a rate of (a) 0.000% to 0.625% above an alternate base rate (8.50% at March 31, 2024) or (b) 1.000% to 1.625% above Secured Overnight Financing Rate ("SOFR"), approximately 5.33% at March 31, 2024, which rates are determined by the Company's credit rating.

As of March 31, 2024, there were no borrowings under the 2022 Credit Agreement, and we had approximately \$497.7 available for additional borrowings.

## **Convertible Notes**

In conjunction with the acquisition of Zynga on May 23, 2022 (refer to [Note 20 - Acquisitions](#)), we entered into (a) the First Supplemental Indenture (the "2024 Supplemental Indenture") to the Indenture, dated as of June 14, 2019 (the "2024 Indenture"), between Zynga and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association) (the "Convertible Notes Trustee"), relating to Zynga's 0.25% Convertible Senior Notes due 2024 (the "2024 Convertible Notes"), and (b) the First Supplemental Indenture (the "2026 Supplemental Indenture" and, together with the 2024 Supplemental Indenture, the "Supplemental Indentures") to the Indenture, dated as of December 17, 2020 (the "2026 Indenture" and, together with the 2024 Indenture, the "Indentures"), between Zynga and the Convertible Notes Trustee, relating to Zynga's 0.00% Convertible Senior Notes due 2026 (the "2026 Convertible Notes" and, together with the 2024 Convertible Notes, the "Convertible Notes"). As of the closing date of the acquisition, approximately \$690.0 aggregate principal amount of the 2024 Convertible Notes was outstanding and approximately \$874.5 aggregate principal amount of the 2026 Convertible Notes was outstanding.

Following the acquisition and according to the Supplemental Indentures, we assumed all of Zynga's rights and obligations under the Indentures, and the Company guaranteed the payment and other obligations of Zynga under the Convertible Notes. As a result of our acquisition of Zynga, the right to convert each one thousand dollar principal amount of such Convertible Notes into shares of Zynga common stock was changed into a right to convert such principal amount of such Convertible Notes into the number of units of Reference Property equal to the conversion rate in effect immediately prior to the closing of the Zynga Acquisition, in each case pursuant to the terms and procedures set forth in the applicable Indenture. A unit of Reference Property is defined in each Indenture as 0.0406 shares of Take-Two common stock and \$3.50 in cash, without interest, plus cash in lieu of any fractional shares of Take-Two common stock.

The 2024 Convertible Notes and 2026 Convertible Notes mature on June 1, 2024, and December 15, 2026, respectively, unless earlier converted, redeemed, or repurchased in accordance with their terms, respectively, prior to the maturity date. Interest is payable semiannually on the 2024 Convertible Notes in arrears on March 1 and September 1 of each year. The 2026 Convertible Notes do not bear regular interest, and the principal amount does not accrete.

The acquisition of Zynga constituted a Fundamental Change, a Make-Whole Fundamental Change, and a Share Exchange Event (each as defined in the Indentures) under the Indentures. The effective date of the Fundamental Change, Make-Whole Fundamental Change and Share Exchange Event in respect of the Convertible Notes was May 23, 2022, and the related tender and conversion periods expired on June 22, 2022. As a result, each holder of Convertible Notes had the right to tender its Convertible Notes to the Company for cash or surrender its Convertible Notes for conversion into the Reference Property at the applicable conversion rate, in each case pursuant to the terms and procedures set forth in the applicable Indenture.

As of the expiration of the Fundamental Change, Make-Whole Fundamental Change, and Share Exchange Event, (a) \$0.3 aggregate principal amount of the 2024 Convertible Notes and (b) \$845.1 aggregate principal amount of the 2026 Convertible Notes were tendered for cash. In addition, (a) \$668.3 aggregate principal amount of the 2024 Convertible Notes, and (b) no 2026 Convertible Notes were surrendered for conversion into the applicable Reference Property. In total, we paid \$321.6 for the tendered or converted 2024 Convertible Notes, including interest, and \$845.1 for the tendered 2026 Convertible Notes in cash, and we issued 3.7 shares of our common stock upon the conversion of the 2024 Convertible Notes. After settlement of all Convertible Notes tendered or surrendered for conversion, \$21.4 aggregate principal amount of the 2024 Convertible Notes remained outstanding and \$29.4 aggregate principal amount of the 2026 Convertible Notes remained outstanding at March 31, 2024.

#### ***Financial Condition***

We are subject to credit risks, particularly if any of our receivables represent a limited number of customers or are concentrated in foreign markets. If we are unable to collect our accounts receivable as they become due, it could adversely affect our liquidity and working capital position.

Generally, we have been able to collect our accounts receivable in the ordinary course of business. We do not hold any collateral to secure payment from customers. We have trade credit insurance on the majority of our customers to mitigate accounts receivable risk.

A majority of our trade receivables are derived from sales to major retailers, including digital storefronts and platform partners, and distributors. Our five largest customers accounted for 79.8%, 79.6% and 79.0% of net revenue during the fiscal years ended March 31, 2024, 2023 and 2022, respectively. As of March 31, 2024, and 2023, five customers comprised 69.9% and 61.1% of our gross accounts receivable, respectively, with our significant customers (those that individually comprised more than 10% of our gross accounts receivable balance) accounting for 57.7% and 50.3% of such balance at March 31, 2024, and 2023, respectively. We had three customers who accounted for 21.8%, 18.1%, and 16.9% of our gross accounts receivable as of March 31, 2024, and three customers who accounted for 21.6%, 14.5%, and 14.2% of our gross accounts receivable as of March 31, 2023. We did not have any additional customers that exceeded 10% of our gross accounts receivable as of March 31, 2024, and 2023. Based upon performing ongoing credit evaluations, maintaining trade credit insurance on a majority of our customers who sell our physical products and our past collection experience, we believe that the receivable balances from these largest customers do not represent a significant credit risk, although we actively monitor each customer's creditworthiness and economic conditions that may affect our customers' business and access to capital. We are monitoring the current global economic conditions, including credit markets and other factors as it relates to our customers in order to manage the risk of uncollectible accounts receivable.

We believe that our current cash and cash equivalents, short-term investments, and projected cash flow from operations, along with availability under our 2022 Credit Agreement will provide us with sufficient liquidity to satisfy our cash requirements for working capital, capital expenditures, and commitments on both a short-term and long-term basis.

As of March 31, 2024, the amount of cash and cash equivalents held outside of the U.S. by our foreign subsidiaries was \$629.6. These balances are dispersed across various locations around the world. We believe that such dispersion meets the

business and liquidity needs of our foreign affiliates. In addition, we expect to have the ability to generate sufficient cash domestically to support ongoing operations for the foreseeable future.

Our Board of Directors has authorized the repurchase of up to 21.7 shares of our common stock. Under this program, we may purchase shares from time to time through a variety of methods, including in the open market or through privately negotiated transactions, in accordance with applicable securities laws. Repurchases are subject to the availability of stock, prevailing market conditions, the trading price of the stock, our financial performance and other conditions. The program does not require us to repurchase shares and may be suspended or discontinued at any time for any reason.

During the fiscal years ended March 31, 2024, 2023, and 2022, we repurchased 0.0, 0.0, and 1.3 shares of our common stock, respectively, in the open market for \$0.0, \$0.0, and \$200.0, respectively, including commissions as part of the program. As of March 31, 2024, we had repurchased a total of 11.7 shares of our common stock under the program, and 10.0 shares of our common stock remained available for repurchase under the share repurchase program.

Our changes in cash flows were as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Net cash (used in) provided by operating activities	\$ (16.1)	\$ 1.1	\$ 258.0
Net cash (used in) provided by investing activities	(28.2)	(2,876.3)	139.2
Net cash (used in) provided by financing activities	(91.4)	1,930.3	(256.8)
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash and cash equivalents	3.1	(15.9)	(5.2)
Net change in cash, cash equivalents, and restricted cash and cash equivalents	\$ (132.6)	\$ (960.8)	\$ 135.2

At March 31, 2024, we had \$1,102.0 of Cash, cash equivalents, and restricted cash and cash equivalents, compared to \$1,234.6 at March 31, 2023. The decrease was primarily due to Net cash used in financing activities, primarily related to net share settlements of our restricted stock awards and payment of contingent earn-outs for prior acquisitions, partially offset by issuance of common stock and our net debt activity. The debt activity included proceeds from the issuance of 2026 Notes and 2028 Notes offset by our repayment of 2024 Notes and Term Loan (refer to [Note 11 - Debt](#)). To a lesser extent, the decrease was also due to i) Net cash used in investing activities which was due primarily to the purchase of fixed assets and our immaterial acquisitions and investments, offset by our sales and maturities of available for sale securities, and ii) Net cash used in operating activities, which was due primarily to investments in software development and licenses, partially offset by sales of our products.

#### Commitments

Refer to [Note 14 - Commitments and Contingencies](#) to our Consolidated Financial Statements for disclosures regarding our commitments.

#### Capital Expenditures

In fiscal year 2025, we anticipate capital expenditures to be \$140.

#### Off-Balance Sheet Arrangements

As of March 31, 2024 and 2023, we did not have any material relationships with unconsolidated entities or financial parties, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

#### International Operations

Net revenue earned outside of the United States is principally generated by our operations in Europe, Asia, Australia, Canada and Latin America. For the fiscal years ended March 31, 2024, 2023, and 2022, 38.7%, 37.2%, and 40.1%, respectively, of our net revenue was earned outside the United States. We are subject to risks inherent in foreign trade, including increased credit risks, tariffs and duties, fluctuations in foreign currency exchange rates, shipping delays and international political, regulatory and economic developments, all of which can have a significant effect on our operating results.

## Fluctuations in Quarterly Operating Results and Seasonality

We have experienced fluctuations in quarterly and annual operating results as a result of the timing of the introduction of new titles, variations in sales of titles developed for particular platforms, market acceptance of our titles, development and promotional expenses relating to the introduction of new titles, sequels or enhancements of existing titles, projected and actual changes in platforms, the timing and success of title introductions by our competitors, product returns, changes in pricing policies by us and our competitors, the accuracy of retailers' forecasts of consumer demand, the size and timing of acquisitions, the timing of orders from major customers, and order cancellations and delays in product shipment. Sales of our full game products are also seasonal, with peak demand typically occurring in the fourth calendar quarter during the holiday season. For certain of our software products with multiple performance obligations, we defer the recognition of our net revenue over an estimated service period which generally ranges from six to fifteen months. As a result, the quarter in which we generate the highest Net Bookings may be different from the quarter in which we recognize the highest amount of Net revenue. Quarterly comparisons of operating results are not necessarily indicative of future operating results.

### Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from fluctuations in market rates and prices. Our market risk exposures primarily include fluctuations in interest rates and foreign currency exchange rates.

#### *Interest Rate Risk*

Our exposure to fluctuations in interest rates relates primarily to our short-term investment portfolio and variable rate debt under the Credit Agreement.

We seek to manage our interest rate risk by maintaining a short-term investment portfolio that includes corporate bonds with high credit quality and maturities of less than two years. Since short-term investments mature relatively quickly and can be reinvested at the then-current market rates, interest income on a portfolio consisting of short-term securities is more subject to market fluctuations than a portfolio of longer-term maturities. However, the fair value of a short-term portfolio is less sensitive to market fluctuations than a portfolio of longer-term securities. We do not currently use derivative financial instruments in our short-term investment portfolio. Our investments are held for purposes other than trading.

As of March 31, 2024, we had \$22.0 of short-term investments, which included \$0.0 of available-for-sale securities. The available-for-sale securities were recorded at fair market value with unrealized gains or losses resulting from changes in fair value reported as a separate component of Accumulated other comprehensive loss (income), in Stockholders' equity. We also had \$754.0 of cash and cash equivalents that are comprised primarily of money market funds and bank-time deposits. We determined that, based on the composition of our investment portfolio, there was no material interest rate risk exposure to our Consolidated Financial Statements or liquidity as of March 31, 2024.

Historically, fluctuations in interest rates have not had a significant effect on our operating results.

Under our 2022 Credit Agreement, loans will bear interest at our election of (a) 0.000% to 0.625% above a certain base rate (8.50% at March 31, 2024) or (b) 1.000% to 1.625% above Secured Overnight Financing Rate ("SOFR"), approximately 5.33% at March 31, 2024, which are determined by the Company's credit rating. At March 31, 2024, there were no outstanding borrowings under our 2022 Credit Agreement.

#### *Foreign Currency Exchange Rate Risk*

We transact business in foreign currencies and are exposed to risks resulting from fluctuations in foreign currency exchange rates. In particular, during the six months ended September 30, 2023, there was a significant devaluation of the Turkish Lira against the U.S. Dollar, which negatively affected our results. It is possible that further devaluations could occur, which would have a negative impact on our results. Accounts relating to foreign operations are translated into U.S. dollars using prevailing exchange rates at the relevant period end. Translation adjustments are included as a separate component of Stockholders' equity on our Consolidated Balance Sheets. For the fiscal years ended March 31, 2024 and 2023, our foreign currency translation adjustment was a gain of \$6.7 and a loss of \$58.9, respectively. We recognized foreign currency exchange transaction losses of \$28.6, \$31.8, and \$7.3 for the fiscal years ended March 31, 2024, 2023, and 2022, respectively, in Interest and other, net in our Consolidated Statements of Operations.

#### *Balance Sheet Hedging Activities*

We use foreign currency forward contracts to mitigate foreign currency exchange rate risk associated with non-functional currency denominated cash balances and intercompany funding loans, non-functional currency denominated accounts receivable and non-functional currency denominated accounts payable. These transactions are not designated as hedging instruments and are accounted for as derivatives whereby the fair value of the contracts is reported as either assets or

liabilities on our Consolidated Balance Sheets, and gains and losses resulting from changes in the fair value are reported in Interest and other, net, in our Consolidated Statements of Operations. We do not enter into derivative financial contracts for speculative or trading purposes. At March 31, 2024, we had \$72.2 of forward contracts outstanding to buy foreign currencies in exchange for U.S. dollars and \$243.0 of forward contracts outstanding to sell foreign currencies in exchange for U.S. dollars all of which have maturities of less than one year. At March 31, 2023, we had \$51.2 of forward contracts outstanding to buy foreign currencies in exchange for U.S. dollars and \$224.3 of forward contracts outstanding to sell foreign currencies in exchange for U.S. dollars all of which have maturities of less than one year. For the fiscal years ended March 31, 2024, 2023 and 2022, we recorded a gain of \$5.3, a loss of \$15.1, and a gain of \$5.9, respectively, related to foreign currency forward contracts in Interest and other, net on our Consolidated Statements of Operations. As of March 31, 2024 and 2023, the fair values of these outstanding forward contracts were immaterial and were included in Accrued expenses and other current liabilities. The fair value of these outstanding forward contracts is estimated based on the prevailing exchange rates of the various hedged currencies as of the end of the period.

Our hedging programs are designed to reduce, but do not entirely eliminate, the effect of currency exchange rate movements. We believe that the counterparties to these foreign currency forward contracts are creditworthy multinational commercial banks and that the risk of counterparty nonperformance is not material. Notwithstanding our efforts to mitigate some foreign currency exchange rate risks, there can be no assurance that our hedging activities will adequately protect us against the risks associated with foreign currency fluctuations, which may be more volatile as a result of the COVID-19 pandemic. For the fiscal year ended March 31, 2024, 38.7% of our revenue was generated outside the United States. Using sensitivity analysis, a hypothetical 10% increase in the value of the U.S. dollar against all currencies would decrease revenue by 3.9%, while a hypothetical 10% decrease in the value of the U.S. dollar against all currencies would increase revenue by 3.9%. In our opinion, a substantial portion of this fluctuation would be offset by cost of revenue and operating expenses incurred in local currency.

#### **Item 8. Financial Statements and Supplementary Data**

The financial statements and supplementary data appear in a separate section of this Form 10-K following Part IV. We provide details of our valuation and qualifying accounts in [Note 19 - Supplementary Financial Information](#) to our Consolidated Financial Statements. All schedules have been omitted since the information required to be submitted has been included on our Consolidated Financial Statements or notes thereto or has been omitted as not applicable or not required.

#### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

#### **Item 9A. Controls and Procedures**

##### *Definition and Limitations of Disclosure Controls and Procedures*

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to reasonably ensure that information required to be disclosed in our reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

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 management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures at March 31, 2024, the end of the period covered by this report. Based on this evaluation, the principal executive officer and principal financial officer concluded that, at March 31, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported on a timely basis, and (ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

#### *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 Rule 13a-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework ("COSO"). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of March 31, 2024.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an audit report on our internal control over financial reporting, which is included in this Form 10-K.

#### *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting during the fiscal quarter ended March 31, 2024, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **Item 9B. Other Information**

##### *Securities Trading Plans of Directors and Executive Officers*

Our Section 16 officers and directors, as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934 (the "Exchange Act"), may from time to time enter into plans for the purchase or sale of our common stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. During the quarter ended March 31, 2024, no Section 16 officer or director, as defined in Rule 16a-1(f), adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

#### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item is incorporated herein by reference to the sections entitled "Proposal 1—Election of Directors" and "Executive Compensation—Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive Proxy Statement (the "Proxy Statement") for the Annual Meeting of Stockholders to be held in 2024. We intend to file the Proxy Statement within 120 days after the end of the fiscal year (i.e. on or before July 29, 2024). Our Code of Business Conduct and Ethics applicable to our directors and all employees, including senior financial officers, is available on our website at [www.take2games.com](http://www.take2games.com). If we make any amendment to our Code of Business Conduct and Ethics that is required to be disclosed pursuant to the Exchange Act, we will make such disclosures on our website.

### **Item 11. Executive Compensation**

The information required by this Item is incorporated herein by reference to the section entitled "Executive Compensation" in our Proxy Statement.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item is incorporated herein by reference to the sections entitled "Voting Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in our Proxy Statement.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item is incorporated herein by reference to the section entitled "Certain Relationships and Related Transactions" in our Proxy Statement.

### **Item 14. Principal Accounting Fees and Services**

The information required by this Item is incorporated herein by reference to the section entitled "Independent Auditor Fee Information" in our Proxy Statement.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Report:

- (i) Financial Statements. See Index to Financial Statements on page 58 of this Report.
- (ii) Financial Statement Schedule. See [Note 19 - Supplementary Financial Information](#) to our Consolidated Financial Statements.

Index to Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Filing Date	Exhibit	Filed Herewith
2.1	<a href="#">Share Purchase Agreement, dated March 27, 2024, by and among Take-Two Interactive Software, Inc., Groundhog 2, LLC, The Gearbox Entertainment Company Holding AB, and Embracer Group AB.</a> <sup>†</sup>	8-K	4/1/2024	2.1	
3.1	<a href="#">Restated Certificate of Incorporation</a>	10-K	2/12/2004	3.1	
3.1.1	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation, dated April 30, 1998</a>	10-K	2/12/2004	3.1.2	
3.1.2	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation, dated November 17, 2003</a>	10-K	2/12/2004	3.1.3	
3.1.3	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation, dated April 23, 2009</a>	8-K	4/23/2009	3.1	
3.1.4	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation, dated September 21, 2012</a>	8-K	9/24/2012	3.1	
3.1.5	<a href="#">Certificate of Amendment of Restated Certificate of Incorporation, dated May 20, 2022</a>	8-K	5/26/2022	3.1	
3.2	<a href="#">Certificate of Designation of Series A Preferred Stock, dated March 11, 1998</a>	10-K	2/12/2004	3.1.1	
3.3	<a href="#">Certificate of Designation of Series B Preferred Stock, dated March 26, 2008</a>	8-A12B	3/26/2008	4.2	
3.4	<a href="#">Take-Two Interactive Software, Inc.'s Fourth Amended and Restated By-Laws, as adopted and effective on January 4, 2023</a>	8-K	1/6/2023	3.1	
4.1	<a href="#">Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</a>				X
4.2	<a href="#">Base Indenture, dated as of April 14, 2022, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2022	4.1	
4.3	<a href="#">First Supplemental Indenture, dated as of April 14, 2022, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2022	4.2	
4.4	<a href="#">Second Supplemental Indenture, dated as of April 14, 2022, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2022	4.3	
4.5	<a href="#">Third Supplemental Indenture, dated as of April 14, 2022, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2022	4.4	
4.6	<a href="#">Fourth Supplemental Indenture, dated as of April 14, 2022, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2022	4.5	
4.7	<a href="#">Fifth Supplemental Indenture, dated as of April 14, 2023, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2023	4.1	
4.8	<a href="#">Sixth Supplemental Indenture, dated as of April 14, 2023, between Take-Two Interactive Software, Inc. and The Bank of New York Mellon, as Trustee.</a>	8-K	4/14/2023	4.2	



Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Filing Date	Exhibit	Filed Herewith
4.9	<a href="#">Form of Global Note representing 3.300% Senior Notes due 2024 (included as part of Exhibit 4.3)</a>	8-K	4/14/2022	4.6	
4.10	<a href="#">Form of Global Note representing 3.550% Senior Notes due 2025 (included as part of Exhibit 4.4)</a>	8-K	4/14/2022	4.7	
4.11	<a href="#">Form of Global Note representing 3.700% Senior Notes due 2027 (included as part of Exhibit 4.5)</a>	8-K	4/14/2022	4.8	
4.12	<a href="#">Form of Global Note representing 4.000% Senior Notes due 2032 (included as part of Exhibit 4.6)</a>	8-K	4/14/2022	4.9	
4.13	<a href="#">Form of Global Note representing 5.000% Senior Notes due 2026 (included as part of Exhibit 4.7)</a>	8-K	4/14/2023	4.3	
4.14	<a href="#">Form of Global Note representing 4.950% Senior Notes due 2028 (included as part of Exhibit 4.8)</a>	8-K	4/14/2023	4.4	
4.15	<a href="#">First Supplemental Indenture, dated May 23, 2022, by and among Zynga Inc., Zebra MS II, Inc. and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as trustee.</a>	8-K	5/26/2022	4.1	
4.16	<a href="#">First Supplemental Indenture, dated May 23, 2022, by and among Zynga Inc., Zebra MS II, Inc. and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as trustee.</a>	8-K	5/26/2022	4.2	
10.1	<a href="#">Take-Two Interactive Software, Inc. Change in Control Employee Severance Plan<sup>+</sup></a>	8-K	3/7/2008	10.1	
10.2	<a href="#">Amended and Restated Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan, effective as of July 21, 2016<sup>+</sup></a>	14A	7/28/2016	Annex A	
10.3	<a href="#">Form of Employee Restricted Stock Agreement<sup>+</sup></a>	10-Q	6/5/2009	10.2	
10.4	<a href="#">Form of Non-Employee Director Restricted Stock Agreement<sup>+</sup></a>	10-Q	6/5/2009	10.3	
10.5	<a href="#">Form of Employee Restricted Unit Agreement<sup>+</sup></a>	10-Q	8/1/2012	10.1	
10.6	<a href="#">Form of Employee Restricted Unit Agreement<sup>+</sup></a>	10-Q	10/30/2013	10.1	
10.7	<a href="#">Form of Employee Global Restricted Unit Agreement<sup>+</sup></a>	10-Q	10/30/2013	10.2	
10.8	<a href="#">Form of Employee Restricted Unit Agreement<sup>+</sup></a>	10-Q	10/30/2013	10.3	
10.9	<a href="#">Form of Employee Global Restricted Unit Agreement<sup>+</sup></a>	10-Q	10/30/2013	10.4	
10.10	<a href="#">Form of Employee Global Restricted Unit Agreement Pursuant to the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan<sup>+</sup></a>	10-Q	10/30/2013	10.5	
10.11	<a href="#">Amended and Restated Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	14A	7/27/2023	Annex B	
10.12	<a href="#">Amendment No. 1 to the Amended and Restated Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	S-8	9/4/2020	99.2	
10.13	<a href="#">Amendment to the Amended and Restated Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	S-8	6/3/2022	99.2	
10.14	<a href="#">Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan Qualified RSU Sub-Plan for France, effective as of September 15, 2017<sup>+</sup></a>	14A	7/27/2017	Annex C	
10.15	<a href="#">Take-Two Interactive Software, Inc. 2017 Second Amended and Restated Global Employee Stock Purchase Plan, effective as of March 28, 2019<sup>+</sup></a>	10-K	5/14/2019	10.13	
10.16	<a href="#">Form of Global Restricted Stock Unit Agreement Pursuant to the Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	10-Q	11/8/2017	10.4	
10.17	<a href="#">Form of Global Restricted Stock Performance Unit Agreement Pursuant to the Take-Two Interactive Software, Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	10-Q	11/8/2017	10.5	

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Filing Date	Exhibit	Filed Herewith
10.18	<a href="#">Form of Non-Employee Director Restricted Stock Agreement Pursuant to the Take-Two Interactive Software Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	10-Q	11/8/2017	10.6	
10.19	<a href="#">Form of Non-Employee Director Stock Grant Agreement Pursuant to the Take-Two Interactive Software Inc. 2017 Stock Incentive Plan<sup>+</sup></a>	10-Q	11/8/2017	10.7	
10.20	<a href="#">Employment Agreement, dated May 12, 2010, between the Company and Lainie Goldstein<sup>+</sup></a>	8-K	5/14/2010	10.1	
10.21	<a href="#">First Amendment to Employment Agreement, dated October 25, 2010, between the Company and Lainie Goldstein<sup>+</sup></a>	8-K	10/25/2010	10.1	
10.22	<a href="#">Second Amendment to Employment Agreement, dated August 27, 2012, between the Company and Lainie Goldstein<sup>+</sup></a>	10-Q	10/31/2012	10.6	
10.23	<a href="#">Third Amendment to Employment Agreement dated May 7, 2018, between the Company and Lainie Goldstein<sup>+</sup></a>	10-Q	8/3/2018	10.2	
10.24	<a href="#">Employment Agreement, dated February 14, 2008, by and between the Company and Karl Slatoff<sup>+</sup></a>	8-K	2/15/2008	10.3	
10.25	<a href="#">Employment Agreement dated January 28, 2015 between the Company and Daniel Emerson<sup>+</sup></a>	10-Q	2/6/2015	10.1	
10.26	<a href="#">Management Agreement, dated as of November 17, 2017, by and between the Company and ZelnickMedia Corporation<sup>+</sup></a>	8-K	11/22/2017	10.1	
10.27	<a href="#">Restricted Unit Agreement, dated as of April 13, 2018, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation<sup>+</sup></a>	S-3 ASR	4/13/2018	10.2	
10.28	<a href="#">Restricted Unit Agreement, dated as of April 15, 2019, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation<sup>+</sup></a>	S-3 ASR	4/15/2019	10.2	
10.29	<a href="#">Restricted Unit Agreement dated as of April 13, 2020, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation<sup>+</sup></a>	S-3 ASR	4/13/2020	10.2	
10.30	<a href="#">Restricted Unit Agreement dated as of April 13, 2021, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation<sup>+</sup></a>	S-3 ASR	4/13/2021	10.2	
10.31	<a href="#">Restricted Unit Agreement dated as of April 13, 2022, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation<sup>+</sup></a>	S-3 ASR	4/13/2022	10.2	
10.32	<a href="#">Management Agreement, dated as of May 3, 2022, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation</a>	8-K	5/5/2022	10.1	
10.33	<a href="#">Restricted Unit Agreement dated as of June 1, 2022, by and between Take-Two Interactive Software, Inc. and ZMC Advisors, L.P.<sup>+</sup></a>	10-Q	8/9/2023	10.3	
10.34	<a href="#">Restricted Unit Agreement dated as of June 1, 2022, by and between Take-Two Interactive Software, Inc. and ZMC Advisors, L.P.<sup>+</sup></a>	10-Q	8/9/2023	10.4	
10.35	<a href="#">Restricted Unit Agreement dated as of June 1, 2022, by and between Take-Two Interactive Software, Inc. and ZMC Advisors, L.P.<sup>+</sup></a>	10-Q	8/9/2023	10.5	
10.36	<a href="#">Restricted Unit Agreement dated as of June 1, 2023, by and between Take-Two Interactive Software, Inc. and ZMC Advisors, L.P.<sup>+</sup></a>	S-3 ASR	6/1/2023	10.2	

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Filing Date	Exhibit	Filed Herewith
10.37	<a href="#">Credit Agreement, dated as of May 23, 2022, by and among Take-Two Interactive Software, Inc., JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, BOFA Securities, Inc. and BNP Paribas</a>	8-K	5/26/2022	10.1	
10.38	<a href="#">Amendment No. 1 to Credit Agreement, dated as of May 14, 2024, by and among Take-Two Interactive Software, Inc., and JPMorgan Chase Bank, N.A.</a>				X
10.39	<a href="#">Xbox 360 Publisher License Agreement dated November 17, 2005, between Microsoft Licensing, GP and the Company*</a>	10-Q	11/8/2011	10.3	
10.40	<a href="#">Amendment to Xbox 360 Publisher License Agreement, dated December 4, 2008, between Microsoft Licensing, GP and the Company*</a>	10-Q	6/5/2009	10.1	
10.41	<a href="#">Amendment to the Xbox 360 Publisher License Agreement, dated November 22, 2011, between the Company and Microsoft Licensing, GP*</a>	10-Q	2/3/2012	10.1	
10.42	<a href="#">Amendment to the Xbox 360 Publisher License Agreement, dated December 11, 2012, between the Company and Microsoft Licensing, GP*</a>	10-Q	2/6/2013	10.2	
10.43	<a href="#">Amendment to the Xbox 360 Publisher License Agreement, dated November 13, 2013, between the Company and Microsoft Licensing, GP*</a>	10-Q	2/4/2014	10.2	
10.44	<a href="#">Amendment to the Xbox 360 Publisher License Agreement, dated September 30, 2014, between Microsoft Corporation and the Company*</a>	10-Q	10/30/2014	10.1	
10.45	<a href="#">Amendment to the Xbox 360 Publisher License Agreement, signed on December 5, 2017, between Microsoft Corporation and the Company*</a>	10-Q	2/8/2018	10.2	
10.46	<a href="#">Xbox Console Publisher License Agreement, dated as of July 1, 2020, by and between Take-Two Interactive Software, Inc. and Microsoft Corporation**</a>	10-Q	11/6/2020	10.1	
10.47	<a href="#">PlayStation Global Developer and Publisher Agreement, dated as of March 23, 2017, between the Company and certain of its affiliates and Sony Interactive Entertainment, Inc., Sony Interactive Entertainment America LLC, and Sony Interactive Entertainment Europe Ltd.*</a>	10-K	5/24/2017	10.48	
10.48	<a href="#">PlayStation 5 Amendment to PlayStation Global Developer and Publisher Agreement, effective as of May 1, 2020 and signed on September 30, 2020, between Take-Two Interactive Software, Inc. and certain of its affiliates and Sony Interactive Entertainment, Inc., Sony Interactive Entertainment America LLC, and Sony Interactive Entertainment Europe Ltd.**</a>	10-Q	11/6/2020	10.4	
10.49	<a href="#">Lease Agreement, dated as of December 12, 2016, by and between Take-Two Interactive Software, Inc. and DOLP 1133 Properties II LLC for a premises with entrances at 1133 Avenue of the Americas and 110 West 44th Street, New York, New York 10036</a>	10-Q	2/8/2017	10.1	
10.50	<a href="#">First Amendment to Lease, dated as of July 25, 2018 by and between Take-Two Interactive Software, Inc. and DOLP 1133 Properties II LLC</a>	10-Q	11/8/2018	10.1	
10.51	<a href="#">Second Amendment to Lease, dated as of August 31, 2021 by and between Take-Two Interactive Software, Inc. and DOLP 1133 Properties III LLC</a>	10-Q	11/4/2021	10.1	
19.1	<a href="#">Take-Two Interactive Software, Inc. Securities Trading Policy</a>				X
21.1	<a href="#">Subsidiaries of the Company</a>				X
23.1	<a href="#">Consent of Ernst &amp; Young LLP</a>				X



Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Exhibit	
31.1	<a href="#">Chief Executive Officer Certification Pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Chief Financial Officer Certification Pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1	<a href="#">Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
32.2	<a href="#">Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
97.1	<a href="#">Take-Two Interactive Software, Inc. Policy for the Recovery of Erroneously Awarded Compensation</a>				X
101.INS	The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	XBRL Taxonomy Extension Schema Document				X
101.CAL	XBRL Taxonomy Calculation Linkbase Document				X
101.LAB	XBRL Taxonomy Label Linkbase Document				X
101.PRE	XBRL Taxonomy Presentation Linkbase Document				X
101.DEF	XBRL Taxonomy Extension Definition Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

† Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the U.S. Securities and Exchange Commission upon request; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

+ Represents a management contract or compensatory plan or arrangement.

\* Portions thereof were omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment that was granted in accordance with Exchange Act Rule 24b-2.

\*\* Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10).

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at March 31, 2024 and 2023, (ii) Consolidated Statements of Operations for the fiscal years ended March 31, 2024, 2023, and 2022, (iii) Consolidated Statements of Comprehensive (Loss) Income for the fiscal years ended March 31, 2024, 2023, and 2022, (iv) Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2024, 2023, and 2022, (v) Consolidated Statements of Stockholders' Equity for the fiscal years ended March 31, 2024, 2023, and 2022, and (vi) Notes to the Consolidated Financial Statements.

#### Item 16. Form 10-K Summary

Not applicable.

**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**FISCAL YEAR ENDED MARCH 31, 2024**  
**INDEX TO FINANCIAL STATEMENTS**

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firm</a> ( Ernst & Young LLP , New York, New York , PCAOB ID 42 )	<a href="#">59</a>
<a href="#">Consolidated Balance Sheets</a> —At March 31, 2024 and 2023	<a href="#">63</a>
<a href="#">Consolidated Statements of Operations</a> —For the fiscal years ended March 31, 2024, 2023, and 2022	<a href="#">64</a>
<a href="#">Consolidated Statements of Comprehensive (Loss) Income</a> —For the fiscal years ended March 31, 2024, 2023, and 2022	<a href="#">65</a>
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(All other items in this report are inapplicable)

## **Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Take-Two Interactive Software, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Take-Two Interactive Software, Inc. (the Company) as of March 31, 2024 and 2023, the related consolidated statements of operations, comprehensive (loss) income, cash flows, and stockholders' equity for each of the three years in the period ended March 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 21, 2024 expressed an unqualified opinion thereon.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the 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 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.

### **Revenue recognition**

#### **Description of the Matter**

As described in Note 1 to the consolidated financial statements, revenue for amounts allocated to the game related services for full game software products as well as virtual currency and in-game purchases is recognized ratably over an estimated service period.

Significant judgment is exercised by the Company in determining the service period that should be utilized to recognize revenue over time. Auditing the judgments and estimates made by management in estimating the service period for the game related services is especially challenging as the Company must consider a variety of data points. Such data points include the weighted average number of days between players' first day played online or first in-game purchase and last day played online, known online trends, the service periods of the Company's previously released products, and, to the extent publicly available, the service periods of the Company's competitors' products that are similar in nature.

#### **How We Addressed the Matter in Our Audit**

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over the revenue recognition process. We selected a sample of transactions and tested the Company's controls in relation to estimating the service period over which game related services revenue is recognized.

Our audit procedures to test and evaluate the reasonableness of the Company's estimated service period included, among others, testing the completeness and accuracy of management's player data analysis, comparing to similar or historical products, analyzing competitor information and performing sensitivity analyses.

### **Impairment of intangible assets that are subject to amortization**

#### **Description of the Matter**

As of March 31, 2024, the Company's intangible assets that are subject to amortization included developed game technology of \$2,487.4 million. As disclosed in Note 1 to the consolidated financial statements, intangible assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the related carrying amount of the asset or asset group may not be recoverable. The carrying amount of the asset is compared to the estimated undiscounted future cash flows that are expected to result from the use of the asset. During the fiscal year ended March 31, 2024, the Company recorded impairment charges of \$577.4 million related to certain of its developed game technology intangible assets.

Auditing the Company's impairment tests was complex due to the significant management judgment and estimation uncertainty in determining the fair value of certain intangible assets that were tested for impairment. The significant assumptions used to estimate the value of the intangible assets included forecasted revenue, EBITDA margins, long-term decay rates, and discount rates. These significant assumptions were forward-looking and could be affected by future company-specific, economic and market conditions.

#### **How We Addressed the Matter in Our Audit**

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over its process to determine the fair value of intangible assets that are subject to amortization being measured for impairment. For example, we tested controls over management's review of the significant assumptions used to estimate the fair value of the developed game technology intangible assets that were tested for impairment.

To test the estimated fair value of the developed game technology intangible assets that were impaired, our audit procedures included, among others, evaluating the valuation methodology used, evaluating the significant assumptions described above and testing the completeness and accuracy of the underlying data used by the Company in its analyses. For example, we evaluated the Company's forecasted revenue and EBITDA margins by considering historical results and current industry and economic trends. In addition, we involved our internal valuation specialists to assist in testing the methodology and certain significant assumptions used to value the developed game technology intangible assets that were tested for impairment. We also performed a sensitivity analysis on certain of the significant assumptions to evaluate the change in the fair value estimates that would result from changes in assumptions.



***Impairment of goodwill for a certain reporting unit***

***Description of the Matter***

As of March 31, 2024, the Company's goodwill balance was \$4,426.4 million. As disclosed in Note 1 to the consolidated financial statements, goodwill is tested for impairment annually, or more frequently if events and circumstances indicate the fair value of a reporting unit may be below its carrying amount. If the carrying value exceeds the fair value, an impairment charge is recognized equal to the difference between the carrying value of the reporting unit and its fair value. During the fiscal year ended March 31, 2024, the Company recorded impairment charges of \$2,342.1 million, representing a partial impairment related to a certain reporting unit.

Auditing the Company's impairment test was complex due to the significant management judgment and estimation uncertainty involved in determining the fair value of the reporting unit that was quantitatively tested for impairment. The significant assumptions used to estimate the value of the reporting unit included forecasted revenue, EBITDA margins, long-term growth rate, and discount rate. These significant assumptions are forward-looking and could be affected by future company-specific, economic and market conditions.

***How We Addressed the Matter in Our Audit***

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over its process to determine the fair value of the reporting unit that was impaired. For example, we tested controls over management's review of the significant assumptions used to estimate the fair value of the reporting unit that was impaired.

To test the estimated fair value of the reporting unit that was impaired, our audit procedures included, among others, evaluating the valuation methodologies used, evaluating the significant assumptions described above and testing the completeness and accuracy of the underlying data used by the Company in its analyses. For example, we evaluated the Company's forecasted revenue and EBITDA margins by considering historical results and current industry and economic trends. In addition, we involved our internal valuation specialists to assist in testing the methodologies and certain significant assumptions used to value the reporting unit that was impaired. We performed a sensitivity analysis on certain of the significant assumptions to evaluate the change in the fair value estimate that would result from changes in assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

New York, New York  
May 21, 2024

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Take-Two Interactive Software, Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited Take-Two Interactive Software, Inc.'s internal control over financial reporting as of March 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Take-Two Interactive Software, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 31, 2024 and 2023, the related consolidated statements of operations, comprehensive (loss) income, cash flows and stockholders' equity for each of the three years in the period ended March 31, 2024, and the related notes and our report dated May 21, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible 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 internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### 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.

/s/ Ernst & Young LLP

New York, New York  
May 21, 2024

**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except per share amounts)

	March 31,	
	2024	2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 754.0	\$ 827.4
Short-term investments	22.0	187.0
Restricted cash and cash equivalents	252.1	307.6
Accounts receivable, net of allowances of \$ 1.2 and \$ 1.3 at March 31, 2024 and 2023, respectively	679.7	763.2
Software development costs and licenses	88.3	65.9
Contract assets	85.0	79.9
Prepaid expenses and other	378.6	277.1
Total current assets	2,259.7	2,508.1
Fixed assets, net	411.1	402.8
Right-of-use assets	325.7	282.7
Software development costs and licenses, net of current portion	1,446.5	1,072.2
Goodwill	4,426.4	6,767.1
Other intangibles, net	3,060.6	4,453.2
Deferred tax assets	1.9	44.8
Long-term restricted cash and cash equivalents	95.9	99.6
Other assets	189.1	231.6
Total assets	\$ 12,216.9	\$ 15,862.1
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 195.9	\$ 140.1
Accrued expenses and other current liabilities	1,062.6	1,225.7
Deferred revenue	1,059.5	1,078.8
Lease liabilities	63.8	60.2
Short-term debt, net	24.6	1,346.8
Total current liabilities	2,406.4	3,851.6
Long-term debt, net	3,058.3	1,733.0
Non-current deferred revenue	42.9	35.5
Non-current lease liabilities	387.3	347.0
Non-current software development royalties	102.1	110.2
Deferred tax liabilities, net	340.9	534.0
Other long-term liabilities	211.1	208.3
Total liabilities	\$ 6,549.0	\$ 6,819.6
Commitments and contingencies (See <a href="#">Note 14</a> )		
Stockholders' equity:		
Preferred stock, \$ 0.01 par value, 5.0 shares authorized: no shares issued and outstanding at March 31, 2024 and 2023	—	—
Common stock, \$ 0.01 par value, 300.0 and 300.0 shares authorized; 194.5 and 192.6 shares issued and 170.8 and 168.9 outstanding at March 31, 2024 and 2023, respectively	1.9	1.9
Additional paid-in capital	9,371.6	9,010.2
Treasury stock, at cost; 23.7 and 23.7 common shares at March 31, 2024 and 2023, respectively	( 1,020.6 )	( 1,020.6 )
(Accumulated Deficit) / Retained earnings	( 2,579.9 )	1,164.3
Accumulated other comprehensive loss	( 105.1 )	( 113.3 )
Total stockholders' equity	\$ 5,667.9	\$ 9,042.5
Total liabilities and stockholders' equity	\$ 12,216.9	\$ 15,862.1

See accompanying Notes.



**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share amounts)

	Fiscal Year Ended March 31,		
	2024	2023	2022
Net revenue:			
Game	\$ 4,693.5	\$ 4,735.6	\$ 3,423.2
Advertising	656.1	614.3	81.6
Total net revenue	5,349.6	5,349.9	3,504.8
Cost of revenue	3,107.8	3,064.6	1,535.4
Gross profit	2,241.8	2,285.3	1,969.4
Selling and marketing	1,550.2	1,586.5	516.4
Research and development	948.2	887.6	406.6
General and administrative	716.1	839.5	510.9
Depreciation and amortization	171.2	122.3	61.1
Goodwill impairment	2,342.1	—	—
Business reorganization	104.6	14.6	0.8
Total operating expenses	5,832.4	3,450.5	1,495.8
(Loss) income from operations	( 3,590.6 )	( 1,165.2 )	473.6
Interest and other, net	( 103.6 )	( 141.9 )	( 14.2 )
(Loss) gain on fair value adjustments, net	( 8.6 )	( 31.0 )	6.0
(Loss) income before income taxes	( 3,702.8 )	( 1,338.1 )	465.4
Provision for (benefit from) income taxes	41.4	( 213.4 )	47.4
Net (loss) income	\$ ( 3,744.2 )	\$ ( 1,124.7 )	\$ 418.0
(Loss) earnings per share:			
Basic (loss) earnings per share	\$ ( 22.01 )	\$ ( 7.03 )	\$ 3.62
Diluted (loss) earnings per share	\$ ( 22.01 )	\$ ( 7.03 )	\$ 3.58

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME  
(in millions)

	March 31,		
	2024	2023	2022
Net (loss) income	\$ ( 3,744.2 )	\$ ( 1,124.7 )	\$ 418.0
Other comprehensive income (loss)			
Foreign currency translation adjustment	6.7	( 58.9 )	( 43.6 )
Change in fair value of available-for-sale securities	1.5	2.9	( 5.1 )
Other comprehensive income (loss)	8.2	( 56.0 )	( 48.7 )
Comprehensive (loss) income	\$ ( 3,736.0 )	\$ ( 1,180.7 )	\$ 369.3

See accompanying Notes.

**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Operating activities:</b>			
Net (loss) income	\$ ( 3,744.2 )	\$ ( 1,124.7 )	\$ 418.0
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Amortization and impairment of software development costs and licenses	292.7	268.3	153.3
Stock-based compensation	335.6	317.8	183.0
Noncash lease expense	61.1	81.7	34.5
Amortization and impairment of intangibles	1,418.9	1,506.7	64.8
Depreciation	135.5	90.3	61.2
Goodwill impairment	2,342.1	—	—
Interest expense	140.6	122.7	6.5
Deferred income taxes	( 150.4 )	( 410.8 )	8.1
Fair value adjustments	8.6	31.5	( 6.0 )
Other, net	30.5	( 26.6 )	16.2
Changes in assets and liabilities, net of effect from purchases of businesses:			
Accounts receivable	83.7	106.8	( 17.9 )
Software development costs and licenses	( 603.4 )	( 492.8 )	( 387.0 )
Prepaid expenses, other current and other non-current assets	( 154.7 )	77.2	( 200.2 )
Deferred revenue	( 11.8 )	( 141.9 )	( 30.9 )
Accounts payable, accrued expenses and other liabilities	( 200.9 )	( 405.1 )	( 45.6 )
Net cash (used in) provided by operating activities	( 16.1 )	1.1	258.0
<b>Investing activities:</b>			
Change in bank time deposits	19.8	100.0	447.0
Sale and maturities of available-for-sale securities	146.9	542.0	779.9
Purchases of available-for-sale securities	—	—	( 756.3 )
Purchases of fixed assets	( 141.7 )	( 204.2 )	( 158.6 )
Proceeds from sale of long-term investments	—	20.6	—
Purchase of long-term investments	( 18.5 )	( 15.7 )	( 12.3 )
Business acquisitions	( 18.1 )	( 3,310.9 )	( 161.3 )
Other	( 16.6 )	( 8.1 )	0.8
Net cash (used in) provided by investing activities	( 28.2 )	( 2,876.3 )	139.2
<b>Financing activities:</b>			
Tax payment related to net share settlements on restricted stock awards	( 94.1 )	( 108.1 )	( 64.1 )
Repurchase of common stock	—	—	( 200.0 )
Issuance of common stock	39.4	65.4	19.7
Cost of debt	( 10.3 )	( 22.4 )	( 12.2 )
Repayment of debt	( 1,339.6 )	( 200.0 )	( 0.2 )
Settlement of capped calls	—	140.1	—
Payment for settlement of convertible notes	—	( 1,166.8 )	—
Proceeds from issuance of debt	1,348.9	3,248.9	—
Payment of contingent earn-out consideration	( 35.7 )	( 26.8 )	—
Net cash (used in) provided by financing activities	( 91.4 )	1,930.3	( 256.8 )
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash and cash equivalents	3.1	( 15.9 )	( 5.2 )
Net change in cash, cash equivalents, and restricted cash and cash equivalents	( 132.6 )	( 960.8 )	135.2
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year <sup>(1)</sup>	1,234.6	2,195.4	2,060.2
Cash, cash equivalents, and restricted cash equivalents, end of year <sup>(1)</sup>	\$ 1,102.0	\$ 1,234.6	\$ 2,195.4
<b>Supplemental data:</b>			
Interest paid	\$ 137.0	\$ 79.0	\$ —
Income taxes paid	\$ 150.2	\$ 176.8	\$ 31.0

<sup>(1)</sup> Cash, cash equivalents and restricted cash and cash equivalents shown on our Consolidated Statements of Cash Flow includes amounts in the Cash and cash equivalents, Restricted cash and cash equivalents, and Long-term restricted cash and cash equivalents on our Consolidated Balance Sheet.

*See accompanying Notes.*



**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in millions)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings/(Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, March 31, 2021	137.6	1.4	\$ 2,288.8	( 22.4 )	\$ ( 820.6 )	\$ 1,871.0	\$ ( 8.6 )	\$ 3,332.0
Net income	—	—	—	—	—	418.0	—	418.0
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	( 43.6 )	( 43.6 )
Net unrealized gain on available-for-sale securities, net of taxes	—	—	—	—	—	—	( 5.1 )	( 5.1 )
Repurchased common stock	—	—	—	( 1.3 )	( 200.0 )	—	—	( 200.0 )
Stock-based compensation	—	—	258.7	—	—	—	—	258.7
Net share settlement of restricted stock awards	( 0.4 )	—	( 64.1 )	—	—	—	—	( 64.1 )
Issuance of restricted stock, net of forfeitures and cancellations	1.2	—	—	—	—	—	—	—
Issuance of shares related to Nordeus acquisition	0.5	—	94.1	—	—	—	—	94.1
Employee share purchase plan settlement	0.1	—	19.7	—	—	—	—	19.7
Balance, March 31, 2022	139.0	1.4	2,597.2	( 23.7 )	( 1,020.6 )	2,289.0	( 57.3 )	3,809.7
Net loss	—	—	—	—	—	( 1,124.7 )	—	( 1,124.7 )
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	( 58.9 )	( 58.9 )
Stock-based compensation	—	—	389.3	—	—	—	—	389.3
Net unrealized gain on available-for-sale securities, net of taxes	—	—	—	—	—	—	2.9	2.9
Issuance of restricted stock, net of forfeitures and cancellations	2.7	—	—	—	—	—	—	—
Exercise of stock options	1.0	—	43.1	—	—	—	—	43.1
Net share settlement of restricted stock awards	( 0.9 )	—	( 108.1 )	—	—	—	—	( 108.1 )
Employee share purchase plan settlement	0.2	—	22.3	—	—	—	—	22.3
Issuance of shares related to Zynga acquisition	46.3	0.5	5,377.2	—	—	—	—	5,377.7
Issuance of shares related to Popcore acquisition	0.6	—	57.8	—	—	—	—	57.8
Stock-based compensation assumed in Zynga acquisition	—	—	151.7	—	—	—	—	151.7
Issuance of shares related to Zynga convertible notes	3.7	—	479.7	—	—	—	—	479.7
Balance, March 31, 2023	192.6	1.9	9,010.2	( 23.7 )	( 1,020.6 )	1,164.3	( 113.3 )	9,042.5
Net loss	—	—	—	—	—	( 3,744.2 )	—	( 3,744.2 )
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	6.7	6.7
Stock-based compensation	—	—	416.1	—	—	—	—	416.1
Net unrealized gain on available-for-sale securities, net of taxes	—	—	—	—	—	—	1.5	1.5
Issuance of restricted stock, net of forfeitures and cancellations	2.1	—	—	—	—	—	—	—
Exercise of stock options	—	—	1.5	—	—	—	—	1.5
Net share settlement of restricted stock awards	( 0.6 )	—	( 94.1 )	—	—	—	—	( 94.1 )
Employee share purchase plan settlement	0.4	—	37.9	—	—	—	—	37.9
Balance, March 31, 2024	194.5	1.9	\$ 9,371.6	( 23.7 )	\$ ( 1,020.6 )	\$ ( 2,579.9 )	\$ ( 105.1 )	\$ 5,667.9

See accompanying Notes.

**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(In millions, except per share amounts)

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

Take-Two Interactive Software, Inc. (the "Company," "we," "us," or similar pronouns) was incorporated in the state of Delaware in 1993. We are a leading developer, publisher, and marketer of interactive entertainment for consumers around the globe. We develop, operate, and publish products principally through Rockstar Games, 2K, Private Division, and Zynga. Our products are designed for console gaming systems, PC, and mobile, including smartphones and tablets. We deliver our products through physical retail, digital download, online platforms, and cloud streaming services.

**Principles of Consolidation**

The Consolidated Financial Statements include the financial statements of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**Reclassifications**

Certain immaterial amounts in the financial statements of the prior years have been reclassified to conform to the current year presentation for comparative purposes.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net revenue, and expense, as well as the disclosure of contingent assets and liabilities at the dates of the financial statements during the reporting periods. Our most significant estimates relate to revenue recognition (see [Note 2 - Revenue from Contracts with Customers](#)); the recoverability and amortization of software development costs, licenses, and intangible assets; assets acquired and liabilities assumed in business combinations, including the valuation of contingent earn-out consideration; the realization of deferred income taxes; the valuation of stock-based compensation; and assumptions used in our goodwill impairment tests. These estimates generally involve complex issues and require us to make judgments, involve analysis of historical and the prediction of future trends, and are subject to change from period to period. Actual amounts could differ significantly from these estimates, which may affect economic conditions in a number of different ways and result in uncertainty and risk. We consider transactions or events that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures.

**Segments**

We have one operating and reportable segment. Our operations involve similar products and customers worldwide. Revenue earned is primarily derived from the sale of software titles, which are internally developed and developed by third parties. Our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), manages our operations on a consolidated basis—supplemented by sales information by product category, major product title, and platform—for the purpose of evaluating performance and allocating resources. Financial information about our one segment and geographic areas is included in [Note 2 - Revenue from Contracts with Customers](#) and [Note 8 - Fixed Assets, Net](#).

**Concentration of Credit Risk and Accounts Receivable**

We maintain cash balances at several major financial institutions. While we attempt to limit credit exposure with any single institution, balances often exceed insurable amounts.

Accounts receivable are recorded at the original invoiced amount less an allowance for credit losses. In evaluating our ability to collect outstanding receivable balances and related allowance for credit losses, we consider many factors, including the age of the balance, the customer's payment history and current creditworthiness, as well as current and forecasted economic conditions that may affect our customers' ability to pay. Bad debts are written off after all collection efforts have been exhausted. We do not require collateral from our customers.

If the financial condition and operations of our customers deteriorate, our risk of collection could increase substantially. A majority of our trade receivables are derived from sales to major retailers, including digital storefronts and platform partners, and distributors. Our five largest customers accounted for 79.8 %, 79.6 % and 79.0 % of net revenue during the fiscal years ended March 31, 2024, 2023 and 2022, respectively. One customer accounted for 23.2 %, 23.5 % and 38.0 % of net

revenue during the fiscal years ended March 31, 2024, 2023, and 2022, respectively. A second customer accounted for 21.1 %, 20.7 %, and 22.0 % of net revenue during the fiscal years ended March 31, 2024, 2023, and 2022, respectively. As of March 31, 2024 and 2023, five customers accounted for 69.9 % and 61.1 % of our gross accounts receivable, respectively. Customers that individually accounted for more than 10% of our gross accounts receivable balance comprised 57.7 % and 50.3 % of such balances at March 31, 2024 and 2023, respectively. We had three customers who accounted for 21.8 %, 18.1 %, and 16.9 % of our gross accounts receivable as of March 31, 2024 and three customers who accounted for 21.6 %, 14.5 %, and 14.2 % of our gross accounts receivable as of March 31, 2023. We did not have any additional customers that exceeded 10% of our gross accounts receivable as of March 31, 2024 and 2023. Based upon performing ongoing credit evaluations, maintaining trade credit insurance on a majority of our customers who sell our physical products, and our past collection experience, we believe that the receivable balances from these largest customers do not represent a significant credit risk.

#### **Cash and Cash Equivalents**

We consider all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. Our restricted cash and cash equivalents balances are primarily related to dedicated accounts limited to the payment of certain internal royalty obligations. Balances that are restricted from use for more than one year are classified as non-current.

#### **Short-term Investments**

Short-term investments designated as available-for-sale securities are carried at fair value, which is based on quoted market prices for such securities, if available, or is estimated on the basis of quoted market prices of financial instruments with similar characteristics. Investments with original maturities greater than 90 days and remaining maturities of less than one year are normally classified within Short-term investments on our Consolidated Balance Sheets. In addition, investments with maturities beyond one year at the time of purchase that are highly liquid in nature and represent the investment of cash that is available for current operations are classified as short-term investments.

Unrealized gains and losses of available-for-sale securities are excluded from earnings and are reported as a component of Other comprehensive income (loss), net of tax, until the security is sold, the security has matured, or we determine that the fair value of the security has declined below its adjusted cost basis and the decline is not due to a credit loss. Realized gains and losses on short-term investments are calculated based on the specific identification method and would be reclassified from Accumulated other comprehensive loss to Interest and other, net.

Short-term investments are evaluated for impairment quarterly. We consider various factors in determining whether we should recognize an impairment charge, including the credit quality of the issuer, the duration that the fair value has been less than the adjusted cost basis, the severity of the impairment, the reason for the decline in value, and 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. If we conclude that an investment is impaired or a portion of the unrealized loss is a result of a credit loss, we recognize the charge at that time in our Consolidated Statements of Operations. Determining whether the decline in fair value is due to a 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.

#### **Software Development Costs and Licenses**

Capitalized software development costs include direct costs incurred for internally developed titles and payments made to third-party software developers under development agreements.

We capitalize internal software development costs (including specifically identifiable payroll expense, employee stock-based compensation, and incentive compensation costs related to the completion and release of titles, as well as third-party production and other content costs), subsequent to establishing technological feasibility of a software title. Technological feasibility of a product includes the completion of both technical design documentation and game design documentation. Significant management judgments are made in the assessment of when technological feasibility is established. For products where proven technology exists, this may occur early in the development cycle. Technological feasibility is evaluated on a product-by-product basis. Prior to establishing technological feasibility of a product, we record any costs incurred by third-party developers as research and development expenses.

We enter into agreements with third-party developers that require us to make payments for game development and production services. In exchange for our payments, we receive the exclusive publishing and distribution rights to the finished game title as well as, in some cases, the underlying intellectual property rights. Such agreements typically allow us to fully recover these payments to the developers at an agreed upon royalty rate earned on the subsequent sales of such software, net of any agreed upon costs. Subsequent to establishing technological feasibility of a product, we capitalize all development and production service payments to third-party developers as software development costs and licenses. We typically enter into

agreements with third-party developers after completing the technical design documentation for our products and therefore record the design costs leading up to a signed development contract as research and development expense. When we contract with third-party developers, we generally select those that have proven technology and experience in the genre of the software being developed, which often allows for the establishment of technological feasibility early in the development cycle. In instances where the documentation of the design and technology are not in place prior to an executed contract, we monitor the software development process and require our third-party developers to adhere to the same technological feasibility standards that apply to our internally developed products.

Licenses consist of payments and guarantees made to holders of intellectual property rights for use of their trademarks, copyrights or other intellectual property rights in the development of our products. Agreements with license holders generally provide for guaranteed minimum payments for use of their intellectual property. Certain licenses, especially those related to our sports products, extend over multi-year periods and encompass multiple game titles. In addition to guaranteed minimum payments, these licenses frequently contain provisions that could require us to pay royalties to the license holder based on pre-agreed unit sales thresholds.

Amortization of capitalized software development costs and licenses commences when a product is available for general release and is recorded on a title-by-title basis in cost of revenue. For capitalized software development costs, annual amortization is calculated using (1) the proportion of current year revenue to the total revenue expected to be recorded over the life of the title or (2) the straight-line method over the remaining estimated life of the title, whichever is greater. For capitalized licenses, amortization is calculated as a ratio of (1) current year revenue to the total revenue expected to be recorded over the remaining estimated life of the title or (2) the contractual royalty rate based on actual net product sales as defined in the licensing agreement, whichever is greater. Amortization periods for our software products generally range from 12 to 30 months.

Certain government grants earned on qualified production spend generally either reduce the cost basis of our capitalized software development costs, which therefore results in reduced expense over the amortization period, or reduce period development expense recognized for titles that do not meet the capitalization criteria. Such incentives are accounted for by analogizing under ASC 105-10-05-2 to the grant accounting model under IAS 20.

We evaluate the future recoverability of capitalized software development costs and licenses on a quarterly basis. Recoverability is primarily assessed based on the title's actual performance. For products that are scheduled to be released in the future, recoverability is evaluated based on the expected performance of the specific products to which the cost or license relates. We use a number of criteria in evaluating expected product performance, including historical performance of comparable products developed with comparable technology, market performance of comparable titles, orders for the product prior to its release, general market conditions, and past performance of the franchise. When we determine that capitalized cost of the title is unlikely to be recovered by product sales, an impairment of software development and license costs capitalized is charged to cost of revenue in the period in which such determination is made.

We have profit and unit sales based internal royalty programs that allow selected employees to participate in the success of software titles that they assist in developing. Royalties earned under these programs are recorded as a component of Cost of revenue in the period earned. Amounts earned and not yet paid are reflected within the software development royalties component of Accrued expenses and other current liabilities on our Consolidated Balance Sheets.

#### **Fixed Assets, net**

Office equipment, furniture and fixtures are depreciated using the straight-line method over their estimated useful life of five years. Computer equipment and software are generally depreciated using the straight-line method over three to five years. Leasehold improvements are amortized over the lesser of the term of the related lease or the useful life of the underlying asset, typically seven years. Buildings are depreciated over the remaining life of the buildings, which is typically approximately 30 years. The cost of additions and improvements are capitalized, and repairs and maintenance costs are charged to operations, in the periods incurred. When depreciable assets are retired or sold, the cost and related allowances for depreciation are removed from the accounts and the gain or loss, if any, is recognized. The carrying amounts of these assets are recorded at historical cost.

#### **Leases**

We determine if an arrangement is a lease at contract inception. If there is an identified asset in the contract (either explicitly or implicitly) and we have control over its use, the contract is (or contains) a lease. In certain of our lease arrangements, primarily those related to our data center arrangements, judgment is required in determining if a contract contains a lease. For these arrangements, there is judgment in evaluating if the arrangement provides us with an asset that is physically distinct, or that represents substantially all of the capacity of the asset, and if we have the right to direct the use of the asset. Lease assets and liabilities are recognized based on the present value of future lease payments over the lease term at the

commencement date. Included in the lease liability are future lease payments that are fixed, in-substance fixed, or payments based on an index or rate known at the commencement date of the lease. Variable lease payments are recognized as lease expenses as incurred. The operating lease right-of-use ("ROU") asset also includes any lease payments made prior to commencement, initial direct costs incurred, and lease incentives received.

As most of our leases do not provide an implicit rate, we generally use our incremental borrowing rate in determining the present value of future lease payments. The incremental borrowing rate represents the rate required to borrow funds over a similar term to purchase the leased asset and is based on an unsecured borrowing rate and risk-adjusted to approximate a collateralized rate at the commencement date of the lease.

In determining our lease liability, the lease term includes options to extend or terminate the lease when it is reasonably certain that we will exercise such option. For operating leases, the lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Lease modifications result in remeasurement of the lease liability. Leases with an initial term of twelve months or less are not recorded on the balance sheet, and we recognize lease expense for these leases on a straight-line basis over the lease term. We do not separate non-lease components from the related lease components.

## **Goodwill**

Goodwill is the excess of purchase price paid over identified intangible and tangible net assets of acquired companies. Intangible assets consist of intellectual property, developed game technology, analytics technology, user base, trade names, and in-process research and development. Certain intangible assets acquired in a business combination are recognized as assets apart from goodwill.

We use either the income, cost, or market approach to aid in our conclusions of such fair values and asset lives. The income approach presumes that the value of an asset can be estimated by the net economic benefit to be received over the life of the asset, discounted to present value. The cost approach presumes that an investor would pay no more for an asset than its replacement or reproduction cost. The market approach estimates value based on what other participants in the market have paid for reasonably similar assets. Although each valuation approach is considered in valuing the assets acquired, the approach, or combination of approaches, ultimately selected is based on the characteristics of the asset and the availability of information.

We test our goodwill for impairment annually, or more frequently if events and circumstances indicate the fair value of a reporting unit may be below its carrying amount. A reporting unit is defined as an operating segment or one level below an operating segment. We have determined that we operate in two reporting units, which are components of our operating segment. In the evaluation of goodwill for impairment, we have the option to first perform a qualitative assessment to determine if the fair value of a reporting unit is more likely than not (i.e., a likelihood of more than 50%) less than the carrying value before performing a quantitative impairment test.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive, a quantitative impairment analysis for goodwill is performed at the reporting unit level. The quantitative goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value exceeds the fair value, an impairment charge is recognized equal to the difference between the carrying value of the reporting unit and its fair value, considering the related income tax effect of any goodwill deductible for tax purposes.

In performing the quantitative assessment, we measure the fair value of the reporting unit using a combination of the income and market approaches. The assessment requires us to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and EBITDA margins used to calculate projected future cash flows, risk-adjusted discount rates based on our weighted average cost of capital, future economic and market conditions and the determination of appropriate, comparable market data. Our estimates for market growth are based on historical data, various internal estimates, and observable external sources when available. Those estimates are based on assumptions that are consistent with the plans and estimates we use to manage the underlying business.

During the fiscal year ended March 31, 2024, we recognized goodwill impairment charges of \$ 2,342.1 , representing a partial impairment related to one of our reporting units. The impairment was primarily due to a reduction in the forecasted performance of the reporting unit due to industry conditions and changes in our strategies for games within the reporting unit in response to those conditions. There were no goodwill impairments recorded during the fiscal years ended March 31, 2023 or 2022. As of March 31, 2024, the goodwill balance of that reporting unit is \$ 4,131.1 . Unanticipated changes in business performance or the regulatory environment, market declines, and other events impacting the fair value of the reporting units with assigned goodwill, or increases in the level of equity required to support these businesses, could cause additional goodwill impairment charges in future periods. Refer to [Note 9 - Goodwill and Intangible Assets, Net](#).

## Long-lived Assets

We review all long-lived assets, including intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the related carrying amount of an asset or asset group may not be recoverable. We compare the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use of the asset. If the carrying amount of the asset exceeds estimated expected undiscounted future cash flows, we record an impairment charge for the difference between the carrying amount of the asset and its fair value. The estimated fair value is generally measured by discounting expected future cash flows using an appropriate discount rate. Refer to [Note 9 - Goodwill and Intangible Assets, Net](#) for impairments that occurred in the fiscal year ended March 31, 2024. As of March 31, 2024, no indicators of impairment existed.

## Derivatives and Hedging

We transact business in various foreign currencies and have significant sales and purchase transactions denominated in foreign currencies, subjecting us to foreign currency exchange rate risk. From time to time, we carry out transactions involving foreign currency exchange derivative financial instruments. The transactions are designed to hedge our exposure in currency exchange rate movements. We recognize derivative instruments as either assets or liabilities on our Consolidated Balance Sheets and we measure those instruments at fair value. The changes in fair value of derivatives that are not designated as hedges are recognized currently in earnings as Interest and other, net in our Consolidated Statements of Operations. If a derivative meets the definition of a cash flow hedge and is so designated, the effective portion of changes in the fair value of the derivative are recognized, as a component of Other comprehensive income (loss) while the ineffective portion of the changes in fair value is recorded currently in earnings as Interest and other, net in our Consolidated Statements of Operations. Amounts included in Accumulated other comprehensive loss for cash flow hedges are reclassified into earnings in the same period that the hedged item is recognized in Cost of revenue, Research and development expenses, or Interest and other, net, as appropriate.

## Income Taxes

We record a tax provision for the anticipated tax consequences of the reported results of operations. Our provision for income taxes is computed using the asset and liability method, under which deferred income taxes are recognized for differences between the financial statement and tax bases of assets and liabilities at currently enacted statutory tax rates for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment.

Valuation allowances are established when we determine that it is more likely than not that such deferred tax assets will not be realized. We do not record income tax expense related to foreign withholding taxes or United States income taxes that may become payable upon the repatriation of undistributed earnings of foreign subsidiaries, to the extent such earnings are expected to be reinvested indefinitely outside of the United States.

We use estimates and assumptions to compute the provision for income taxes including allocations of certain transactions to different tax jurisdictions, amounts of permanent and temporary differences, the likelihood of deferred tax assets being recovered and the outcome of contingent tax risks. These estimates and assumptions are revised as new events occur, more experience is acquired and additional information is obtained. The effect of these revisions is recorded in income tax expense or benefit in the period in which they become known.

## Revenue Recognition

We derive revenue primarily from the sale of our interactive entertainment content, principally for console gaming systems, personal computers, and mobile. We also generate revenue from advertising within our software products.

*Game.* Our interactive entertainment content consists of full game software products that may contain offline gameplay, online gameplay, or a combination of offline and online gameplay. We may also sell separate downloadable add-on content to supplement our full game software products. Certain of our software products provide customers with the option to acquire virtual currency or make in-game purchases.

We determine revenue recognition by:

- identifying the contract, or contracts, 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 when, or as, we satisfy performance obligations by transferring the promised goods or services.

We recognize revenue in the amount that reflects the consideration we expect to receive in exchange for the sales of software products and game related services when control of the promised products and services is transferred to our customers and our performance obligations under the contract have been satisfied. Revenue is recorded net of transaction taxes assessed by governmental authorities such as sales, value-added and other similar taxes.

Our software products are sold as full games, which typically provide access to the main game content, primarily for console and PC. Generally, our full game software products deliver a license of our intellectual property that provides a functional offline gaming experience (i.e., one that does not require an Internet connection to access the main game content or other significant game related services). We recognize revenue related to the license of our intellectual property that provides offline functionality at the time control of the products has been transferred to our customers (i.e. upon delivery of the software product).

In addition, some of our full game software products that provide a functional offline gaming experience may also include significant game related services delivered over time, such as online functionality that is dependent upon online support services and/or additional free content updates. For full game sales that offer offline functionality and significant game related services we evaluate whether the license of our intellectual property and the game related services are distinct and separable. This evaluation is performed for each software product sold. If we determine that our software products contain a license of intellectual property separate from the game related services (i.e. multiple performance obligations), we estimate a standalone selling price for each identified performance obligation. We allocate the transaction price to each performance obligation using a relative standalone selling price method (the transaction price is allocated to a performance obligation based on the proportion of the standalone selling price of each performance obligation to the sum of the standalone selling prices for all performance obligations in the contract). For the portion of the transaction price allocable to the license, revenue is recognized when the customer takes control of the product. For the portion of the transaction price allocated to game related services, revenue is recognized ratably over an estimated service period for the related software product. We also defer related product costs and recognize the costs as the revenues are recognized.

Certain of our full game software products are delivered primarily as an online gaming experience with substantially all gameplay requiring online access to our game related services. We recognize revenue for full game software products that are dependent on our game related services over an estimated service period. For our full game online software products, we also defer related product costs and recognize the costs as the revenue is recognized.

In addition to sales of our full game software products, certain of our software products provide customers with the option to acquire virtual currency or make in-game purchases. Revenue from the sale of virtual currency and in-game purchases is deferred and recognized ratably over an estimated service period.

We also sell separate downloadable add-on content to supplement our full game software products. Revenue from the sale of separate downloadable add-on content is evaluated for revenue recognition on the same basis as our full game software products.

In addition to sales of our full game software products, we also offer free-to-play software products, both of which may provide customers with the option to acquire virtual currency or make in-game purchases. For virtual currency and in-game purchases the satisfaction of our performance obligation is dependent on the nature of the virtual item purchased and as a result, we categorize our virtual items as follows:

- **Consumable:** Consumable virtual items represent items that can be consumed by a specific player action. Consumable virtual items do not result in a direct benefit that the player keeps or provide the player any continuing benefit following consumption, and they often enable a player to perform an in-game action immediately. For the sale of consumable virtual items, we recognize revenue as the items are consumed (i.e., over time), which approximates less than one month.
- **Durable:** Durable virtual items represent items that are accessible to the player over an extended period of time. We recognize revenue from the sale of durable virtual items ratably over the estimated service period for the applicable game (i.e., over time), which represents our best estimate of the average life of the durable virtual item.

Certain software products are sold to customers with a "street date" (the earliest date these products may be sold by these retailers). For the transaction price related to the license for these products that also provide a functional offline gaming experience, we recognize revenue on the later of the street date or the sale date as this is generally when we have transferred control of this performance obligation. For the sale of physical software products, recognition of revenue allocated to game related services does not begin until the product is sold-through by our customer to the end user. We currently estimate sell-

through to the end user for all our titles to be approximately two months after we have sold-in the software products to retailers. Determining the estimated sell-through period requires management judgment and estimates.

Our software products are sold as digital downloads. Revenue from digital downloads generally commences when the download is made available to the end user by a third-party digital storefront.

In certain countries, we use third-party licensees to distribute and host our games in accordance with license agreements, for which the licensees typically pay us a fixed minimum guarantee and sales-based royalties. These arrangements typically include multiple performance obligations, such as an upfront license of intellectual property and rights to future updates. Based on the allocated transaction price, we recognize revenue associated with the minimum guarantee when we transfer control of the upfront license of intellectual property (generally upon commercial launch) and the remaining portion ratably over the contractual term in which we provide the licensee with future update rights. Royalty payments in excess of the minimum guarantee are generally recognized when the licensed product is sold by the licensee.

*Advertising.* We have contractual relationships with advertising networks, agencies, advertising brokers, and directly with advertisers to display advertisements in our games. For our in-game advertising arrangements, our performance obligation is to provide the inventory for advertisements to be displayed in our games. For contracts made directly with advertisers, we are also obligated to serve the advertisements in our games. However, for those direct advertising arrangements, providing the advertising inventory and serving the advertisement is considered a single performance obligation, as the advertiser cannot benefit from the advertising space without its advertisements being displayed.

For in-game display advertisements, in-game offers, engagement advertisements, and other advertisements, our performance obligation is satisfied over the life of the contract, with revenue being recognized as advertising units are delivered.

#### *Contract Balances*

We generally record a receivable related to revenue when we have an unconditional right to invoice and receive payment, and we record deferred revenue when cash payments are received or due in advance of satisfying our performance obligations, even if amounts are refundable. Contract assets generally consist of arrangements for which we have recognized revenue to the extent it is probable that significant reversal will not occur but do not have a right to invoice as of the reporting date.

Our allowances for doubtful accounts are typically immaterial and, if required, are based on our best estimate of expected credit losses inherent in our accounts receivable balance.

Deferred revenue is comprised primarily of unsatisfied revenue related to the portion of the transaction price allocable to game related services of our full game software products, sales of virtual currency, and in-game purchases. These sales are typically invoiced at the beginning of the contract period, and revenue is recognized ratably over the estimated service period. Deferred revenue may also include amounts related to software products with future street dates.

Refer to [Note 2 - Revenue from Contracts with Customers](#) for further information, including changes in deferred revenue during the period.

#### *Principal Agent Considerations*

We offer certain software products via third-party digital storefronts, such as Microsoft's Xbox Live, Sony's PlayStation Network, Valve's Steam, Epic Games Store, Apple's App Store, and the Google Play Store. For sales of our software products via third-party digital storefronts, we determine whether or not we are acting as the principal in the sale to the end user, which we consider in determining if revenue should be reported based on the gross transaction price to the end user or based on the transaction price net of fees retained by the third-party digital storefront. An entity is the principal if it controls a good or service before it is transferred to the customer. Key indicators that we use in evaluating these sales transactions 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; and
- which party has discretion in establishing the price for the specified good or service.

Based on our evaluation of the above indicators, for sales arrangements via Microsoft's Xbox Live, Sony's PlayStation Network, Valve's Steam, and Epic Games Store we have determined we are not the principal in the sales transaction to the end user and therefore we report revenue based on the consideration received from the digital storefront. For sales arrangements via Apple's App Store and the Google Play Store, we have determined that we are the principal to the end user and thus report



revenue on a gross basis and mobile platform fees charged by these digital storefronts are expensed as incurred and reported within Cost of revenue.

#### *Shipping and Handling*

Shipping and handling costs are incurred to move physical software products to customers. We recognize all shipping and handling costs as an expense in Cost of revenue because we are responsible for delivery of the product to our customers prior to transfer of control to the customer.

#### *Estimated Service Period*

For certain performance obligations satisfied over time, we have determined that the estimated service period is the time period in which an average user plays our software products ("user life") which most faithfully depicts the timing of satisfying our performance obligation. We consider a variety of data points when determining and subsequently reassessing the estimated service period for players of our software products. Primarily, we review the weighted average number of days between players' first day played online or first in-game purchase and last day played online. When a new game is launched and therefore no history of online player data is available, we consider other factors to determine the user life, such as the estimated service period of other games actively being sold with similar characteristics. We also consider known online trends, the service periods of our previously released software products, and, to the extent publicly available, the service periods of our competitors' software products that are similar in nature to ours. We believe this provides a reasonable depiction of the transfer of our game related services to our customers, as it is the best representation of the period during which our customers play our software products. Determining the estimated service period is subjective and requires significant management judgment and estimates. Future usage patterns may differ from historical usage patterns, and therefore the estimated service period may change in the future. The estimated service periods for players of our current software products are generally between six and fifteen months depending on the software product.

#### *Revenue Arrangements with Multiple Performance Obligations*

Our contracts with customers often include promises to transfer multiple products and services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together requires significant judgment. For software products in which the software license has offline functionality and benefits from meaningful game related services, which may include online functionality that is dependent on our online support services and/or additional free content updates, we believe we have separate performance obligations for the license of the intellectual property and the game related services. Additionally, because each of our product offerings has unique features and because we do not sell our game related services separately, we typically do not have observable standalone selling prices for each performance obligation. Significant judgment and estimates are also required to determine the standalone selling price for each distinct performance obligation and whether a discount needs to be allocated based on the relative standalone selling price of our products and services.

To estimate the standalone selling price for each performance obligation, we consider, to the extent available, a variety of data points such as past selling prices of the product or other similar products, competitor pricing, and market data. If observable pricing is not available, we use an expected cost-plus margin approach taking into account relevant costs including product development, post-release support, marketing and licensing costs. This evaluation is performed on a product by product basis.

#### *Price Protection, Allowances for Returns, and Sales Incentives*

We grant price protection and accept returns in connection with our distribution arrangements. Following reductions in the price of our physical software products, we grant price protection to permit customers to take credits against amounts they owe us with respect to merchandise unsold by them. Our customers must satisfy certain conditions to entitle them to receive price protection or return products, including compliance with applicable payment terms and confirmation of field inventory levels.

At contract inception and at each subsequent reporting period, we make estimates of price protection and product returns related to current period software product revenue. We estimate the amount of price protection and returns for software products based upon, among other factors, historical experience and performance of the titles in similar genres, historical performance of the hardware platform, customer inventory levels, analysis of sell-through rates, sales force and retail customer feedback, industry pricing, market conditions, and changes in demand and acceptance of our products by consumers.

We enter into various sales incentive arrangements with our customers, such as rebates, discounts, and cooperative marketing. These incentives are considered adjustments to the transaction price of our software products and are reflected as reductions to revenue. Sales incentives incurred by us for distinct goods or services received, such as the appearance of our

products in a customer's national circular ad, are included in Selling and marketing expense if there is a separate identifiable benefit and the benefit's fair value can be established. Otherwise, such sales incentives are reflected as a reduction to revenue.

Revenue is recognized after deducting the estimated price protection, allowances for returns, and sales incentives, which are accounted for as variable consideration. Price protection, allowances for returns, and sales incentives are considered refund liabilities and are reported within Accrued expenses and other current liabilities on our Consolidated Balance Sheet.

#### *Significant Estimates*

Significant management judgment and estimates must be used in connection with certain of the determinations described above, such as estimating the fair value allocation to distinct and separable performance obligations, and the service period over which to defer recognition of revenue. We believe we can make reliable estimates. However, actual results may differ from initial estimates due to changes in circumstances, market conditions, and assumptions. Adjustments to estimates are recorded in the period in which they become known.

#### *Payment Terms*

Our payment terms and conditions vary by customer and typically provide net 30- to 60-day terms. In instances where the timing of revenue recognition differs from the timing of invoicing, we do not adjust the promised amount of consideration for the effects of a significant financing component when we expect, at contract inception, that the period between our transfer of a promised product or service to our customer and payment for that product or service will be one year or less.

#### **Marketing**

We expense marketing costs as incurred, except for production costs associated with media advertising, which are deferred and charged to expense when the related advertisement is run for the first time. Advertising, marketing, and other promotional expenses for the fiscal years ended March 31, 2024, 2023 and 2022 amounted to \$ 1,132.4 , \$ 1,212.5 and \$ 297.3 , respectively, and are included in Selling and marketing expense in our Consolidated Statements of Operations.

#### **Stock-based Compensation**

We have stock-based compensation plans that are broad-based long-term retention programs intended to attract and retain talented employees and align stockholder and employee interests, which allows for awards of restricted stock, restricted stock units and other stock-based awards of our common stock to employees and non-employees. Our plans include time-based, market-based, and performance-based awards of our common stock to employees and non-employees. In connection with the Zynga Acquisition, we assumed replacement equity awards, including restricted stock units and the outstanding and unexercised options to purchase Zynga common stock, and converted them into stock-based awards for shares of Take-Two common stock. Refer to [Note 16 - Stock-Based Compensation](#).

We account for stock-based awards under the fair value method of accounting. The fair value of all stock-based compensation is either capitalized and amortized in accordance with our software development cost accounting policy or recognized as expense on a straight-line basis over the full vesting period of the awards for time-based stock awards and on an accelerated attribution method for market-based and performance-based stock awards.

We estimate the fair value of time-based and performance-based awards using our closing stock price on the date of grant. We estimate the fair value of market-based awards using a Monte Carlo Simulation method, which takes into account assumptions such as the expected volatility of our common stock, the risk-free interest rate based on the contractual term of the award, expected dividend yield, vesting schedule and the probability that the market conditions of the awards will be achieved. For performance-based shares, we do not record expense until the performance criteria are considered probable.

We estimate the fair value of stock options using the Black-Scholes option-pricing model. This model requires the use of the following assumptions: expected volatility of our common stock, which is based on our own calculated historical rate; expected life of the option award; expected dividend yield, which is 0 %, as we have not paid and do not have any plans to pay dividends on our common stock; and the risk-free interest rate, which is based on the U.S. Treasury rate in effect at the time of grant with maturities commensurate to the stock option award's expected life. If any of the assumptions used in the Black-Scholes model changes significantly, stock-based compensation expense for future awards may differ materially compared to awards granted previously. We record stock-based compensation expense for stock options based on the grant date fair value on a straight-line basis over the requisite service period of the award.

Stock-based compensation expense is recorded net of forfeitures as they occur.

## **Earnings (loss) per Share ("EPS")**

Basic EPS is computed by dividing the net (loss) income applicable to common stockholders for the period by the weighted average number of shares of common stock outstanding during the same period. Diluted EPS is computed by dividing the net income applicable to common stockholders for the period by the weighted average number of shares of common stock and common stock equivalents outstanding. Common stock equivalents are measured using the treasury stock method and represent unvested stock-based awards.

## **Foreign Currency**

The functional currency for our foreign operations is primarily the applicable local currency. Accounts of foreign operations are translated into U.S. dollars using exchange rates for assets and liabilities at the balance sheet date and average prevailing exchange rates for the period for revenue and expense accounts. Adjustments resulting from translation are included in Accumulated other comprehensive loss. Realized and unrealized transaction gains and losses are included in our Consolidated Statements of Operations in the period in which they occur.

## **Comprehensive (Loss) Income**

Comprehensive (loss) income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Accumulated other comprehensive loss includes foreign currency translation adjustments, which relate to investments that are permanent in nature and therefore do not require tax adjustments, and the amounts for unrealized gains (losses), net on derivative instruments designated as cash flow hedges, as well as any associated tax impact, and available for sale securities.

## **Recently Adopted Accounting Pronouncements**

### ***Income Tax Disclosures***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 (April 1, 2025 for the Company). The amendments in this ASU are required to be applied on a prospective basis and retrospective adoption is permitted. We are currently evaluating the potential impact of adopting this guidance on our Consolidated Financial Statements and related disclosures.

### ***Segment Reporting Disclosures***

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 (April 1, 2024 for the Company). The amendments in this ASU must be applied on a retrospective basis to all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this guidance on our Consolidated Financial Statements and related disclosures.

## **2. REVENUE FROM CONTRACTS WITH CUSTOMERS**

### **Disaggregation of Revenue**

#### ***Timing of recognition***

Net revenue recognized at a point in time is primarily comprised of the portion of revenue from software products that is recognized when the customer takes control of the product (i.e. upon delivery of the software product).

Net revenue recognized over time is primarily comprised of revenue from our software products that include game related services, separate virtual currency transactions, and in-game purchases, which are recognized over an estimated service period. Net revenue recognized over time also includes in-game advertising, which is recognized over a contractual term.

Net revenue by timing of recognition was as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Net revenue recognized:</b>			
Over time	\$ 4,312.2	\$ 4,208.0	\$ 2,214.8
Point in time	1,037.4	1,141.9	1,290.0
Total net revenue	\$ 5,349.6	\$ 5,349.9	\$ 3,504.8

### Content

Recurrent consumer spending ("RCS") is generated from ongoing consumer engagement and includes revenue from virtual currency, add-on content, in-game purchases, and in-game advertising.

Full game and other revenue primarily includes the initial sale of full game software products, which may include offline and/or significant game related services.

Net revenue by content was as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Net revenue recognized:</b>			
Recurrent consumer spending	\$ 4,213.5	\$ 4,180.4	\$ 2,271.2
Full game and other	1,136.1	1,169.5	1,233.6
Total net revenue	\$ 5,349.6	\$ 5,349.9	\$ 3,504.8

### Geography

We attribute net revenue to geographic regions based on software product destination. Net revenue by geographic region was as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Net revenue recognized:</b>			
United States	\$ 3,279.2	\$ 3,360.0	\$ 2,100.2
International	2,070.4	1,989.9	1,404.6
Total net revenue	\$ 5,349.6	\$ 5,349.9	\$ 3,504.8

### Platform

Net revenue by platform was as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Net revenue recognized:</b>			
Mobile	\$ 2,748.0	\$ 2,538.6	\$ 403.4
Console	2,167.3	2,303.8	2,528.9
PC and other	434.3	507.5	572.5
Total net revenue	\$ 5,349.6	\$ 5,349.9	\$ 3,504.8

### Distribution Channel

Our products are delivered through digital online services (digital download, online platforms, and cloud streaming) and physical retail and other. Net revenue by distribution channel was as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Net revenue recognized:</b>			
Digital online	\$ 5,112.2	\$ 5,085.7	\$ 3,149.0
Physical retail and other	237.4	264.2	355.8
Total net revenue	\$ 5,349.6	\$ 5,349.9	\$ 3,504.8

### Deferred Revenue

We record deferred revenue when payments are due or received in advance of the fulfillment of our associated performance obligations. The balance of deferred revenue, including current and non-current balances as of March 31, 2024 and March 31, 2023 were \$ 1,102.4 and \$ 1,114.3 , respectively. For the fiscal year ended March 31, 2024, the additions to our deferred revenue balance were due primarily to cash payments received or due in advance of satisfying our performance obligations, while the reductions to our deferred revenue balance were due primarily to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

During the fiscal year ended March 31, 2024, \$ 1,065.1 of revenue was recognized that was included in the deferred revenue balance at the beginning of the respective period. As of March 31, 2024, the aggregate amount of contract revenue allocated to unsatisfied performance obligations is \$ 1,238.7 , which includes our deferred revenue balances and amounts to be invoiced and recognized as revenue in future periods. We expect to recognize approximately \$ 1,152.0 of this balance as revenue over the next 12 months, and the remainder thereafter. This balance does not include an estimate for variable consideration arising from sales-based royalty license revenue in excess of the contractual minimum guarantee.

As of March 31, 2024 and March 31, 2023, our contract asset balances were \$ 85.0 and \$ 79.9 , respectively.

### 3. MANAGEMENT AGREEMENT

In November 2017, we entered into a management agreement (the "2017 Management Agreement") with ZelnickMedia Corporation ("ZelnickMedia"), which replaced our previous agreement with ZelnickMedia and pursuant to which ZelnickMedia provided financial and management consulting services to the Company through March 31, 2024. The 2017 Management Agreement became effective January 1, 2018. As part of the 2017 Management Agreement, Strauss Zelnick, the President of ZelnickMedia, continued to serve as Executive Chairman and Chief Executive Officer of the Company, and Karl Slatoff, a partner of ZelnickMedia, continued to serve as President of the Company. The 2017 Management Agreement provided for an annual management fee of \$ 3.1 over the term of the agreement and a maximum annual bonus opportunity of \$ 7.4 over the term of the agreement, based on the Company achieving certain performance thresholds.

In May 2022, we entered into a new management agreement (the "2022 Management Agreement") with ZelnickMedia that replaced the 2017 Management Agreement and pursuant to which ZelnickMedia will continue to provide financial and management consulting services to the Company through March 31, 2029. The 2022 Management Agreement became effective May 23, 2022, when our acquisition of Zynga closed (refer to [Note 20 - Acquisitions](#)). On May 21, 2022, ZelnickMedia assigned substantially all of its rights and obligations and other liabilities under the 2022 Management Agreement to ZMC Advisors, L.P. ("ZMC Advisors"). References to "ZMC" herein shall mean either ZelnickMedia or ZMC Advisors, as appropriate. As part of the 2022 Management Agreement, Strauss Zelnick continues to serve as Executive Chairman and Chief Executive Officer of the Company, and Karl Slatoff continues to serve as President of the Company. The 2022 Management Agreement provides for an annual management fee of \$ 3.3 over the term of the agreement and a maximum annual bonus opportunity of \$ 13.2 over the term of the agreement, based on the Company achieving certain performance thresholds. In connection with the 2022 Management Agreement, we have and expect to grant time-based and performance-based restricted units to ZMC.

In consideration for ZMC's services, we recorded consulting expense (a component of General and administrative expenses) of \$ 6.5 , \$ 3.5 , and \$ 9.9 for the fiscal years ended March 31, 2024, 2023, and 2022, respectively.

Pursuant to the 2022 Management Agreement and 2017 Management Agreement, we also issued stock-based awards to ZMC. During the fiscal years ended March 31, 2024, 2023, and 2022, we recorded \$ 52.8 , \$ 47.1 , and \$ 29.2 , respectively, of

stock-based compensation expense for non-employee awards, which is included in General and administrative expenses. See [Note 16 - Stock-Based Compensation](#) for a discussion of such awards.

#### 4. FAIR VALUE MEASUREMENTS

##### *Recurring fair value measurements*

The carrying amounts of our financial instruments, including cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, prepaid expenses and other, accounts payable, and accrued expenses and other current liabilities, approximate fair value because of their short maturities.

We follow a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The three levels of inputs 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 in Level 1, such as quoted prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The table below segregates all assets and liabilities that are measured at fair value on a recurring basis (which is measured at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

March 31, 2024				
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
<b>Assets:</b>				
Cash and cash equivalents:				
Money market funds	\$ 177.5	\$ —	\$ —	\$ 177.5
Bank-time deposits	64.8	—	—	64.8
Short-term investments:				
Bank-time deposits	22.0	—	—	22.0
Restricted cash and cash equivalents:				
Money market funds	238.3	—	—	238.3
Bank-time deposits	0.5	—	—	0.5
Restricted cash and cash equivalents, long term:				
Money market funds	95.9	—	—	95.9
Other assets:				
Private equity	—	—	26.8	26.8
Total financial assets	<u>\$ 599.0</u>	<u>\$ —</u>	<u>\$ 26.8</u>	<u>\$ 625.8</u>
<b>Liabilities:</b>				
Accrued expenses and other current liabilities:				
Contingent earn-out consideration	\$ —	\$ —	\$ 12.4	\$ 12.4
Other-long term liabilities:				
Contingent earn-out consideration	—	—	0.7	0.7
Short-term debt, net:				
Convertible notes	—	24.6	—	24.6
Long-term debt, net:				
Convertible notes	—	25.9	—	25.9
Total financial liabilities	<u>\$ —</u>	<u>\$ 50.5</u>	<u>\$ 13.1</u>	<u>\$ 63.6</u>

March 31, 2023				
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
<b>Assets</b>				
Cash and cash equivalents:				
Bank-time deposits	\$ 368.0	\$ —	\$ —	\$ 368.0
Money market funds	145.8	—	—	145.8
Short-term investments:				
Corporate bonds	—	145.2	—	145.2
Bank-time deposits	41.8	—	—	41.8
Restricted cash and cash equivalents:				
Money market funds	306.1	—	—	306.1
Bank-time deposits	0.5	—	—	0.5
Restricted cash and cash equivalents, long term:				
Money market funds	99.6	—	—	99.6
Other assets:				
Private equity	—	—	26.5	26.5
<b>Total financial assets</b>	<b>\$ 961.8</b>	<b>\$ 145.2</b>	<b>\$ 26.5</b>	<b>\$ 1,133.5</b>
<b>Liabilities</b>				
Accrued expenses and other current liabilities:				
Foreign currency forward contracts	\$ —	\$ 2.5	\$ —	\$ 2.5
Contingent earn-out consideration	—	—	66.6	66.6
Other long-term liabilities:				
Contingent earn-out consideration	—	—	27.3	27.3
Long-term debt, net:				
Convertible notes	—	44.1	—	44.1
<b>Total financial liabilities</b>	<b>\$ —</b>	<b>\$ 46.6</b>	<b>\$ 93.9</b>	<b>\$ 140.5</b>

We did not have any transfers between Level 1 and Level 2 fair value measurements, nor did we have any transfers into or out of Level 3 during the fiscal year ended March 31, 2024.

In connection with the Nordeus acquisition we completed on June 1, 2021, our consideration included a contingent earn-out consideration arrangement that requires us to pay an aggregate of \$ 153.0 in cash if Nordeus achieves certain performance measures over the 12 - and 24 -month periods following the closing. We recorded \$ 61.1 as the initial fair value of contingent earn-out consideration. The fair value was estimated using a Monte-Carlo simulation model, which included significant unobservable Level 3 inputs, such as projected financial performance over the earn-out period along with estimates for market volatility and the discount rate applicable to potential cash payouts.

During the fiscal years ended March 31, 2024, March 31, 2023, and March 31, 2022, we recognized General and administrative expense of \$ 4.5 , \$ 26.5 , and \$ 48.0 , respectively, within our Consolidated Statements of Operations for the increase in fair value of the contingent earn-out consideration liability associated with the Nordeus acquisition, which increased the fair value of the contingent consideration liability related to the second earn-out period to \$ 69.5 . During the fiscal year ended March 31, 2024, we paid \$ 69.5 related to the second earn-out period. During the fiscal year ended March 31, 2023, we paid \$ 70.1 related to the first earn-out period.

In connection with our acquisition of Popcore on November 16, 2022, consideration included a contingent earn-out consideration arrangement that requires us to pay an aggregate of \$ 105.0 in cash if Popcore achieves certain performance measures over each of the three calendar years following the closing. We recorded \$ 23.3 as the initial fair value of contingent earn-out consideration. The fair value was estimated using a Monte-Carlo simulation model, which included significant



unobservable Level 3 inputs, such as projected financial performance over the earn-out period along with estimates for market volatility and the discount rate applicable to potential cash payouts.

During the fiscal years ended March 31, 2024 and March 31, 2023 we recognized General and administrative expense of \$( 12.9 ) and \$ 26.5 , respectively, within our Consolidated Statements of Operations for the change in fair value of the contingent earn-out consideration liability associated with the Popcore acquisition. The fair value of the contingent consideration liability related to the earn-out period is \$ 12.7 , with \$ 12.0 and \$ 0.7 being recorded within Accrued expenses and other current liabilities and Other long-term liabilities, respectively, in our Consolidated Balance Sheet as of March 31, 2024. The change resulted from a lower probability of Popcore achieving certain performance measures in the remaining two 12-month periods.

The remaining contingent earn-out consideration liability of \$ 0.4 recorded within Accrued expenses and other current liabilities in our Consolidated Balance Sheet as of March 31, 2024, relates to immaterial earn-out arrangements from Zynga's historical acquisitions. For these acquisitions, we estimated the acquisition date fair value of the contingent consideration obligations using a discounted cash flow model.

#### Nonrecurring fair value measurements

We hold equity investments in certain unconsolidated entities without a readily determinable fair value. These strategic investments represent less than a 20% ownership interest in each of the privately-held affiliates, and we do not maintain significant influence over or control of the entities. We have elected the practical expedient in Topic 321, *Investments-Equity Securities*, to measure these investments at cost less any impairment, adjusted for observable price changes, if any. Based on these considerations, we estimate that the carrying value of the acquired shares represents the fair value of the investment. At March 31, 2024 and March 31, 2023, we held \$ 8.0 and \$ 8.0 , respectively, of such investments in Other assets within our Consolidated Balance Sheet.

See [Note 9 - Goodwill and Intangible Assets, Net](#) for goodwill and intangible related fair value measurements.

## 5. SHORT-TERM INVESTMENTS

Our short-term investments consisted of the following as of March 31, 2024:

	March 31, 2024			
	Cost or Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Short-term investments				
Bank time deposits	\$ 22.0	\$ —	\$ —	\$ 22.0
<b>Total Short-term investments</b>	<b>\$ 22.0</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 22.0</b>

  

	March 31, 2023			
	Cost or Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Short-term investments				
Bank time deposits	\$ 41.8	\$ —	\$ —	\$ 41.8
Available-for-sale securities:				
Corporate bonds	147.2	—	( 2.0 )	145.2
<b>Total Short-term investments</b>	<b>\$ 189.0</b>	<b>\$ —</b>	<b>\$ ( 2.0 )</b>	<b>\$ 187.0</b>

The following table summarizes the contracted maturities of our short-term investments at March 31, 2024:

	March 31, 2024	
	Amortized Cost	Fair Value
Short-term investments		
Due in 1 year or less	\$ 22.0	\$ 22.0
<b>Total Short-term investments</b>	<b>\$ 22.0</b>	<b>\$ 22.0</b>

## 6. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Our risk management strategy includes the use of derivative financial instruments to reduce the volatility associated with changes in foreign currency exchange rates on earnings, cash flows, and certain balance sheet amounts. We do not enter

into derivative financial contracts for speculative or trading purposes. We recognize derivative instruments as either assets or liabilities on our Consolidated Balance Sheets, and we measure those instruments at fair value. We classify cash flows from derivative transactions as cash flows from operating activities in our Consolidated Statements of Cash Flows.

*Foreign currency forward contracts*

The following table shows the gross notional amounts of foreign currency forward contracts:

	March 31,	
	2024	2023
Forward contracts to sell foreign currencies	\$ 243.0	\$ 224.3
Forward contracts to purchase foreign currencies	72.2	51.2

For the fiscal years ended March 31, 2024, 2023, and 2022, we recorded a gain of \$ 5.3 , a loss of \$ 15.1 , and a gain of \$ 5.9 , respectively, related to foreign currency forward contracts in Interest and other, net on our Consolidated Statements of Operations. Our foreign currency exchange forward contracts are not designated as hedging instruments under hedge accounting and are used to reduce the impact of foreign currency on certain balance sheet exposures. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates.

## 7. SOFTWARE DEVELOPMENT COSTS AND LICENSES

Details of our capitalized software development costs and licenses are as follows:

	March 31,			
	2024		2023	
	Current	Non-current	Current	Non-current
Software development costs, internally developed	\$ 53.4	\$ 1,237.0	\$ 47.4	\$ 882.0
Software development costs, externally developed	6.1	198.5	2.2	169.7
Licenses	28.8	11.0	16.3	20.5
Software development costs and licenses	\$ 88.3	\$ 1,446.5	\$ 65.9	\$ 1,072.2

Software development costs and licenses, net of current portion as of March 31, 2024 and 2023 included \$ 1,433.8 and \$ 1,010.2 , respectively, related to titles that have not been released.

Amortization and impairment of software development costs and licenses are as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Amortization of software development costs and licenses	\$ 207.2	\$ 179.7	\$ 131.1
Impairment of software development costs and licenses	109.9	79.1	70.6
Portion representing stock-based compensation	( 24.4 )	9.5	( 48.4 )
Amortization and impairment, net of stock-based compensation	\$ 292.7	\$ 268.3	\$ 153.3

During the fiscal year ended March 31, 2024, \$ 88.2 of the impairment charges relate to our cost reduction program (refer to [Note 21 - Business Reorganization](#)), the remaining \$ 21.7 related to (i) a decision not to proceed with further development of certain interactive entertainment software products, and (ii) recognizing unamortized capitalized costs for the development of a title that exceed the anticipated net realizable value of the asset at the time they were impaired.

As a result of government grants earned on qualified production spend to date, our software development costs and licenses were reduced by \$ 108.3 and \$ 108.1 as of March 31, 2024 and 2023, respectively. We had \$ 198.5 and \$ 0.0 current receivable within Prepaid expenses and other, and \$ 109.3 and \$ 256.8 non-current receivable within Other assets on our Consolidated Balance Sheets relating to such government grants as of March 31, 2024 and 2023, respectively. Within our Consolidated Statements of Operations, Cost of revenue, for fiscal years ended March 31, 2024, 2023, and 2022, was reduced by \$ 45.3 , \$ 41.2 , and \$ 46.8 , respectively, and Research and development expense was reduced by \$ 5.9 for the fiscal year ended March 31, 2024, \$ 4.5 for the fiscal year ended March 31, 2023, with no such reduction in the fiscal year ended March 31, 2022 .

## 8. FIXED ASSETS, NET

Fixed asset balances by category are as follows:

	March 31,	
	2024	2023
Computer equipment	\$ 298.2	\$ 266.9
Leasehold improvements	270.6	235.1
Computer software	89.0	102.0
Buildings	63.7	62.1
Furniture and fixtures	35.5	35.2
Office equipment	20.6	16.4
<b>Total</b>	<b>\$ 777.6</b>	<b>\$ 717.7</b>
Less: accumulated depreciation	( 366.5 )	( 314.9 )
<b>Fixed assets, net</b>	<b>\$ 411.1</b>	<b>\$ 402.8</b>

Depreciation expense related to fixed assets for the fiscal years ended March 31, 2024, 2023, and 2022 was \$ 135.5 , \$ 88.8 , and \$ 59.1 , respectively.

The following represents our fixed assets, net by location:

	March 31,	
	2024	2023
United States	\$ 242.6	\$ 234.1
International	168.5	168.7
<b>Fixed assets, net</b>	<b>\$ 411.1</b>	<b>\$ 402.8</b>

## 9. GOODWILL AND INTANGIBLE ASSETS, NET

### Goodwill

The change in our goodwill balance is as follows:

	Total
<b>Balance at March 31, 2022</b>	<b>\$ 674.6</b>
Acquisition of Zynga ( <a href="#">see Note 20</a> )	5,994.4
Acquisition of Popcore ( <a href="#">see Note 20</a> )	72.1
Additions from immaterial acquisitions	26.5
Currency translation adjustment	( 0.5 )
<b>Balance at March 31, 2023</b>	<b>\$ 6,767.1</b>
Impairment	( 2,342.1 )
Additions from immaterial acquisitions	9.7
Currency translation adjustment	( 8.3 )
<b>Balance at March 31, 2024</b>	<b>\$ 4,426.4</b>

During the fiscal year ended March 31, 2024, we recognized goodwill impairment charges of \$ 2,342.1 , representing a partial impairment related to one of our reporting units. We identified various qualitative factors that, collectively, indicated that the fair value of one of our reporting units was more likely than not less than its carrying amount, including a reduction in the forecasted performance of the reporting unit due to industry conditions and changes in our strategies for games within the reporting unit in response to those conditions. As a result of this qualitative analysis, we performed a valuation of the reporting unit using discounted cash flow and guideline public company methodologies. Key assumptions and estimates used in deriving the fair value are forecasted revenue, EBITDA margins, long-term growth rate, and discount rate. There were no goodwill impairment charges for the fiscal years ended March 31, 2023 and March 31, 2022.

## Intangibles

The following table sets forth the intangible assets that are subject to amortization:

	March 31,						Weighted average useful life
	2024			2023			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value	
Developed Game Technology	\$ 3,788.8	\$ ( 1,301.4 )	\$ 2,487.4	\$ 4,434.5	\$ ( 744.0 )	\$ 3,690.5	7 years
Branding and Trade Names	395.1	( 68.5 )	326.6	395.2	( 33.1 )	362.1	12 years
Game Engine Technology	322.5	( 147.3 )	175.2	323.2	( 73.5 )	249.7	4 years
User Base	319.2	( 319.2 )	—	319.2	( 274.4 )	44.8	0 years
Developer Relationships	57.0	( 26.5 )	30.5	57.0	( 12.2 )	44.8	5 years
Advertising Technology	43.0	( 26.6 )	16.4	43.0	( 12.3 )	30.7	3 years
Customer Relationships	31.0	( 11.5 )	19.5	31.0	( 5.3 )	25.7	5 years
Intellectual Property	27.5	( 23.1 )	4.4	22.3	( 18.2 )	4.1	6 years
In Place Lease	2.0	( 1.4 )	0.6	1.9	( 1.1 )	0.8	4 years
Analytics Technology	30.1	( 30.1 )	—	30.1	( 30.1 )	—	0 years
Total intangible assets	\$ 5,016.2	\$ ( 1,955.6 )	\$ 3,060.6	\$ 5,657.4	\$ ( 1,204.2 )	\$ 4,453.2	

Amortization of intangible assets, including impairments, is included in our Consolidated Statements of Operations as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Cost of revenue	\$ 1,303.5	\$ 1,171.5	\$ 52.0
Selling and marketing	51.0	277.1	5.3
Research and development	28.7	24.6	5.5
Depreciation and amortization	35.7	33.5	2.0
Total amortization of intangible assets	\$ 1,418.9	\$ 1,506.7	\$ 64.8

During the fiscal year ended March 31, 2024, we recorded impairment charges of \$ 577.4 for acquisition-related Developed Game Technology intangible assets within Cost of revenue as a result of a reduction in the forecasted performance of certain games due to industry conditions and changes in our strategies for certain games in response to those conditions. During the fiscal year ended March 31, 2023, we recorded impairment charges of \$ 465.3 for acquisition-related Developed Game Technology intangible assets within Cost of revenue as a result of (i) a reduction in the forecasted performance of certain games due to macroeconomic conditions and changes in our strategies for those games and (ii) our decision not to proceed with further development of a certain interactive entertainment software product. The fair value of those intangible assets was measured using the multi-period excess earnings method, consistent with the approach used at acquisition. Key assumptions and estimates used in deriving the fair value are forecasted revenue, EBITDA margins, long-term decay rates, and discount rates. During the fiscal year ended March 31, 2022, there were no impairment charges for intangible assets.

Estimated future amortization of intangible assets that will be recorded in Cost of revenue and operating expenses for the years ending March 31, are as follows:

Fiscal Year Ended March 31,	Amortization
2025	\$ 706.4
2026	681.6
2027	620.1
2028	579.5
2029	234.7

## 10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of:

	March 31,	
	2024	2023
Software development royalties	\$ 413.1	\$ 510.7
Compensation and benefits	227.3	177.5
Marketing and promotions	94.5	132.7
Licenses	64.4	63.0
Refund liability	34.5	52.4
Tax payable	32.4	33.0
Interest payable	29.4	29.6
Sales tax liability	19.3	14.0
Deferred acquisition payments	17.6	82.7
Professional fees	16.7	9.5
Other	113.4	120.7
Accrued expenses and other current liabilities	\$ 1,062.6	\$ 1,225.7

## 11. DEBT

The components of Long-term debt, net on our Consolidated Balance Sheet were as follows:

	Annual Interest Rate	Maturity Date	March 31, 2024	Fair Value (Level 2)
2025 Notes	3.55 %	April 14, 2025	\$ 600.0	\$ 588.9
2026 Notes	5.00 %	March 28, 2026	550.0	547.6
2027 Notes	3.70 %	April 14, 2027	600.0	576.5
2028 Notes	4.95 %	March 28, 2028	800.0	797.8
2032 Notes	4.00 %	April 14, 2032	500.0	462.9
2026 Convertible Notes	0.00 %	December 15, 2026	25.9	25.9
Total			\$ 3,075.9	\$ 2,999.6
Unamortized discount and issuance costs			( 17.6 )	
Long-term debt, net			\$ 3,058.3	

  

	Annual Interest Rate	Maturity Date	March 31, 2023	Fair Value (Level 2)
2025 Notes	3.55 %	April 14, 2025	\$ 600.0	\$ 583.8
2027 Notes	3.70 %	April 14, 2027	600.0	580.9
2032 Notes	4.00 %	April 14, 2032	500.0	460.6
2024 Convertible Notes	0.25 %	June 1, 2024	20.8	20.8
2026 Convertible Notes	0.00 %	December 15, 2026	23.3	23.3
Total			\$ 1,744.1	\$ 1,669.4
Unamortized discount and issuance costs			( 11.1 )	
Long-term debt, net			\$ 1,733.0	

The components of Short-term debt, net on our Consolidated Balance Sheet were as follows:

	Annual Interest Rate	Maturity Date	March 31, 2024	Fair Value (Level 2)
2024 Convertible Notes	0.25 %	June 1, 2024	\$ 24.6	\$ 24.6
Total			\$ 24.6	\$ 24.6
Unamortized discount and issuance costs			—	
Short-term debt, net			<u>\$ 24.6</u>	

  

	Annual Interest Rate	Maturity Date	March 31, 2023	Fair Value (Level 2)
2024 Notes	3.30 %	March 28, 2024	\$ 1,000.0	\$ 978.2
Term Loan	3.60 %	June 21, 2023	350.0	350.0
Total			\$ 1,350.0	\$ 1,328.2
Unamortized discount and issuance costs			( 3.2 )	
Short-term debt, net			<u>\$ 1,346.8</u>	

The interest expense as it relates to our debt is recorded within Interest and other, net in our Consolidated Statements of Operations for the fiscal year ended March 31, 2024, and 2023, respectively, and was as follows:

	Fiscal Year Ended March 31,		Fiscal Year Ended	
	2024		2023	
2024 Notes	\$	15.1	\$	31.5
2025 Notes		21.3		20.5
2026 Notes		24.7		—
2027 Notes		22.2		21.4
2028 Notes		27.2		—
2032 Notes		20.0		19.2
Term Loan		1.5		11.9
2022 Credit Agreement		—		4.1
Total	\$	132.0	\$	108.6

The following table outlines the aggregate amount of maturities of our borrowings, as of March 31, 2024:

Fiscal Year Ended March 31,	Maturities
2025	21.4
2026	1,150.0
2027	29.4
2028	1,400.0
2029	—
Thereafter	500.0
Total	3,100.8
Fair Value Adjustments	( 0.3 )
Total Face Value	\$ 3,100.5

#### Senior Notes

On April 14, 2023, we completed our offering and sale of \$ 1,000.0 aggregate principal amount of our senior notes, consisting of \$ 500.0 principal amount of our 5.000 % Senior Notes due 2026 (the "2026 Notes") and \$ 500.0 principal amount of our 4.950 % Senior Notes due 2028 ("the 2028 Notes"). On January 8, 2024, we completed our add-on offering and sale of \$ 350.0 aggregate principal amount of our senior notes, consisting of \$ 50.0 principal amount of additional 2026 Notes and \$ 300.0 principal amount of additional 2028 Notes. The additional 2026 Notes and 2028 Notes (the "New Notes") were issued as additional notes under the existing Indenture.

On April 14, 2022, we completed our offering and sale of \$ 2,700.0 aggregate principal amount of our senior notes, consisting of \$ 1,000.0 principal amount of our 3.300 % Senior Notes due 2024 (the "2024 Notes"), \$ 600.0 principal amount of our 3.550 % Senior Notes due 2025 (the "2025 Notes"), \$ 600.0 principal amount of our 3.700 % Senior Notes due 2027 (the "2027 Notes"), and \$ 500.0 principal amount of our 4.000 % Senior Notes due 2032 (the "2032 Notes" and together with the 2024 Notes, 2025 Notes, 2026 Notes, 2027 Notes, and 2028 Notes, the "Senior Notes").

The Senior Notes were issued under an indenture, dated as of April 14, 2022 (the "Base Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "Trustee") and (i) a first supplemental indenture, with respect to the 2024 Notes, (ii) a second supplemental indenture, with respect to the 2025 Notes, (iii) a third supplemental indenture, with respect to the 2027 Notes, (iv) a fourth supplemental indenture, with respect to the 2032 Notes, (v) a fifth supplemental indenture, with respect to the 2026 Notes, and (vi) a sixth supplemental indenture, with respect to the 2028 Notes (collectively, the "Supplemental Indentures" and together with the Base Indenture, the "Indenture"), between the Company and the Trustee.

The Senior Notes are the Company's senior unsecured obligations and rank equally with all of our other existing and future unsubordinated obligations. We will pay interest on the 2024 Notes, 2026 Notes, and 2028 Notes semi-annually on March 28 and September 28 of each year, commencing September 28, 2022 for the 2024 Notes and September 28, 2023 for the 2026 Notes and 2028 Notes. We will pay interest on each of the 2025 Notes, 2027 Notes, and 2032 Notes semi-annually on April 14 and October 14 of each year, commencing October 14, 2022. During the fiscal year ended March 31, 2024, we made interest payments of \$ 135.2 . The proceeds from the issuances of the Senior Notes were used to finance a portion of our acquisition of Zynga and repay certain of our debt.

The Senior Notes are not entitled to any sinking fund payments. We may redeem each series of the Senior Notes at any time in whole or from time to time in part at the applicable redemption prices set forth in each Supplemental Indenture. Upon the occurrence of a Change of Control Repurchase Event (as defined in each of the Supplemental Indentures) with respect to a series of the Senior Notes, each holder of the Senior Notes of such series will have the right to require the Company to purchase that holder's Notes of such series at a price equal to 101 % of the aggregate principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of repurchase, unless the Company has exercised its option to redeem all the Senior Notes.

In the case of an event of default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Senior Notes will become due and payable immediately. If any other event of default specified in the Indenture occurs and is continuing with respect to any series of the Senior Notes, the Trustee or the holders of at least 25 % in aggregate principal amount of that series of the outstanding Notes may declare the principal of such series of Senior Notes immediately due and payable.

The Indenture contains certain limitations on the ability of the Company and its subsidiaries to grant liens without equally securing the Senior Notes, or to enter into certain sale and lease-back transactions. These covenants are subject to a number of important exceptions and limitations, as further provided in the Indenture.

Debt issuance costs of \$ 29.4 and original issuance discount of \$ 2.4 were incurred in connection with the Senior Notes. These debt issuance costs and original issuance discount are included as a reduction of the debt within Long-term debt, net on our Consolidated Balance Sheet and will be amortized into Interest and other, net in our Consolidated Statements of Operations over the contractual term of the Senior Notes. During the fiscal year ended March 31, 2024 and 2023, we recognized \$ 6.2 and \$ 5.5 , respectively, of amortization of debt issuance costs and \$ 0.4 and \$ 0.4 , respectively, of amortization of the original issuance discount.

On June 5, 2023, pursuant to a tender offer, we purchased and retired \$ 650.0 in aggregate principal amount of our 2024 Notes, with proceeds received from the 2026 Notes and 2028 Notes. We repaid the remaining principal amount of \$ 350.0 on its maturity date on March 28, 2024, with proceeds received from the New Notes. During the fiscal year ended March 31, 2024, we recognized a debt extinguishment gain of approximately \$ 7.7 , net of unamortized debt discount and debt issuance costs recorded within Interest and other, net in our Consolidated Statement of Operations.

#### **Credit Agreement**

On May 23, 2022, we entered into an unsecured Credit Agreement (as amended, the "2022 Credit Agreement"), which replaced in its entirety the Company's prior Credit Agreement, dated as of February 8, 2019, which was paid off in full and terminated. The 2022 Credit Agreement provides for an unsecured five-year revolving credit facility with commitments of \$ 500.0 , including sublimits for (i) the issuance of letters of credit in an aggregate face amount of up to \$ 100.0 and (ii) borrowings and letters of credit denominated in Pounds Sterling, Euros, and Canadian Dollars in an aggregate principal amount of up to \$ 100.0 . In addition, the 2022 Credit Agreement contains uncommitted incremental capacity permitting the incurrence of up to an additional amount not to exceed the greater of \$ 250.0 and 35.0 % of the Company's Consolidated Adjusted EBITDA (as defined in the 2022 Credit Agreement). On May 16, 2024, we increased the total commitments under the facility to \$ 750.0 pursuant to the 2022 Credit Agreement's incremental provisions, leaving no further uncommitted incremental capacity.

Loans under the 2022 Credit Agreement will bear interest at a rate of (a) 0.000 % to 0.625 % above an alternate base rate ( 8.50 % at March 31, 2024) or (b) 1.000 % to 1.625 % above Secured Overnight Financing Rate ("SOFR"), approximately 5.33 % at March 31, 2024, which rates are determined by the Company's credit rating.

The 2022 Credit Agreement also includes, among other terms and conditions, a maximum leverage ratio covenant, as well as customary affirmative and negative covenants, including covenants that limit or restrict the Company and its subsidiaries' ability to, among other things, incur subsidiary indebtedness, grant liens, and dispose of all or substantially all assets, in each case subject to certain exceptions and baskets. In addition, the 2022 Credit Agreement provides for events of default customary for a credit facility of this size and type, including, among others, non-payment of principal and interest when due thereunder, breaches of representations and warranties, noncompliance with covenants, acts of insolvency, cross-defaults to material indebtedness, and material judgment defaults (subject to certain limitations and cure periods).

Upon execution of the 2022 Credit Agreement, we incurred \$ 3.5 of debt issuance costs that were capitalized within Other assets on our Consolidated Balance Sheet and will be amortized on a straight-line basis over the five-year term of the 2022 Credit Agreement, with the expense recorded within Interest and other, net in our Consolidated Statements of Operations. During the fiscal year ended March 31, 2024, and 2023, we amortized \$ 0.7 and \$ 0.6 , respectively, of these debt issuance costs.

As of March 31, 2024, there were no borrowings under the 2022 Credit Agreement, and we had approximately \$ 497.7 available for additional borrowings.

Information related to availability on our respective credit agreements for each period was as follows:

	March 31, 2024	March 31, 2023
Available borrowings	\$ 497.7	\$ 499.5
Outstanding letters of credit	2.3	2.8

#### **Term Loan**

On June 22, 2022, we entered into an unsecured 364 -Day Term Loan Credit Agreement ("Term Loan"). The Term Loan provided for an unsecured 364 -day term loan credit facility in the aggregate principal amount of \$ 350.0 , maturing on June 21, 2023. We fully drew down on the Term Loan on June 22, 2022 at approximately 3.60 %. The proceeds were used to finance a portion of the repurchase of the Convertible Notes (see below). A portion of the proceeds from the April 14, 2023 issuance of the 2026 Notes and 2028 Notes were used to fully repay the Term Loan on April 27, 2023. During the fiscal year ended March 31, 2024, we made interest payments of \$ 1.8 .

#### **Convertible Notes**

In conjunction with the acquisition of Zynga on May 23, 2022 (refer to [Note 20 - Acquisitions](#)), we entered into (a) the First Supplemental Indenture (the "2024 Supplemental Indenture") to the Indenture, dated as of June 14, 2019 (the "2024 Indenture"), between Zynga and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association) (the "Convertible Notes Trustee"), relating to Zynga's 0.25 % Convertible Senior Notes due 2024 (the "2024 Convertible Notes"), and (b) the First Supplemental Indenture (the "2026 Supplemental Indenture" and, together with the 2024 Supplemental Indenture, the "Supplemental Indentures") to the Indenture, dated as of December 17, 2020 (the "2026 Indenture" and, together with the 2024 Indenture, the "Indentures"), between Zynga and the Convertible Notes Trustee, relating to Zynga's 0.00 % Convertible Senior Notes due 2026 (the "2026 Convertible Notes" and, together with the 2024 Convertible Notes, the "Convertible Notes"). As of the closing date of the acquisition, approximately \$ 690.0 aggregate principal amount of the 2024 Convertible Notes was outstanding and approximately \$ 874.5 aggregate principal amount of the 2026 Convertible Notes was outstanding.

Following the acquisition and according to the Supplemental Indentures, we assumed all of Zynga's rights and obligations under the Indentures, and the Company guaranteed the payment and other obligations of Zynga under the Convertible Notes. As a result of our acquisition of Zynga, the right to convert each one thousand dollar principal amount of such Convertible Notes into shares of Zynga common stock was changed into a right to convert such principal amount of such Convertible Notes into the number of units of Reference Property equal to the conversion rate in effect immediately prior to the closing, in each case pursuant to the terms and procedures set forth in the applicable Indenture. A unit of Reference Property is defined in each Indenture as 0.0406 shares of Take-Two common stock and \$ 3.50 in cash, without interest, plus cash in lieu of any fractional shares of Take-Two common stock.

The 2024 Convertible Notes and 2026 Convertible Notes mature on June 1, 2024, and December 15, 2026, respectively, unless earlier converted, redeemed, or repurchased in accordance with their terms, respectively, prior to the



maturity date. Interest is payable semiannually on the 2024 Convertible Notes in arrears on March 1 and September 1 of each year. The 2026 Convertible Notes do not bear regular interest, and the principal amount does not accrete.

The acquisition of Zynga constituted a Fundamental Change, a Make-Whole Fundamental Change, and a Share Exchange Event (each as defined in the Indentures) under the Indentures. The effective date of the Fundamental Change, Make-Whole Fundamental Change and Share Exchange Event in respect of the Convertible Notes was May 23, 2022, and the related tender and conversion periods expired on June 22, 2022. As a result, each holder of Convertible Notes had the right to tender its Convertible Notes to the Company for cash or surrender its Convertible Notes for conversion into the Reference Property at the applicable conversion rate, in each case pursuant to the terms and procedures set forth in the applicable Indenture.

As of the expiration of the Fundamental Change, Make-Whole Fundamental Change, and Share Exchange Event, (a) \$ 0.3 aggregate principal amount of the 2024 Convertible Notes and (b) \$ 845.1 aggregate principal amount of the 2026 Convertible Notes were tendered for cash. In addition, (a) \$ 668.3 aggregate principal amount of the 2024 Convertible Notes, and (b) no 2026 Convertible Notes were surrendered for conversion into the applicable Reference Property. In total, we paid \$ 321.6 for the tendered or converted 2024 Convertible Notes, including interest, and \$ 845.1 for the tendered 2026 Convertible Notes in cash, and we issued 3.7 shares of our common stock upon the conversion of the 2024 Convertible Notes. After settlement of all Convertible Notes tendered or surrendered for conversion, \$ 21.4 aggregate principal amount of the 2024 Convertible Notes remained outstanding and \$ 29.4 aggregate principal amount of the 2026 Convertible Notes remained outstanding at March 31, 2024.

The 2024 Convertible Notes and 2026 Convertible Notes constitute senior unsecured indebtedness of Zynga, ranking pari passu with all of our other existing and future senior unsecured unsubordinated obligations of Zynga. As a result, the 2024 Convertible Notes and 2026 Convertible Notes are structurally senior to the indebtedness of the Company as to Zynga, its subsidiaries, and their respective assets. As noted above, the Company also guaranteed the payment and other obligations of Zynga under the Convertible Notes. The Company's guarantees of the 2024 Convertible Notes and 2026 Convertible Notes are the Company's senior unsecured obligations and rank equally with all of the Company's other existing and future senior unsecured unsubordinated obligations.

Under the terms of the applicable Indentures, prior to the close of business on the business day immediately preceding March 1, 2024 with respect to the 2024 Convertible Notes and September 15, 2026 with respect to the 2026 Convertible Notes, the Convertible Notes will be convertible only under the following circumstances:

- during any calendar quarter, if the value of a unit of Reference Property (based on the last reported sales price of our common stock), for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130 % of the conversion price of the applicable series of the 2024 Convertible Notes or 2026 Convertible Notes, respectively, on each applicable trading day;
- during the five business-day period after any five consecutive trading-day period in which the trading price per one thousand dollar principal amount of each applicable series of the 2024 Convertible Notes or 2026 Convertible Notes for such trading day was less than 98 % of the product of the value of a unit of Reference Property (based on the last reported sale price of our common stock) and the conversion rate of the applicable series of the 2024 Convertible Notes or 2026 Convertible Notes, respectively, on each such trading day;
- if we call the 2024 Convertible Notes or 2026 Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the respective redemption date; or
- upon the occurrence of specified corporate events described in the respective Indentures.

Upon any conversion, holders will receive either cash or a combination of cash and shares of Take-Two common stock, at our election. As of March 31, 2024, the conditions allowing holders of the Convertible Notes to convert their respective series of the Convertible Notes have not been met, and, therefore, both the Convertible Notes are not yet convertible.

We have elected to account for these Convertible Notes, which are considered derivatives, using the fair value option (Level 2) under ASC 825, as the Convertible Notes were initially recognized at fair value under the acquisition method of accounting in connection with the Zynga Acquisition (refer to [Note 20 - Acquisitions](#)) and we do not expect significant fluctuations in fair value through maturity. We initially recorded \$ 778.6 as the acquisition date fair value for the 2024 Convertible Notes and \$ 874.5 for the 2026 Convertible Notes. The fair value was determined as the expected cash payment and value of shares to be issued to settle the Convertible Notes. As of March 31, 2024, we recorded \$ 24.6 as the fair value of the remaining outstanding 2024 Convertible Notes, within Short-term debt, net, and \$ 25.9 as the fair value of the remaining outstanding 2026 Convertible Notes, within Long-term debt, net, in our Consolidated Balance Sheet. During the fiscal year

ended March 31, 2024 and 2023, we recognized a loss of \$ 6.4 and a loss of \$ 37.6 , respectively, within (Loss) gain on fair value adjustments, net in our Consolidated Statements of Operations.

## 12. (LOSS) EARNINGS PER SHARE ("EPS")

The following table sets forth the computation of basic and diluted (loss) earnings per share:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Computation of Basic (loss) earnings per share:</b>			
Net (loss) income	\$ ( 3,744.2 )	\$ ( 1,124.7 )	\$ 418.0
Weighted average common shares outstanding—basic	170.1	159.9	115.5
Basic (loss) earnings per share	( 22.01 )	( 7.03 )	3.62
<b>Computation of Diluted (loss) earnings per share:</b>			
Net (loss) income	\$ ( 3,744.2 )	\$ ( 1,124.7 )	\$ 418.0
Weighted average common shares outstanding—basic	170.1	159.9	115.5
Add: dilutive effect of common stock equivalents	—	—	1.3
Weighted average common shares outstanding—diluted	170.1	159.9	116.8
Diluted (loss) earnings per share	\$ ( 22.01 )	\$ ( 7.03 )	\$ 3.58

We incurred a net loss for the fiscal year ended March 31, 2024 and 2023; therefore, the diluted weighted average shares outstanding exclude the effect of unvested common stock equivalents because their effect would be antidilutive. For the fiscal year ended March 31, 2024, we had 2.4 potentially dilutive shares from share-based awards and 0.2 of shares from Convertible Notes that are excluded due to the net loss for the period.

## 13. LEASES

Our lease arrangements are primarily for (1) corporate, administrative, and development studio offices and (2) data centers and server equipment. Our existing leases have remaining lease terms ranging from one to fourteen years . In certain instances, such leases include one or more options to renew, with renewal terms that generally extend the lease term by one to five years for each option. The exercise of lease renewal options is generally at our sole discretion. Additionally, the majority of our leases are classified as operating leases.

Information related to our operating leases are as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
<b>Lease costs</b>			
Operating lease costs	\$ 80.5	\$ 109.8	\$ 46.3
Short-term lease costs	4.9	4.1	1.4

During the fiscal year ended March 31, 2023, we recognized a \$ 30.0 impairment loss related to an ROU asset related to Zynga's office space lease in San Francisco, which is available for sublease and not currently used by us due to the continued deterioration of the sublease market, unsuccessful negotiations with a potential sub-tenant, and our decision to change our sublease marketing strategy. This impairment loss is included in General and administrative expense within our Consolidated Statement of Operations and in the Operating lease costs in the table above.

The fair value of the San Francisco Office was estimated using a risk-adjusted, discounted cash flow model with Level 3 inputs. The significant assumptions used in estimating the fair value included the projected sublease income over the remaining lease term, expected downtime prior to the commencement of future subleases, expected rent concessions offered to future tenants and discount rates that reflected the level of risk associated with these future cash flows.

	Fiscal Year Ended March 31,		
	2024	2023	2022
Supplemental operating cash flow information			
Cash paid for amounts included in the measurement of lease liabilities	\$ 73.9	\$ 55.9	\$ 32.8
ROU assets obtained in exchange for lease obligations	89.5	145.3	74.0

  

	Fiscal Year Ended March 31,		
	2024	2023	2022
Weighted average information			
Remaining lease term	8.40 years	8.93 years	10.09 years
Discount rate	4.56 %	4.33 %	4.29 %

Future undiscounted lease payments for our operating lease liabilities, and a reconciliation of these payments to our operating lease liabilities at March 31, 2024, are as follows:

For the years ending March 31,

2025	\$ 83.9
2026	69.2
2027	67.2
2028	63.6
2029	60.4
Thereafter	199.6
Total future lease payments	\$ 543.9
Less imputed interest	( 92.8 )
Total lease liabilities	\$ 451.1

As of March 31, 2024, we have entered into facility leases that have not yet commenced with future lease payments of approximately \$ 11.6 . These leases are expected to commence within the next twelve months and will have lease terms ranging from three to ten years .

#### 14. COMMITMENTS AND CONTINGENCIES

A summary of annual minimum contractual obligations and commitments as of March 31, 2024 is as follows:

Fiscal Year Ending March 31,	Software		Purchase		Total
	Development and Licensing	Marketing	Obligations		
2025	\$ 333.0	\$ 32.4	\$ 146.3		\$ 511.7
2026	133.3	74.5	67.7		275.5
2027	33.3	28.2	12.6		74.1
2028	8.5	6.3	0.3		15.1
2029	13.8	6.5	—		20.3
Thereafter	1.0	6.5	—		7.5
Total	\$ 522.9	\$ 154.4	\$ 226.9		\$ 904.2

*Software Development and Licensing Agreements:* We make payments to third-party software developers that include contractual payments to developers under several software development agreements that expire at various times through October 2030. Our aggregate outstanding software development commitments assume satisfactory performance by third-party software developers. We also have licensing commitments that primarily consist of obligations to holders of intellectual property rights for use of their trademarks, copyrights, technology or other intellectual property rights in the development of our products.

**Marketing Agreements:** We have certain minimum marketing support commitments where we commit to spend specified amounts related to marketing our products. Marketing commitments expire at various times through March 2030 and primarily reflect our agreements with major sports leagues and players' associations.

**Purchase Obligations:** These obligations are primarily related to agreements to purchase services that are enforceable and legally binding on us that specifies all significant terms, including fixed, minimum or variable pricing provisions; and the approximate timing of the transactions, expiring at various times through August 2028.

**Employee Savings Plans:** For our United States employees we maintain a 401(k) retirement savings plan and trust. Our 401(k) plan is offered to all eligible employees and participants may make voluntary contributions. We also have various pension plans for our non-U.S. employees, some of which are required by local laws, and allow or require employer contributions. Employer contributions under all defined contribution and pension plans during the fiscal years ended March 31, 2024, 2023, and 2022 were \$ 43.0 , \$ 36.1 , and \$ 22.4 , respectively.

**Legal and Other Proceedings:** We are, or may become, subject to demands and claims (including intellectual property and employment related claims) and are involved in routine litigation in the ordinary course of business which we do not believe to be material to our business or financial condition or results of operations. We have appropriately accrued amounts related to certain of these claims and legal and other proceedings. While it is reasonably possible that a loss may be incurred in excess of the amounts accrued in our financial statements, we believe that such losses, unless otherwise disclosed, would not be material.

## 15. INCOME TAXES

Components of (Loss) income before income taxes are as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Domestic	\$ ( 2,081.8 )	\$ ( 937.0 )	\$ 357.5
Foreign	( 1,621.0 )	( 401.1 )	107.9
(Loss) income before income taxes	\$ ( 3,702.8 )	\$ ( 1,338.1 )	\$ 465.4

Provision for (benefit from) current and deferred income taxes consists of the following:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Current:			
U.S. federal	\$ 23.0	\$ 70.2	\$ 12.0
U.S. state and local	12.4	3.3	( 0.6 )
Foreign	107.5	98.0	24.1
Total current income taxes	142.9	171.5	35.5
Deferred:			
U.S. federal	24.6	( 175.4 )	34.8
U.S. state and local	( 22.6 )	( 31.4 )	2.9
Foreign	( 103.5 )	( 178.1 )	( 25.8 )
Total deferred income taxes	( 101.5 )	( 384.9 )	11.9
Provision for (benefit from) income taxes	\$ 41.4	\$ ( 213.4 )	\$ 47.4

A reconciliation of our effective tax rate to the U.S. statutory federal income tax rate is as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
U.S. federal statutory rate	21.0 %	21.0 %	21.0 %
State and local taxes, net of U.S. federal benefit	0.6 %	2.0 %	1.2 %
Foreign tax rate differential <sup>(1)</sup>	0.2 %	( 0.3 )%	( 1.8 )%
Foreign earnings <sup>(2)</sup>	( 1.5 )%	( 1.3 )%	( 2.3 )%
Tax credits <sup>(3)</sup>	1.7 %	5.7 %	( 6.6 )%
Excess tax benefits from stock-based compensation	( 0.1 )%	( 0.5 )%	( 3.1 )%
Earn-out adjustments	0.1 %	( 0.4 )%	2.2 %
Valuation allowance—domestic <sup>(4)</sup>	( 9.1 )%	( 6.3 )%	( 0.1 )%
Valuation allowance—foreign <sup>(4)</sup>	( 1.1 )%	( 0.1 )%	0.4 %
Nondeductible compensation	( 0.1 )%	( 0.9 )%	0.4 %
Global intangible low-taxed income	( 1.0 )%	( 3.1 )%	0.1 %
Foreign-derived intangible income	0.5 %	1.8 %	( 0.9 )%
Change in reserves	0.9 %	( 0.1 )%	( 0.9 )%
Goodwill impairment	( 12.8 )%	— %	— %
Other <sup>(5)</sup>	( 0.4 )%	( 1.6 )%	0.6 %
Effective tax rate	( 1.1 )%	15.9 %	10.2 %

<sup>(1)</sup> The foreign rate differentials in relation to foreign earnings, for all periods presented, are primarily driven by changes in the mix of our foreign earnings and the difference between the foreign and U.S. income tax rates.

<sup>(2)</sup> Fiscal year ended March 31, 2024 include tax expense of \$ 29.2 from a decrease in the deferred tax assets related to Switzerland's Federal Act on Tax Reform and AVH Financing ("TRAF") enacted on January 1, 2020. Fiscal years ended March 31, 2023, and March 31, 2022, include tax benefit of \$ 5.6 and \$ 11.6 , respectively, from the effects of an increase in the deferred tax asset.

<sup>(3)</sup> Tax benefits were recorded for fiscal years ended March 31, 2024, 2023, and 2022 attributable to certain tax credits related to software development activities.

<sup>(4)</sup> The change in domestic and foreign valuation allowance includes an increase in our valuation allowance on deferred tax assets as a result of a determination in the fiscal year ended March 31, 2024 that it was more likely than not that such deferred tax assets would not be realized.

<sup>(5)</sup> For the fiscal year ended March 31, 2023, includes nondeductible expense of \$ 8.2 relating to loss on the redemption of convertible debt

The effects of temporary differences that gave rise to our deferred tax assets and liabilities were as follows:

	March 31,	
	2024	2023
<b>Deferred tax assets:</b>		
Capitalized development costs, software and depreciation	\$ 365.1	\$ 157.8
Tax credit carryforward	174.4	159.5
Equity-based compensation	143.0	109.8
Tax basis step up related to TRAF	131.1	79.1
Operating lease liabilities	101.9	90.6
Accrued compensation expense	72.6	96.6
Net operating loss carryforward	63.2	50.3
Other	2.7	26.0
Total deferred tax assets	1,054.0	769.7
Less: Valuation allowance	( 799.1 )	( 338.2 )
Net deferred tax assets	\$ 254.9	\$ 431.5
<b>Deferred tax liabilities:</b>		
Intangible amortization	\$ ( 513.2 )	\$ ( 841.0 )
Right-of-use assets	( 75.7 )	( 64.7 )
Deferred revenue	( 5.0 )	( 15.0 )
Total deferred tax liabilities	( 593.9 )	( 920.7 )
Net deferred tax liability <sup>(1)</sup>	\$ ( 339.0 )	\$ ( 489.2 )

<sup>(1)</sup> As of March 31, 2024, \$ 1.9 is included in Deferred tax assets and \$ 340.9 is included in Deferred tax liabilities, net. As of March 31, 2023, \$ 44.8 is included in Deferred tax assets and \$ 534.0 is included in Deferred tax liabilities, net.

We assess the realizability of the deferred tax assets based on the available positive and negative evidence in order to determine the amount which is more likely than not to be realized and record a valuation allowance as necessary. Due to our cumulative loss position, which provides significant negative evidence, we recognized a tax expense of \$ 378.8 from an increase in our valuation allowance on U.S. and foreign deferred tax assets, as a result of a determination that it was more likely than not that such deferred tax assets would not be realized. The remaining net deferred tax liability is primarily related to a basis difference in intangibles as a result of the acquisition of Zynga in May 2022.

At March 31, 2024, we had domestic net operating loss carryforwards totaling \$ 367.5 of which \$ 28.3 will expire from 2024 to 2029, \$ 187.3 will expire from 2030 to 2040, \$ 136.8 will expire from 2041 to 2043, and the remainder will be carried forward indefinitely. In addition, we had foreign net operating loss carryforwards of \$ 201.7 , of which \$ 127.6 will expire from 2026 to 2030, \$ 13.9 will expire from 2041 to 2044 and the remainder may be carried forward indefinitely.

At March 31, 2024, we had domestic tax credit carryforwards totaling \$ 300.5 , of which \$ 1.4 expire in 2031 to 2038, \$ 2.6 expire from 2041 to 2044, and the remainder may be carried forward indefinitely.

The total amount of undistributed earnings of foreign subsidiaries was approximately \$ 492.5 at March 31, 2024 and \$ 64.6 at March 31, 2023. The amount of undistributed earnings of foreign subsidiaries of \$ 456.0 as of March 31, 2023 was offset by a deficit of \$ 391.4 relating to Zynga, while the amount at March 31, 2024 does not include amounts relating to foreign subsidiaries with deficits. As of March 31, 2024, it is our intention to reinvest indefinitely undistributed earnings of our foreign subsidiaries. Accordingly, no provision has been made for foreign withholding taxes or U.S. income taxes which may become payable if undistributed earnings of foreign subsidiaries are repatriated. It is not practicable to estimate the tax liability that would arise if these earnings were remitted.

We are regularly audited by domestic and foreign taxing authorities. Audits may result in tax assessments in excess of amounts claimed and the payment of additional taxes. We believe that our tax return positions comply with applicable tax law and that we have adequately provided for reasonably foreseeable assessments of additional taxes. Additionally, we believe that any assessments in excess of the amounts provided for will not have a material adverse effect on our Consolidated Financial Statements. It is possible that settlement of audits or the expiration of the statute of limitations may have an impact on our effective tax rate in future periods.

We recognize interest and penalties related to uncertain tax positions in the provision for income taxes in our Consolidated Statements of Operations. For the fiscal years ended March 31, 2024, 2023, and 2022, we recognized an increase

of interest and penalties of \$ 13.5 , \$ 8.9 , and \$ 1.9 , respectively. The gross amount of interest and penalties accrued as of March 31, 2024 and 2023 was \$ 33.6 and \$ 20.2 , respectively.

As of March 31, 2024, we had gross unrecognized tax benefits, including interest and penalties, of \$ 276.3 , of which \$ 167.9 would affect our effective tax rate if realized. For the fiscal year ended March 31, 2024, gross unrecognized tax benefits decreased by \$ 18.5 .

We are no longer subject to audit for U.S. federal income tax returns for periods prior to our fiscal year ended March 31, 2021 and state income tax returns for periods prior to the fiscal year ended March 31, 2020. With few exceptions, we are no longer subject to income tax examinations in non-U.S. jurisdictions for years prior to fiscal year ended March 31, 2016. Certain U.S. state and foreign taxing authorities are currently examining our income tax returns for the fiscal years ended March 31, 2016 through March 31, 2022.

The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Although potential resolution of uncertain tax positions involve multiple tax periods and jurisdictions, it is reasonably possible that a reduction of \$ 38.6 of unrecognized tax benefits may occur within the next 12 months, some of which, depending on the nature of the settlement or expiration of statutes of limitations, may affect our income tax provision and therefore benefit the resulting effective tax rate. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements.

The aggregate changes to the liability for gross uncertain tax positions, excluding interest and penalties, were as follows:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Balance, beginning of period	\$ 274.7	\$ 164.8	\$ 158.3
Additions:			
Current year tax positions	41.4	26.5	10.3
Prior year tax positions <sup>(1)</sup>	2.3	109.7	4.2
Reduction of prior year tax positions	—	( 26.3 )	—
Lapse of statute of limitations	( 76.2 )	—	( 8.0 )
Other	0.6	—	—
Balance, end of period	\$ 242.8	\$ 274.7	\$ 164.8

<sup>(1)</sup> For the fiscal year ended March 31, 2023, the increase in prior year tax positions of \$ 109.7 related to purchase accounting for the Zynga acquisition.

We believe that we have provided for any reasonably foreseeable outcomes related to our tax audits and that any settlement will not have a material adverse effect on our consolidated financial statements. However, there can be no assurances as to the possible outcomes.

## 16. STOCK-BASED COMPENSATION

### Stock Incentive Plan

In September 2017, our stockholders approved our 2017 Stock Incentive Plan (the "2017 Plan"). The aggregate number of shares issuable under the 2017 Plan is 25.7 , subject to adjustment as set forth in the 2017 Plan, and, as of March 31, 2024, there were approximately 10.5 shares available for issuance. The 2017 Plan is administered by the Compensation Committee of the Board of Directors and allows for awards of restricted stock units and other stock-based awards of our common stock to employees and non-employees, including to ZMC in connection with their contract to provide executive management service to us. Subject to the provisions of the plans, the Board of Directors, or any Committee appointed by the Board of Directors, has the authority to determine the individuals to whom the equity awards are to be granted, the number of shares to be covered by each equity award, the vesting period, restrictions, if any, on the equity award and the terms and conditions of the equity award. Upon the vesting of certain stock-based awards, employees have the option to have us withhold shares to satisfy the employee's federal and state tax withholding requirements.

## Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense included in our Consolidated Statements of Operations:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Cost of revenue	\$ 24.4	\$ ( 9.5 )	\$ 48.4
Selling and marketing	95.3	95.2	30.0
General and administrative	111.5	115.5	66.5
Research and development	104.4	116.6	38.1
Stock-based compensation expense before income taxes	335.6	317.8	183.0
Provision for (benefit from) income taxes	( 12.2 )	( 45.8 )	( 35.4 )
Stock-based compensation expense, net of income tax benefit	323.4	272.0	147.6
Capitalized stock-based compensation expense	\$ 85.4	\$ 74.4	\$ 82.1

During the fiscal year ended March 31, 2024, the forfeiture of awards resulted in the reversal of expense of \$ 2.4 and amounts capitalized as software development costs of \$ 7.4 . During the fiscal year ended March 31, 2023, the forfeiture of awards resulted in the reversal of expense of \$ 49.5 and amounts capitalized as software development costs of \$ 11.9 . During the fiscal year ended March 31, 2022, the forfeiture of awards resulted in the reversal of expense of \$ 0.7 and amounts capitalized as software development costs of \$ 3.2 .

As of March 31, 2024, the total future unrecognized compensation cost related to outstanding unvested restricted stock was \$ 684.2 and will be either recognized as compensation expense over a weighted-average period of approximately 2.4 years or capitalized as software development costs.

For the fiscal years ended March 31, 2024, 2023, and 2022, the total fair values of restricted stock units that vested were \$ 309.3 , \$ 321.8 , and \$ 208.6 , respectively.

In connection with the Zynga Acquisition (see [Note 20 - Acquisitions](#)), (i) the outstanding and unexercised options to purchase Zynga common stock were assumed by the Company and automatically converted into options exercisable for shares of Take-Two common stock (the "Converted Options"), (ii) the issued and outstanding restricted stock unit awards with respect to Zynga common stock were assumed by the Company and automatically converted into a Take-Two restricted stock unit award with respect to shares of Take-Two common stock (the "Converted RSUs"), and (iii) the issued and outstanding performance stock unit awards with respect to Zynga common stock were assumed by the Company and automatically converted into a Take-Two restricted stock unit award with respect to shares of Take-Two common stock (the "Converted PSUs" and together with the Converted Options and the Converted RSUs, the "Converted Awards"). As a result, we issued replacement equity options and PSU/RSU awards of 1.5 and 4.2 , respectively. The portion of the fair value related to pre-combination services of \$ 151.7 was included in the purchase price, and \$ 28.6 was recognized as day-one post-combination expense for acceleration of awards, while the remaining fair value will be recognized over the remaining service periods. As of March 31, 2024, the future expense for the Converted RSUs and Converted PSUs was approximately \$ 114.9 , which will be recognized over a weighted average service period of approximately 1.0 years. As of March 31, 2024, the future expense for the Converted Options was approximately \$ 0.1 , which will be recognized over a weighted average service period of approximately 0.3 years.

## Restricted Stock Units

### Employee Awards

Time-based restricted stock units granted to employees under our stock-based compensation plans generally vest either annually or quarterly over three years or four years from the date of grant. Certain restricted stock units granted to key officers, senior-level employees, or key employees vest based on market conditions, primarily related to the performance of the price of our common stock. Certain restricted stock units granted to key officers, senior-level employees, or key employees vest based on performance conditions, primarily related to performance metrics around certain of our titles.

### ZMC Non-Employee Awards

In connection with the 2022 Management Agreement and the 2017 Management Agreement, we granted restricted stock units (in thousands) to ZMC (see [Note 3 - Management Agreement](#) ) as follows:



	Fiscal Year Ended March 31,	
	2024	2023
Time-based	97	192
Market-based <sup>(1)</sup>	295	510
Performance-based <sup>(1)</sup>		
IP	—	18
Recurrent Consumer Spending ("RCS")	98	153
Total Performance-based	98	171
Total Restricted Stock Units	490	873

<sup>(1)</sup> Represents the maximum number of shares eligible to vest.

Time-based restricted stock units granted in fiscal year 2024 pursuant to the 2022 Management Agreement will vest on May 31, 2024, May 30, 2025, and June 1, 2026, and those granted in fiscal year 2023 pursuant to the 2022 Management Agreement, vested in part on June 1, 2023 and will also vest in part on May 31, 2024, and May 30, 2025. Time-based restricted stock units granted in fiscal year 2023 pursuant to the 2017 Management Agreement vested on April 12, 2024.

Market-based restricted stock units granted in fiscal year 2024 pursuant to the 2022 Management Agreement are eligible to vest on June 1, 2026, and those granted in fiscal year 2023 pursuant to the 2022 Management Agreement are eligible to vest on May 31, 2024 and May 30, 2025. Market-based restricted stock units granted in fiscal year 2023 pursuant to the 2017 Management Agreement vested on April 12, 2024. Market-based restricted stock units are eligible to vest based on the Company's Total Shareholder Return (as defined in the relevant grant agreement) relative to the Total Shareholder Return (as defined in the relevant grant agreement) of the companies that constitute either the NASDAQ Composite Index under the 2017 Management Agreement or the NASDAQ 100 index under the 2022 Management Agreement (as defined in the relevant grant agreement) as of the grant date measured over a two-year period or three-year period, as applicable. To earn the target number of market-based restricted stock units (which represents 50 % of the number of the market-based restricted stock units set forth in the table above), the Company must perform at the 50 th percentile, with the maximum number of market-based restricted stock units earned if the Company performs at the 75 th percentile.

Performance-based restricted stock units granted in fiscal year 2024 pursuant to the 2022 Management Agreement are eligible to vest on June 1, 2026, and those granted in fiscal year 2023 pursuant to the 2022 Management Agreement are eligible to vest on May 31, 2024 and May 30, 2025. Performance-based restricted stock units granted in fiscal year 2023 pursuant to the 2017 Management Agreement vested on April 12, 2024. The performance-based restricted stock units, of which certain are tied to "IP" and "RCS" (as defined in the relevant grant agreement), are eligible to vest based on the Company's achievement of certain performance metrics (as defined in the relevant grant agreement) of either individual product releases of "IP" measured over a two-year period or "RCS" measured over a two-year or three-year period. The target number of performance-based restricted stock units that may be earned pursuant to these grants is equal to 50 % of the grant amounts set forth in the above table (the numbers in the table represent the maximum number of performance-based restricted stock units that may be earned). At the end of each reporting period, we assess the probability of each performance metric and upon determination that certain thresholds are probable, we record expense for the unvested portion of the shares of performance-based restricted stock units.

The unvested portion of time-based, market-based and performance-based restricted stock units held by ZMC as of March 31, 2024 and 2023 were 1.3 and 1.1 , respectively. During the fiscal year ended March 31, 2024, 0.2 restricted stock units previously granted to ZMC vested, and 0.0 restricted stock units were forfeited by ZMC.

#### Fair Value of Stock-Based Awards

##### Time-Based Awards

The estimated value, based on the closing price of our stock on the grant date, of time-based restricted stock units granted to employees during the fiscal years ended March 31, 2024, 2023, and 2022 was \$ 138.25 , \$ 118.17 , and \$ 180.97 per share, respectively.

For the fiscal years ended March 31, 2024, 2023, and 2022, the estimated value, based on the closing price of our stock on the grant date, of time-based restricted stock awards granted to ZMC was \$ 137.59 , \$ 128.90 , and \$ 182.66 per share, respectively.

The following table summarizes the activity in non-vested restricted stock units to employees and ZMC under our stock-based compensation plans with time-based restricted stock awards presented at 100% of target number of shares that may potentially vest:

	Shares (in millions)	Weighted Average Fair Value on Grant Date
Non-vested restricted stock units at March 31, 2023	5.1	\$ 126.34
Granted	1.6	138.21
Vested	( 1.9 )	130.24
Forfeited	( 0.4 )	123.03
Non-vested restricted stock units at March 31, 2024	4.4	\$ 129.33

#### Market-Based Awards

The following table summarizes the weighted-average assumptions used in the Monte Carlo Simulation to estimate the fair value of market-based awards:

	Fiscal Year Ended March 31,					
	2024		2023		2022	
	Employee Market-Based	Non-Employee Market-Based	Employee Market-Based	Non-Employee Market-Based	Employee Market-Based	Non-Employee Market-Based
Risk-free interest rate	4.0 %	4.0 %	2.6 - 2.8 %	2.4 - 2.8 %	0.1 %	0.2 %
Expected stock price volatility	36.6 %	36.6 %	35.9 - 37.6 %	34.2 - 37.6 %	37.3 %	36.3 %
Expected service period (years)	2.8	2.8	1.8 - 2.8	1.8 - 2.8	1.5	1.0
Dividends	None	None	None	None	None	None

The estimated value of market-based restricted stock awards granted to employees during the fiscal years ended March 31, 2024, 2023, and 2022 was \$ 195.85 , \$ 179.93 , and \$ 292.76 per share, respectively. For the fiscal years ended March 31, 2024, 2023, and 2022, the estimated value of the market-based restricted stock awards granted to ZMC was \$ 193.41 , \$ 175.12 , and \$ 293.32 per share, respectively.

The following table summarizes the activity in non-vested restricted stock units to employees and ZMC under our stock-based compensation plans with market-based restricted stock awards presented at 100% of target number of shares that may potentially vest:

	Shares (in millions)	Weighted Average Fair Value on Grant Date
Non-vested restricted stock units at March 31, 2023	0.7	\$ 183.72
Granted	0.5	195.03
Vested	( 0.2 )	276.07
Forfeited	( 0.1 )	218.49
Non-vested restricted stock units at March 31, 2024	0.9	\$ 172.66

#### Performance-Based Awards

The estimated value of performance-based restricted stock awards granted to employees during the fiscal year ended March 31, 2024, 2023, and 2022 was \$ 139.21 , \$ 125.03 , and \$ 176.05 , respectively. For the fiscal years ended March 31, 2024, 2023, and 2022, the estimated value of the performance-based restricted stock awards granted to ZMC was \$ 148.42 , \$ 125.90 , and \$ 182.66 per share, respectively.

The following table summarizes the activity in non-vested restricted stock units to employees and ZMC under our stock-based compensation plans with performance restricted stock awards presented at 100% of target number of shares that may potentially vest:

	Shares (in millions)	Weighted Average Fair Value on Grant Date
Non-vested restricted stock units at March 31, 2023	3.9	\$ 113.28
Granted	0.2	141.90
Vested	( 0.1 )	166.02
Forfeited	( 0.1 )	151.67
Non-vested restricted stock units at March 31, 2024	3.9	\$ 113.58

#### Fair Value of Stock Options

All Converted Options generally vest over four to five years , with 20 % to 25 % vesting after one year and the remainder vesting monthly thereafter over 26 to 48 months, respectively. The stock options have a contract term of 10 years and the related expense is determined using the Black-Scholes option pricing model on the date of grant.

The following table shows stock option activity for the fiscal year ended March 31, 2024:

	Shares (in millions)	Weighted Average Fair Value on Grant Date	Aggregate Intrinsic Value of Stock Options Outstanding	Weighted Average Contractual Term (In Years)
Balance as of March 31, 2023	0.7	\$ 49.54	\$ 46.51	4.53
Granted	—	—		
Vested	( 0.1 )	38.68		
Forfeited	—	34.68		
Balance as of March 31, 2024	0.6	\$ 50.50	\$ 61.85	3.45
As of March 31, 2024				
Exercisable options	0.6	\$ 50.02	\$ 61.72	3.45
Vested and expected to vest	—	\$ 44.59	\$ 0.13	6.51

The following table presents the weighted-average grant date fair value and related assumptions used to estimate the fair value of our stock options converted during the fiscal year ended March 31, 2023. We had no stock options converted or granted in the fiscal year ended March 31, 2024:

	Fiscal Year Ended March 31, 2023
Risk-free interest rate	0.6 - 2.8 %
Expected stock price volatility	36.0 - 46.5 %
Expected service period (years)	0.1 - 5.1
Dividends	None

The aggregate intrinsic value of stock options exercised during the fiscal year ended March 31, 2024 was \$ 4.6 . For the fiscal year ended March 31, 2024, the amount of cash received from exercise of stock options was \$ 1.5 . The total fair value of options that vested during the fiscal year ended March 31, 2024 was \$ 1.5 . The total fair value of options that were exercised during the fiscal year ended March 31, 2024 was \$ 6.1 .

During the fiscal year ended March 31, 2024, total unrecognized stock-based compensation expense of \$ 0.1 related to unvested stock options is expected to be recognized over a weighted-average recognition period of approximately 0.28 years.

#### Employee Stock Purchase Plans

In September 2017, our stockholders approved our 2017 Global Employee Stock Purchase Plan as amended and restated ("ESPP"). The maximum aggregate number of shares of common stock that may be issued under the plan is 9.0 , and as of March 31, 2024, there were approximately 7.9 shares available for issuance. The ESPP is administered by the Compensation Committee of the Board of Directors and allows for eligible employees an option to purchase shares of our common stock, which the employee may or may not exercise during an offering period. Eligible employees may authorize payroll deductions of between 1 % and 15 % of their compensation to purchase shares of common stock at 85 % 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 fair value is determined using the Black-Scholes valuation model. 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 historical stock price volatility. Expected term is determined based on historical exercise behavior, post-vesting termination patterns, options outstanding and future expected exercise behavior. The following table summarizes the assumptions used in the Black-Scholes valuation model to value our purchase rights:

	Fiscal Year Ended March 31,	
	2024	2023
Risk-free interest rate	5.14 - 5.51 %	1.4 - 4.6 %
Expected stock price volatility	26.3 - 39.1 %	27.7 %
Expected service period (years)	0.5	0.5
Dividends	None	None

For the fiscal year ended March 31, 2024, our employees purchased 0.4 shares for \$ 37.9 with a weighted-average fair value of \$ 102.19 . For the fiscal year ended March 31, 2023, our employees purchased 0.2 shares for \$ 22.1 with a weighted-average fair value of \$ 101.15 .

#### 17. INTEREST AND OTHER, NET

	Fiscal Year Ended March 31,		
	2024	2023	2022
Interest income	\$ 62.3	\$ 33.8	\$ 17.6
Interest expense	( 140.6 )	( 129.6 )	( 18.6 )
Foreign currency exchange gain (loss)	( 28.6 )	( 31.8 )	( 7.3 )
Other	3.3	( 14.3 )	( 5.9 )
Interest and other, net	\$ ( 103.6 )	\$ ( 141.9 )	\$ ( 14.2 )

#### 18. ACCUMULATED OTHER COMPREHENSIVE (LOSS)

The following table provides the components of Accumulated other comprehensive loss:

	Foreign currency translation adjustments	Unrealized gain (loss) on available- for-sales securities	Total
Balance at March 31, 2022	\$ ( 52.8 )	\$ ( 4.5 )	\$ ( 57.3 )
Other comprehensive income (loss) before reclassifications	( 58.9 )	2.9	( 56.0 )
Balance at March 31, 2023	\$ ( 111.7 )	\$ ( 1.6 )	\$ ( 113.3 )
Other comprehensive income (loss) before reclassifications	6.7	1.5	8.2
Balance at March 31, 2024	\$ ( 105.0 )	\$ ( 0.1 )	\$ ( 105.1 )

## 19. SUPPLEMENTARY FINANCIAL INFORMATION

The following table provides details of our valuation and qualifying accounts:

	Beginning Balance	Additions	Deductions	Other	Ending Balance
<b><i>Fiscal Year Ended March 31, 2024</i></b>					
Valuation allowance for deferred income taxes	\$ 338.2	488.0	( 27.1 )	—	\$ 799.1
<b><i>Fiscal Year Ended March 31, 2023</i></b>					
Valuation allowance for deferred income taxes	\$ 121.9	218.5	( 2.2 )	—	\$ 338.2
<b><i>Fiscal Year Ended March 31, 2022</i></b>					
Valuation allowance for deferred income taxes	\$ 95.7	27.9	( 1.7 )	—	\$ 121.9

## 20. ACQUISITIONS

### Zynga Acquisition

On May 23, 2022, we completed the Zynga Acquisition. Under the terms and conditions of the merger agreement, each Zynga stockholder received \$ 3.50 in cash and 0.0406 shares of our common stock and cash in lieu of fractional shares for each share of Zynga common stock outstanding at closing. Our consideration consisted of an aggregate of \$ 3,992.4 in cash, 46.3 shares of our common stock, and \$ 151.7 of replacement equity awards attributable to the pre-acquisition service period. In connection with the transaction, on April 14, 2022, we completed our offering and sale of \$ 2,700.0 aggregate principal amount of our Senior Notes (refer to [Note 11 - Debt](#)). The cash portion of the merger consideration was funded from our cash on hand, including the proceeds from our senior notes offering.

We acquired Zynga as part of our ongoing strategy to expand selectively our portfolio of owned intellectual property and to diversify and strengthen further our mobile offerings.

The acquisition-date fair value of the consideration totaled \$ 9,521.8 , which consisted of the following:

	Fair value of purchase consideration
Cash	\$ 3,992.4
Common stock ( 46.3 shares)	5,377.7
Replacement equity awards	151.7
Total	\$ 9,521.8

We used the acquisition method of accounting and recognized assets acquired and liabilities assumed at their fair value as of the date of acquisition, with the excess recorded to goodwill. The following table summarizes the acquisition date fair value of net tangible and intangible assets acquired, net of liabilities assumed from Zynga:

	Fair Value	Weighted average useful life
Cash acquired	\$ 864.9	N/A
Accounts receivable	271.2	N/A
Prepaid expenses and other	194.4	N/A
Fixed assets	54.3	N/A
Right-of-use assets	92.7	N/A
Other tangible assets	67.1	N/A
Accounts payable	( 78.5 )	N/A
Accrued expenses and other current liabilities	( 352.8 )	N/A
Deferred revenue	( 333.1 )	N/A
Lease liabilities	( 15.7 )	N/A
Long-term debt	( 1,653.1 )	N/A
Non-current lease liabilities	( 131.6 )	N/A
Deferred tax liabilities, net	( 922.9 )	N/A
Other liabilities assumed	( 61.5 )	N/A
Intangible assets		
Developed game technology	4,440.0	7
Branding and trade names	384.0	12
Game engine technology	261.0	4
User base	316.0	1
Developer relationships	57.0	4
Advertising technology	43.0	3
Customer relationships	31.0	5
Goodwill	5,994.4	N/A
Total	<u>\$ 9,521.8</u>	

#### Popcore Acquisition

On November 16, 2022, we completed the acquisition of 100 % of Popcore, a privately-held Germany-based free-to-play mobile game developer, for initial consideration of \$ 116.9 in cash, 0.6 shares of our common stock, and a contingent earn-out consideration arrangement that requires us to pay up to an aggregate of \$ 105.0 in cash if Popcore achieves certain performance measures over each of the three calendar years following the closing. The cash portion was funded from our cash on hand.

We acquired Popcore as part of our ongoing strategy to expand selectively our portfolio of owned intellectual property and to diversify and strengthen further our mobile offerings.

The acquisition-date fair value of the consideration totaled \$ 198.0 , which consisted of the following:

	Fair value of purchase consideration
Cash	\$ 116.9
Common stock ( 0.6 shares)	57.8
Contingent earn-out	23.3
Total	\$ 198.0

The fair value of the contingent earn-out consideration arrangement at the acquisition date was \$ 23.3 . We estimated the fair value of the contingent earn-out consideration using a Monte Carlo simulation model. This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in ASC 820 (refer to [Note 4 - Fair Value Measurements](#)).

We used the acquisition method of accounting and recognized assets and liabilities at their fair value as of the date of acquisition, with the excess recorded to goodwill. The following table summarizes the acquisition date fair value of net tangible and intangible assets acquired, net of liabilities assumed from Popcore:

	Fair Value	Weighted average useful life
Cash acquired	\$ 37.1	N/A
Other tangible assets	22.4	N/A
Other liabilities assumed	( 81.2 )	N/A
Intangible assets		
Developed game technology	113.0	5
Game engine technology	27.7	7
Branding and trade names	3.4	4
Goodwill	75.6	N/A
Total	\$ 198.0	

Goodwill, which is not deductible for U.S. income tax purposes, is primarily attributable to the assembled workforce of the acquired business and expected synergies at the time of the acquisition.

#### **Gearbox Acquisition**

On March 27, 2024, we entered into a Share Purchase Agreement to purchase 100 % of the issued and outstanding capital stock of The Gearbox Entertainment Company, Inc. ("Gearbox"), from Embracer Group AB. The purchase price is \$ 460.0 , consisting of newly issued shares of Take-Two common stock, valued based on the volume weighted average closing price per share of our common stock on the Nasdaq Global Select Market for the five consecutive trading days ending on (and including) the trading day immediately preceding the closing date, subject to adjustments as defined in the Share Purchase Agreement. The transaction, which is currently anticipated to close during the first quarter in fiscal 2025, is subject to the satisfaction or waiver of customary closing conditions for both parties.

#### **21. BUSINESS REORGANIZATION**

We have implemented a cost reduction program to identify efficiencies across our business (the "2024 Plan"), which includes eliminating several projects in development and streamlining our organizational structure. The 2024 Plan is expected to be largely completed by December 31, 2024. We estimate that we will incur approximately \$ 160.0 to \$ 200.0 in total charges in connection with the 2024 Plan, which consists of approximately \$ 120.0 to \$ 140.0 related to title cancellations, \$ 25.0 to \$ 35.0 associated with employee severance and employee-related costs, and approximately \$ 15.0 to \$ 25.0 related to office space reductions.

We incurred business reorganization expenses of \$ 104.6 , \$ 14.6 , and \$ 0.8 during the fiscal year ended March 31, 2024, 2023, and 2022, respectively. Of these amounts, \$ 93.3 was incurred in connection with the 2024 Plan during the fiscal year

ended March 31, 2024, of which \$ 88.2 related to title cancellations (refer to [Note 7 - Software Development Costs and Licenses](#)), \$ 3.2 was for employee-related costs, and the remaining \$ 1.9 consisted of professional fees.

Through March 31, 2024, we paid \$ 1.9 related to these reorganization activities and \$ 13.1 remained accrued for in Accrued expenses and other current liabilities.



## 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.

### TAKE-TWO INTERACTIVE SOFTWARE, INC.

By: /s/ STRAUSS ZELNICK

Strauss Zelnick

Chairman and Chief Executive Officer

May 21, 2024

## POWER OF ATTORNEY

Each individual whose signature appears below constitutes and appoints Strauss Zelnick and Lainie Goldstein and each of them, his or her true and lawful attorneys-in-fact and agents with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his, her or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

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 in the capacities and on the date indicated.

Signature	Title	Date
<u>/s/ STRAUSS ZELNICK</u> Strauss Zelnick	Chairman and Chief Executive Officer (Principal Executive Officer)	May 21, 2024
<u>/s/ LAINIE GOLDSTEIN</u> Lainie Goldstein	Chief Financial Officer (Principal Financial and Accounting Officer)	May 21, 2024
<u>/s/ MICHAEL DORNEMANN</u> Michael Dornemann	Lead Independent Director	May 21, 2024
<u>/s/ WILLIAM "BING" GORDON</u> William "Bing" Gordon	Director	May 21, 2024
<u>/s/ ROLAND HERNANDEZ</u> Roland Hernandez	Director	May 21, 2024
<u>/s/ J MOSES</u> J Moses	Director	May 21, 2024
<u>/s/ MICHAEL SHERESKY</u> Michael Sheresky	Director	May 21, 2024
<u>/s/ ELLEN SIMINOFF</u> Ellen Siminoff	Director	May 21, 2024
<u>/s/ LAVERNE SRINIVASAN</u> LaVerne Srinivasan	Director	May 21, 2024
<u>/s/ SUSAN TOLSON</u> Susan Tolson	Director	May 21, 2024
<u>/s/ PAUL VIERA</u> Paul Viera	Director	May 21, 2024

**DESCRIPTION OF THE REGISTRANT'S SECURITIES**  
**REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

As of March 31, 2024, Take-Two Interactive Software, Inc. had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: common stock, \$0.01 par value per share.

The following summary describes our common stock and the material provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. Because the following is only a summary, it does not contain all of the information that may be important to you, and is qualified in its entirety by the full text of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are on file with the SEC and included as exhibits to our Annual Report on Form 10-K for the year ended March 31, 2024. You should refer to the text of these documents for a complete description. Unless the context requires otherwise, references in this exhibit to "Take-Two," the "Company," "we," "us," and "our" refer to Take-Two Interactive Software, Inc. together with its consolidated subsidiaries.

Our authorized capital stock consists of 305,000,000 shares, with a par value of \$0.01 per share, of which:

- 300,000,000 shares are designated as common stock; and
- 5,000,000 shares are designated as preferred stock.

At May 6, 2024, we had outstanding 171,385,386 shares of common stock and no shares of preferred stock.

**Common Stock**

***Voting Rights***

Unless otherwise provided for in our certificate of incorporation, each stockholder shall at every meeting of stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

***Dividends***

Subject to the preferential rights of the preferred stock, if any, the holders of shares of common stock shall be entitled to receive, when and if declared by our board of directors, out of the assets of the Company which are by law available therefor, dividends payable either in cash, in property or in shares of common stock.

***Liquidation***

In the event of any dissolution, liquidation or winding-up of the affairs of the Company, after payment or provision for payment of the debts and other liabilities of the Company, and of the amounts to which the holders of preferred stock are entitled, if any, the holders of all outstanding shares of common stock shall be entitled to share ratably in the remaining net assets of the Company.

***No Preemptive, Redemption or Conversion Rights***

The common stock is not subject to redemption or retirement, is not subject to sinking fund provisions, does not have any conversion rights and is not subject to call. The common stock does not have preemptive or other rights to subscribe for additional shares of any class of our stock.

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### ***Voting Rights for the Election of Directors***

Our board of directors is not classified. Our certificate of incorporation and bylaws provide that our board of directors may consist of any number of directors, not less than one and not more than ten.

A director shall be elected if the number of votes which are cast "for" his or her election by holders of the stock present in person or represented by proxy entitled to vote on the election of directors exceed the number of votes "against" his or her election by such holders; provided that, if the chairman of the meeting determines that the number of persons properly nominated to serve as directors of the corporation exceeds the number of directors to be elected, the directors shall be elected by a plurality of the stock present in person or represented by proxy entitled to vote on the election of directors. Our amended and restated certificate of incorporation does not provide for cumulative voting in the election of directors.

Our board has the ability to fill vacancies on our board. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected, unless sooner displaced.

### ***Action by Written Consent; Special Stockholder Meetings***

Our amended and restated bylaws provide for the right of stockholders to act by written consent without a meeting. In addition, our bylaws provide that special meetings of the stockholders may be called by the executive chairman, non-executive chairman, chief executive officer or president and shall be called by the executive chairman, non-executive chairman, chief executive officer, president or secretary at the request in writing of a majority of the board of directors or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote.

This **AMENDMENT NO. 1** (this "**Amendment**"), dated as of May 14, 2024, is entered into by and among Take-Two Interactive Software, Inc., a Delaware corporation (the "**Borrower**") and JPMORGAN CHASE BANK, N.A. ("**JPMCB**"), as Administrative Agent (in such capacity, the "**Administrative Agent**").

**WHEREAS**, the Borrower, the financial institutions party thereto as Lenders and the Administrative Agent are party to that certain the Credit Agreement dated as of May 23, 2022 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "**Existing Credit Agreement**" and as amended by this Amendment, the "**Credit Agreement**") (capitalized terms used herein without definition have the meanings given such terms by the Existing Credit Agreement);

**WHEREAS**, Section 2.14(b) of the Credit Agreement permits the Borrower and the Administrative Agent to select a Benchmark Replacement to replace a Benchmark in the event a Benchmark Transition Event and its related Benchmark Replacement Date have occurred so long as the Required Lenders have not objected to such Benchmark Replacement within five Business Days of receiving notice thereof;

**NOW, THEREFORE**, in consideration of the premises and agreements, provisions and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. Defined Terms.** Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

**SECTION 2. Amendments to Existing Credit Agreement.** Effective as of the Amendment No. 1 Effective Date (as defined below), the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the conformed copy of the Credit Agreement attached as Exhibit A hereto.

**SECTION 3. Amendment No. 1 Effective Date.** This Amendment shall become effective as of the first date (the "**Amendment No. 1 Effective Date**") on which each of the following conditions shall have been satisfied :

- (a) the Administrative Agent shall have received a counterpart signature page of this Amendment duly executed by the Borrower and the Administrative Agent; and
- (b) A Benchmark Transition Event and its related Benchmark Replacement Date shall have occurred with respect to the Adjusted CDOR Rate.

**SECTION 4. Representations and Warranties.** To induce the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the other parties hereto on the Amendment No. 1 Effective Date that:

- (a) (i) the execution, delivery and performance by the Borrower of this Amendment is within the Borrower's corporate power and has been duly authorized by all necessary corporate action of the Borrower; and (ii) this Amendment has been duly executed and delivered by the Borrower and is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and
  - (b) the execution, delivery and performance of this Amendment by the Borrower (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (ii) will not violate (A) the charter, by-
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laws or other organizational documents of the Borrower, or (B) any law or regulation applicable to the Borrower or any of its Subsidiaries and (iii) will not violate or result in a default under any indenture or other agreement or instrument binding upon the Borrower or any of its Subsidiaries or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by the Borrower or any of its Subsidiaries, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation thereunder.

#### **SECTION 5. Effect of Amendment.**

(a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Existing Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other provision of the Existing Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document in similar or different circumstances, except as expressly set forth herein.

(b) From and after the Amendment No. 1 Effective Date each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the "Credit Agreement" in any other Loan Document shall be deemed a reference to the Credit Agreement as amended hereby.

(c) This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

(d) Notwithstanding anything contained herein, the terms of this Amendment shall not constitute a novation of the Existing Credit Agreement or any other Loan Documents and are not intended to and do not serve to effect a novation of the obligations outstanding under the Existing Credit Agreement or instruments guaranteeing or securing the same, which instruments shall remain and continue in full force and effect. The parties hereto expressly do not intend to extinguish the Existing Credit Agreement. Instead, it is the express intention of the parties hereto to reaffirm the indebtedness created under the Existing Credit Agreement. The Existing Credit Agreement (as amended hereby) and each of the Loan Documents remain in full force and effect.

**SECTION 6. Expenses.** (a) The Borrower agrees to reimburse the Administrative Agent for its reasonable and documented out-of-pocket expenses incurred by it in connection with this Amendment, including the reasonable and documented fees, charges and disbursements of Latham & Watkins llp, counsel for the Administrative Agent.

(b) The provisions of Section 9.03 of the Credit Agreement are otherwise incorporated herein by reference, *mutatis mutandis*.

**SECTION 7. Amendments; Severability.** (a) Once effective, this Amendment may not be amended nor may any provision hereof be waived except pursuant to Section 9.02 of the Credit Agreement.

(b) If any provision of this Amendment is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**SECTION 8. GOVERNING LAW; Waiver of Jury Trial; Jurisdiction. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF**

**THE STATE OF NEW YORK.** The provisions of Sections 9.09 and 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

**SECTION 9. Headings.** Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment.

**SECTION 10. Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or other electronic imaging means of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

*[Remainder of page intentionally left blank]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**TAKE-TWO INTERACTIVE SOFTWARE, INC.,**  
as Borrower

By: /s/ Matthew Breitman  
Name: Matthew Breitman  
Title: SVP, General Counsel Americas

**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent

By: /s/ Christine Lathrop  
Name: Christine Lathrop  
Title: Executive Director

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# J.P.Morgan

## CREDIT AGREEMENT

dated as of

May 23, 2022

among

TAKE-TWO INTERACTIVE SOFTWARE, INC.

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.  
as Administrative Agent

JPMORGAN CHASE BANK, N.A., WELLS FARGO SECURITIES, LLC, BOFA SECURITIES, INC. and BNP PARIBAS,  
as Joint Lead Arrangers and Joint Bookrunners

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Syndication Agent

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CREDIT AGREEMENT (this "Agreement") dated as of May 23, 2022 among TAKE-TWO INTERACTIVE SOFTWARE, INC., the LENDERS from time to time party hereto, and JPMORGAN CHASE BANK, N.A. ("JPMCB"), as Administrative Agent.

The parties hereto agree as follows:

## ARTICLE I

### Definitions

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquired EBITDA" means with respect to any Acquired Entity or Business for any period, the amount for such period of Consolidated Adjusted EBITDA of such Acquired Entity or Business (determined as if references to the Borrower and the Subsidiaries in the definition of the term "Consolidated Adjusted EBITDA" (and in the component financial definitions used therein) were references to such Acquired Entity or Business and its subsidiaries that will become Subsidiaries), on a consolidated basis for such Acquired Entity or Business in accordance with GAAP as determined in good faith by the Borrower.

"Acquired Entity or Business" has the meaning assigned to such term in the definition of "Consolidated Adjusted EBITDA".

~~"Adjusted CDOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Canadian Dollars for any Interest Period, an interest rate per annum equal to (a) the CDOR Screen Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted CDOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.~~

"Adjusted Daily Simple RFR" means, (i) with respect to any RFR Borrowing denominated in Sterling, an interest rate per annum equal to (a) the Daily Simple RFR for Sterling, *plus* (b) 0.0326% ~~and~~, (ii) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Dollars, *plus* (b) 0.10% and (iii) with respect to any RFR Borrowing denominated in Canadian dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Canadian dollars, *plus* (b) 0.29547%; provided that if the Adjusted Daily Simple RFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted EURIBOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted EURIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term CORRA Rate" means, for purposes of any calculation, the rate per annum equal to (a) Term CORRA for such calculation plus (b) 0.29547% for a one month interest period or 0.32138% for a three month interest period; provided that if Adjusted Term CORRA Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such

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Interest Period, *plus* (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent-Related Person" has the meaning assigned to it in Section 9.03(b).

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is \$500,000,000.

"Agreed Currencies" means (i) Dollars, (ii) Euro, (iii) Pounds Sterling, (iv) Canadian Dollars and (v) any additional currencies determined after the Effective Date by mutual agreement of the Borrower, the Lenders, the Issuing Banks and the Administrative Agent (each, an "Agreed Currency"); provided that each such currency is a lawful currency that is readily available, freely transferable and not restricted and able to be converted into Dollars.

"Agreement" has the meaning specified in introductory paragraph hereof.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus  $\frac{1}{2}$  of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Ancillary Document" has the meaning assigned to it in Section 9.06(b).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, as applicable, (i) the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and (ii) the U.K. Bribery Act 2010, as amended, and the rules and regulations thereunder.

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment; provided that, in the case of Section 2.22 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, with respect to any Term Benchmark Loan, RFR Loan or any ABR Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Term Benchmark Spread”, “RFR Spread”, “ABR Spread” or “Commitment Fee Rate”, as the case may be, based upon the Credit Rating applicable on such date:

	<u>Credit Ratings</u> <u>(Moody’s/S&amp;P):</u>	<u>Term Benchmark</u> <u>Spread</u>	<u>RFR</u> <u>Spread</u>	<u>ABR</u> <u>Spread</u>	<u>Commitment Fee Rate</u>
<u>Category 1:</u>	≥ A3/A-	1.000%	1.000%	0.0%	0.075%
<u>Category 2:</u>	Baa1/BBB+	1.125%	1.125%	0.125%	0.125%
<u>Category 3:</u>	Baa2/BBB	1.250%	1.250%	0.250%	0.175%
<u>Category 4:</u>	Baa3/BBB-	1.375%	1.375%	0.375%	0.225%
<u>Category 5:</u>	< Ba1/BB+	1.625%	1.625%	0.625%	0.275%

For purposes of the foregoing, (x) if the Credit Rating established or deemed to have been established by Moody’s and S&P shall fall within different Categories, the Commitment Fee Rate, Term Benchmark Spread, RFR Spread and ABR Spread shall each be based on the Category in which the higher rating falls; provided that if there is a split in Credit Rating of more than one Category, the Category that is one level lower than the Category of the higher Credit Rating shall apply, (y) if the Borrower does not have any Credit Rating, Category 5 shall apply and (z) if the Credit Rating established or deemed to have been established by Moody’s or S&P shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective on the earlier of the date on which such change is publicly announced and the date on which the Borrower or any of its Subsidiaries receives written notice of such change. Each change in the Commitment Fee Rate, Term Benchmark Spread, RFR Spread and ABR Spread shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

If the rating system of Moody’s or S&P shall change, or if either rating agency shall cease to be in the business of providing issuer or long-term debt ratings, as the case may be, the Borrower and the Administrative Agent shall negotiate in good faith to amend this definition of “Applicable Rate” to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the



Commitment Fee Rate, Term Benchmark Spread, RFR Spread and ABR Spread shall each be based on the ratings most recently in effect prior to such changes or cessations.

Initially, as of the Effective Date, the Applicable Rate shall be based upon the Credit Ratings applicable to Category 3.

"Approved Electronic Platform" has the meaning assigned to it in Section 9.01(d).

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Arranger" means each of JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, BofA Securities, Inc. and BNP Paribas, in each case in its capacity as joint lead arranger and joint bookrunner hereunder.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Attributable Debt" means, with respect to any Sale and Leaseback Transaction, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such Sale and Leaseback Transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of the Attributable Debt determined assuming termination on the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the Attributable Debt determined assuming no such termination.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Audited Financial Statements" has the meaning assigned to such term in Section 3.04(a).

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Commitment" means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.14.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the

implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Banking Services" means each and any of the following bank services provided to the Borrower or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Borrower or any Subsidiary in connection with Banking Services.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark" means, initially, with respect to any (i) Term Benchmark Loan for any Agreed Currency, the applicable Relevant Rate for such Agreed Currency or (ii) RFR Loan in any Agreed Currency, the applicable Relevant Rate for any Agreed Currency; provided that if a Benchmark Transition Event or a Term CORRA Reelection Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for any Agreed Currency, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in a Foreign Currency (other than any Loan denominated in Canadian Dollars), "Benchmark Replacement" shall mean the alternative set forth in (2) below:

( 1 ) (x) in the case of any Loan denominated in Dollars, the Adjusted Daily Simple SOFR and (y) in the case of any Loan denominated in Canadian Dollars, the Adjusted Daily Simple RFR for Canadian Dollars;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

provided that notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term CORRA Rerelection Event, and the delivery of a Term CORRA Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the Adjusted Term CORRA Rate.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan denominated in Dollars or Canadian Dollars, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "RFR Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); ~~or~~

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; ~~or~~ or

(3) in the case of a Term CORRA Rerelection Event, the date that is thirty (30) days after the date a Term CORRA Notice (if any) is provided to the Lenders and the Borrower pursuant to Section 2.14(c).

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Borrower" means Take-Two Interactive Software, Inc., a Delaware corporation or any successor thereto as required by Section 6.04.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03 in the form attached hereto as Exhibit G-1 or any other form approved by the Administrative Agent.

"Business Day" means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago; provided that, (a) in relation to Loans denominated in Sterling, any day (other than a Saturday or a Sunday) on which banks are open for business in London, (b) in relation to Loans denominated in Euros and in relation to the calculation or computation of EURIBOR, any day which is a TARGET Day, (c) if such day relates to any Loans denominated in Canadian Dollars or payment or purchase of Canadian Dollars and in relation to the calculation or computation of CORRA, any day except Saturday, Sunday ~~and any day which shall be in Toronto, Ontario a legal holiday or a day in which banking institutions are authorized or required by law or other government action to close in Toronto on which banks are open for business in Canada~~ and (d) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day.

"Canadian Dollars" means the lawful currency of Canada.

"Canadian Prime Rate" means, on any day, the rate determined by the Administrative Agent to be the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion); provided, that if any the above rate shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index shall be effective from and including the effective date of such change in the PRIMCAN Index.

~~"CDOR Screen Rate" means, on any day for the relevant Interest Period, the annual rate of interest equal to the average rate applicable to Canadian dollar Canadian bankers' acceptances for the applicable period that appears on the "Reuters Screen CDOR Page" as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion), rounded to the nearest 1/100th of 1% (with .005% being rounded up), as of 10:15 a.m. Toronto local time on the first day of such Interest Period and, if such day is not a business day, then on the immediately preceding business day (as adjusted by Administrative Agent after 10:15 a.m. Toronto local time to reflect any error in the posted rate of interest or in the posted average annual rate of interest).~~

"CBR Loan" means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

"CBR Spread" means the Applicable Rate, applicable to such Loan that is replaced by a CBR Loan.

"Central Bank Rate" means, (A) the greater of (i) for any Loan denominated in (a) Sterling, the Bank of England (or any successor thereto)'s "Bank Rate" as published by the Bank of England (or any successor thereto) from time to time, (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (c) Canadian Dollars, the Canadian Prime Rate and (d) any other Alternative Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) the Floor; plus (B) the applicable Central Bank Rate Adjustment.

"Central Bank Rate Adjustment" means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Sterling in effect on the last RFR Business Day in such period, and (c) any other Alternative Currency determined after the Effective Date, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) the EURIBOR Rate on any day shall be based on the EURIBOR Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

"Change in Control" means the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

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

"Combination" means (i) the merger of Zebra MS I, Inc., a Delaware corporation and a direct, wholly owned Subsidiary of the Borrower, with and into Zynga, with Zynga continuing as the surviving corporation and (ii) the merger immediately following consummation of the foregoing of Zynga with and into Zebra MS II, Inc.,

a Delaware corporation and a direct, wholly owned Subsidiary of the Borrower, with Zebra MS II, Inc. continuing as the surviving corporation and a wholly owned Subsidiary of the Borrower.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" has the meaning assigned to such term in Section 9.01(d).

"Compliance Certificate" means a certificate of a Financial Officer of the Borrower substantially in the form attached as Exhibit E.

"Computation Date" is defined in Section 2.04.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consenting Lender" has the meaning assigned to such term in Section 2.23.

"Consolidated Adjusted EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) expenses paid or accrued for taxes based on income, profits or capital, including federal, foreign and state income, franchise and similar taxes, (b) interest expense, amortization or write-off of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any unusual, infrequent, extraordinary or non-recurring charges, expenses or losses, (f) non-cash stock option and other equity-based compensation expenses, (g) any other non-cash charges, non-cash expenses or non-cash losses of the Borrower or any Subsidiaries for such period (excluding any such charge, expense or loss incurred in the ordinary course of business that constitutes an accrual of, or a reserve for, cash charges for any future period), (h) any losses from an early extinguishment of indebtedness, (i) any unrealized losses (or *minus* any unrealized gains) in respect of Swap Agreements, (j) any foreign exchange losses (or *minus* any foreign exchange gains), (k) to the extent actually reimbursed in cash, expenses incurred to the extent covered by indemnification provisions in any agreement in connection with any acquisition, (l) acquisition-related expenses (including, but not limited to, intangibles, goodwill and contingent consideration), whether or not such acquisition is successful, (m) transaction fees, costs and expenses related to any issuance of equity securities, whether or not successful, (n) restructuring, integration and related charges (which for the avoidance of doubt, shall include retention, severance, systems establishment costs, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees), (o) non-recurring litigation expenses, (p) losses (or gains) on strategic investments, (q) losses on discontinued licensed intellectual property commitments, (r) other adjustments, exclusions and add-backs consistent with Regulation S-X of the SEC, (s) other addbacks and adjustments set forth in the Models, and (t) the amount of any "run rate" synergies, operating expense reductions and other net cost savings and integration costs, in each case projected by the Borrower in connection with acquisitions, asset dispositions (including the termination or discontinuance of activities constituting such business) and/or other operating improvement, restructuring, cost savings initiative or other similar initiative taken after the Effective Date that have been consummated during the most recently completed four consecutive fiscal quarters of the Borrower for

which financial statements have been delivered pursuant to Section 5.01(a) or (b), as applicable (calculated on a pro forma basis as though such synergies, expense reductions and cost savings had been realized on the first day of the period for which Consolidated EBITDA is being determined), net of the amount of actual benefits realized during such period from such actions; provided that (x) such synergies, expense reductions and cost savings are reasonably identifiable, factually supportable, expected to have a continuing impact on the operations of the Borrower and its Subsidiaries and have been determined by the Borrower in good faith to be reasonably anticipated to be realizable within 18 months following any such action as set forth in reasonable detail on a certificate of a Financial Officer of the Borrower delivered to the Administrative Agent, (y) no such amounts shall be added pursuant to this clause (t) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise and (z) the aggregate amount added pursuant to this clause (t) for any period shall in no event exceed 15% of Consolidated EBITDA for such period (calculated after giving effect to any such add-backs pursuant to this clause (t)), and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (1) interest income, (2) any extraordinary income or gains determined in accordance with GAAP and (3) any other non-cash income (excluding any items that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period), all as determined on a consolidated basis; provided, however, that (i) increases in deferred revenue for such period shall be added back to Consolidated Net Income in calculating Consolidated Adjusted EBITDA for such period, (ii) decreases in deferred revenue for such period shall be subtracted from Consolidated Net Income in calculating Consolidated Adjusted EBITDA for such period, (iii) cash payments made in such period in respect of non-cash charges, expenses or losses added back to Consolidated Adjusted EBITDA in a prior period shall be subtracted from Consolidated Net Income in calculating Consolidated Adjusted EBITDA in the period when such cash payment is made, (iv) there shall be included in determining Consolidated Adjusted EBITDA for any period, without duplication, the Acquired EBITDA of any Person, property, business or asset acquired by the Borrower or any Subsidiary during such period to the extent not subsequently sold, transferred or otherwise disposed of during such period (but not including the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) (each such Person, property, business or asset acquired, including pursuant to a transaction consummated prior to the Effective Date, and not subsequently sold, transferred or otherwise disposed of, an "Acquired Entity or Business"), in each case based on the Acquired EBITDA of such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition or conversion) determined on a historical pro forma basis; provided that, at the election of the Borrower, such Acquired EBITDA adjustment shall not be required for any Acquired Entity or Business to the extent the aggregate consideration paid in connection therewith is less than \$1,000,000,000 per Acquired Entity or Business and (v) there shall be excluded in determining Consolidated Adjusted EBITDA for any period, without duplication, the Disposed EBITDA of any Person, property, business or asset sold, transferred or otherwise disposed of by the Borrower or any Subsidiary during such period (but not excluding the Disposed EBITDA of any related Person, property, business or assets to the extent not so disposed of) (each such Person, property, business or asset so sold, transferred or otherwise disposed of, a "Disposed Entity or Business"), based on the Disposed EBITDA of such Disposed Entity or Business for such period (including the portion thereof occurring prior to such sale, transfer, disposition or conversion) determined on a historical pro forma basis; provided that, at the election of the Borrower, such Disposed EBITDA adjustment shall not be required for any Disposed Entity or Business to the extent the aggregate consideration received in connection therewith is less than \$500,000,000 per Disposed Entity or Business.

"Consolidated Net Income" means, for any period, the net income or loss of the Borrower and its consolidated Subsidiaries for such period, determined on a consolidated basis in conformity with GAAP.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

"Consolidated Total Indebtedness" means, as of the date of any determination thereof, the sum, without duplication and to the extent such Indebtedness would be required to appear as debt or indebtedness on a consolidated balance sheet of the Borrower, of (a) the aggregate Indebtedness of the Borrower and its Subsidiaries of the type described in clause (a), (b) or (g) of the definition of Indebtedness, calculated on a consolidated basis as of such time in accordance with GAAP, and (b) Indebtedness of the type referred to in clause (a) hereof of another Person guaranteed by the Borrower or any of its Subsidiaries; provided that for purposes of calculating the ratio of



Consolidated Total Indebtedness to Consolidated Adjusted EBITDA set forth in Section 6.05, Consolidated Total Indebtedness shall be reduced by up to \$1,000,000,000 of cash and Permitted Investments on the consolidated balance sheet of the Borrower and its Subsidiaries on such date that does not appear as "restricted" on the consolidated balance sheet of the Borrower or such Subsidiary (unless such appearance is related to the Loan Documents).

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Convertible Debt Security" means debt securities, the terms of which provide for conversion into Equity Interests, cash by reference to such Equity Interests or a combination thereof.

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"CORRA Administrator" means the Bank of Canada (or any successor administrator).

"CORRA Determination Date" has the meaning specified in the definition of "Daily Simple CORRA".

"CORRA Rate Day" has the meaning specified in the definition of "Daily Simple CORRA".

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning assigned to it in Section 9.18.

"Credit Event" means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Party" means the Administrative Agent, any Issuing Bank or any other Lender.

"Credit Rating" means the ratings assigned by each of S&P and Moody's to the Borrower's long-term senior, unsecured debt (without any credit enhancement).

"Daily Simple CORRA"-means, for any day (a "CORRA Rate Day"), a rate per annum equal to CORRA for the day (such day "CORRA Determination Date") that is five (5) RFR Business Days prior to (i) if such CORRA Rate Day is an RFR Business Day, such CORRA Rate Day or (ii) if such CORRA Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such CORRA Rate Day, in each case, as such CORRA is published by the CORRA Administrator on the CORRA Administrator's

website. Any change in Daily Simple CORRA due to a change in CORRA shall be effective from and including the effective date of such change in CORRA without notice to the Borrower. If by 5:00 p.m. (Toronto time) on any given CORRA Determination Date, CORRA in respect of such CORRA Determination Date has not been published on the CORRA Administrator's website and a Benchmark Replacement Date with respect to the Daily Simple CORRA has not occurred, then CORRA for such CORRA Determination Date will be CORRA as published in respect of the first preceding RFR Business Day for which such CORRA was published on the CORRA Administrator's website, so long as such first preceding RFR Business Day is not more than five (5) Business Days prior to such CORRA Determination Date.

"Daily Simple RFR" means, for any day (an "RFR Interest Day"), an interest rate per annum equal to, for any RFR Loan denominated in (i) Sterling, SONIA for the day that is 4 RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day ~~and~~, (ii) Dollars, Daily Simple SOFR and (iii) Canadian Dollars, Daily Simple CORRA (following a Benchmark Transition Event and a Benchmark Replacement Date with respect to Term CORRA).

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day "SOFR Determination Date") that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"Disclosure Letter" means the disclosure letter, dated as of the date hereof, as amended or supplemented from time to time by Borrower with the written consent of the Administrative Agent (or as supplemented by the Borrower pursuant to the terms of this Agreement), delivered by Borrower to Administrative Agent for the benefit of the Lenders.

"Disposed EBITDA" means, with respect to any Disposed Entity or Business for any period through (but not after) the date of such disposition, the amount for such period of Consolidated Adjusted EBITDA of such Disposed Entity or Business (determined as if references to the Borrower and the Subsidiaries in the definition of the term "Consolidated Adjusted EBITDA" (and in the component financial definitions used therein) were references to such Disposed Entity or Business and its subsidiaries), on a consolidated basis for such Disposed Entity or Business in accordance with GAAP as determined in good faith by the Borrower.

"Disposed Entity or Business" has the meaning assigned to such term in the definition of the term "Consolidated Adjusted EBITDA".

"Dollar Amount" of any currency at any date shall mean (i) the amount of such currency if such currency is Dollars or (ii) the Equivalent Amount thereof in Dollars if such currency is a Foreign Currency.

"Dollars" or "\$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary organized under the laws of the United States of America, any state thereof or the District of Columbia.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Effective Date Refinancing" means (i) (x) the credit facility evidenced by the Existing Borrower Credit Agreement and (y) the credit facility evidenced by the Existing Zynga Credit Agreement, in each case, shall have been terminated and cancelled and all indebtedness thereunder shall have been fully repaid (and, in the case of the Existing Zynga Credit Agreement, any liens related thereto shall be released) and (ii) the Existing Zynga Notes Refinancing.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, or notices issued or promulgated by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to employee health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of or related to the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to

any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing. Notwithstanding the foregoing, and for the avoidance of doubt, (i) Convertible Debt Securities shall not for purposes of this definition be deemed to be an Equity Interest and (ii) Permitted Bond Hedges shall not for purposes of this definition be deemed to be an Equity Interest.

"Equivalent Amount" of any currency with respect to any amount of Dollars at any date shall mean the equivalent in such currency of such amount of Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined or, in the case of a calculation pursuant to Section 2.04, on or as of the most recent Computation Date provided for in Section 2.04.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(a)(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Euro" and "€" mean the single currency of the Participating Member States.

"EURIBOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate, two TARGET Days prior to the commencement of such Interest Period.

"EURIBOR Screen Rate" means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the

Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Rate" means, on any day, with respect to any Foreign Currency, the rate of exchange for the purchase of Dollars with the Agreed Currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Thompson Reuters Corp. ("Reuters") source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of dollars with the Agreed Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters reasonably chosen by the Administrative Agent and approved by the Borrower acting reasonably and in good faith (or if such service ceases to be available or ceases to provide such rate of exchange, any method of determination the Administrative Agent reasonably deems appropriate and approved by the Borrower acting reasonably and in good faith); provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate and approved by the Borrower acting reasonably and in good faith to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the applicable Letter of Credit or Commitment or, if such Lender did not fund the applicable Loan pursuant to a prior Commitment, on the date such Lender acquires the applicable interest in such a Loan (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any withholding Taxes imposed under FATCA.

"Existing Letter of Credit" means each letter of credit issued prior to the Effective Date by a Person that shall be an Issuing Bank and listed on Schedule 2.06.

"Existing 2024 Convertible Notes" means the 0.25% convertible senior notes due 2024 issued by Zynga in an aggregate principal amount of \$690,000,000.

"Existing 2026 Convertible Notes" means the 0.00% convertible senior notes due 2026 issued by Zynga in an aggregate principal amount of \$874,500,000.

"Existing Borrower Credit Agreement" means that certain Credit Agreement, dated as of February 8, 2019, by and among the Borrower, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent, as amended, modified, supplemented or restated prior to the date hereof.

"Existing Maturity Date" has the meaning assigned to such term in Section 2.23(a).

"Existing Zynga Capped Calls" means (x) the privately-negotiated capped call options among Zynga and certain swap counterparties with respect to the Existing 2024 Convertible Notes and (y) the privately-negotiated capped call options among Zynga and certain swap counterparties with respect to the Existing 2026 Convertible Notes.

"Existing Zynga Credit Agreement" means that certain Credit Agreement, dated as of December 11, 2020, by and among Zynga, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, as amended, modified, supplemented or restated prior to the date hereof.

"Existing Zynga Notes" means the Existing 2024 Convertible Notes and the Existing 2026 Convertible Notes.

"Existing Zynga Notes Fundamental Change Conversion" means any conversion of the Existing Zynga Notes by the respective holders thereof in connection with the Combination, together with any actions taken by Zynga as are necessary to effectuate the conversion into cash, shares of common stock of the Borrower, or such combination of cash and common stock of the Borrower, including any actions necessary to effectuate a corresponding termination of the Existing Zynga Capped Calls with respect to such conversion, in accordance with the indentures governing such series of Existing Zynga Notes and the letter agreements and other definitive documentation governing such Existing Zynga Capped Calls.

"Existing Zynga Notes Fundamental Change Repurchase" means the repurchase by Zynga, upon the receipt of any Fundamental Change Repurchase Notice (as defined in the indentures for each series of Existing Zynga Notes) by Zynga from holders of any series of Existing Zynga Notes in connection with the Combination, of such Existing Zynga Notes from the respective holders thereof in accordance with the terms and conditions of the indentures governing such series of Existing Zynga Notes.

"Existing Zynga Notes Fundamental Change Settlement Date" has the meaning assigned to such term in the definition of "Existing Zynga Notes Refinancing".

"Existing Zynga Notes Refinancing" means the payment by the Borrower of any cash consideration required in connection with (i) an exercise of any conversion with respect to the Existing Zynga Notes and any corresponding termination of the Existing Zynga Capped Calls (including, to the extent necessary, any additional cash consideration required to be delivered to holders of the Existing Zynga Notes with respect to a Make-Whole Fundamental Change (as defined in the indentures for each series of Existing Zynga Notes) or to swap counterparties of the Existing Zynga Capped Calls for any costs (including contingent costs) incurred in connection with any termination of the Existing Zynga Capped Calls), in each case, in connection with an Existing Zynga Notes Fundamental Change Conversion of the Existing Zynga Notes and, if applicable, termination of the Existing Zynga Capped Calls, and/or (ii) any repurchase made pursuant to a Fundamental Change Repurchase Notice (as defined in the indentures for each series of Existing Zynga Notes), in each case, no later than the date set forth in the indenture for each series of Existing Zynga Notes (each such date, the "Existing Zynga Notes Fundamental Change Settlement Date") (it being understood that the Existing Zynga Notes Fundamental Change Settlement Date may occur after the Effective Date and the Combination).

"Extending Lender" has the meaning assigned to such term in Section 2.23(b)(ii).

"Extension Request" means a written request from the Borrower to the Administrative Agent requesting an extension of the Maturity Date pursuant to Section 2.23.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to current Section 1471(b)(1) of the Code (or any amended or successor version described above) and any fiscal or

regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Financials" means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Borrower and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

"Financing Lease Obligations" of any Person means, an obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not an operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, the Adjusted ~~CDOR~~Term CORRA Rate, the Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR or the Central Bank Rate, as applicable. For the avoidance of doubt the initial Floor for each of the Adjusted Term SOFR Rate, the Adjusted ~~CDOR~~Term CORRA Rate, the Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR and the Central Bank Rate shall be 0.00%.

"Foreign Currencies" means Agreed Currencies other than Dollars.

"Foreign Currency LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in a Foreign Currency.

"Foreign Currency Payment Office" of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Borrower and each Lender.

"Foreign Currency Sublimit" means an amount equal to the lesser of (a) \$100,000,000 and (b) the total amount of the Commitments. The Foreign Currency Sublimit is part of, and not in addition to, the Commitments hereunder.

"Foreign Lender" means a Lender that is not a U.S. Person.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business or any indemnification obligations entered into in the ordinary course of business. The amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determined amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person's maximum reasonably anticipated liability in respect thereof determined by such Person in good faith.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, friable asbestos, polychlorinated biphenyls, per- or polyfluoroalkyl substances, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Increasing Lender" has the meaning assigned to such term in Section 2.20.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) accounts payable incurred in the ordinary course of business and (ii) obligations which are being contested in good faith by appropriate proceedings and for which adequate reserves have been set aside in accordance with GAAP), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Financing Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all obligations of such Person under Sale and Leaseback Transactions. Notwithstanding anything to the contrary in the foregoing, in connection with any acquisition by the Borrower or any Subsidiary permitted hereunder (or any sale, transfer or other disposition by the Borrower or any Subsidiary permitted hereunder), the term "Indebtedness" shall not include contingent consideration to which the seller in such acquisition (or the buyer in such sale, transfer or other disposition, as the case may be) may become entitled or contingent indemnity obligations that may be owed to such seller (or buyer, if applicable) in respect thereof. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the



extent the terms of such Indebtedness provide that such Person is not liable therefor. Notwithstanding the foregoing, and for the avoidance of doubt, obligations arising from Swap Agreements, including Permitted Bond Hedges, shall not be considered Indebtedness. Notwithstanding the foregoing, Indebtedness shall not include Non-Financing Lease Obligations or other obligations under or in respect of operating leases or Sale and Leaseback Transactions (except resulting in Financing Lease Obligations).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a) hereof, Other Taxes.

"Ineligible Institution" has the meaning assigned to such term in Section 9.04(b).

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08 in the form attached hereto as Exhibit G-2 or any other form approved by the Administrative Agent.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date, and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Maturity Date.

"Interest Period" means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency, and provided that with respect to Loans denominated in Canadian Dollars, an Interest Period of six months shall not be available), as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.14(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means (i) each of JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Bank of America, N.A., and BNP Paribas and (ii) any other Lender designated by the Borrower as an "Issuing Bank" hereunder that has agreed in its sole discretion to such designation (and is reasonably acceptable to the Administrative Agent) with respect to any Letter of Credit requested to be issued hereunder, each in its capacity as an issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the "Issuing Bank" in connection with a Letter of Credit or other matter shall be deemed to be a reference to the relevant Issuing Bank with respect thereto.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

"Lender Presentation" means the Lender Presentation dated January 2022 relating to the Borrower and the Transactions.

"Lender-Related Person" has the meaning assigned to it in Section 9.03(b).

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or 2.23 or pursuant to an Assignment and Assumption or other documentation contemplated hereby, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or other documentation contemplated hereby. Unless the context otherwise requires, the term "Lenders" includes each Issuing Bank.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement and shall include each Existing Letter of Credit.

"Letter of Credit Commitment" means, with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of each Issuing Bank's Letter of Credit Commitment is set forth on Schedule 2.01, or if an Issuing Bank has entered into an Assignment and Assumption or has otherwise assumed a Letter of Credit Commitment after the Effective Date, the amount set forth for such Issuing Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. The Letter of Credit Commitment of an Issuing Bank may be modified from time to time by agreement between such Issuing Bank and the Borrower, and notified to the Administrative Agent. As of the Effective Date, the aggregate Letter of Credit Commitment is \$100,000,000.

"Leverage Ratio" means the ratio, determined as of the end of each of the Borrower's fiscal quarters, of (i) Consolidated Total Indebtedness to (ii) Consolidated Adjusted EBITDA for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), all calculated for the Borrower and its Subsidiaries on a consolidated basis.

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having

substantially the same economic effect as any of the foregoing) relating to such asset; provided that in no event shall a Non-Financing Lease Obligation be deemed to be a Lien.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to Section 2.10(e), any Letter of Credit applications and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices and letter of credit agreements now or hereafter executed by or on behalf of the Borrower and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loans" means the loans made by the Lenders to the Borrower pursuant to Section 2.01.

"Local Time" means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Administrative Agent).

"Material Adverse Effect" means a material adverse effect on (a) the business, operations or financial condition of the Borrower and the Subsidiaries taken as a whole, (b) the ability of the Borrower to perform any of its payment obligations under this Agreement or (c) the validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

"Material Domestic Subsidiary" means each Domestic Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than five percent (5%) of consolidated revenue (after giving effect to intercompany eliminations) for such period, (ii) which contributed greater than five percent (5%) of Consolidated Total Assets (after giving effect to intercompany eliminations) as of such date or (iii) which is designated by the Borrower as a Material Domestic Subsidiary; provided that, if at any time the aggregate amount of consolidated revenues or Consolidated Total Assets attributable to all Domestic Subsidiaries that are not Material Domestic Subsidiaries exceeds fifteen percent (15%) of consolidated revenues (after giving effect to intercompany eliminations) for any such period or fifteen percent (15%) of Consolidated Total Assets (after giving effect to intercompany eliminations) as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Domestic Subsidiaries as "Material Domestic Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Domestic Subsidiaries.

"Material Foreign Subsidiary" means each Subsidiary that is not a Domestic Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than ten percent (10%) of consolidated revenue (after giving effect to intercompany eliminations) for such period or (ii) which contributed greater than ten percent (10%) of Consolidated Total Assets (after giving effect to intercompany eliminations) as of such date.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$200,000,000. For purposes of determining Material Indebtedness, the

"principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means May 23, 2027, as such date may be extended pursuant to Section 2.23; provided, however, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Merger Agreement" means that certain Agreement and Plan of Merger, dated as of January 9, 2022 (including all schedules and exhibits thereto), by and among the Borrower, Zynga, Zebra MS I, Inc., a Delaware corporation, and Zebra MS II, Inc., a Delaware corporation (as amended by the First Amendment to the Agreement and Plan of Merger, dated as of March 10, 2022).

"Models" means each of the financial models prepared by JPMorgan Chase Bank, N.A. (or its Affiliates) on behalf of the Borrower in connection with (i) ratings agency presentations delivered to each of S&P and Moody's and (ii) presentations to prospective investors delivered with respect to marketing the offering of the Senior Notes.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Extending Lender" has the meaning assigned to such term in Section 2.23(a).

"Non-Financing Lease Obligation" means a lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt (i) the accounting for any lease obligation under this Agreement shall be based on GAAP as in effect on December 15, 2018 and without giving effect to any subsequent changes in GAAP (or the required implementation of any previously promulgated changes in GAAP) relating to the treatment of a lease as an operating lease or capitalized lease and (ii) any operating lease of the Borrower or its Subsidiaries shall be considered a Non-Financing Lease Obligation.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB's Website" means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders, the Administrative Agent, any Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of

the other Loan Documents or to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement or in respect of any of the Loans made or reimbursement or other obligations incurred for any of the Letters of Credit or other instruments at any time evidencing any thereof. Notwithstanding the foregoing, and for the avoidance of doubt, obligations arising from Permitted Bond Hedges and letter of credit facilities that are not under this Agreement shall not be considered Obligations.

"OFAC" means Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the NYFRB Rate and (b) with respect to any amount denominated in a Foreign Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with banking industry rules on interbank compensation.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04.

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Participating Member State" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Patriot Act" has the meaning assigned to it in Section 9.13.

"Payment" has the meaning assigned to it in Section 8.06(c).

"Payment Notice" has the meaning assigned to it in Section 8.06(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

["Periodic Term CORRA Determination Day"](#) has the meaning assigned to such term in the definition of ["Term CORRA"](#).

"Permitted Bond Hedge" means any Swap Agreement that is settled (after payment of any premium or any prepayment thereunder) through the delivery of cash and/or of Equity Interests of the Borrower and is entered into in connection with any Convertible Debt Securities in customary form, the purpose of which is to mitigate dilution upon conversion of such Convertible Debt Securities (including, but not limited to, any bond hedge transaction, warrant transaction, or capped call transaction).

"Permitted Encumbrances" means:

- (a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;
- (b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;
- (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;
- (f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;
- (g) leases or subleases granted to other Persons and not interfering in any material respect with the business of the lessor or sublessor;
- (h) Liens arising from precautionary Uniform Commercial Code filings or similar filings relating to operating leases;
- (i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (j) licenses of intellectual property in the ordinary course of business or not materially interfering with the business of Borrower and its Subsidiaries, taken as a whole (including, intercompany licensing of intellectual property between the Borrower and any Subsidiary and between Subsidiaries in connection with cost-sharing arrangements, distribution, marketing, make-sell or other similar arrangements); and
- (k) any interest or title of a lessor or sublessor under any lease of real property or personal property;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness of the type described in clause (a) the definition thereof.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any political subdivision, state or public instrumentality thereof (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) bonds issued in the United States of America maturing no more than two (2) years from the date of acquisition and, at the time of acquisition, having a rating of at least BBB from S&P or at least Baa2 from Moody's; provided, that any such investment in such bonds shall not exceed 10% of a specific bond issuance;

(d) investments in certificates of deposit, time deposits, or bankers' acceptances maturing no more than two (2) years from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any bank organized under the laws of (i) the United States of America or any state thereof or (ii) a jurisdiction other than the United States of America but with a presence in the United States of America, in each case, having at the date of acquisition thereof combined capital and surplus of not less than \$250,000,000;

(e) deposit accounts maintained with (i) any bank that satisfies the criteria described in clause (d)(i) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the amount maintained with any such other bank is less than or equal to \$250,000 and is insured by the Federal Deposit Insurance Corporation;

(f) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (d) above;

(g) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000; and

(h) investments in an aggregate amount not to exceed \$500,000,000 at any time outstanding permitted by the Borrower's investment policy as previously disclosed to the Administrative Agent and in effect on the Effective Date (and as amended, restated, supplemented or otherwise modified from time to time with the consent (such consent not to be unreasonably withheld) of the Administrative Agent; provided that changes that do not affect the tenor or quality of the investments permitted thereby shall not require such consent).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the

Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Principal Properties" means (1) those real properties (and adjacent facilities) of the Borrower and any of its Subsidiaries located at 110 West 44th Street, New York, New York 10036 and (2) any building, structure or other facility, together with the land upon which it is erected and any fixtures which are a part of the building, structure or other facility, located in the United States, and owned or leased or to be owned or leased by the Borrower or any of its Subsidiaries, and in each case the net book value of which as of that date exceeds \$50,000,000, other than any such land, building, structure or other facility or portion thereof which, in the opinion of the board of directors of the Borrower (or any committee thereof duly authorized to act on behalf of such board) by resolution determines in good faith not of material importance to the total business conducted by the Borrower and its Subsidiaries, considered as one enterprise.

"Pro Forma Financial Statements" has the meaning assigned to such term in Section 3.04(b).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in Section 9.18.

"Qualified Acquisition" means any acquisition designated as such by the Borrower to the Administrative Agent at the time of the consummation thereof for consideration in excess of \$500,000,000; provided that immediately after giving effect to such Qualified Acquisition, no Default or Event of Default hereunder shall have occurred or be continuing or result therefrom.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (3) if the RFR for such Benchmark is SONIA, then three Business Days prior to such setting, (4) if the RFR for such Benchmark is Daily Simple SOFR, then four Business Days prior to such setting ~~or~~, (5) if, following a Benchmark Transition Event and Benchmark Replacement Date with respect to Term CORRA, the RFR for such Benchmark is Daily Simple CORRA, then four RFR Business Days prior to such setting, (6) if such Benchmark is the Adjusted Term CORRA Rate, 1:00 p.m. Toronto local time on the day that is two Business Days preceding the date of such setting, or (7) if such Benchmark is none of the Term SOFR Rate, the EURIBOR Rate, SONIA ~~or~~, Daily Simple SOFR, Daily Simple CORRA or the Adjusted Term CORRA Rate, the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective partners, trustees, administrators, directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Governmental Body" means, (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, the Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in



each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iv) with respect to a Benchmark Replacement in respect of Loans denominated in Canadian Dollars, (x) the Bank of Canada or (y) any working group or committee officially endorsed or convened by (A) the Bank of Canada, (B) any other supervisor that is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement, (C) a group of the Bank of Canada or any other such supervisors or (D) the Financial Stability Board or any part thereof or, in each case, any successor thereto, and (v) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

"Relevant Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Canadian Dollars, the Adjusted ~~CDOR~~ Term CORRA Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate or (iv) with respect to any RFR Borrowing denominated in Sterling ~~or, Dollars or Canadian~~ Dollars, the applicable Adjusted Daily Simple RFR, as applicable.

"Relevant Screen Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Canadian Dollars, ~~the CDOR Screen Rate~~ Term CORRA or (iii) with respect to any Term Benchmark Borrowing denominated in Euros, the EURIBOR Screen Rate.

"Replacement Lender" has the meaning assigned to such term in Section 2.23(c).

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Response Date" has the meaning assigned to such term in Section 2.23(a).

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans and its LC Exposure at such time.

"RFR" means, for any RFR Loan denominated in (a) Sterling, SONIA ~~and~~, (b) Dollars, Daily Simple SOFR and (c) Canadian Dollars (solely following a Benchmark Transition Event and Benchmark Replacement Date with respect to Term CORRA) Daily Simple CORRA.

"RFR Administrator" means the SONIA Administrator ~~or~~, the SOFR Administrator or the CORRA Administrator.

"RFR Borrowing" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Business Day" means, for any Loan denominated in (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London ~~and~~, ~~(eb)~~ Dollars, a U.S. Government Securities Business Day and (c) Canadian Dollars, any day except Saturday, Sunday or any other day on which banks in Canada are authorized or required by law to remain closed.

"RFR Interest Day" has the meaning specified in the definition of "Daily Simple RFR".

"RFR Loan" means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

"S&P" means S&P Global Ratings, a business of S&P Global Inc., and any successor thereto.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic of Ukraine, the so-called Luhansk People's Republic of Ukraine, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authorities, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any government that is itself the target of Sanctions (as of the date of this Agreement, the governments of Cuba, Iran, North Korea, Syria, and Venezuela).

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, or other relevant sanctions authorities.

"SEC" means the United States Securities and Exchange Commission or any successor agency of the U.S. government administering the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

"Senior Notes" means, collectively, (i) the 3.300% senior notes due 2024 of the Borrower in an aggregate principal amount of \$1,000,000,000, (ii) the 3.550% senior notes due 2025 of the Borrower in an aggregate principal amount of \$600,000,000, (iii) the 3.700% senior notes due 2027 of the Borrower in an aggregate principal amount of \$600,000,000 and (iv) the 4.000% senior notes due 2032 of the Borrower in an aggregate principal amount of \$500,000,000.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Determination Date" has the meaning specified in the definition of "Daily Simple SOFR".

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"SONIA" means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator's Website on the immediately succeeding Business Day.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted ~~CDOR~~ Term CORRA Rate or Adjusted EURIBOR Rate, as applicable, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" or "£" mean the lawful currency of the United Kingdom.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by such parent and (b) with respect to which such parent is a Controlling Person or otherwise Controls such entity.

"Subsidiary" means any subsidiary of the Borrower.

"Successor Company" has the meaning assigned to it in Section 6.04.

"Supported QFC" has the meaning assigned to it in Section 9.18.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that, for the avoidance of doubt, the following shall not be deemed a "Swap Agreement": (i) any phantom stock or similar plan (including, any stock option plan) providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries, (ii) any stock option or warrant agreement for the purchase of Equity Interests of the Borrower, (iii) the purchase of Equity Interests or Indebtedness (including securities convertible into Equity Interests) of Borrower pursuant to delayed delivery contracts, accelerated stock repurchase agreements, forward contracts or other similar agreements and (iv)

any of the foregoing to the extent that it constitutes a derivative embedded in a convertible security issued by the Borrower.

"Syndication Agent" means Wells Fargo Bank, National Association, in its capacity as a syndication agent for the credit facility evidenced by this Agreement.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"TARGET Day" means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted ~~CDOR~~ Term CORRA Rate or the Adjusted EURIBOR Rate.

"Term CORRA" means, with respect to any Term Benchmark Borrowing denominated in Canadian dollars, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term CORRA Determination Day") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than five (5) Business Days prior to such Periodic Term CORRA Determination Day.

"Term CORRA Administrator" means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

"Term CORRA Notice" means a notification by the Administrative Agent to the Lenders and the Borrower with the prior written consent of the Borrower of the occurrence of a Term CORRA Reelection Event.

"Term CORRA Reelection Event" means the determination by the Administrative Agent in consultation with the Borrower that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.14(a) that is not Term CORRA.

"Term CORRA Reference Rate" means the forward-looking term rate based on CORRA.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"Term SOFR Determination Day" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the "Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Total Revolving Credit Exposure" means, the sum of the outstanding principal amount of all Lenders' Loans and their LC Exposure at such time.

"Transactions" means, collectively, (a) the consummation of the Combination, (b) the occurrence of the Effective Date Refinancing, (c) the occurrence of the Existing Zynga Notes Fundamental Change Conversion and the Existing Zynga Notes Fundamental Change Repurchase, if any, (d) the issuance of the Senior Notes, (e) the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents and the initial borrowing of Loans and other credit extensions, the use of proceeds thereof and the issuance (including any deemed issuance) of Letters of Credit hereunder, (f) the other transactions to occur pursuant to or in connection with the Merger Agreement and the Loan Documents and (g) the payment of all fees, costs and expenses incurred or payable by the Borrower or any of its Subsidiaries in connection with the foregoing.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted ~~GBOR~~Term CORRA Rate, the Adjusted EURIBOR Rate, the Adjusted Daily Simple RFR or the Alternate Base Rate.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unaudited Financial Statements" has the meaning assigned to such term in Section 3.04(a).

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime" has the meaning assigned to it in Section 9.18.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

"Zynga" means Zynga Inc., a Delaware corporation.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Term Benchmark Loan"). Borrowings also may be classified and referred to by Type ( e.g., a "Term Benchmark Borrowing").

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP; Pro Forma Calculations. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the

date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith but only to the extent that, without undue burden or expense, the Borrower, its auditors and/or its financial systems are capable of interpreting such provisions as if such change in GAAP had not occurred; provided, further, that in the event that the Borrower requests such an amendment, the Administrative Agent and the Required Lenders shall negotiate in good faith to evaluate such proposed amendment. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be (i) made without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) made without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(b) All pro forma computations required to be made hereunder giving effect to any acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction, shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation), as if such transaction had occurred on the first day of the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the financial statements referred to in Section 3.04(a)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of (but without giving effect to any synergies or cost savings) and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness).

**SECTION 1.05 Interest Rates; Benchmark Notification.** The interest rate on a Loan denominated in dollars or a Foreign Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event or a Term CORRA Reelection Event, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any

kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

1. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Amount of the stated amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any other agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Amount of the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

2. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

## Article I

### The Credits

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender, severally and not jointly, agrees to make Loans to the Borrower in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (a) subject to Sections 2.04 and 2.11(b), the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Commitment, (b) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the Total Revolving Credit Exposure exceeding the Aggregate Commitment or (c) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the total outstanding Loans and LC Exposure, in each case denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02 Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(a) Subject to Section 2.14, each Borrowing shall be comprised, in the case of Borrowings in Dollars, entirely of ABR Loans or Term Benchmark Loans and , in the case of Borrowings in any other Agreed Currency, entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such branch or Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(b) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or, if such Borrowing is denominated in a Foreign Currency, the corresponding Dollar Amount). At the time that each ABR Borrowing and/or RFR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or, if such Borrowing is denominated in a Foreign Currency, the corresponding Dollar Amount); provided that an ABR Borrowing may be in an aggregate amount that



is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten (10) Term Benchmark Borrowings or RFR Borrowings outstanding.

(c) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by irrevocable written notice (via a written Borrowing Request signed by the Borrower) (a)(i) in the case of a Term Benchmark Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing; provided, that, with respect to any Term Benchmark Borrowing denominated in Dollars to be made on the Effective Date, such request shall be delivered to the Administrative Agent not later than 11:00 a.m., New York City time, one (1) Business Day before the Effective Date, (ii) in the case of a Term Benchmark Borrowing denominated in Canadian Dollars or Euros, not later than 12:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing ~~and~~, (iii) in the case of an RFR Borrowing denominated in Sterling, not later than 11:00 a.m., New York City time, four RFR Business Days before the date of the proposed Borrowing, and (iv) in the case of an RFR Borrowing denominated in Canadian Dollars, not later than 12:00 p.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing, or (b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing; provided, that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the Agreed Currency and aggregate principal amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing;
- (iv) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the currency of a Borrowing is specified, then the requested Revolving Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing made in Dollars. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04 Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

- (a) (i) each Term Benchmark Borrowing and RFR Borrowing as of the date of such Borrowing and (ii) (x) with respect to any Term Benchmark Borrowing, the date of conversion/continuation of any

Borrowing as a Term Benchmark Borrowing and (y) with respect to any RFR Borrowing, as of the last Business Day of each calendar quarter, and

(b) the LC Exposure as of (i) the date of each request for the issuance, amendment (including any amendment that has the effect of increasing the face amount thereof), renewal or extension of any Letter of Credit and (ii) the first Business Day of each calendar month

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a) and (b) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05 [Reserved].

SECTION 2.06 Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request any Issuing Bank to issue Letters of Credit denominated in Agreed Currencies as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and such Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment (including any amendment that has the effect of increasing the face amount thereof), renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to the relevant Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by an Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, in each case subject to Sections 2.04 and 2.11(b), (i) the sum of (x) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit issued by any Issuing Bank at such time plus (y) the aggregate Dollar Amount of all LC Disbursements made by such Issuing Bank that have not yet been reimbursed by or on behalf of the Borrower at such time shall not exceed its Letter of Credit Commitment, (ii) the Dollar Amount of LC Exposure shall not exceed the total Letter of Credit Commitments, (iii) no Lender's Dollar Amount of Revolving Credit Exposure shall exceed its Commitment and (iv) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, shall not exceed the Foreign Currency Sublimit (in each case of the foregoing clauses (i) through (iv), except in the case of an amendment reducing the amount of an outstanding Letter of Credit or shortening the expiration date of such Letter of Credit). The Borrower may, at any time and from time to time, reduce the Letter of Credit Commitment of any Issuing Bank with the consent of such Issuing Bank; provided that the Borrower shall not reduce the Letter of Credit commitment of any Issuing Bank if, after giving effect of such reduction, the conditions set forth in clauses (i) through (iv) of the preceding sentence shall not be satisfied.

An Issuing Bank shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law applicable to such Issuing Bank shall prohibit, or require

that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense that was not applicable on the Effective Date and that such Issuing Bank in good faith deems material to it or (ii) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally and in effect as of the Effective Date.

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date; provided that if any amount is able to be drawn under any expired Letter of Credit in accordance with the definition of "LC Exposure" following the date that is five (5) Business Days prior to the Maturity Date, the Borrower shall deposit cash collateral pursuant to Section 2.06(j) in an amount equal to the amount(s) able to be so drawn.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the relevant Issuing Bank or the Lenders, the relevant Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the relevant Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the relevant Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the relevant Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date such Issuing Bank made such LC Disbursement (or if such Issuing Bank shall so elect in its sole discretion by notice to the Borrower, in such other Agreed Currency which was paid by such Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 1:00 p.m., Local Time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 1:00 p.m., Local Time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than the Dollar Amount of \$1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with (i) to the extent such LC Disbursement was made in Dollars, an ABR Borrowing or Term Benchmark Borrowing in Dollars in an amount equal to such LC Disbursement or (i) to the extent such LC Disbursement was made in a Foreign Currency, a Term Benchmark Borrowing or RFR Borrowing in such Foreign Currency, as applicable, in an amount equal to such LC Disbursement and, in each case, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing, Term Benchmark Borrowing or RFR Borrowing, as applicable. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis

mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the relevant Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the relevant Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement. If the Borrower's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable Exchange Rates, on the date such LC Disbursement is made, of such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the relevant Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the relevant Issuing Bank; provided that the foregoing shall not be construed to excuse the relevant Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank for any Letter of Credit shall, within the time allowed by applicable law or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full in the applicable Agreed Currency on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(e) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the relevant Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement and Resignation of Issuing Banks. (i) Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of any Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by such successor Issuing Bank thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

(ii) Subject to (and conditioned upon) the successful appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with Section 2.06(i)(i) above.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or if any amount is drawn under any expired Letter of Credit in accordance with the definition of "LC Exposure", the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the "LC Collateral Account"), an amount in cash equal to 100% of the Dollar Amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that the Borrower is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the Borrower. The Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the relevant Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time

or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) Issuing Bank Agreements. Each Issuing Bank agrees that, unless otherwise requested by the Administrative Agent, such Issuing Bank shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Bank expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the aggregate face amount of the Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension occurred (and whether the amount thereof changed), it being understood that such Issuing Bank shall not permit any issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement, (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which any Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount and currency of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(l) Letters of Credit Issued for Account of Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the "account party," "applicant," "customer," "instructing party," or the like of or for such Letter of Credit, and without derogating from any rights of the applicable Issuing Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the applicable Issuing Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

SECTION 2.07 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency, by 3:00 p.m., Local Time, in the city of the Administrative Agent's Foreign Currency Payment Office for such currency and at such Foreign Currency Payment Office for such currency. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of the Borrower designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of the Borrower in the relevant jurisdiction and designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the relevant Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make

available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08 Interest Elections. (a) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election (by telephone or irrevocable written notice in the case of a Borrowing denominated in Dollars or by irrevocable written notice (via an Interest Election Request signed by the Borrower) in the case of a Borrowing denominated in a Foreign Currency) by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by a written Interest Election Request (delivered by telecopy or electronic mail) which shall be signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Term Benchmark Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

- (i) the Agreed Currency and principal amount of Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing or an RFR Borrowing; and
- (iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars, such Borrowing shall be converted to a Term Benchmark Borrowing with an Interest Period of one month and (ii) in the case of a Borrowing denominated in a Foreign Currency in respect of which the Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Term Benchmark Borrowing in the same Agreed Currency with an Interest Period of one month unless such Term Benchmark Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing denominated in Dollars may be converted to or continued as a Term Benchmark Borrowing, (ii) unless repaid, each Term Benchmark Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) unless repaid, each Term Benchmark Borrowing denominated in a Foreign Currency shall automatically be continued as a Term Benchmark Borrowing with an Interest Period of one month.

(f) Notwithstanding anything in this Agreement or any other Loan Document to the contrary, interest on all Term Benchmark Loans denominated in Canadian Dollars outstanding immediately prior to the Amendment No. 1 Effective Date, if any, shall continue to accrue and be paid based upon the "Adjusted CDOR Rate" applicable pursuant to the terms of the Credit Agreement as in effect immediately prior to the Amendment No. 1 Effective Date solely until the expiration of the current "Interest Period" (as defined in the Credit Agreement as in effect immediately prior to the Amendment No. 1 Effective Date and taking into account any grace periods or extensions of such "Interest Period" approved prior to the Amendment No. 1 Effective Date) applicable thereto (at which time such Term Benchmark Loans denominated in Canadian Dollars may be reborrowed as or converted to Term Benchmark Borrowings in accordance with this Section 2.08); provided, however, that from and after the Amendment No. 1 Effective Date, the Applicable Rate to be applied to any such Term Benchmark Loans denominated in Canadian Dollars shall be based on the Applicable Rate for Term Benchmark Loans.

SECTION 2.09 Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Dollar Amount of the Total Revolving Credit Exposure would exceed the Aggregate Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.



SECTION 2.10 Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date in the currency of such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Agreed Currency and the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender or its registered assigns and in the form attached hereto as Exhibit H (or such other form approved by the Administrative Agent). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein or its registered assigns.

SECTION 2.11 Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The Borrower shall notify the Administrative Agent by telephone (confirmed by teletype or electronic mail) of any prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing, not later than 11:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency), in each case before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the Aggregate Commitment or (B) the sum of the aggregate principal Dollar Amount of all of the outstanding Revolving Credit Exposures denominated in Foreign Currencies (the "Foreign Currency Exposure") (so calculated), as of the most recent Computation Date with respect to each such Credit Event, exceeds the Foreign Currency Sublimit or (ii) solely as a result of fluctuations in currency exchange rates, (A) the sum of the

aggregate principal Dollar Amount of all of the Revolving Credit Exposures (so calculated) exceeds 105% of the Aggregate Commitment or (B) the Foreign Currency Exposure, as of the most recent Computation Date with respect to each such Credit Event, exceeds 105% of the Foreign Currency Sublimit, the Borrower shall in each case immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause (x) the aggregate Dollar Amount of all Revolving Credit Exposures (so calculated) to be less than or equal to the Aggregate Commitment and (y) the Foreign Currency Exposure to be less than or equal to the Foreign Currency Sublimit, as applicable.

SECTION 2.12 Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the Available Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any commitment fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Term Benchmark Loans on the average daily Dollar Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to the relevant Issuing Bank for its own account a fronting fee, which shall accrue at a rate per annum separately agreed upon by the Borrower and such Issuing Bank on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by such Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3<sup>rd</sup>) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in such Foreign Currency.

(c) The Borrower agrees to pay (x) to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent and (y) such other fees as separately agreed upon between the Borrower and JPMCB.

(d) If fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent (or to each Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13 Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate, the Adjusted ~~CDOR~~Term CORRA Rate or the Adjusted EURIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing and to the extent permitted by law, upon the occurrence and during the continuance of an Event of Default arising under any of Sections 7.11(a) or (b), any overdue principal of, and all accrued and unpaid interest on, all Loans (and any overdue fee or any other amount payable under this Agreement) shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section 2.13.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) Interest computed by reference to the Term SOFR Rate, the EURIBOR Rate or Daily Simple RFR with respect to Dollars hereunder shall be computed on the basis of a year of 360 days. Interest computed by reference to the ~~CDOR-Screen~~Adjusted Term CORRA Rate, the Daily Simple RFR with respect to Canadian Dollars or Sterling, the Canadian Prime Rate or the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, ~~CDOR-Screen~~Adjusted Term CORRA Rate, Adjusted ~~CDOR~~Term CORRA Rate, EURIBOR Rate, Adjusted EURIBOR Rate, Adjusted Daily Simple RFR or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14 Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the ~~CDOR-Screen~~Adjusted Term CORRA Rate, the ~~Adjusted-CDOR~~Term CORRA Rate, the EURIBOR Rate or the Adjusted EURIBOR Rate (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR, Daily Simple RFR or RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR

Rate, the Adjusted ~~CDOR~~Term CORRA Rate or the Adjusted EURIBOR Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, (1) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above and (2) any Borrowing Request that requests an RFR Borrowing shall instead be deemed to be a Borrowing Request, as applicable, for an ABR Borrowing and (B) for Loans denominated in a Foreign Currency, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above, on such day, and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan and (B) for Loans denominated in a Foreign Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread (or in the case of a Loan in Canadian Dollars, the Canadian Prime Rate); provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Foreign Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread (or in the case of a Loan in Canadian Dollars, the Canadian Prime Rate); provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in

Dollars (in an amount equal to the Dollar Equivalent of such Foreign Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars and/or Canadian Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, with respect to a Loan denominated in Canadian Dollars, if a Term CORRA Reelection Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this sentence shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term CORRA Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term CORRA Notice after the occurrence of a Term CORRA Reelection Event and may do so in its sole discretion.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate, ~~CDOR~~ ScreenTerm CORRA Rate or EURIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent

may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for (1) a Term Benchmark Borrowing denominated in Dollars into a request for a Borrowing of or conversion to (A) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event or (y) any Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this [Section 2.14](#), (A) for Loans denominated in Dollars, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan and (B) for Loans denominated in a Foreign Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread [\(or, in the case of a Loan in Canadian Dollars, the Canadian Prime Rate\)](#); [provided](#) that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Foreign Currency shall, at the Borrower's election prior to such day: be prepaid by the Borrower on such day or solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time [\(or, in the case of a Loan in Canadian Dollars, the Canadian Prime Rate\)](#) and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread [\(or, in the case of a Loan in Canadian Dollars, the Canadian Prime Rate\)](#); provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Foreign Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.15 [Increased Costs](#). (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve

requirement reflected in the Adjusted Term SOFR Rate, Adjusted ~~EDOR~~Term CORRA Rate or Adjusted EURIBOR Rate, as applicable) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the applicable market for the applicable Agreed Currency any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan or of maintaining its obligation to make any such Loan or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16 Break Funding Payments. (a) With respect to Loans that are Term Benchmark Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the



date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19 or (v) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(b) With respect to Loans that are RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.19 or (iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17 Taxes. (a) Payments Free of Taxes. All payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by any applicable withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) each Lender (or, in the case of a payment made to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.17, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a



Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) [Reserved].

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the Recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an applicable exemption from, or reduction of, U.S. federal withholding Tax pursuant to such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to any Borrower as described in Section 881(c)(3)(C) of the Code and no payments under any Loan Documents are effectively connected with such Lender's conduct of a U.S. trade or business (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner (for example, where the Lender is a partnership or a participating Lender), executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and not a

participating Lender, and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of such direct and indirect partner(s);

(C) any Foreign Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other documentation prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction, if any, required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with any requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request by the Borrower or the Administrative Agent) such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any documentation it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such documentation or promptly notify the Borrower and the Administrative Agent in writing of its legal ineligibility to do so. Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 2.17(f). Notwithstanding any other provision of this Section 2.17(f), a Lender shall not be required to deliver any documentation that such Lender is not legally eligible to deliver.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.17(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.17(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to

make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes each Issuing Bank and the term "applicable law" includes FATCA.

**SECTION 2.18 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.**

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars, 2:00 p.m., New York City time, and (ii) in the case of payments denominated in a Foreign Currency, 2:00 p.m., Local Time, in the city of the Administrative Agent's Foreign Currency Payment Office for such currency, in each case on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 383 Madison Avenue, New York, New York, or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Foreign Currency Payment Office for such currency, except payments to be made directly to Issuing Banks as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this clause (a), if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower takes all risks of the imposition of any such currency control or exchange regulations.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest

on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. For purposes of clause (b)(i) of the definition of "Excluded Taxes," a participation acquired pursuant to this Section 2.18(c) shall be treated as having been acquired on the earlier date(s) on which the applicable Lender acquired the applicable interest in the Commitment(s) or Loan(s) to which such participation relates.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or each of the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the applicable Overnight Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent or the Issuing Banks to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

**SECTION 2.19 Mitigation Obligations; Replacement of Lenders.** (a) If any Lender requests compensation under Section 2.15, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.15 or 2.17) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and notwithstanding anything in Section 9.04 to the contrary, such assignment and delegation shall be deemed effective with respect to such Lender whether or not such Lender enters into an

Assignment and Assumption; provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20 Expansion Option. The Borrower may from time to time elect to increase the Commitments in minimum increments of \$25,000,000 so long as, after giving effect thereto, the aggregate amount of such increases does not exceed the greater of (x) \$250,000,000 and (y) 35% of Consolidated Adjusted EBITDA. The Borrower may arrange for any such increase to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments or extend Commitments, as the case may be; provided that (i) each Augmenting Lender shall be subject to the approval of the Borrower and the Administrative Agent, (ii) no Augmenting Lender shall be an Ineligible Institution and (iii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit B hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit C hereto. No consent of any Lender (other than the Lenders participating in the increase) shall be required for any increase in Commitments pursuant to this Section 2.20. Increases and new Commitments created pursuant to this Section 2.20 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 (without giving effect to the first parenthetical in Section 4.02(a)) shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (B) the Borrower shall be in compliance (on a pro forma basis) with the covenant contained in Section 6.05 and (ii) the Administrative Agent shall have received documents consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Loans of all the Lenders to equal its Applicable Percentage of such outstanding Loans, and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term Benchmark Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time.

SECTION 2.21 Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's

main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to the Borrower.

SECTION 2.22 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.03 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank hereunder; third, to cash collateralize LC Exposure with respect to such Defaulting Lender in accordance with this Section 2.22; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section 2.22; sixth, to the payment of any amounts owing to the Lenders or the Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.22 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) the Commitments and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, that, except as otherwise provided in Section 9.02, this clause (c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(d) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) no Default has occurred and is continuing at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within two (2) Business Days following notice by the Administrative Agent cash collateralize for the benefit of each Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the relevant Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to such Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the relevant Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.22(d), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.22(d) (i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or Bail-In Action with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank has actual knowledge that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the relevant Issuing Bank shall have entered into arrangements with the Borrower or such Lender, satisfactory to such Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the



LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.23 Extension Option. (a) The Borrower may, by delivering an Extension Request to the Administrative Agent (who shall promptly deliver a copy to each of the Lenders), not less than 30 days in advance of the Maturity Date in effect at such time (the "Existing Maturity Date"), request that the Lenders extend the Existing Maturity Date to the first anniversary of such Existing Maturity Date. Each Lender, acting in its sole discretion, shall, by written notice to the Administrative Agent given not later than the date that is the 15th day after the date of the Extension Request, or if such date is not a Business Day, the immediately following Business Day (the "Response Date"), advise the Administrative Agent in writing whether or not such Lender agrees to the requested extension. Each Lender that advises the Administrative Agent that it will not extend the Existing Maturity Date is referred to herein as a "Non-Extending Lender"; provided, that any Lender that does not advise the Administrative Agent of its consent to such requested extension by the Response Date and any Lender that is a Defaulting Lender on the Response Date shall be deemed to be a Non-Extending Lender. The Administrative Agent shall notify the Borrower, in writing, of the Lenders' elections promptly following the Response Date. The election of any Lender to agree to such an extension shall not obligate any other Lender to so agree. The Maturity Date may be extended no more than two times pursuant to this Section 2.23.

(b) (i) If, by the Response Date, Lenders holding Commitments that represent 50% or more of the total Commitments shall constitute Non-Extending Lenders, then the Existing Maturity Date shall not be extended and the outstanding principal balance of all Loans and other amounts payable hereunder shall be payable, and the Commitments shall terminate, on the Existing Maturity Date in effect prior to such extension.

(ii) If, by the Response Date, Lenders holding Commitments that represent more than 50% of the total Commitments shall have agreed to extend the Existing Maturity Date (each such consenting Lender, an "Extending Lender"), then, effective as of the applicable date of effectiveness of such maturity extension, the Maturity Date for such Extending Lenders shall be extended to the first anniversary of the Existing Maturity Date (subject to satisfaction of the conditions set forth in Section 2.23(d)). In the event of such extension, the Commitment of each Non-Extending Lender shall terminate on the Existing Maturity Date in effect for such Non-Extending Lender prior to such extension and the outstanding principal balance of all Loans and other amounts payable hereunder to such Non-Extending Lender shall become due and payable on such Existing Maturity Date and, subject to Section 2.23(c) below, the total Commitments hereunder shall be reduced by the Commitments of the Non-Extending Lenders so terminated on such Existing Maturity Date.

(c) In the event of any extension of the Existing Maturity Date pursuant to Section 2.23(b)(ii), the Borrower shall have the right on or before the Existing Maturity Date, at its own expense, to require any Non-Extending Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.04) all its interests, rights (other than its rights to payments pursuant to Section 2.15, Section 2.16, Section 2.17 or Section 9.03 arising prior to the effectiveness of such assignment) and obligations under this Agreement to one or more banks or other financial institutions identified to the Non-Extending Lender by the Borrower, which may include any existing Lender (each a "Replacement Lender"); provided that (i) such Replacement Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent and each Issuing Bank (such approvals to not be unreasonably withheld) to the extent the consent of the Administrative Agent or the Issuing Banks would be required to effect an assignment under Section 9.04(b), (ii) such assignment shall become effective as of a date specified by the Borrower (which shall not be later than the Existing Maturity Date in effect for such Non-Extending Lender prior to the effective date of the requested extension) and (iii) the Replacement Lender shall pay to such Non-Extending Lender in immediately available funds on the effective date of such assignment the principal of and interest accrued to the date of payment on the outstanding principal amount Loans made by it hereunder and all other amounts accrued and unpaid for its account or otherwise owed to it hereunder on such date.



(d) As a condition precedent to each such extension of the Existing Maturity Date pursuant to Section 2.23(b)(ii), (x) both before and immediately after giving effect to such extension, (A) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (except that any such representation or warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) and (B) no Default shall have occurred and be continuing and (y) the Borrower shall (i) deliver to the Administrative Agent a certificate of the Borrower dated as of the Existing Maturity Date signed by a Financial Officer of the Borrower certifying that, as of such date, the conditions set forth in clause (x) above are satisfied, (ii) deliver to the Administrative Agent (1) documentation entered into by the Borrower, the Administrative Agent and each Extending Lender and Replacement Lender providing for such amendments to this Agreement as the Administrative Agent determines to be reasonably necessary to evidence such extension and (2) such other approvals, opinions or documents as any Lender participating in such extension may reasonably request through the Administrative Agent and (iii) first make such prepayments of the outstanding Loans and second provide such cash collateral (or make such other arrangements satisfactory to the applicable Issuing Bank) with respect to the outstanding Letters of Credit as shall be required such that, after giving effect to the termination of the Commitments of the Non-Extending Lenders pursuant to Section 2.23(b) and any assignment pursuant to Section 2.23(c), the aggregate Revolving Credit Exposure less the face amount of any Letter of Credit supported by any such cash collateral (or other satisfactory arrangements) so provided does not exceed the aggregate amount of Commitments being extended.

(e) For the avoidance of doubt, (i) no consent of any Lender (other than the existing Lenders participating in the extension of the Existing Maturity Date) shall be required for any extension of the Maturity Date pursuant to this Section 2.23 and (ii) the operation of this Section 2.23 in accordance with its terms is not an amendment subject to Section 9.02.

## Article II

### Representations and Warranties

The Borrower represents and warrants to the Lenders, in each case after giving effect to the Transactions, that:

SECTION 3.01 Organization; Powers; Subsidiaries. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. As of the Effective Date, Schedule 3.01 to the Disclosure Letter identifies each Subsidiary, noting whether such Subsidiary is a Material Domestic Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law or shares held by nominees on behalf of the Borrower or any Subsidiary as required by law), a description of each class issued and outstanding. As of the Effective Date, all of the outstanding shares of capital stock and other equity interests of each Material Domestic Subsidiary are validly issued and outstanding and fully paid and nonassessable (to the extent such concepts exist and/or are applicable) and all such shares and other equity interests indicated on Schedule 3.01 to the Disclosure Letter as owned by the Borrower or another Subsidiary are owned, beneficially and of record, by the Borrower or any Subsidiary free and clear of all Liens (other than Permitted Encumbrances). Except as set forth in Schedule 3.01 to the Disclosure Letter, as of the Effective Date there are no outstanding commitments or other obligations of the Material Domestic Subsidiaries to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of such Material Domestic Subsidiary.

SECTION 3.02 Authorization; Enforceability. The Transactions are within the Borrower's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which the Borrower is a party have been duly executed and delivered by

the Borrower and constitute a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

**SECTION 3.03 Governmental Approvals; No Conflicts.** Except to the extent reasonably expected to result in a Material Adverse Effect (other than with respect to violation of the charter, by-laws or organizational documents of the Borrower), the Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect or as set forth on Schedule 3.03 to the Disclosure Letter, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon the Borrower or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower.

**SECTION 3.04 Financial Condition; No Material Adverse Change.** (a) The Borrower has heretofore furnished to the Administrative Agent and the Lenders (i) the audited consolidated financial statements of the Borrower, Zynga, and their respective Subsidiaries consisting of balance sheets as of and for March 31, 2022 and March 31, 2021 (in the case of the Borrower) and December 31, 2021 and December 31, 2020 (in the case of Zynga) and the related statements of income and cash flows for such fiscal years, in each case, prepared in accordance with GAAP (collectively, the "Audited Financial Statements") and (ii) the unaudited consolidated financial statements of Zynga and its subsidiaries consisting of balance sheets as of and for the fiscal quarter ended March 31, 2022 (the last date of the last such applicable fiscal year or fiscal quarter, the "Financial Statements Date") and the related statements of income and cash flows for the portion of the fiscal year then ended, in each case, prepared in accordance with GAAP in all material respects or except as set forth therein (the "Unaudited Financial Statements"; provided that, for the avoidance of doubt, the foregoing representation is deemed satisfied as of the date hereof by the prior public filing with the SEC of the Audited Financial Statements and the Unaudited Financial Statements by the Borrower and Zynga, as applicable.). Such financial statements have been prepared in good faith, based on assumptions believed by the Borrower to be reasonable as of the date of delivery thereof, and present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries (other than Zynga and its consolidated Subsidiaries) and Zynga and its consolidated Subsidiaries, as applicable, as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) The unaudited pro forma consolidated balance sheet for the Borrower prepared as of the Financial Statements Date, prepared so as to give effect to the Transaction as if the Transactions had occurred as of such date or at the beginning of such period, as applicable (which need not be prepared in compliance with Regulations S-X of the Securities Act of 1933, as amended (the "Pro Forma Financial Statements")), copies of which have heretofore been furnished to the Administrative Agent and the Lenders; provided that, for the avoidance of doubt, the foregoing representation is deemed satisfied as of the date hereof by the prior public filing with the SEC of the Pro Forma Financial Statements by the Borrower. The Pro Forma Financial Statements have been prepared in good faith, based on assumptions believed by the Borrower to be reasonable as of the date of delivery thereof, and present fairly in all material respects on a pro forma basis the estimated financial position of the Borrower and its Subsidiaries as at the Financial Statements Date disclosed therein and their estimated results of operations for the period covered thereby.

(c) Since March 31, 2022, there has been no Material Adverse Effect.

**SECTION 3.05 Properties.** Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except to the extent the insufficiency of such title or interests, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation, Environmental and Labor Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of its Subsidiaries as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) There are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened in writing that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters, to the extent such violations, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All material payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08 Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09 Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11 Disclosure. Neither the Lender Presentation nor any of the other reports, financial statements, certificates or other written or formally presented information furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains, when furnished and taken as a whole, and taken as a whole with the Borrower's filings with the SEC, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the

circumstances under which they were made, not materially misleading at such time (after giving effect to all supplements so furnished from time to time) in light of the circumstances under which such information or data was furnished.

SECTION 3.12 Federal Reserve Regulations. No part of the proceeds of (i) any Loan or (ii) to the knowledge of the Borrower, any Subsidiary, or their respective directors, officers and employees, any Letter of Credit, in each case, have been used or will be used directly by the Borrower or its Subsidiaries for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including Regulations T, U and X.

SECTION 3.13 No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.14 Anti-Corruption Laws and Sanctions. (a) The Borrower has implemented and maintains in effect policies and procedures for compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions. The Borrower and its Subsidiaries and, to the knowledge of the Borrower and its Subsidiaries, their respective directors, officers, employees, agents and affiliates, are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions. None of the Borrower, any Subsidiary or, to the knowledge of the Borrower or such Subsidiary, any of their respective directors, officers, employees, agents or affiliates is a Sanctioned Person.

(b) No Borrowing or Letter of Credit, use of proceeds or the Transactions will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 3.15 Affected Financial Institutions. The Borrower is not an Affected Financial Institution.

### Article III

#### Conditions

SECTION 4.01 Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other legal opinions, certificates, documents, instruments and agreements described in the list of closing documents attached as Exhibit D.

(b) The Administrative Agent shall have received a customary written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Willkie Farr & Gallagher LLP, counsel for the Borrower, covering customary matters relating to the Borrower, the Loan Documents and the Transactions. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Lenders shall have received the Audited Financial Statements, the Unaudited Financial Statements and the Pro Forma Financial Statements. For the avoidance of doubt, this condition is deemed satisfied by the public filing of the Audited Financial Statements, the Unaudited Financial Statements, and the Pro Forma Financial Statements by the Borrower and Zynga as of the date hereof.

(d) The Administrative Agent shall have received such documents and certificates relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and

any other legal matters relating to the Borrower, the Loan Documents or the Transactions described in the list of closing documents attached as Exhibit D.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the Chief Executive Officer or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraph (i) of this Section 4.01.

(f) The Lenders, the Administrative Agent and the Arrangers shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least three (3) Business Days prior to the Effective Date, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(g) The Administrative Agent shall have received customary evidence that the Effective Date Refinancing shall have occurred or, substantially concurrently with the initial Borrowing under the Facilities, shall occur (other than any Effective Date Refinancing to be made on an Existing Zynga Notes Fundamental Change Settlement Date).

(h) (i) The Administrative Agent shall have received, at least five (5) days prior to the Effective Date, all documentation and other information regarding the Borrower requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least 10 days prior to the Effective Date and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

(i) The Merger Agreement shall not have been altered, amended or otherwise changed or supplemented or any provision waived or consented to in a manner that, when taken as a whole, is materially adverse to the Lenders (including any reduction in the acquisition consideration that does not meet the criteria below) without the prior written consent of the Arrangers (such consent not to be unreasonably withheld, delayed or conditioned); it being understood that (i) any change in the Cash Consideration (as defined in the Merger Agreement as in effect on January 9, 2022 (the "Original Signing Date") not exceeding a 10% increase or decrease in the aggregate Cash Consideration to be paid under the Merger Agreement as in effect on the Original Signing Date will be deemed to not be materially adverse to the interests of the Lenders and will not require the prior written consent of the Arrangers, (ii) any increase in the Stock Consideration (as defined in the Merger Agreement as in effect on the Original Signing Date) will be deemed to not be materially adverse to the interests of the Lenders and will not require the prior written consent of the Arrangers, and (iii) any reduction in the Merger Consideration (as defined in the Merger Agreement as in effect on the Original Signing Date) will be deemed to not be materially adverse to the interests of the Lenders and will not require the prior written consent of the Arrangers as long as the ratio of Cash Consideration to Stock Consideration is not increased from the ratio pursuant to the Merger Agreement as in effect on the Original Signing Date as a result of such reduction. The Combination shall be consummated substantially concurrently with the effectiveness of the Commitments in accordance in all material respects with the Merger Agreement as such terms may be altered, amended or otherwise changed, supplemented, waived or consented to in accordance with the immediately preceding sentence.

(j) Except (i) as disclosed in the Disclosure Schedules (as defined, for purposes of this clause (j), in the Merger Agreement as in effect on the Original Signing Date); provided that (x) the mere inclusion of an item in the Disclosure Schedules as an exception to a representation or warranty shall not be deemed an admission by the Target (as defined, for purposes of this clause (j), in the Merger Agreement as in effect on the Original Signing Date) that such item represents a material exception or fact, event or circumstance

or that such item would reasonably be likely to result in a Company Material Adverse Effect (as defined, for purposes of this clause (j), in the Merger Agreement as in effect on the Original Signing Date) on the Target and (y) any disclosures made with respect to a section of Article III of the Merger Agreement shall be deemed to qualify (A) any other section of Article III of the Merger Agreement specifically referenced or cross-referenced and (B) other sections of Article III of the Merger Agreement to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross-reference) from a reading of the disclosure that such disclosure applies to such other sections or (ii) as disclosed in any Company SEC Reports (as defined, for purposes of this clause (j), in the Merger Agreement as in effect on the Original Signing Date) publicly filed by the Target since December 31, 2018 and prior to the Original Signing Date (other than (x) any information that is contained solely in the "Risk Factors" section of such Company SEC Reports and (y) any forward-looking statements, or other statements that are similarly predictive or forward-looking in nature, in each case, contained in such Company SEC Reports), there has not been any effect, change, event, circumstance, condition, occurrence or development that has or would reasonably be likely to have, either individually or in the aggregate, a Company Material Adverse Effect on the Target.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, increase, renew or extend (but not reduce or shorten) any Letter of Credit (other than any amendment solely to reduce the amount of an outstanding Letter of Credit or to shorten the expiration date of such Letter of Credit), is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement (other than, at any time following the Effective Date, the representations and warranties contained in Section 3.04(b) and Section 3.06) shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Borrowing or the date of such issuance, amendment, increase, renewal or extension of such Letter of Credit, as applicable, except, in each case, to the extent such representation and warranty specifically refer to an earlier date, in which case it shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or such issuance, amendment, increase, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a duly completed Borrowing Request.

Each Borrowing and each issuance, amendment, increase, renewal or extension (but not reduction or shortening) of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

#### Article IV

##### Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated (in each case without any pending draw), or otherwise become subject to cash collateralization or other

arrangements reasonably satisfactory to the Administrative Agent, and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within ninety (90) days after the end of each fiscal year of the Borrower (or, if earlier, by the date that the Annual Report on Form 10-K of the Borrower for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification and without any qualification as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, by the date that the Quarterly Report on Form 10-Q of the Borrower for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.05 and (iii) setting forth reasonably detailed calculations demonstrating the Leverage Ratio for the period of four (4) consecutive fiscal quarters ending with the end of the applicable fiscal quarter or fiscal year for which such financial statements are to be delivered;

(d) promptly after the same become publicly available, copies of all periodic and other reports and proxy statements filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission (excluding any filing filed confidentially with the SEC or any analogous Governmental Authority in any relevant jurisdiction); and

(e) promptly following any request therefor, (i) such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary as the Administrative Agent or any Lender may reasonably request acting in good faith (other than any such information that (X) constitutes non-financial trade secrets or non-financial proprietary information, (Y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by any laws, rules, regulations or orders or any Governmental Authority or any agreement binding on the Borrower or its Subsidiaries or (Z) that is subject to attorney-client or similar privilege or constitutes attorney work product) and (ii) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and

anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to clauses (a), (b) and (d) of this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System; provided that the Borrower shall, upon request, provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies, or links to access such documents) of such documents.

SECTION 5.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Borrower or any Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and
- (d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business and (ii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except (other than in the case of legal existence with respect to the Borrower), in the case of each of clauses (i) and (ii), where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.



**SECTION 5.06 Books and Records: Inspection Rights.** The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made in all material respects and sufficient to prepare financial statements in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested (but not more than once per calendar year unless an Event of Default exists). The Borrower acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Borrower and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders. Notwithstanding the foregoing, neither the Borrower nor its Subsidiaries shall be required to disclose or discuss, or permit the inspection, examination or making of extracts of any document, book, record or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information (which, for the avoidance of doubt, shall include all development studios of the Borrower and its Subsidiaries), (ii) in respect of which disclosure to the Administrative Agent, such Lender or their representatives is then prohibited by applicable law or any agreement binding on Borrower or its Subsidiaries or (iii) is protected from disclosure by the attorney-client privilege or the attorney work product privilege.

**SECTION 5.07 Compliance with Laws.** The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws), except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and implement policies and procedures for compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

**SECTION 5.08 Use of Proceeds.** The proceeds of the Loans will be used for general corporate purposes of the Borrower and its Subsidiaries, including, without limitation, working capital, acquisitions, capital expenditures, any dividend or other distribution, repurchases of stock and repayments of Indebtedness, in each case to the extent permitted or not prohibited under this Agreement. No part of the proceeds of any Loan will be used, whether directly or indirectly by the Borrower and its Subsidiaries, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including Regulations T, U and X. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and, to the knowledge of the Borrower or any Subsidiary, their respective directors, officers and employees, shall not use directly or, to the knowledge of the Borrower or any Subsidiary, indirectly the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in material violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or (iii) in any other manner that would result in the violation of any Sanctions by any Person (including any Person participating in the Loans, whether as Administrative Agent, Lender, Issuing Bank, Arranger, Syndication Agent, underwriter, advisor, investor or otherwise).

**SECTION 5.09 Post-Closing Obligations.** In the event that, on the date that is 90 days following the Effective Date, an aggregate principal amount of Existing Zynga Notes greater than or equal to \$250,000,000 remain outstanding, then on or prior to such 90th day, Zynga shall (a) duly execute and deliver to the Administrative Agent a guaranty, in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the Borrower's obligations under the Loan Documents, together with such documents and certificates relating to the organization, existence and good standing of Zynga, the authorization of entering into such guaranty and other legal matters relating thereto, in form and substance reasonably satisfactory to the Administrative Agent and (b) upon the request of the Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to the Administrative Agent, of counsel for the Loan Parties acceptable to the Administrative Agent, as to the matters contained in clause (a) above, and as to such other matters as the Administrative Agent may reasonably request.

## Article V

### Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated (in each case without any pending draw), or otherwise become subject to cash collateralization or other arrangements reasonably satisfactory to the Administrative Agent, and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Subsidiary Indebtedness. The Borrower will not permit any Subsidiary to create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 to the Disclosure Letter and extensions, renewals, refinancings and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements;

(c) Indebtedness of any Subsidiary to the Borrower or any other Subsidiary;

(d) Guarantees by any Subsidiary of Indebtedness of the Borrower or any other Subsidiary;

(e) Indebtedness of any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Financing Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within two hundred seventy (270) days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) at any time outstanding shall not exceed the greater of (x) \$125,000,000 and (y) 1.25% of Consolidated Total Assets at the time incurred;

(f) Indebtedness of any Subsidiary as an account party in respect of trade or standby letters of credit, bank guarantees and bankers' acceptances and any guarantees of such Indebtedness of another Subsidiary;

(g) Indebtedness with respect to surety, appeal, indemnity, performance or other similar bonds in the ordinary course of business or with respect to agreements providing for indemnification, adjustment of purchase price, earn-out payments, earnest money or similar obligations in connection with any acquisitions, dispositions permitted by Section 6.04 or other uses provided for in clause (d) of the definition of Permitted Encumbrances;

(h) Indebtedness arising from the honoring of a check, draft or similar instrument against insufficient funds or from the endorsement of instruments for collection in the ordinary course of business;

(i) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(j) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply agreements, in each case incurred in the ordinary course of business;

(k) Indebtedness of any Person that becomes a Subsidiary after the date hereof pursuant to an acquisition permitted hereunder; provided that such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary; and

(l) Indebtedness in an aggregate principal amount, when aggregated with the aggregate principal amount of Indebtedness secured by Liens permitted by Section 6.02(n), not exceeding 10% of Consolidated Total Assets at any time outstanding.

SECTION 6.02 Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, securing Indebtedness described in clause (a) of the definition thereof, except:

(a) Permitted Encumbrances;

(b) Liens securing Indebtedness of Subsidiaries owing to the Borrower or any of its Subsidiaries;

(c) any Lien on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Disclosure Letter; provided that (i) such Lien shall not apply to any other property or asset (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus any accrued and unpaid interest and premium payable by the terms of such obligations thereon and other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements);

(d) any Lien existing on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds and the products thereof and customary security deposits, related contract rights and payment intangibles and other assets related thereto) of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus any accrued and unpaid interest and premium payable by the terms of such obligations thereon and other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such extensions, renewals, refinancings or replacements);

(e) Liens on fixed or capital assets (and any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) in the case of any Subsidiary, such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within two hundred seventy (270) days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring,

constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets (other than any additions, accessions, parts, improvements and attachments thereto and the proceeds thereof) of the Borrower or any Subsidiary;

(f) Liens in favor of the United States of America or any state, territory or possession thereof (or the District of Columbia), or any department, agency, instrumentality or political subdivision of the United States of America or any state, territory or possession thereof (or the District of Columbia), to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such Liens;

(g) Liens arising as a matter of law or created in the ordinary course of business in the nature of (i) normal and customary rights of setoff and banker's liens upon deposits of cash in favor of banks or other depository institutions and (ii) Liens securing reasonable and customary fees for services in favor of banks, securities intermediaries or other depository institutions;

(h) Liens on any cash earnest money deposit made by the Borrower or any Subsidiary in connection with any letter of intent or acquisition agreement that is not prohibited by this Agreement;

(i) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to Indebtedness not otherwise prohibited under this Agreement;

(j) assignments of the right to receive income effected as part of the sale of a Subsidiary or a business unit that is engaged in business of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto;

(k) Liens on insurance proceeds securing the premium of financed insurance proceeds;

(l) Liens on cash collateral securing reimbursement obligations with respect to letters of credit, bank guarantees and bankers' acceptances, and Liens on cash collateral or margin posted for obligations arising under Swap Agreements, in each case, that are not otherwise prohibited under this Agreement and are in respect of transactions entered into in the ordinary course of business;

(m) Liens incurred to secure cash or investment management or custodial services in the ordinary course of business; and

(n) Liens on assets of the Borrower and its Subsidiaries not otherwise permitted above; provided that the aggregate principal amount of the Indebtedness and other obligations subject to such Liens, when aggregated with the aggregate principal amount of Indebtedness permitted by Section 6.01(l), does not at any time exceed 10% of Consolidated Total Assets.

SECTION 6.03 Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any Subsidiary to, enter into any Sale and Leaseback Transaction with respect to a Principal Property, other than (i) transactions permitted by Sections 6.01(e) and 6.02(e) and (ii) other Sale and Leaseback Transactions in respect of which the aggregate Attributable Debt permitted by this Section 6.03 does not at any time exceed \$100,000,000.

SECTION 6.04 Fundamental Changes and Asset Sales. The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its Subsidiaries taken as a whole (including pursuant to a Sale and Leaseback Transaction) (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Person (including a Subsidiary) may merge into or consolidate with the Borrower in a transaction in which the Borrower is the surviving corporation (including a merger the purpose of which is to reorganize the Borrower into a new jurisdiction; provided that the Borrower shall be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia); and

(ii) the Borrower may merge into or consolidate with any other Person; provided that (i) the Borrower shall be the continuing or surviving corporation or (ii) if the Person formed by or surviving any such merger or consolidation (any such Person, the "Successor Company") is not the Borrower, (A) the Successor Company shall be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, (B) the Successor Company shall expressly assume all the obligations of the Borrower under this Agreement and the other Loan Documents to which the Borrower is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent and (C) the Borrower shall have delivered to the Administrative Agent (i) an officer's certificate stating that such merger or consolidation and such supplement to this Agreement comply with this Agreement and (ii) information and documentation of the type referred to in Section 5.01(e)(ii); provided, further, that if the foregoing are satisfied, the Successor Company will succeed to, and be substituted for, the Borrower under this Agreement.

SECTION 6.05 Financial Covenant. The Borrower will not permit the Leverage Ratio, determined as of the end of each of its fiscal quarters ending on and after September 30, 2022, to exceed 3.75 to 1.00; provided that during the first four quarter end dates following the consummation of a Qualified Acquisition, such ratio shall increase to 4.25 to 1.00 (an "Adjusted Leverage Ratio Period"); provided, further, that following any Adjusted Leverage Ratio Period, such ratio shall be 3.75 to 1.00 for at least two fiscal quarters before such ratio may be increased as a result of a subsequent Qualified Acquisition.

#### Article VI

##### Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made and, such incorrect representation or warranty shall remain incorrect for a period of five (5) Business Days after written notice thereof from the Administrative Agent to the Borrower;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to the Borrower's legal existence) or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan

Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any principal or interest payment in respect of any Material Indebtedness, when and as the same shall become due and payable and after giving effect to any applicable grace periods;

(g) any event or condition occurs that results in any Material Indebtedness becoming due, or that requires the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (x) secured Indebtedness that becomes due as a result of the sale or transfer of the property or assets securing such Indebtedness, (y) any redemption, repurchase, conversion or settlement with respect to any Convertible Debt Security pursuant to its terms (including, for the avoidance of doubt, the Existing Zynga Notes Fundamental Change Conversion) unless such redemption, repurchase, conversion or settlement results from a default thereunder or an event of the type that constitutes an Event of Default or (z) any early payment requirement or unwinding or termination with respect to any Permitted Bond Hedge or other Swap Agreement;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower, any Material Domestic Subsidiary or any Material Foreign Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower, any Material Domestic Subsidiary or any Material Foreign Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower, any Material Domestic Subsidiary or any Material Foreign Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower, any Material Domestic Subsidiary or any Material Foreign Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing (except to the extent that any of the foregoing is undertaken pursuant to an internal reorganization whereby all or substantially all of the assets of any Material Domestic Subsidiary or a Material Foreign Subsidiary are transferred to the Borrower or other Subsidiaries of the Borrower in connection therewith);

(j) the Borrower or any Material Domestic Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$200,000,000 (to the extent not covered by a creditworthy insurer that has not denied coverage) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall not have been vacated, discharged, stayed or bonded pending appeal for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor holding a judgment in excess of \$200,000,000 to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or the Borrower shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (iii) demand the deposit of cash collateral pursuant to Section 2.06(j); and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, (i) the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable and (ii) the Borrower's obligation to deposit cash collateral pursuant to Section 2.06(j) shall become effective immediately, and such deposit shall become immediately due and payable, in each case of the foregoing clauses (i) or (ii), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

## Article VII

### The Administrative Agent

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the

circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (unless an Event of Default under Section 7(a), (b), (h) or (i) has occurred and is continuing), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, with the consent of the Borrower (unless an Event of Default under Section 7(a), (b), (h) or (i) has occurred and is continuing), appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation or removal hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.



Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further acknowledges that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

None of the Lenders, if any, identified in this Agreement as an Arranger or a Syndication Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Arranger and/or Syndication Agent, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this paragraph shall be conclusive, absent manifest error.

Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

The Borrower hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment

(other than any such erroneous Payment that is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any Person acting on behalf of the Borrower for the purpose of making such erroneous Payment) shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower.

Each party's obligations under the preceding three paragraphs shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the IRS or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), such Lender shall, within 10 days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Loan Parties pursuant to Section 2.17 and without limiting or expanding the obligation of the Loan Parties to do so) from and against all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender, under this Agreement or any other Loan Document or from any other sources, against any amount due the Administrative Agent under this paragraph. The agreements in this paragraph shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

#### Article VIII

##### Miscellaneous

SECTION 9.01 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Take-Two Interactive Software, Inc., 110 West 44th Street, New York, New York, 10036, Attention: General Counsel; Telephone: 646-536-2869;

(ii) if to the Administrative Agent or to JPMorgan Chase Bank, N.A. in its capacity as an Issuing Bank, to JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 500 Stanton Christiana Road, Ops 2, 3rd Floor Newark, DE 19713, Attention of Loan and Agency Services Group (Fax No. 1 (302) 634-3301); and

- (iii) if to any other Lender or Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Borrower, the Lenders and the Issuing Banks hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes or as otherwise expressly set forth in this Agreement, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

(d) Posting of Communications.

(i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(ii) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(iii) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM

LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(iv) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(v) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(vi) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02 Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Subject to Sections 2.14(b), 2.20 and 2.23, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the

Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (except that any amendment or modification of definition of "Leverage Ratio" in this Agreement (or defined terms used in such definition of "Leverage Ratio") shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii)), (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder without the prior written consent of the Administrative Agent or such Issuing Bank (it being understood that any change to Section 2.22 shall require the consent of the Administrative Agent and the Issuing Banks). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (x) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption (subject to the final sentence of this Section 9.02(d)) and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender. Notwithstanding anything in this Section 9.04(d) to the contrary, such replacement of a Non-Consenting Lender shall be deemed effective with respect to such Non-Consenting Lender whether or not such Non-Consenting Lender enters into an Assignment and Assumption.

(e) Notwithstanding anything to the contrary herein, the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03 Expenses; Limitation of Liability; Indemnity; Etc.

(a) Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel for the Administrative Agent and one local counsel in each applicable jurisdiction, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of one primary counsel for the Administrative Agent, Issuing Banks and Lenders, taken as a whole, and one additional local counsel in each applicable jurisdiction for the Administrative Agent, Issuing Banks and Lenders, taken as a whole, in connection with the enforcement or protection of their rights in connection with this Agreement and any other Loan Document, including their rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Limitation of Liability. To the extent permitted by applicable law, (i) the Borrower shall not assert, and the Borrower hereby waives, any claim against the Administrative Agent, any Arranger, any Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan, any Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 9.03(b) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 9.03(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Indemnity. The Borrower shall indemnify the Administrative Agent, each Issuing Bank, each Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses (which, in the case of fees, charges and disbursements of counsel, shall be limited to the reasonable and documented fees, charges and disbursements of (i) one primary counsel, and one additional local counsel in each applicable jurisdiction, for the Administrative Agent, the Lenders, their Affiliates and related Indemnitees (taken as a whole) and (ii) solely in the case of an actual or perceived conflict of interest where the Indemnitee affected by such conflict notifies the Borrower of the existence of such conflict and thereafter retains its own counsel, one other firm of counsel in each applicable jurisdiction (which may include a single firm of local counsel for all such affected Indemnitees acting in multiple jurisdictions)) incurred by or asserted against any Indemnitee resulting from any claim, litigation, investigation or proceeding arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (iii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iv) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability of the Borrower or any of its Subsidiaries, or (v) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by the Borrower or its equity holders, Affiliates, creditors or any other

third Person and whether based on contract, tort or any other theory, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from (x) the gross negligence, bad faith, or willful misconduct of such Indemnitee, (y) the material breach by such Indemnitee of its express obligations under this Agreement pursuant to a claim initiated by the Borrower or (z) any dispute solely among Indemnitees (not arising as a result of an act or omission by the Borrower or any of its Subsidiaries or Affiliates) other than claims against any of the Administrative Agent or the Lenders or any of their Affiliates in its capacity or in fulfilling its role as the Administrative Agent, an Issuing Bank, an Arranger, a lead arranger, a bookrunner or any similar role under this Agreement. Each of the Administrative Agent and the Lenders hereby agrees, on behalf of itself and its related Indemnitees, that any settlement entered into by the Administrative Agent or such Lender, respectively, and its related Indemnitee in connection with a claim or proceeding for which an indemnity claim is made against the Borrower pursuant to the preceding sentence shall be so entered into in good faith and not on an arbitrary or capricious basis. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc., arising from any non-Tax claim.

(d) Lender Reimbursement. Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraphs (a), (b) or (c) of this Section 9.03 to the Administrative Agent and each Issuing Bank and any of their respective Related Parties (each, an " Agent-Related Person") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective percentage of the aggregate Loans and unfunded Commitments of all Lenders represented by such Lender's Loans and unfunded Commitments (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if such payment is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such percentage immediately prior to such date), and agrees to indemnify and hold each Agent-Related Person harmless from and against any and all Liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments and/or Loans, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; provided that the unreimbursed expense or Liability or related expense, as the case may be, was incurred by or asserted against such Agent-Related Person in its capacity as such; provided further that no Lender shall be liable for the payment of any portion of such Liabilities, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from such Agent-Related Party's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(e) Payments. All amounts due under this Section shall be payable not later than thirty (30) days after written demand therefor.

SECTION 9.04 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided, that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, with respect to clause (d), such company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not



been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than \$10,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and related interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender (with respect to its own Commitments and Loans), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent or the Issuing Banks, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification

or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered solely to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) shall be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.22(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant shall be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and related interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the consummation of the transactions contemplated hereby, the repayment, satisfaction or discharge of all obligations under any Loan Document, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07 Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions

thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

**SECTION 9.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time then due and outstanding owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all of the Obligations then due and outstanding held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.22 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

**SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process.** (a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each party to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) heard and determined in such Federal or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Documents shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(d) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case each of the Administrative Agent, the Issuing Banks and the Lenders agree to the extent not prohibited by applicable law, rule, regulation or order, to inform you promptly of the disclosure thereof and to the extent practicable, prior thereto), (c) to the extent required by applicable laws, rules or regulations or by any subpoena or order or similar legal process (in which case each of the Administrative Agent, the Issuing Banks and the Lenders agree to the extent not prohibited by applicable law, rule, regulation or order, to inform you promptly of the disclosure thereof and to the extent practicable, prior thereto), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations or to any credit insurance provider relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the extent that such information is independently developed by the Administrative Agent, any Issuing Bank or any Lender, without reference to any confidential Information and without violating the terms of this Agreement, (i) for purposes of establishing a defense in any legal proceeding, (j) to market data collectors and service providers providing services in connection with the administration of the Loans (such disclosure under this clause (j) limited solely to this Agreement), (k) on a confidential basis to any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (k) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source that is not, to the knowledge of the Administrative Agent, such Issuing Bank or such Lender respectively, subject to confidentiality obligations owing to the Borrower or any of its Subsidiaries and prohibiting such disclosure. Notwithstanding the foregoing, none of the Administrative Agent, any Issuing Bank or any Lender shall be required to provide notice of any permitted disclosures made in connection with any regulatory review of the Administrative Agent, such Issuing Bank or such

Lender by any governmental agency or regulatory body with jurisdiction over the Administrative Agent, such Issuing Bank or such Lender, so long as such review is not specifically targeted at the Borrower or the gaming industry and notice thereof is not prohibited by applicable law, rule, regulation or order. For the purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to their business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower or such Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

**ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.**

SECTION 9.13 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") hereby notifies the Borrower that pursuant to the requirements of the Patriot Act and the requirements of the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act and the Beneficial Ownership Regulation.

SECTION 9.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.15 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof

or of any other Loan Document), each party hereto acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower agrees to forego any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

**SECTION 9.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

**SECTION 9.17 Certain ERISA Matters**. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent and any Arranger and their respective Affiliates, that at least one of the following is and will be true:

- (i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE

95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of subsections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent and any Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, or any arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 9.18 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for hedging agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan



Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Signature Pages Intentionally Omitted]

**T2 SECURITIES TRADING POLICY**

This policy applies to all employees, officers, directors and consultants of Take-Two Interactive Software, Inc., its subsidiaries and affiliates (hereafter the "Company"). This policy supersedes all previously disseminated Securities Trading policies and must be read in conjunction with the Company's "Global Code of Business Conduct and Ethics" which is incorporated by reference. The Company reserves the right to change the terms and conditions of this policy and, as a condition of your employment at the Company, you are required to abide by its terms.

Federal securities laws prohibit all persons, including, but not limited to, employees, officers, directors and consultants of a public company from trading in the securities of that company on the basis of "inside" (i.e., material, non-public) information. In addition to the direct liability of persons who trade on inside information for their insider trading violations, potential liability on the part of companies and their directors and officers exists for failure to prevent such violations by company personnel. In light of these liabilities and the severity of possible sanctions both to officers, directors, employees, and consultants and to the Company for insider trading violations, the Company has adopted the procedures set forth in this policy statement.

Please note that while these procedures and policies are Company policy, they are not intended to replace the primary responsibility of each employee, officer, director, and consultant to understand independently, and comply with, the prohibition on insider trading under federal securities laws.

The Company shall designate, at its sole discretion, the only times during which any and all employees, officers, directors and consultants are allowed to transact in Company securities, including common stock and options (sometimes referred to as a "trading window"). The Company reserves the right to close a trading window for any and all employees, officers, directors and consultants or to designate particular individuals or groups of individuals that may not transact in the Company's securities during a trading window or a period of time thereof, that the Company determines should not be, at that time, engaging in such conduct. Whenever the Company announces generally to all employees, officers, directors and consultants or directly to any particular individual or individuals that transactions must cease (sometimes referred to as "closing the window"), that decision remains in place until explicitly lifted.

It is the responsibility of each employee, officer, director and consultant to know whether or not he or she is currently allowed to transact in Company securities and to obtain the appropriate approvals (as explained herein), if applicable, before doing so.

Moreover, regardless of any announcement by the Company that transactions are generally allowed, no Company employee, officer, director or consultant (nor any person living in the household of an officer, director, employee or consultant) may transact Company securities if in possession of, based upon or aimed at taking advantage of material, non-public information relating to the Company.

**1. Material Non-Public Information**

No employee, officer, director or consultant of the Company who possesses material, non-public information relating to the Company may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, such information. This policy shall also apply to material non-public information relating to any other company, including our customers, vendors or suppliers, obtained by such officer, director, employee or consultant in the ordinary course of employment with the Company, or by serving as a director of the Company or any other company affiliated with the Company.

Information is considered to be "material" if, when publicly disclosed, it could reasonably be expected to affect the market value of a corporation's securities or to influence investor decisions with respect to those securities, or there is a substantial likelihood that a reasonable shareholder would consider it in deciding how to vote.

Examples of material information include, but are not limited to: earnings and losses; news of pending or proposed mergers; acquisitions or tender offers; the release date for new games (or changes in previously announced release dates); news of a significant sale or purchase of assets or the disposition of a subsidiary;

changes in dividend policy; the declaration of a stock split or offering of additional securities; changes to management; significant new products/ discoveries; pending bankruptcy or financial liquidity problems; and/or gain or loss of a significant customer. Either positive or negative information may be deemed material information.

Informing another person of material non-public information, other than in the necessary course of business (and then only in certain circumstances), is prohibited under federal securities laws and is known as "tipping". Accordingly, individuals can be held responsible not only for their own insider trading, but also for trading by anyone to whom they disclose material non-public information. Even if those persons to whom an individual discloses such information do not trade while aware of the information, the disclosing individual still can be held responsible for the trades of others who ultimately received material non-public information indirectly from such individual. Because even casual remarks made by employees with respect to the Company's or another company's securities or business could be misconstrued as being based on material non-public information, all persons subject to this Policy should exercise caution in making such remarks.

## 2. Material "Public" Information

It is improper for an officer, director, employee or consultant to transact in the securities of the Company immediately after the Company has made a public announcement of material information (including, e.g., the Company's annual and quarterly earnings releases), but before such information has been broadly disseminated to the public. The general rule is that officers, directors, employees and consultants not engage in any transactions of the Company's securities until the next business day after the information has been released to the public. For example, if the Company releases its quarterly earnings release on the news wire at any time between 4:00 pm on Tuesday, May 13th and 9:30 am on Wednesday, May 14th, no officer, director, employee or consultant will be permitted to transact in the Company's stock until 9:30 am on Thursday, May 15th.

The trading windows will typically be more restrictive for Covered Persons. For these Covered Persons, trading windows will typically be the 30-day period commencing on the next business day after the quarterly or annual earnings report of the Company has been released and disseminated to the public (unless otherwise closed by the Company).

During any trading window, each individual is still precluded from transacting in the Company's securities if in possession of material non-public information.

## 3. Prohibited Transactions

To avoid the appearance of impropriety, it is the policy of the Company that officers, directors, employees and consultants refrain from engaging in the following transactions with respect to the Company's securities:

- In and Out Trading. (All purchases of the Company's securities in the open market must be held for a minimum of six months. This is an expansion of the short-swing profit rule, applicable to officers and directors, to include employees and consultants of the Company. The rule, however, does not apply to the exercise of stock options, except by certain officers and directors.)
- Purchases of Company securities on margin or holding any Company securities in margin accounts.
- Pledges of Company securities as collateral for a loan.
- Short sales of the Company's securities. (No director, officer, employee or consultant of the Company shall ever engage in short sales of the Company's securities. Such conduct may create criminal liability.)
- Transactions in puts, calls or other derivatives on the Company's securities, as well as any other derivative or hedging transactions on Company securities.

#### 4. Exempt Transactions

This Policy generally does not prohibit (i) any transfer of securities to an entity that does not involve a change in the beneficial ownership of the securities, for example, to an inter vivos trust of which an insider is the sole beneficiary during his or her lifetime, (ii) bona fide gifts to members of an insider's immediate household (provided that the recipient may be subject to this Policy with respect to the acquired securities as set forth under "Trading by Family Members and Others" below), or (iii) changing the form of ownership to include a member of an insider's immediate household as a joint owner. Gifts of securities to charitable or other tax-exempt organizations may constitute a "sale" of securities under certain circumstances and will be reviewed and considered on a case-by-case basis by the Office of the Chief Legal Officer.

#### 5. Trading Plans

Notwithstanding the restrictions and prohibitions on trading the Company's securities as set forth herein, persons subject to this policy statement are permitted to effect transactions in the Company's securities pursuant to approved trading plans established under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, including transactions during a closed trading window, in accordance with the requirements and procedures set forth in Appendix A hereto Rule 10b5-1 requires that these transactions be made pursuant to a plan that was established while the person was not in possession of material, non-public information. In order to comply with this policy statement, the Company's Chief Legal Officer or a General Counsel must review and approve any such trading plan prior to its effectiveness. Persons seeking to establish a trading plan should contact the Chief Legal Officer or a General Counsel prior to initiating such plan.

#### 6. Trading by Family Members and Others

The legal prohibitions against insider trading apply to securities directly owned by employees, officers, directors, and consultants, as well as securities beneficially owned by these individuals (i.e., where they have the right to vote or dispose of the securities either directly or indirectly). Depending on the circumstances, ownership of shares held in the name of family members could be attributable to the employee, officer, director or consultant. Accordingly, if the spouse, child or other family member living in the employee's, officer's, director's or consultant's home were to buy or sell the Company's securities, the transaction might be deemed a purchase or sale by the employee, officer, director or consultant or otherwise result in liability for the purchaser or seller and the employee, officer, director, or consultant if it were determined that the purchaser or seller possessed inside information at the time of the transaction. Therefore, the restrictions set forth in this policy apply not only to securities transactions by the employee, officer, director, or consultant, but also to all such transactions by the individual's spouse, minor children, other family members residing in the individual's home or other persons living in the individual's home or who are the individual's dependents, and any other person or entity who holds securities of the Company over which the individual does or may have some control.

#### 7. Approval Process To Transact In Company Securities

Any Covered Person wishing to transact in Company securities must sign or acknowledge via email an approval form (entitled "EMPLOYEE SECURITIES TRANSACTION CERTIFICATION AND APPROVAL FORM"). The form can be emailed to [\*\*\*\*\*]. Once it is received, reviewed and approved, (including the approval of a member of the Office of the Chief Legal Officer) the employee will be notified of their ability to engage in the transaction as described on the form. The notification will include the date upon which approval expires, generally two full business days following the date on which it is approved.

For example, an approval form signed and executed at any time on a Wednesday will typically expire at 4PM EST on the subsequent Friday. Human Resources will notify each individual who qualifies as a Covered Person for purposes of the approval process set forth above. The Office of the Chief Legal Officer will have the discretion to apply this approval process to any officer, employee or consultant who is not a Covered Person at any time and will provide as much advance notice as possible to any such individuals as to when the approval process will apply to them. Notwithstanding the fact that certain officers, employees and consultants are not designated as Covered Persons, they are still subject to all other applicable terms and conditions of this policy.

There are no exceptions to these restrictions. Transactions that might otherwise be necessary for emergencies or other personal reasons are subject to the restrictions and guidelines of this policy.

In many cases, application of our Policy requires judgment and may not be subject to clear, "bright-line" rules. Requests for interpretations of the Policy should be directed to the Office of the Chief Legal Officer.

Any violations of this policy statement may result in disciplinary action, which may include immediate dismissal. If any employee, officer, director or consultant has information regarding a possible violation of this policy, he or she should bring that information to the Company's attention immediately by contacting the Office of the Chief Legal Officer. In the alternative, the information can be brought to the Company's attention by contacting the "hotline" at (866) 404-7401. This "hotline" is staffed 24 hours a day, seven days a week by a communications specialist employed by an outside company. All communications regarding violations of this policy made in good faith will be treated promptly and professionally and without risk of retribution.

## **APPENDIX A**

### **10b5-1 Plan Requirements**

Persons subject to this policy statement are permitted to effect transactions in the Company's securities pursuant to approved 10b5-1 Plans. In order to qualify as an approved "10b5-1 Plan" for purposes of this policy, the trading plan must meet all of the following requirements:

1. The 10b5-1 Plan must be established in writing, signed and dated by the person establishing the plan, approved and signed by the Company (with respect to the issuer certificate thereto), and filed with Office of the Chief Legal Officer.
2. The 10b5-1 Plan must be in a form that meets the requirements of Rule 10b5-1 and include certifications from the person establishing the plan that:
  - he, she or it was not aware of any material non-public information about the Company or its securities when he, she or it established the 10b5-1 Plan; and
  - the 10b5-1 Plan is entered into in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5 under the Exchange Act.
3. The 10b5-1 Plan may not be established during any closed trading window to which the person establishing the plan is subject.
4. For any 10b5-1 Plan adopted by any "officer" or "director" (as defined under Rule 10b5-1), trading under such 10b5-1 Plan may not commence until the later of: (a) ninety (90) days after the adoption of the 10b5-1 Plan or (b) two business days following the public disclosure of the Company's financial results for the fiscal quarter during which the 10b5-1 Plan was adopted (but, in any event, this required cooling-off period is subject to a maximum of 120 days after adoption of the 10b5-1 Plan).
5. Subject to the exceptions enumerated in Rule 10b5-1, persons subject to this policy statement may not have more than one operative 10b5-1 Plan at a time.
6. Each person establishing a 10b5-1 Plan must act in good faith with respect to the 10b5-1 Plan at all times during which it remains outstanding.
7. Any changes or modifications to an existing 10b5-1 Plan with regard to the amount, price, or timing of the purchase or sale of securities underlying the 10b5-1 Plan, or a modification or change to a written formula or algorithm, or computer program that affects the amount, price, or timing of the purchase or sale of such securities, will be deemed to be a termination of the original 10b5-1 Plan and the adoption of a new 10b5-1 Plan, which must comply with the same requirements above, including the cooling-off period set forth in paragraph 4 of this Appendix A.
8. Any form of 10b5-1 Plan must be reviewed and approved by the Office of the Chief Legal Officer prior to entry into the 10b5-1 Plan. The Office of the Chief Legal Officer shall be notified in advance of any proposed amendments to the 10b5-1 Plan or the termination of the 10b5-1 Plan.

Subsidiaries of Take-Two Interactive Software, Inc.

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
2K Czech, s.r.o.	Czech Republic
2K Games (Chengdu) Co., Ltd.	China
2K Games Dublin Limited	Ireland
2K Games Madrid S.L.	Spain
2K Games (Shanghai) Co., Ltd.	China
2K Games, Inc.	Delaware
2K, Inc.	New York
2K Marin, Inc.	Delaware
2K Play, Inc.	Delaware
2K Games Songs LLC	Delaware
2K Games Sounds LLC	Delaware
2K Games Tunes LLC	Delaware
2K Studios Montreal, Inc.	Quebec
2K Vegas, Inc.	Delaware
2KSports, Inc.	Delaware
A.C.N 633 146 291 Pty Ltd.	Australia
Almost There Entertainment Limited	Ireland
Anomotion Interactive Inc.	British Columbia
Beijing StarLark Technology, Co., Ltd	China
Big Dog Holdings LLC	Delaware
Blue Shift, Inc.	California
Bytetyper Yazilim Ticaret Anonim Sirketi	Turkey
Cat Daddy Games, L.L.C.	Washington
Chartboost B.V.	Netherlands
Chartboost Tech, S.L.	Spain
Chartboost, Inc.	Delaware
Creasaur Teknoloji Ticaret Anonim Sirketi	Turkey
Dhruva Interactive Private Limited	India
DMA Design Holdings Limited	United Kingdom
Double Take LLC	Delaware
Dynamixyz SAS	France
Echtra Games, Inc.	Delaware
Firaxis Games, Inc.	Delaware
Frog City Software, Inc.	Delaware
GameClub Inc.	Delaware
Gathering of Developers, Inc.	Texas
Gearhead Entertainment, Inc.	Pennsylvania
Ghost Story Games, LLC	Delaware
Glennco Games, LLC	Delaware
Gram Games Limited	United Kingdom
Gram Games Teknoloji A.S.	Turkey
Groundhog 1, LLC	Delaware





<u>Name</u>	<u>Jurisdiction of Incorporation</u>
Groundhog 2, LLC	Delaware
Hangar 13 UK Limited	United Kingdom
Indie Built, Inc.	Delaware
Inventory Management Systems, Inc.	Delaware
Joytech Europe Limited	United Kingdom
Joytech Ltd.	Hong Kong
Kush Games, Inc.	California
LILW12TH, Inc.	Delaware
Little Dog Domestic Holdings LLC	Delaware
LVY Technology Limited	Hong Kong
Maxcorp Ltd.	Bermuda
Nanotribe GmbH	Germany
NaturalMotion Limited	United Kingdom
NaturalMotion Games Limited	United Kingdom
NaturalMotion Software Limited	United Kingdom
Nom Nom Nom d.o.o Beograd	Serbia
Nordeus d.o.o Beograd	Serbia
Nordeus Limited	Ireland
Parrot Games, S.L.U.	Spain
Peak Oyun Yazilim ve Pazarlama Anonim Şirketi	Turkey
Playdots, LLC	Delaware
Popcore GmbH	Germany
Popcore S.L.	Spain
RDIP Limited	United Kingdom
Rockstar Dundee Limited	United Kingdom
Rockstar Events Inc.	New York
Rockstar Games, Inc.	Delaware
Rockstar Games Songs LLC	Delaware
Rockstar Games Sounds LLC	Delaware
Rockstar Games Toronto ULC	British Columbia
Rockstar Games Tunes LLC	Delaware
Rockstar Games UK Limited	United Kingdom
Rockstar Interactive India LLP	India
Rockstar International Limited	United Kingdom
Rockstar Leeds Limited	United Kingdom
Rockstar Lincoln Limited	United Kingdom
Rockstar London Limited	United Kingdom
Rockstar New England, Inc.	Delaware
Rockstar Records, LLC	Delaware
Rockstar San Diego, Inc.	Virginia
Rollic Games Germany GmbH	Germany
Rollic Games Oyun Yazilim ve Pazarlama Anonim Şirketi	Turkey
Rollingmedia Limited	United Kingdom
Segmatic Services (US), Inc.	Delaware





<u>Name</u>	<u>Jurisdiction of Incorporation</u>
Small Giant Games Oy	Finland
Social Point, S.L.	Spain
Storemaven Ltd	Israel
T2 Developer, Inc.	Delaware
Take 2 Interactive Software Pty. Ltd.	Australia
Take 2 Productions, Inc.	Delaware
Take-Two Asia Pte. Ltd.	Singapore
Take-Two Australia Development Pty Ltd	Australia
Take-Two Chile SpA	Chile
Take-Two Contracting, LLC	Delaware
Take-Two Esports Holdings, LLC	Delaware
Take-Two Europe (Holdings) Limited	United Kingdom
Take-Two Games Songs LLC	Delaware
Take-Two Games Sounds LLC	Delaware
Take-Two Games Tunes LLC	Delaware
Take-Two GB Limited.	United Kingdom
Take-Two Holdings III LLC	Delaware
Take-Two Holdings II LLC	Delaware
Take Two Holdings LLC	Delaware
Take-Two Hong Kong Limited	Hong Kong
Take-Two Interactive Benelux B.V.	Netherlands
Take-Two Interactive Canada Holdings, Inc.	Ontario
Take-Two Interactive Canada, Inc.	Ontario
Take-Two Interactive Espana S.L.	Spain
Take-Two Interactive France SAS	France
Take-Two Interactive GmbH	Germany
Take-Two Interactive Japan G.K.	Japan
Take-Two Interactive Korea Ltd.	South Korea
Take-Two Interactive India Private Limited	India
Take-Two Interactive Software Europe Limited	United Kingdom
Take-Two Interactive Software Ireland Limited	Ireland
Take-Two Interactive Software ME Limited	United Kingdom
Take-Two Interactive Software UK Limited	United Kingdom
Take-Two Interactive Software Vancouver ULC dba Visual Concepts Blue Shift	British Columbia
Take-Two International B.V.	Netherlands
Take Two International GmbH	Switzerland
Take-Two Talent, LLC	Delaware
Take-Two UK Holdings Limited	United Kingdom
Take-Two Vegas, LLC	Delaware
Talonsoft, Inc.	Delaware
Techcorp Ltd.	Hong Kong
Venom Games Limited	United Kingdom
Venues I, LLC	Delaware
Visual Concepts China Co., Ltd.	China



<u>Name</u>	<u>Jurisdiction of Incorporation</u>
Visual Concepts Entertainment	California
Visual Concepts Hungary Kft	Hungary
VLM Entertainment Group, Inc.	Delaware
WC Holdco, Inc.	New York
Zero Sum Teknoloji Yazilim ve Pazarlama Anonim Sirketi	Turkey
ZINT HOLDINGS LLC	Delaware
Zynga Finland Oy	Finland
Zynga Game Canada Ltd.	British Columbia
Zynga Game Ireland Limited	Ireland
Zynga Game Network India Private Limited	India
Zynga Inc.	Delaware
Zynga Israel Ltd	Israel
Zynga Turkey Oyun Anonim Sirketi	Turkey

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements (Form S-8 Nos. 333-158735, 333-177822, 333-191993, 333-198787, 333-214285, 333-220895, 333-248629, 333-249904, 333-260773, 333-265426 (as amended) and 333-274792, and Form S-3 Nos. 333-189246, 333-204318, 333-204339, 333-211473, 333-211474, 333-216019, 333-218235, 333-224284, 333-230884, 333-237656, 333-248617, 333-255207, 333-256811, 333-264153, 333-264270, 333-269607, 333-272315 and 333-272333) of Take-Two Interactive Software, Inc. of our reports dated May 21, 2024, with respect to the consolidated financial statements of Take-Two Interactive Software, Inc. and the effectiveness of internal control over financial reporting of Take-Two Interactive Software, Inc. included in this Annual Report (Form 10-K) of Take-Two Interactive Software, Inc. for the year ended March 31, 2024.

/s/ Ernst & Young

New York, New York

May 21, 2024



**TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

**Section 302 Certification**

I, Strauss Zelnick, certify that:

1. I have reviewed this Annual Report on Form 10-K of Take-Two Interactive Software, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 21, 2024

/s/ STRAUSS ZELNICK

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Strauss Zelnick

*Chairman and Chief Executive Officer*

## TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

## Section 302 Certification

I, Lainie Goldstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Take-Two Interactive Software, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1, 2024

/s/ LAINIE GOLDSTEIN

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Lainie Goldstein  
Chief Financial Officer

**TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES**

**CERTIFICATION PURSUANT TO  
18 U. S. C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Take-Two Interactive Software, Inc. (the "Company") on Form 10-K for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Strauss Zelnick, as Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 21, 2024

/s/ STRAUSS ZELNICK

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Strauss Zelnick  
*Chairman and Chief Executive Officer*

**TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES**

**CERTIFICATION PURSUANT TO  
18 U. S. C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Take-Two Interactive Software, Inc. (the "Company") on Form 10-K for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lainie Goldstein, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 21, 2024

/s/ LAINIE GOLDSTEIN

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Lainie Goldstein

*Chief Financial Officer*

**TAKE-TWO INTERACTIVE SOFTWARE, INC.**  
**POLICY FOR THE**  
**RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

1. **Purpose.** The purpose of this Policy is to describe the circumstances in which Executives will be required to repay or return Erroneously Awarded Compensation to members of the Company Group. Each Executive shall be required to sign and return to the Company an Acknowledgement Form substantially in the form attached hereto as Exhibit A pursuant to which such Executive shall agree to be bound by the terms and comply with this Policy.
  2. **Administration.** This Policy shall be administered by the Committee. Any determinations made by the Committee shall be final and binding on all affected individuals and their beneficiaries, heirs, executors, administrators, or other legal representatives. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations. Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee. Further, other than with respect to determination under Section 4(d) hereof, and subject to any limitations under applicable law, the Committee may authorize officers or employees of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).
  3. **Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.
    - (a) **"Accounting Restatement"** shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).
    - (b) **"Board"** shall mean the Board of Directors of the Company.
    - (c) **"Clawback Eligible Incentive Compensation"** shall mean, in connection with an Accounting Restatement and with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such individual is serving as an Executive Officer at the time the Erroneously Awarded Compensation is required to be repaid to the Company Group), all Incentive-based Compensation Received by such Executive (i) on or after the Effective Date, (ii) after beginning service as an Executive Officer, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the applicable Clawback Period.
    - (d) **"Clawback Period"** shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.
    - (e) **"Committee"** shall mean the Compensation Committee of the Board.
    - (f) **"Company"** shall mean Take-Two Interactive Software, Inc. a Delaware corporation.
    - (g) **"Company Group"** shall mean the Company, together with each of its direct and indirect subsidiaries.
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(h) **"Exchange Act"** means the U.S. Securities Exchange Act of 1934, as amended.

(i) **"Effective Date"** shall mean October 2, 2023.

(j) **"Erroneously Awarded Compensation"** shall mean, with respect to each Executive in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(k) **"Executive"** shall mean any current or former Executive Officer.

(l) **"Executive Officer"** shall mean with respect to the Company, (i) its president, (ii) its principal financial officer, (iii) its principal accounting officer (or if there is no such accounting officer, its controller), (iv) any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), (v) any other officer who performs a policy-making function for the Company (including any officer of the Company's parent(s) or subsidiaries if they perform policy-making functions for the Company), and (vi) any other person who performs similar policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. The determination as to an individual's status as an Executive Officer shall be made by the Committee and such determination shall be final, conclusive and binding on such individual and all other interested persons.

(m) **"Financial Reporting Measures"** shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall for purposes of this Policy be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

(n) **"Incentive-based Compensation"** shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(o) **"Nasdaq"** shall mean The Nasdaq Stock Market.

(p) **"Policy"** shall mean this Policy for the Recovery of Erroneously Awarded Compensation, as the same may be amended and/or restated from time to time

(q) **"Received"** shall, with respect to any Incentive-based Compensation, mean actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period.

(r) **"Restatement Date"** shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(s) **"SEC"** shall mean the U.S. Securities and Exchange Commission.

#### 4. **Repayment of Erroneously Awarded Compensation.**

(a) In the event of an Accounting Restatement, the Committee shall promptly determine the amount of any Erroneously Awarded Compensation for each Executive in connection with such Accounting Restatement and shall promptly thereafter provide each Executive with a written notice containing the amount of Erroneously Awarded Compensation and a demand for repayment or return, as applicable. For Incentive-based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received (in which case, the

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Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to Nasdaq).

(b) The Committee shall have broad discretion to determine the appropriate means of recovery of Erroneously Awarded Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. To the extent that the Committee determines that any method of recovery (other than repayment by the Executive in a lump sum in cash or property) is appropriate, the Company shall offer to enter into a repayment agreement (in a form reasonable acceptable to the Committee) with the Executive. If the Executive accepts such offer and signs the repayment agreement within thirty (30) days after such offer is extended, the Company shall countersign such repayment agreement. If the Executive fails to sign the repayment agreement within thirty (30) days after such offer is extended, the Executive will be required to repay the Erroneously Awarded Compensation in a lump sum in cash (or such property as the Committee agrees to accept with a value equal to such Erroneously Awarded Compensation) on or prior to the date that is promptly following the Restatement Date. For the avoidance of doubt, except as set forth in Section 4(d) below, in no event may the Company Group accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive's obligations hereunder.

(c) To the extent that an Executive fails to repay all Erroneously Awarded Compensation to the Company Group when due (as determined in accordance with Section 4(b) above), the Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(b) or 4(c) above if the following conditions are met and the Committee determines that recovery would be impracticable:

(e) The direct expenses paid to a third party to assist in enforcing the Policy against an Executive would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such attempts and provided such documentation to Nasdaq;

(f) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq; or

(g) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. **Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirement of the federal securities laws, including the disclosure required by the applicable SEC filings.

6. **Indemnification Prohibition.** No member of the Company Group shall be permitted to indemnify any Executive against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy. Further, no member of the Company Group shall enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company Group's right to recovery of any Erroneously Awarded Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

7. **Interpretation.** The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict. If any provision of this

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Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

8. **Effective Date.** This Policy shall be effective as of the Effective Date.

9. **Amendment; Termination.** The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Committee may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

10. **Other Recoupment Rights; No Additional Payments.** The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may require that any employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company Group; *provided, however*, that there shall be no duplication of recovery under this Policy and any recovery under other applicable laws or other Company policies. Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Executive's compensation became effective.

11. **Successors.** This Policy shall be binding and enforceable against all Executives and their beneficiaries, heirs, executors, administrators, or other legal representatives.

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This Policy was adopted by the Committee as of November 27, 2023.

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**Exhibit A**

**TAKE-TWO INTERACTIVE SOFTWARE, INC. POLICY FOR THE  
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION ACKNOWLEDGEMENT FORM**

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Take-Two Interactive Software, Inc. Policy for the Recovery of Erroneously Awarded Compensation (the "***Policy***"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "***Acknowledgement Form***") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with or provision of services to the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company Group to the extent required by, and in a manner permitted by, the Policy.

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Signature

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Print Name

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Date