

Activision Blizzard, Inc.
Form PRE 14A
April 07, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ACTIVISION BLIZZARD, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

**Notice of 2014 Annual Meeting
of Stockholders
and Proxy Statement**

Thursday, June 5, 2014
at 9:00 a.m., Pacific Daylight Time

3100 Ocean Park Boulevard

Santa Monica, California 90405

Dear Fellow Stockholders:

I cordially invite you to join me and Activision Blizzard, Inc.'s Board of Directors at our 2014 Annual Meeting of Stockholders. This proxy statement contains information about the meeting and will serve as your guide to the matters on which you will be asked to vote.

Your vote is very important to us and to our business and it is important that your shares be represented at the annual meeting. Whether or not you plan to attend the meeting, I encourage you to promptly vote your shares by proxy by following the instructions beginning on page 8 of the enclosed proxy statement. If you are able to attend the meeting and wish to vote in person, you may withdraw your proxy at that time.

We think that the communication, participation and input of our stockholders are essential to Activision's continued success. This meeting is an opportunity for you to find out more about developments at the Company and, more importantly, to express your opinions and play a part in Activision's future, regardless of the number of shares you own.

Thank you for your continued support of Activision Blizzard. I look forward to seeing you at the meeting.

Sincerely,

Robert A. Kotick

President and Chief Executive Officer

April __, 2014

**[The proxy statement and our 2013 annual report to stockholders are each available at:
<http://www.cstproxyvote.com/activision/2014>]**

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3100 Ocean Park Boulevard

Santa Monica, California 90405

Notice of 2014 Annual Meeting of Stockholders

Thursday, June 5, 2014

9:00 a.m.

3200 Ocean Park Boulevard, Santa Monica, California 90405

The Annual Meeting of Stockholders of Activision Blizzard, Inc. (the “Company”) will be held at the Equity Office facilities at 3200 Ocean Park Boulevard, Santa Monica, California 90405 on Thursday, June 5, 2014, at 9:00 a.m., Pacific Daylight Time.

The purposes of this year’s annual meeting are to:

1. elect eight directors for a one-year term;
2. request approval of a new incentive plan;
3. request approval and adoption of an amendment and restatement of the Company’s certificate of incorporation, consisting of the following subproposals:
 - a proposal to amend provisions related to the Company’s relationship with Vivendi, S.A.;
 - a proposal to amend provisions related to the ability to amend our certificate of incorporation; and
 - a proposal to amend provisions related to the ability to amend our bylaws;
4. request advisory approval of our executive compensation; and
5. ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014.

The Activision Blizzard, Inc. Board of Directors has fixed April 7, 2014 as the record date for determining the stockholders entitled to receive notice of, and to vote at, the annual meeting.

By Order of the Board of Directors

Jeffrey A. Brown

Corporate Secretary

April __, 2014

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the Company's 2013 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Voting Matters and Board Recommendations

Our Board's Recommendations

Election of Directors (page [12])	FOR each Director Nominee
Approve a New Incentive Plan (page [16])	FOR
Approve and Adopt Amended and Restated Certificate of Incorporation (page [34]), including:	
•Amending Provisions Related to the Company's Relationship with Vivendi, S.A.	FOR
•Amending Provisions Related to the Ability to Amend our Certificate of Incorporation	FOR
•Amending Provisions Related to the Ability to Amend our Bylaws	FOR
Advisory Vote to Approve Executive Compensation (page [77])	FOR
Ratify the Appointment of Independent Registered Public Accounting Firm (page [89])	FOR

2013 Financial and Business Highlights

2013 was a transformational year for the Company and for our industry. The significant reduction in Vivendi's ownership returned the Company to independence (see "2008 Combination of Activision and Vivendi Games and 2013 Vivendi Share Repurchase Transaction" below). Meanwhile, amidst the turbulence of a console transition in our industry, we still achieved strong financial performance. For example:

- We generated GAAP revenues of \$4.58 billion and non-GAAP revenues of \$4.34 billion.
- Our non-GAAP net revenues from digital channels⁽¹⁾ accounted for a record 36% of our total non-GAAP net revenues.
- Our 2013 GAAP operating margin was 30% and our non-GAAP operating margin was 31%.
- We delivered GAAP and non-GAAP earnings per diluted share of \$0.95 and \$0.94, respectively.

- We generated operating cash flow of over \$1.26 billion.

For 2013, we delivered total shareholder return (*i.e.*, TSR) (through stock price appreciation and dividend payments) of over 70% and significantly outperformed the NASDAQ Composite for the same time period (which, inclusive of dividend reinvestment, was 40%).

Our financial performance was driven by our operational execution during 2013, including⁽²⁾:

In North America and Europe combined, Activision Publishing was the #1 console and handheld publisher for the calendar year with the #2 and #3 best-selling franchises—Call of Duty® and Skylanders®, including toys and accessories.

In North America and Europe combined, including toys and accessories, Activision Publishing had four of the top 10 titles overall.

For the fourth quarter, in aggregate across all platforms in the U.S. and Europe combined, Activision Publishing's Call of Duty: Ghosts™ was the #1 best-selling title in both units and dollars and the #1 best-selling game on the next generation PS4 and Xbox One console platforms in both units and dollars. Additionally, for the calendar year, Call of Duty: Black Ops II was the #9 best-selling title in both units and dollars.

In North America and Europe combined, Skylanders Giants™, including toys and accessories, was the #4 best-selling handheld and console game in dollars overall and Skylanders SWAP Force™, including toys and accessories, was the #6 best-selling handheld and console game in dollars overall.

As of December 31, 2013, the Skylanders franchise had generated, life to date, more than \$2 billion in worldwide retail sales, including toys and accessories, and Activision had sold approximately 175 million Skylanders toys worldwide.

In North America, Blizzard Entertainment's StarCraft® II: Heart of the Swarm® was the #1 best-selling PC game.

As of December 31, 2013, Blizzard Entertainment's World of Warcraft® remained the #1 subscription-based massively multiplayer online role-playing game (*i.e.*, MMORPG) in the world, with approximately 7.8 million subscribers⁽³⁾.

This exceptional performance is a direct result of the focused and disciplined approach followed by our top leadership prior to and during 2013, including continued investment in our established franchises, like Call of Duty and World of Warcraft, selectively introducing new concepts, like Skylanders and Hearthstone™, and managing our costs prudently.

(1) Net revenues from digital online channels represents revenues from subscriptions and memberships, licensing royalties, value-added services, downloadable content, digitally distributed products and wireless devices.

(2) According to The NPD Group, with respect to North America, GfK Chart-Track, with respect to Europe, and Activision Blizzard internal estimates, as the case may be.

(3) World of Warcraft subscribers include individuals who have paid a subscription fee or have an active prepaid card to play World of Warcraft, as well as those who have purchased the game and are within their free month of

access. Internet Game Room players who have accessed the game over the last thirty days are also counted as subscribers. The above definition excludes all players under free promotional subscriptions, expired or cancelled subscriptions, and expired prepaid cards. Subscribers in licensees' territories are defined along the same rules.

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2008 Combination of Activision and Vivendi Games and 2013 Vivendi Share Repurchase Transaction

On July 9, 2008, a business combination (the “Combination”) by and among Activision, Inc., Sego Merger Corporation, a wholly owned subsidiary of Activision, Inc., Vivendi S.A. (“Vivendi”), VGAC LLC, a wholly owned subsidiary of Vivendi (“VGAC”), and Vivendi Games, Inc. (“Vivendi Games”), a wholly owned subsidiary of VGAC, was consummated.

On October 11, 2013, we repurchased approximately 429 million shares of our Common Stock, pursuant to a stock purchase agreement (the “Vivendi Share Purchase Agreement”) we entered into on July 25, 2013, with Vivendi and ASAC II LP (“ASAC”), an exempted limited partnership established under the laws of the Cayman Islands, acting by its general partner, ASAC II LLC. Pursuant to the terms of the Vivendi Share Purchase Agreement, we acquired all of the capital stock of Amber Holding Subsidiary Co., a Delaware corporation and wholly owned subsidiary of Vivendi (“New VH”), which was the direct owner of approximately 429 million shares of our Common Stock, for a cash payment of \$5.83 billion, or \$13.60 per share, before taking into account the benefit to the Company of certain tax attributes of New VH assumed in the transaction (collectively, the “Vivendi Share Repurchase Transaction”).

Pursuant to the Vivendi Share Purchase Agreement, on October 11, 2013, immediately following the completion of the Vivendi Share Repurchase Transaction, ASAC, acting by its general partner, ASAC II LLC, purchased 172 million shares of our Common Stock from Vivendi for a cash payment of \$2.34 billion (the “ASAC Private Sale”).

As a consequence, we ceased to be a controlled company and, as of April 7, 2014, we had ___ million shares of our common stock issued and outstanding, of which (1) the public held approximately __%, (2) Vivendi held ___ million shares, or approximately __%, and (3) ASAC held ___ million shares, or approximately __%.

As a result of the consummation of the transactions described in the Vivendi Share Purchase Agreement, we are seeking your approval and adoption of an amendment and restatement of our Certificate of Incorporation, as well as seeking your approval of a new incentive plan for our employees.

Director Nominees

The following table sets forth the name, age and principal occupation of each of the nominees.

Name of Nominee	Age	Principal Occupation	Director Since
Robert J. Corti	64	Chairman of the Avon Foundation	2003

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Brian G. Kelly	51	Chairman of the Board of Activision Blizzard	1995
Robert A. Kotick	51	President and Chief Executive Officer of Activision Blizzard	1991
Barry Meyer	70	Former Chairman and CEO of Warner Brothers Entertainment	2014
Robert J. Morgado	71	Former Chairman and CEO of Warner Music Group	1997
Peter Nolan	55	Managing Partner of Leonard Green & Partners	2013
Richard Sarnoff	55	Senior Advisor to Kohlberg Kravis Roberts & Co.	2005
Elaine Wynn	72	Director of Wynn Resorts	2013

Executive Compensation Highlights

Our employees are our most valuable asset. Our industry is intensely competitive and constantly evolving. Our executives and many of our highly skilled employees are often sought after by our competitors, both established and new. As such, it is necessary for us to offer highly competitive total compensation, including equity awards, to attract, retain and motivate our employees.

Our compensation philosophy, including our use of equity awards, has allowed us to recruit, retain and motivate the best talent in our industry, as evidenced by our performance. We aim to incentivize our executives to drive corporate financial performance by basing a significant portion of their compensation on achieving financial and individual strategic targets. Our executive compensation program, designed to be consistent with that philosophy, has three primary components: (1) base salary; (2) annual cash incentives; and (3) equity awards, including stock options and time- and performance-based vesting restricted share units.

Consistent with the foregoing:

In order to secure long-term commitments from our executives in support of our multi-year business growth strategy, we offer our executives employment agreements which provide one-time, “upfront” long-term incentive awards with target values based upon the term of the agreements. Our named executive officers do not generally receive annual grants of equity, although Mr. Morhaime’s employment agreement provides for annual equity grants, consistent with the equity plan in which he participated at Vivendi Games prior to the Combination. Our practice of using upfront grants in lieu of annual awards may result in the equity-based compensation and, as such, the total compensation reported for each executive to differ significantly from year to year, depending on whether he or she entered into an employment agreement (or amendment thereof), and therefore received an equity award, in a given year.

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The Company views the value of these upfront equity grants on an annualized basis over the life of the employment agreement when evaluating an executive's total compensation.

- For our executives, we generally target total compensation at the 75th percentile of our peer group.
- From time to time, our executives may receive special bonuses for extraordinary contributions to the Company.

The following table sets forth certain summarized 2013 compensation information for the named executives. **For the complete Summary Compensation Table, including the notes which accompany it along with compensation for prior years, please see page [56].**

Name and Principal Position	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity		Total (\$)
					Incentive Plan Compensation (\$)	All Other Compensation (\$)	
Robert A. Kotick President and Chief Executive Officer	2,108,077	—	—	—	7,849,190	88,169	10,045,436
Dennis Durkin Chief Financial Officer	679,625	627,353	—	—	765,008	30,540	2,102,526
Thomas Tippl Chief Operating Officer	1,001,258	627,353	—	—	1,325,400	87,220	3,041,231
Michael Morhaime President and Chief Executive Officer, Blizzard Entertainment	861,076	319,449	1,240,400	1,014,666	2,065,678	61,794	5,563,063
Chris B. Walther Chief Legal Officer	610,832	627,353	3,546,000	—	493,259	16,416	5,293,860

Corporate Governance Highlights

The Company is committed to adopting and following good corporate governance practices that benefit all of our stakeholders. We believe that a foundation of good corporate governance creates an environment of accountability for our Board and senior management and otherwise promotes the long-term interests of our stakeholders. Our Board continues to monitor emerging best practices in governance and adopts measures where it determines them to be in the best interests of our stakeholders. Highlights of our corporate governance include:

- We elect all directors on an annual basis
- 75% of our Board members are independent

- All of our standing Board committees are composed entirely of independent directors
- We have a separate chairman and CEO
- Our independent directors meet in executive session at least four times a year
- We maintain director and executive stock ownership guidelines
- We prohibit hedging of company stock by our employees and directors
- Our Board actively participates in CEO succession planning

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PROXY STATEMENT

GENERAL

Purpose of this Proxy Statement

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the “Board”) of Activision Blizzard, Inc., a Delaware corporation, of proxies from holders of our issued and outstanding shares of common stock, par value \$0.000001 per share (“Common Stock”) of Activision Blizzard, Inc. The proxies being solicited will be used at the annual meeting of our stockholders to be held on Thursday, June 5, 2014, at the Equity Office facilities at 3200 Ocean Park Boulevard, Santa Monica, California 90405, at 9:00 a.m., Pacific Daylight Time, and at any adjournment or postponement of the meeting (the “Annual Meeting”).

Notice of Internet Availability of Proxy Materials

We will be mailing a notice regarding the Internet availability of these proxy materials (containing instructions on how to access the proxy materials and vote shares through the Internet) to stockholders on or about April ___, 2014.

Other General Information

All financial metrics used in this proxy statement are not presented in accordance with generally accepted accounting principles (i.e., are non-GAAP), unless explicitly identified as GAAP (i.e., presented in accordance with generally accepted accounting principles). For information on the calculation and reconciliation of GAAP measures to non-GAAP measures, please see Appendix A attached to this proxy statement. Internally, management uses these non-GAAP financial measures in assessing our operating results, as well as in planning and forecasting. In particular, the measures facilitate comparison of operating performance between periods and help investors to better understand the operating results of Activision Blizzard by excluding certain items that may not be indicative of the Company’s core business, operating results or future outlook. As such, the performance of our executive officers is generally measured by reference to non-GAAP financial measures. Further, management believes that the presentation of these non-GAAP financial measures provides investors with additional useful information to measure Activision Blizzard’s financial and operating performance. These non-GAAP financial measures are not intended to be considered in isolation from, as a substitute for, or as more important than, the financial information prepared and presented in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with the Company’s results of operations as determined in accordance with GAAP. In the future, Activision Blizzard may also consider whether other significant non-recurring items should also be excluded in calculating the non-GAAP financial measures used by the Company.

All references in this proxy statement to “the Company”, “we”, “us”, “our”, and “Activision Blizzard” refer to Activision Blizzard, Inc.

PROCEDURAL MATTERS

Who may vote at the Annual Meeting?

Only stockholders of record at the close of business on April 7, 2014, are entitled to notice of, and to vote at, the Annual Meeting. There were ___ shares of our Common Stock outstanding and entitled to vote on the record date.

A list of the stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose germane to the Annual Meeting, at the Annual Meeting and during ordinary business hours at our offices at 3100 Ocean Park Blvd., Santa Monica, California 90405 for the 10 days prior to the Annual Meeting.

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How many votes may I cast?

Each such share of our Common Stock is entitled to one vote on each matter presented for action at the Annual Meeting.

How many votes must be present in order for business to be conducted?

In order for business to be conducted at the Annual Meeting, a quorum must be present. A majority of the outstanding shares of our Common Stock entitled to vote at the meeting must be present in person or by proxy at the Annual Meeting in order for a quorum to be present.

Proxies representing abstentions and “broker non-votes” will be included for purposes of determining whether a quorum is present at the Annual Meeting. A “broker non-vote” occurs when a broker, bank or other nominee who holds shares for a beneficial owner to be represented at a meeting does not vote on a particular proposal because the broker, bank or other nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

In what manner can I cast my vote with respect to each proposal?

In the election of directors (proposal 1), you can vote “for” or “against”, or “abstain” from voting with respect to, each nominee. Similarly, you may vote “for” or “against”, or “abstain” from voting with respect to, the approval of a new incentive plan (proposal 2), the approval of each of the subproposals relating to the amendment and restatement of the Company’s Certificate of Incorporation (*i.e.*, subproposals 3A, 3B and 3C), the advisory approval of the Company’s executive compensation, as disclosed in this proxy statement (proposal 4) and the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for 2014 (proposal 5).

How many votes are required to approve each proposal?

Election of any nominee as a director (proposal 1) and the approval of proposals 2, 4 and 5 each require the affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting. Accordingly, shares not present and broker non-votes will not have any effect on the voting outcome with respect to the election of directors or proposals 2, 4 or 5. Shares present but not voted for any such proposal (either because of an express abstention or because the vote is otherwise not cast) will have the same effect as a vote “against” a director nominee or the relevant proposal, as applicable.

Approval of each of subproposals 3A, 3B and 3C requires the affirmative vote of the holders of: (1) at least 66 % of a majority of the shares entitled to vote at the Annual Meeting; and (2) a majority of the shares entitled to vote at the Annual Meeting not held by Vivendi or its affiliates. As such, shares not present, broker non-votes and shares present but not voted for subproposal 3A, 3B or 3C (either because of an express abstention or because the vote is otherwise not cast) will have the same effect as a vote “against” the subproposal. Further, because we consider all of the proposed revisions to our Certificate of Incorporation to be interrelated, the approval of each of these subproposals is conditioned on the approval of all three subproposals. Please see “Proposal 3—Approval of the Third Amended and Restated Certificate of Incorporation of Activision Blizzard, Inc.” below for more information.

How can I vote?

Stockholders at the close of business on April 7, 2014, can vote at the Annual Meeting in person or via proxy in the manner described herein. Stockholders who hold shares in “street name” through a broker, bank or other nominee will receive separate instructions from their broker, bank or other nominee, describing the procedure for voting their shares.

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How do I vote in person at the Annual Meeting?

Stockholders who wish to vote in person at the Annual Meeting must request a ballot at the meeting. Street-name holders who wish to vote in person at the Annual Meeting will need to obtain a proxy from the broker, bank or other nominee that is the record holder of their shares in order to cast a ballot at the meeting.

What does it mean to vote by proxy? Who represents my shares at the Annual Meeting?

A vote via proxy authorizes Robert A. Kotick (our chief executive officer), Thomas Tippl (our chief operating officer) and Dennis Durkin (our chief financial officer), and each of them, with full power of substitution, to vote and otherwise represents all of the shares that you are entitled to vote at the Annual Meeting, in accordance with your instructions, with the same effect as if you were present at the meeting and voting such shares.

How do I vote by proxy?

Stockholders of record may vote by proxy in three ways:

Vote by Internet. Record holders can vote online prior to 4:00 p.m., Pacific Daylight Time, on June 4, 2014. Go to www.cstproxyvote.com, which is available 24 hours a day until the deadline. You will need your “company ID”, “proxy number” and “account number”, all of which appear on the notice of internet availability of proxy materials or proxy card you received.

Vote by Telephone. Record holders can vote by phone prior to 4:00 p.m., Pacific Daylight Time, on June 4, 2014. Call (866) 894-0537, which is available 24 hours a day until the deadline. You will need your “company ID”, “proxy number” and “account number”, all of which appear on the notice of internet availability of proxy materials or proxy card you received.

Vote by Mail. Record holders can vote by mail if they received a printed copy of the proxy card. Complete and return that proxy card in the postage-paid envelope provided. If you are a stockholder of record and you choose to vote by mail, your vote will be counted so long as it is received prior to the closing of the polls at the meeting, but we urge you to complete, sign, date and return the proxy card as soon as possible.

You need only vote in one way (so that, if you vote by internet or telephone, you need not return the proxy card).

What if I vote by proxy but do not provide specific instructions by some or all of the items?

The shares of our Common Stock represented by all valid proxies we receive prior to the Annual Meeting that are not properly revoked prior to being voted at the Annual Meeting will be voted at the Annual Meeting as directed. If no directions are specified, those proxies will be voted FOR each of the eight director nominees named in this proxy statement (proposal 1), FOR the approval of a new incentive plan (proposal 2), FOR each of the subproposals relating to the approval and adoption of the amendment and restatement of the Company's Certificate of Incorporation (*i.e.*, subproposals 3A, 3B and 3C), FOR the advisory approval of the Company's executive compensation, as disclosed in this proxy statement (proposal 4), and FOR the ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2014 (proposal 5).

If I have voted by proxy, can I change my vote?

Any stockholder of record may revoke or change that stockholder's proxy at any time before the proxy is voted at the Annual Meeting by (1) sending a written notice of revocation of the proxy to our Corporate Secretary at Activision Blizzard, Inc., 3100 Ocean Park Blvd., Santa Monica, California 90405, (2) properly delivering a subsequently dated proxy, or (3) voting in person at the Annual Meeting.

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What if I hold my shares through a broker?

If you are a street name stockholder, your broker, bank or other nominee will send you separate instructions describing the procedure for voting your shares. That nominee, as the record holder of the shares, is required to vote those shares in accordance with your instructions.

Can my broker vote without my instructions?

If you do not give instructions to the broker, bank or other nominee, the broker will be entitled to vote your shares with respect to “discretionary” items, but will not be permitted to vote your shares with respect to “non-discretionary” items, resulting in a “broker non-vote” with respect to those items (and, as such, those shares will not count as present or represented at the meeting for those items). The election of directors (proposal 1), the approval of a new incentive plan (proposal 2), the approval of each of the subproposals relating to the amendment and restatement of the Company’s Certificate of Incorporation (*i.e.*, subproposals 3A, 3B and 3C) and the advisory approval of the Company’s executive compensation (proposal 4) are each non-discretionary items. Only the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered accounting firm for 2014 (proposal 5) is a proposal with respect to which your broker or nominee has discretionary authority to vote your shares in the absence of any instructions from you.

What do I need to do if I want to attend the Annual Meeting?

You should be prepared to present a valid form of photo identification, such as a driver’s license, state-issued ID card or passport, to gain admittance to the Annual Meeting. In addition, if you are a stockholder of record, your ownership as of the record date must be verified by reference to our records prior to admittance into the Annual Meeting. If you hold shares in street name through a broker, bank or other nominee, you must provide proof of beneficial ownership as of the record date, such as a brokerage account statement or similar evidence of ownership. If you do not provide valid photo identification and otherwise comply with the procedures outlined above, you may not be admitted to the Annual Meeting. Directions to the Annual Meeting can be obtained by contacting our Investor Relations department by calling (310) 255-2000 or by emailing ir@activision.com.

Will I have dissenters’ rights in connection with the business being considered?

Stockholders have no dissenters’ rights or rights of appraisal under Delaware law, our Certificate of Incorporation, or our Bylaws in connection with the election of directors (proposal 1), proposals 2, 4 or 5 or subproposals 3A, 3B or 3C.

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PROPOSAL 1 ELECTION OF DIRECTORS

General

Stockholders will elect eight directors at the Annual Meeting. Those elected will serve one-year terms and until their respective successors are duly elected or appointed and qualified or until the earlier of their death, resignation or removal. Except where otherwise instructed, proxies solicited by this proxy statement will be voted for the election of each nominee. However, if any nominee becomes unable to stand for election as a director at the Annual Meeting, the proxy may be voted for a substitute designated in accordance with our Bylaws.

Director Nominees

In order to have a knowledgeable Board comprised of individuals with distinguished records of leadership and success, the Nominating and Corporate Governance Committee has established criteria and assessed each director nominee's capabilities to identify the contributions he or she can make to our Board. As a company with a global customer base in the entertainment software industry, we consider leadership abilities gained from senior roles as executive officers or board members of large, global corporations in the entertainment field to be particularly relevant to the business of the Company and believe that our directors bring to our Board the practical wisdom and strong professional characteristics, judgment and leadership abilities to keep our Company performing competitively in the market. For the qualifications we require our directors (and director nominees) to have, see "Corporate Governance Matters—Board of Directors and Committees—Experience, Skills and other Characteristics of our Director Candidates" below.

The following are biographical summaries of our director nominees, which describe their noteworthy experience. Also described below are certain of the individual qualifications and skills of each of our directors that we believe contribute to our Board's effectiveness and success. For information regarding each nominee's current Board committee membership, see "Corporate Governance Matters—Board of Directors and Committees—Board Committees" below.

Robert J. Corti

Chairman of the Avon Foundation

Director since 2003

Age 64

Mr. Corti has been a director of Activision Blizzard since December 2003 and serves as the chairperson of our Audit Committee. Mr. Corti has more than 25 years of experience at Avon Products, a global manufacturer and marketer of beauty and related products. Mr. Corti joined Avon Products' tax department as a tax associate in 1976 and held

positions of increasing responsibility in the company's finance department throughout his tenure there, including serving as an executive vice president and the chief financial officer of Avon Products from 1998 until he retired from the chief financial officer role in November 2005 and as an executive vice president in March 2006. Mr. Corti has served on the board of directors of Bacardi Limited, a wine and spirits group, since June 2006. In addition, Mr. Corti has served as a member of the board of directors of the Avon Foundation since 1998 and its chairman since 2006 and as a member of the Manhattan Chapter of the Cystic Fibrosis Foundation since January 2012, where he serves as the vice president of the board. In addition, he was a director of ING Direct, then a U.S. subsidiary of the Dutch insurance conglomerate, the *ING Groep*, from January 2008 until January 2012. Mr. Corti holds a B.A. degree in accounting from Queens College and an M.B.A. degree in taxation from St. John's University. Mr. Corti is also a certified public accountant.

Mr. Corti's qualifications for election to our Board include his financial expertise, in particular his wealth of accounting and tax experience, gleaned in part from his long tenure in Avon's finance department. Having served Avon for more than 25 years and worked his way up to increasingly senior roles within that organization, Mr. Corti offers the unique perspective of having helped to guide a large public company with international operations through the changing economic and competitive landscape for over two and a half decades. From his tenure at Avon, Mr. Corti also brings experience in the consumer products industry. Mr. Corti qualifies as an audit committee financial expert (as defined in the applicable rules of the Securities and Exchange Commission (the "SEC")) and is financially sophisticated within the meaning of the NASDAQ Rules.

Brian G. Kelly

Chairman of the Board of Activision Blizzard

Director since 1995

Age 51

Mr. Kelly has held various positions of responsibility with Activision Blizzard since 1991, including serving as a director of the Company since July 1995, the co-chairman of our Board from October 1998 until the consummation of the Vivendi Share Repurchase Transaction, and as chairman of our Board since that time. Mr. Kelly holds a B.A. degree in accounting from Rutgers University and a J.D. degree from Fordham University School of Law.

Mr. Kelly's qualifications for election to our Board include the depth of institutional knowledge and understanding of our organization he possesses by virtue of his service as an executive of the Company from 1991 until the Combination and as a director for more than 18 years. During that time, he has demonstrated his superior leadership skills, his devotion to the Company and his commitment to helping to ensure our ongoing success.

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Robert A. Kotick

President and Chief Executive Officer of Activision Blizzard

Director since 1991

Age 51

Mr. Kotick has been a director of Activision Blizzard since February 1991, following his purchase of a significant interest in the company, which was then on the verge of insolvency. Mr. Kotick was our Chairman and Chief Executive Officer from February 1991 until July 2008, when he became our President and Chief Executive Officer in connection with the Combination. Mr. Kotick is also a member of the board of directors of The Coca-Cola Company, a multinational beverage corporation, and the boards of trustees for The Center for Early Education and the Harvard Westlake School. He is also vice chairman of the board and chairman of the committee of trustees of the Los Angeles County Museum of Art. In addition, Mr. Kotick is the founder and co-chairman of the Call of Duty Endowment, a nonprofit, public benefit corporation that seeks to help organizations that provide job placement and training services for veterans. Additionally, he served on the board of directors of Yahoo!, Inc., an Internet content and service provider, from 2003 until 2008.

Mr. Kotick's qualifications for election to our Board include the depth of institutional knowledge and understanding of our organization, as well as the practical experience in a chief executive officer role, that he possesses by virtue of his two decades of service to the Company, including as our President, our Chief Executive Officer and chairman of our Board. Mr. Kotick also brings to the Company his perspective as a board member at a variety of other organizations and his experience in helping those organizations achieve their diverse goals and overcome a wide range of challenges through changing economic and social times.

Barry Meyer

Former Chairman and CEO of Warner Brothers Entertainment

Director Since 2014

Age 70

Mr. Meyer joined our Board in January 2014. At the end of 2013, Mr. Meyer retired as the chairman of Warner Brothers Entertainment Inc., an American producer of film, television, and music entertainment. He joined Warner Brothers as a director of business affairs in 1971 and held positions of increasing responsibility throughout his tenure there, eventually serving as Warner Brothers' chief executive officer and chairman from October 1999 until March 2013 and as chairman through December 2013. Mr. Meyer co-founded the consulting firm North Ten Mile Associates, LLC following his retirement from Warner Brothers, and currently serves as the manager and co-chief executive officer of that firm. Mr. Meyer is a member of the board of councilors of the USC School of Cinematic Arts, a member of the board of directors of the Paley Center, a member of the Academy of Motion Picture Arts & Sciences, a member and former governor of the Academy of Television Arts & Sciences, and a member and former director of the Hollywood Radio and Television Society. He also serves on the board of directors of Human Rights Watch and on the advisory board of the Smithsonian National Museum of American History. Mr. Meyer holds a B.A. degree in English from the University of Rochester and a J.D. degree from Case Western Reserve University School of Law.

Mr. Meyer's qualifications for election to our Board include over 40 years of leadership and managerial experience in one of the largest entertainment production companies in the world, including serving as its chief executive officer. Mr. Meyer possesses in-depth knowledge of both the business and creative aspects of the entertainment industry, both from his years at Warner Brothers and the leadership positions he held in various cultural institutions dedicated to visual and cinematic arts. Mr. Meyer brings with him a wealth of experience in nearly every facet of the entertainment industry, as well as a deep understanding of the unique challenges faced by large, multinational public companies.

Robert J. Morgado

Former Chairman and CEO of Warner Music Group

Director Since 1997

Age 71

Mr. Morgado has been a director of Activision Blizzard since February 1997. Mr. Morgado is chairman of Maroley Media Group, a media entertainment investment company he established in 1995. He previously served as the chairman and the chief executive officer of Warner Music Group, a music content company comprised of recorded music and music publishing businesses, from 1985 to 1995. Mr. Morgado serves on the board of directors of the Maui Arts & Cultural Center. He is also a member of the board of managers of Nest Top, the controlling shareholder of Nest Family and Nest Learning Systems, a children's entertainment company, and Kaanapali Kai, a real estate investment company, where he serves as its chairman. Mr. Morgado holds a B.A. degree in history and philosophy from Chaminade University of Honolulu and an M.P.A. degree from The State University of New York.

Mr. Morgado's qualifications for election to our Board include his extensive experience as a chief executive officer and a director at a variety of media and entertainment companies and his perspective as the creator and chairman of a media entertainment investment company. Mr. Morgado qualifies as financially literate within the meaning of the NASDAQ Rules.

Peter Nolan

Managing Partner of Leonard Green & Partners

Director Since 2013

Age 55

Mr. Nolan became a director of Activision Blizzard in October 2013. Mr. Nolan is the managing partner of Leonard Green & Partners, L.P., a private equity firm and one of the limited partners of ASAC. Prior to becoming a partner at Leonard Green & Partners in 1997, Mr. Nolan served as a managing director and the co-head of Donaldson, Lufkin and Jenrette's Los Angeles Investment Banking Division from 1990 to 1997, as a first vice president in corporate finance at Drexel Burnham Lambert from 1986 to 1990, and as a vice president at Prudential Securities, Inc. from 1982 to 1986. Prior to 1982, Mr. Nolan was an associate at Manufacturers Hanover Trust Company. Mr. Nolan

currently serves on the board of directors of AerSale Holdings, Inc., Aspen Dental Management, Inc., Motorsport Aftermarket Group, The Palms Hotel and Casino, and Scitor Corporation, all of which are companies in which Leonard Green & Partners has an ownership interest. Mr. Nolan served on the Company's Board from December 2003 until July 2008, when he resigned in connection with the consummation of the Combination. Mr. Nolan holds a B.S. degree in agricultural economics and finance and an M.B.A. degree, both from Cornell University.

Mr. Nolan's qualifications for election to our Board include his extensive experience in corporate finance and investment banking, including leadership roles at large international corporations with worldwide operations. His extensive and wide-ranging experience is demonstrated by his current directorships in five other companies operating in various industries. Mr. Nolan also brings with him a depth of institutional knowledge about the Company from his service on our Board from 2003 to 2008.