

EXHIBIT A

Infinity Ward, Inc.

Internal Project Bonus Plan

The Internal Project Bonus Plan described below is for the Infinity Ward product development team working on Call of Duty and other current and future Activision projects on which Infinity Ward may work. The goal of this plan is to give each Infinity Ward team member a more direct and quantifiable connection between their bonus compensation and success of their title and other Infinity Ward titles. This is accomplished by providing team members with a bonus based on the P & L profitability of their title and other internally developed Infinity Ward titles - with no upside limit.

The structure of the plan is as follows:

- For product titles based on newly created intellectual property that are developed by Infinity Ward, the bonus is equal to 10% of the title's Net Operating Income (as defined below), but only if the "pre-bonus" Net Operating Income (i.e., Net Operating Income less any bonuses due to Infinity Ward or other Activision studio on such title) for the title exceeds 11% of title's overall Net Revenues (as defined below).
- For product titles based on newly created intellectual property not developed by Infinity Ward but that make significant use of Infinity Ward's engine and/or assets, including mission packs or ports of an Infinity Ward game not actually developed by Infinity Ward, the bonus is equal to 2% of Net Operating Income, but only if the "pre-bonus" Net Operating Income for the title exceeds 11% of the title's overall Net Revenues.
- For product titles based on existing intellectual property developed by Infinity Ward (e.g., Call of Duty including the original Call of Duty game, Wolfenstein, or sequels to product titles that are based on newly created intellectual property), the bonus is equal to:
 - 10% of the first \$7.5mm of Net Operating Income;
 - 12% of the second \$7.5mm of Net Operating Income; and
 - 15% of Net Operating Income in excess of \$15.0mm,

but such bonuses set forth above shall be payable only if the "pre-bonus" Net Operating Income for the title exceeds 11% of title's overall Net Revenues.

- For product titles based on the existing intellectual property described immediately above that are not developed by Infinity Ward but that make significant use of Infinity Ward's engine and/or assets, including mission packs or ports of an Infinity Ward game not actually developed by Infinity Ward (e.g. the Call of Duty expansion pack being

developed by Gray Matter), the bonus is equal to 4% of Net Operating Income, but only if the “pre-bonus” Net Operating Income for the title exceeds 11% of the title’s overall Net Revenues.

- The Bonus Pool shall be divided up among the team members as decided by the senior executives of Infinity Ward, subject to the approval of the Executive VP of Activision Studios.
- The bonus pools will be paid out on a quarterly basis. The first payment will be made within 90 days after the quarter during which the title initially was released. For example, if the product ships in October (Q3), the bonus calculation for title’s Q3 performance will be completed and paid out by the close of the March quarter (Q4). All bonus payments for subsequent quarters also will be made within 90 days after the end of the applicable quarter.
- Everyone on the team who successfully completes his/her obligations to the project is guaranteed a bonus payment from the Bonus Pool for the quarter during which the title initially was released - even if he or she is no longer with the company at the time the payment is to be made. After that, the employee must be either an employee of Infinity Ward, Activision Publishing, or another wholly owned developer of Activision Publishing on the date of payout.
- **Definitions and Other Conditions:**
 1. “Net Operating Income” is defined as income derived from all revenue streams, including domestic and international retail, OEM, licensing, etc., less returns, price protection, markdowns and vendor consideration, COGS (manufacturing costs and first party royalties, if any), and operating expenses, including bonuses, etc.
 2. “Net Revenues” is defined as income derived from all revenue streams, including domestic and international retail, OEM, licensing, etc., less returns, price protection, markdowns and vendor consideration.
 3. When calculating revenues and operating income for financial planning purposes, Activision Publishing allocates overhead costs to each title and provides a reserve for products returned. Bonus calculation also will take into account such allocations and reserves consistent with Activision Publishing’s established methodologies and reporting practices. The allocations and reserves to be taken will be set out as part of each bonus calculation. However, the specific amounts



allocated and reserved will be determined by Activision Publishing in its sole discretion.

4. Participation in a bonus pool should not be considered a guarantee of employment and does not alter an employee's "at will" or "term of employment" status with Activision Publishing or any of its affiliates or subsidiaries.

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