TAKE TWO INTERACTIVE SOFTWARE INC
Form DEF 14A
July 28, 2016
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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 x 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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Take-Two Interactive Software, 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):

x No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

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July 28, 2016

Dear Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Take-Two Interactive Software, Inc., that will be held on September 22, 2016, at 9:00 a.m. local time at the W Hotel, 201 Park Avenue South, New York, New York 10003.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting of Shareholders and Proxy Statement, which you are urged to read carefully.

We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. We believe these rules allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. On or about August 5, 2016, we expect to begin mailing to most of our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and Annual Report and vote online; however, shareholders of record will receive a copy of the Proxy Statement and Annual Report by mail instead of receiving the Notice of Internet Availability of Proxy Materials. The Proxy Statement and Notice of Internet Availability of Proxy Materials contain instructions on how you can receive a paper copy of the Proxy Statement and Annual Report if you only received a Notice of Internet Availability of Proxy Materials by mail.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted. After reading the Notice of Annual Meeting of Shareholders and Proxy Statement, we urge you to cast your vote via the Internet or, if you received a proxy card, complete, sign, date and return the proxy card in the envelope provided or follow the instructions for voting by telephone that may be included therein. If the address on the Notice of Internet Availability of Proxy Materials or the accompanying material is incorrect, please advise our Transfer Agent, American Stock Transfer & Trust Company, in writing at 6201 15th Avenue, Brooklyn, New York 11219.

We hope to see you at the meeting and appreciate your continued support.

Sincerely,

Strauss Zelnick

Executive Chairman and Chief

Executive Officer

Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012, USA

tel 646.536.2842 fax 646.536.2926 www.take2games.com

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TAKE-TWO INTERACTIVE SOFTWARE, INC.

622 Broadway

New York, New York 10012

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

September 22, 2016

To the Shareholders of TAKE-TWO INTERACTIVE SOFTWARE, INC.:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting (the *Annual Meeting*) of Shareholders of Take-Two Interactive Software, Inc. (the *Company*) will be held on September 22, 2016, at 9:00 a.m. local time at the W Hotel, 201 Park Avenue South, New York, New York 10003, to consider and vote upon the following:

1. Election of six directors;

2. Approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers as disclosed in the attached proxy statement;

3. Approval of certain amendments to the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan, including an increase in the available shares reserved thereunder;

4. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2017; and

5. Other business that may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors believes that the election of the nominated directors, the approval of the compensation of the named executive officers, the approval of certain amendments to the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan and the ratification of the appointment of Ernst & Young LLP are in the best interests of the Company and its shareholders and, accordingly, recommends a vote FOR the approval of each of these proposals.

Only shareholders of record at the close of business on July 26, 2016 are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors,

Matthew Breitman

Senior Vice President, Deputy General Counsel and

Corporate Secretary

July 28, 2016

Your vote is very important, regardless of the number of shares you own. Please read the attached proxy statement carefully and complete and submit your proxy card via the Internet or telephone (as instructed on your proxy card) or sign and date your paper proxy card as promptly as possible and return it in the enclosed envelope.

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TAKE-TWO INTERACTIVE SOFTWARE, INC.

622 Broadway

New York, New York 10012

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 22, 2016

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Take-Two Interactive Software, Inc. (the *Company* or *Take-Two*) for use at the Annual Meeting of Shareholders (the *Annual Meeting*) to be held on September 22, 2016 at 9:00 a.m. local time, including any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders.

The Company expects to either mail or provide notice and electronic delivery of this Proxy Statement and the enclosed form of proxy to shareholders on or about August 5, 2016.

Proxies in the accompanying form, duly executed and returned to the management of the Company and not revoked, will be voted at the Annual Meeting. A proxy may be revoked by the shareholder of record at any time prior to the voting of the proxy by a subsequently dated proxy, by written notification to the Secretary of the Company, or by personally withdrawing the proxy at the Annual Meeting and voting in person.

The address of the principal executive offices of the Company is 622 Broadway, New York, New York 10012, and its telephone number is (646) 536-2842.

The rules of the Securities and Exchange Commission (*SEC*) require us to notify all shareholders, including those shareholders to whom we have mailed proxy materials, of the availability of our proxy materials through the Internet.

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting to be held on September 22, 2016

Our Proxy Statement and 2016 Annual Report to Shareholders are available at

http://www.proxyvote.com

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PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement and does not include all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

2016 Annual Meeting of Shareholders

Date and Time	September 22, 2016, at 9:00 a.m.
Location	W Hotel, 201 Park Avenue South, New York, New York 10003
Record Date	July 26, 2016

Voting Matters and Board Recommendations

Item	Proposal	Board s Recommendation	Page Number
1	Election of six director nominees	***FOR*** ***(each nominee)***	**7**
2	Advisory vote to approve executive compensation	***FOR***	**16**
3	Approval of amendments to the 2009 Stock Incentive Plan, including an increase in the available shares reserved thereunder	***FOR***	**63**
4	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2017	***FOR***	**74**

Company Performance Highlights

The Company delivered strong financial results in fiscal 2016 and continued to execute successfully on our strategy of developing a select number of high-quality titles that make us a leader in our industry.

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Board of Directors Highlights

Our six nominees include five independent, outside directors who as a group have extensive and diverse management and subject matter experience and knowledge that is critical to the Company.

ü	Active and empowered lead independent director role
ü	Annual election of all directors
ü	Majority vote standard for uncontested director elections
ü	5 out of 6 current directors are independent (all except for our Chairman and CEO)
ü	Board membership marked by diversity, leadership and a variety of perspectives
ü	Annual review of CEO and Chairman by independent directors

Independence **83%**	
Tenure	Age
~8.0 years	**58**
(On Average)	*(On Average)*

Shareholder Engagement

The board of directors oversees and regularly participates, together with management, in an extensive, year-round shareholder engagement practice to seek shareholder feedback on the Company s board, governance, and executive compensation practices. In the months leading up to the filing of this Proxy Statement, we sought discussions with holders of more than approximately 81.6% of our outstanding shares, and had discussions with a number of our top holders (percentage based on the Company s investors most recent filings). Investor perspectives gained through these discussions help to inform discussions in the boardroom and are considered by the board and its committees in decision-making.

Corporate Governance Highlights

Further, the Company s sound governance practices and policies demonstrate the board s commitment to strong corporate governance, effective risk management and robust independent oversight of management by the board. The Company s governance highlights include:

- ü Active shareholder engagement
- ü Annual evaluation of the board and its committees
- ü Annual review of board leadership structure
- ü Board oversight of risk management
- ü Shareholder right to call special meetings
- ü Shareholder right to act by written consent
- ü No supermajority voting requirements
- ü Strong anti-hedging, anti-pledging and insider trading policies

- ü Robust Code of Business Conduct and Ethics for all directors and officers

- ü Independent Audit Committee, Compensation Committee and Corporate Governance Committee

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Executive Compensation Highlights

The Company maintains strong compensation governance practices that support our pay-for-performance principles and align management incentives with the interests of our shareholders. A significant amount of our Company s executive compensation is performance based.

We have also adopted a number of best practices with respect to executive compensation, including:

- ü Clawback policy with respect to incentive compensation (see page 39)
- ü Caps on annual bonuses to NEOs
- ü Double trigger vesting on a change in control for grants made under an equity plan after July 2014
- ü Meaningful stock ownership requirements
- ü No repricing of stock options without shareholder approval
- ü Limited perquisites
- ü No tax gross ups for excise taxes on parachute payments
- ü Annual compensation risk assessment
- ü Retention of independent compensation consultants
- ü Balanced compensation approach between short- and long-term incentive opportunities

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Amendments to Stock Incentive Plan

We are asking that our shareholders approve several amendments to our 2009 Stock Incentive Plan, including an increase in the number of shares available for issuance under the plan by 1.4 million shares. The Board of Directors believes that the increase in the number of shares is necessary to allow the Company to continue to use equity to attract, retain and motivate the Company s creative talent, which is critical to Take-Two s long-term goals, and to align the interests of creative employees with the interests of the Company s shareholders.

Our creative employees at our wholly-owned labels drive our business, are critical to our continued success, and help us build shareholder value.

Almost two-thirds of our employees work in our development studios and have technical capabilities to develop software titles for multiple platforms.

In fiscal 2016, 64% of equity awards were used to retain creative talent.
Plan highlights include:

- ü Annual limits on awards to individual participants
- ü No evergreen provision for share reserve
- ü Annual Compensation limits for non-employee directors
- ü Minimum vesting periods for certain awards
- ü No repricing of stock options without shareholder approval
- ü No discounted stock options or SARs
- ü Clawback provisions included
- ü Non-liberal definition of change in control
- ü No automatic grants

- ü Double trigger acceleration of equity vesting on a change of control for grants made after July 2014

- ü No payment of dividends or dividend equivalents on unvested performance-based awards for grants made after July 2014

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ELECTION OF DIRECTORS

(Proposal 1)

All members of the Board of Directors stand for election on an annual basis, and at the Annual Meeting six directors will be elected to hold office for a term expiring at the 2017 Annual Meeting of Shareholders. The Board of Directors, upon the recommendation of the Corporate Governance Committee, has nominated the individuals named below. Each director will be elected to serve until a successor is elected and qualified or until the director s earlier resignation or removal.

The Corporate Governance Committee is responsible for evaluating the size and composition of the Board of Directors relative to the evolving needs of the Company at any given time, and actively identifying qualified individuals to become new director nominees as needed. The Corporate Governance Committee has developed criteria, including certain personal and professional qualities, it uses to evaluate whether the potential nominee would be a qualified director candidate for service on Take-Two s Board of Directors. For further detail, please reference the Board Committees section.

Our six nominees include five independent, outside directors who as a group have extensive and diverse management and subject matter experience and knowledge that is critical to the Company. The average director tenure is eight years, and the average age of the board members is 58.

At the Annual Meeting, the proxies given by shareholders will be voted individually for the election of the persons named herein as director nominees, unless a proxy card specifies that it is not to be voted in favor of any such nominee. If any of the nominees listed below shall be unable to serve, it is intended that the proxy will be voted for such other nominees as may be designated by the Board of Directors. Each of the persons named herein has indicated to the Board of Directors that he or she will be available to serve as a director of the Company. In an uncontested election, any nominee for director who receives a greater number of votes withheld from the individual s election than votes for such election promptly shall tender the individual s resignation to the Corporate Governance Committee following certification of the shareholder vote. For more information regarding this policy see Policy on Majority Voting for Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES NAMED BELOW:

Robert A. Bowman

Independent Director

Chair: Audit Committee

Age: 61

Director since: April 2007

Beneficial owner of 127,393 shares

Mr. Bowman is President, Business and Media at Major League Baseball and is responsible for directing revenue-generating and media rights activities across all Major League Baseball entities, a position he has held since December 2014. Mr. Bowman is also the Chief Executive Officer of Major League Baseball Advanced Media, L.P., a full service solutions provider delivering world-class digital experiences and distributing content through all forms of interactive media, including managing interactive and Internet rights for Major League Baseball, a position he has held since 2000.

Prior executive roles: Before becoming President, Business and Media at Major League Baseball and the Chief Executive Officer of Major League Baseball Advanced Media, L.P., Mr. Bowman was President and Chief Operations Officer of ITT Corporation from 1995 through 2000, where he previously served as Chief Financial Officer from 1991 through 1995. Mr. Bowman served as the Treasurer of the State of Michigan from 1983 through 1990, overseeing its fiscal policy, tax collections and the state s pension fund.

Other boards: Mr. Bowman serves as President of the Michigan Education Trust (the state s pre-paid tuition grant program). Mr. Bowman serves as a director of ViaSat Inc., an internet and communications service provider, and as a director and a member of the audit committee of Vince Holding Corp., a diversified apparel company. Mr. Bowman served as a director of Blockbuster,

Inc. from 2003 to 2010, The Warnaco Group, Inc. from 2004 to 2013, and World Wrestling Entertainment, Inc. from 2003 to 2008.

Key experience and qualifications: Mr. Bowman brings relevant subject matter expertise from his role at Major League Baseball as well as from current and past board service at other companies. He brings strong business operations experience, and financial expertise as a former large company CFO, as well as financial and investment perspective from his tenure as Treasurer of the State of Michigan.

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Michael Dornemann

Lead Independent Director

Chair: Executive Committee

Member: Audit, Compensation and Corporate Governance Committees

Age: 70

Director since: March 2007

Beneficial owner of 10,738 shares

Mr. Dornemann is an entertainment and marketing executive with more than 30 years of management consulting, corporate development, strategic advisory and media experience. Prior to 2001, Mr. Dornemann was an executive board member of Bertelsmann AG for 16 years and Chairman and Chief Executive Officer of Bertelsmann Entertainment (music and television division, BMG and RTL Group). Before that, he held positions with IBM and Boston Consulting Group.

Other boards: Mr. Dornemann has previously served on several boards, including as Chairman of Jet Set AG, a worldwide fashion company based in Switzerland, until 2009; as a director of Columbia Music Entertainment (CME) of Japan until 2010; and as vice-chairman and as an audit and compensation committee member of Access Worldwide Communications until 2013.

Key experience and qualifications: Mr. Dornemann s highly relevant leadership, management, marketing and consulting experience, including his role as Chief Executive Officer of Bertelsmann Entertainment, strongly qualifies him to provide effective leadership to the independent directors, and to contribute to all aspects of board discussion and operations, including strong oversight of our management agreement with ZelnickMedia Corporation (*ZelnickMedia*). His accomplished history of service with fashion and entertainment companies, including as an outside director, provides an unusual level of insight into both our business and our governance.

J Moses

Independent Director

Chair: Corporate Governance Committee

Member: Compensation Committee

Age: 57

Director since: March 2007

Beneficial owner of 8,720 shares

Mr. Moses is a media executive, entrepreneur and consultant with more than 30 years of experience in the television, radio, publishing, video game and digital media industries. Mr. Moses is currently an advisor to a portfolio of early stage digital ventures and a consultant in the media industry in the United States where he works closely with a range of clients and in strategic alliance with Borden Media Consulting.

Prior executive roles: Mr. Moses was most recently an advisor to the President of KapanLagi Network, the largest on-line media business in Indonesia from August 2013 to May 2015. Mr. Moses was the Founder and, from October 1998 through July 2009, the Chief Executive Officer of UGO Networks, Inc., an online publisher delivering information and entertainment for gamers. Mr. Moses managed the sale of that company to the Hearst Corporation in August 2007. Mr. Moses previously served as President of MTV Russia and oversaw the successful establishment of MTV Networks in Russia in 1998. Mr. Moses also served as the President of BMG Interactive from 1993 to 1996, the former video game and new technologies division of BMG Entertainment. Most recently, Mr. Moses was the Founder and, from 2010 to 2014, President of Bagooba, a social media start up.

Other boards: Mr. Moses serves on advisory boards to Simulmedia, Inc. and Flow Corp.

Key experience and qualifications: Mr. Moses provides insight based on vast media experience and leadership history, including his roles as CEO of UGO Networks, President of MTV Russia and President of BMG Interactive, and his deep understanding of the interactive entertainment industry and its global opportunities.

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Michael Sheresky

Independent Director

Chair: Compensation Committee

Member: Corporate Governance Committee and Executive Committee

Age: 48

Director since: March 2007

Beneficial owner of 66,727 shares

Mr. Sheresky is a partner at United Talent Agency, where he has served as a motion picture talent agent since June 2009. Mr. Sheresky is responsible for structuring projects and deals in the areas of motion picture and television development, production and distribution.

Prior professional roles: From 1992 through 1995, and then from 1997 through May 2009, Mr. Sheresky held a number of positions at the William Morris Agency, a talent agency, most recently Senior Vice President in its Motion Picture Department. During that time, he represented authors, journalists, screenwriters, directors, producers and actors in the motion picture and television businesses.

Key experience and qualifications: Mr. Sheresky s entertainment experience as a talent agent is an important asset to the Board of Directors, including his particularly strong insight into the development and compensation of creative talent and of management.

Susan Tolson

Independent Director

Member: Audit Committee

Age: 54

Director since: March 2014

Beneficial owner of 14,134 shares

Ms. Tolson is a financial executive with more than 20 years of experience in the financial services industry. Ms. Tolson worked at Capital Research and Management Company and Capital Research Company, subsidiaries of The Capital Group Companies, Inc., from 1990 to 2010. She served in various capacities, including Senior Vice President and Portfolio Manager. Before joining Capital Research, Ms. Tolson was an Investment Officer at Aetna Investment Management Company, making private investments in media and entertainment companies.

Other boards: Ms. Tolson is a director of Groupe Lagardère (a global company operating in media, entertainment, sports and retail). She also serves as a board member and audit committee member of the American Cinémathèque (a nonprofit cultural organization); as a board member, audit committee member and nomination and compensation committee member of Worldline E-Payments Services (which focuses on e-payment transactional services); and as a board member, compensation committee member and nominating and governance committee member of OUTFRONT Media Inc. (a provider of advertising space on out-of-home advertising structures and sites). She was a trustee and member of the business affairs committee of The American University of Paris until March 2014, where she served on the investment committee.

Key experience and qualifications: Ms. Tolson brings to the Board of Directors significant experience in entertainment and financial/investment matters from her previous positions, together with her existing current service as a director of both for profit and nonprofit organizations.

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Strauss Zelnick

Chairman and CEO

Member: Executive Committee

Age: 59

Director since: March 2007

Beneficial owner of 1,291,807 shares

Mr. Zelnick has been Chairman of the Company since March 2007, Executive Chairman of the Board of Directors since February 2008 and Chief Executive Officer of the Company since January 2011. Mr. Zelnick also is a partner in ZelnickMedia. Mr. Zelnick serves as Executive Chairman of the Board of Directors and Chief Executive Officer of the Company pursuant to the terms of the 2014 Management Agreement between the Company and ZelnickMedia. See Certain Relationships and Related Transactions Management Agreement.

Prior executive roles: Mr. Zelnick served as Executive Chairman of Direct Holdings Worldwide, Inc., the parent company of Time Life and Lillian Vernon, until the company was sold to Reader s Digest on March 2, 2007. Prior to forming ZelnickMedia, Mr. Zelnick was President and Chief Executive Officer of BMG Entertainment, a $4.7 billion music and entertainment company with more than 200 record labels and operations in 54 countries. Mr. Zelnick s appointment as President and Chief Executive Officer of BMG Entertainment followed his tenure as President and Chief Executive Officer of BMG s North American business unit from 1994 through 1998. Before joining BMG Entertainment, Mr. Zelnick was President and Chief Executive Officer of Crystal Dynamics, a leading producer and distributor of interactive game software. Prior to that, he spent four years as President and Chief Operating Officer of 20th Century Fox, where he managed all aspects of its worldwide motion picture and distribution business. Previously, he spent three years at Vestron Inc. as a senior executive, and rose to become President and Chief Operating Officer. Mr. Zelnick also served as Vice President, International Sales, Television for Columbia Pictures.

Other boards: Mr. Zelnick currently serves as a member of the board of directors, as a member of the compensation committee and the investment committee, and as the chairperson of the audit committee and the nominating and corporate governance committee of Starwood Property Trust, Inc., a public company. He also serves as a member of the boards of directors of Alloy, Inc., 9 Story Limited and Education Networks of America, all privately-held companies. Mr. Zelnick previously served as a member of the board of directors of Blockbuster, Inc. Mr. Zelnick serves as Chairman of the Entertainment Software Association. Mr. Zelnick is also an associate member of the National Academy of Recording Arts and Sciences and served on the board of directors of the Recording Industry Association of America and the Motion Picture Association of America.

Key experience and qualifications: Mr. Zelnick provides the Company s Board of Directors with valuable insight in organization and management obtained from his experiences, including acting as Executive Chairman and CEO of the Company.

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Each director nominee for our Board of Directors is highly qualified and brings a diversity of skills and experiences to our boardroom. These skills are relevant to our business and enable the Board of Directors to effectively oversee management s execution of strategy.

Corporate Governance and Board Practices

Shareholder Engagement. The Board of Directors oversees and regularly participates in an extensive, year-round shareholder engagement practice. In the months leading up to the filing of this Proxy Statement, we sought discussions with holders of more than approximately 81.6% of our outstanding shares, and had discussions with a number of our top holders (percentage based on the Company s investors most recent filings). These discussions included the Chair of the Compensation Committee and members of Take-Two s senior management team. Throughout these discussions, we sought shareholder feedback on the management agreement with ZelnickMedia, our executive compensation program, our Compensation Discussion and Analysis disclosure, and our use of equity as an incentive tool. Feedback from shareholders was generally positive on compensation and our enhanced disclosure in the 2015 proxy statement, with some of our shareholders inquiring about the reasons for choosing the particular metrics in our incentive plans, as well as how the Board of Directors thinks about and manages dilution from equity plans.

Independent Directors. The Board of Directors has determined that Messrs. Bowman, Dornemann, Moses and Sheresky and Ms. Tolson are independent directors as defined under the rules of The NASDAQ Stock Market. During fiscal 2016 the independent directors met in executive session (outside the presence of management) on eight (8) occasions.

Board Structure. The Board of Directors is led by Mr. Zelnick in his role as Executive Chairman. Mr. Zelnick is also the Chief Executive Officer. The Board of Directors also has designated Mr. Dornemann as Lead Independent Director (as described below), a position that complements the Executive Chairman s role, and serves as the principal liaison between the independent directors and the Executive Chairman. Mr. Dornemann was also designated by the Board of Directors as the Chair of the Executive Committee.

The Board of Directors reviews its leadership structure annually. The Board of Directors has determined that in light of the Company s clear strategy and the strength of its overall governance practices, at this time a combined Chairman/CEO role will more effectively unify the Board of Directors and management around the specific initiatives necessary to support the Company s strategy. The Board of Directors continues to evaluate Mr. Zelnick annually in each of his roles, and has retained the discretion to separate the Chairman/CEO roles at any time if the Board of Directors believes it would better serve the interests of the Company and its shareholders. The Board of Directors has also concluded that its Lead Independent Director position effectively balances any potential risk of concentration of authority that may exist with a combined Chairman/CEO position.

Lead Independent Director. As Lead Independent Director, Mr. Dornemann serves as the principal liaison between the independent directors and the Executive Chairman.

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The Lead Independent Director is responsible for:

- presiding at all Board of Directors meetings at which the Chairman of the Board is not present;
- convening regular and special meetings of the independent directors;
- developing the agenda for executive sessions of the independent directors and working with the Chairman to develop and approve the agenda for meetings of the full Board of Directors, including scheduling to ensure there is sufficient time for discussion;
- coordinating feedback to the Chairman on behalf of the independent directors;
- coordinating with the Company s General Counsel to respond to shareholders who have addressed a communication to the independent directors;
- making himself available for shareholder communication, as appropriate (other independent directors may also participate in such communication at times); and
- handling any matters concerning an actual or potential conflict of interest involving any other director.

The Lead Independent Director meets separately with one or more of the Chief Executive Officer, the President, the Chief Financial Officer and the General Counsel approximately bi-weekly to discuss the business strategy of the Company in greater detail and provide additional guidance to such members of management. These meetings enable the Lead Independent Director to gain a deeper understanding of any matters being handled by management which should be brought to the attention of the entire Board of Directors or a committee thereof, as well as an opportunity to obtain additional information on any matters which the Lead Independent Director believes may otherwise be of interest to the other directors and to provide advice to the other directors regarding such matters. The Lead Independent Director is a member of each committee of the Board of Directors.

Annual Evaluations. The Board of Directors and its committees conduct annual self-evaluations to determine whether it and its committees are functioning effectively and properly. The Corporate Governance Committee assists the Board of Directors in its review. Furthermore, the independent directors perform an annual performance review of the Chairman, CEO and other named executive officers.

Risk Oversight. The Board of Directors exercises direct oversight of strategic risks to the Company. The Audit Committee reviews the Company s policies for risk assessment and risk management relating to financial reporting and internal controls, as well as operational risk relating to digital and physical security, including security controls over customer data, and assesses steps management has taken to control such risks and exposures. The Compensation Committee oversees risks relating to compensation programs and policies. See Risk Assessment of Overall Compensation Program. The Governance Committee oversees operational risk relating to insurance. In each case management periodically reports to our Board of Directors or to the relevant committee, which provides guidance on risk appetite, assessment, and mitigation. Each committee charged with risk oversight reports to our Board of Directors on those matters.

Meetings of Directors. The Board of Directors held twelve (12) meetings during fiscal 2016. Each of the incumbent directors attended at least 75% in the aggregate of all meetings of the Board of Directors and committees on which the individual served for the period of his or her service in the fiscal year. In addition, during fiscal 2016, the Board of Directors convened at an off-site strategic planning session, which included presentations and discussions with senior management, to review our strategic, competitive and financial performance goals as well as to discuss the Company s long-term strategic plan.

Attendance at Shareholder Meetings. The Board of Directors has adopted a policy whereby director nominees are strongly encouraged to attend the Company s annual meeting of shareholders. Five of our six incumbent director nominees attended the last annual meeting of the Company s

shareholders in September 2015.

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Policy on Majority Voting for Directors. In an uncontested election, any nominee for director who receives a greater number of votes withheld from the individual s election than votes for such election promptly shall tender the individual s resignation to the Corporate Governance Committee following certification of the shareholder vote. The Corporate Governance Committee promptly will consider the resignation offer and recommend to the Board of Directors the action to be taken with respect to such offered resignation. The Board of Directors will act on the Corporate Governance Committee s recommendation within 90 days following the date of the Annual Meeting. Thereafter, the Board of Directors promptly will disclose its decision whether to accept the director s resignation offer (and the reasons for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K filed with the SEC. Any director tendering a resignation pursuant to this provision shall not participate in the Corporate Governance Committee recommendation or action of the Board of Directors regarding whether or not to accept the resignation offer. Abstentions and broker non-votes with respect to a director s election will not be counted as votes withheld for purposes of this policy.

Code of Business Conduct and Ethics. The Company has adopted a written Code of Business Conduct and Ethics that applies to directors, officers and employees of the Company, including the Company s principal executive officer, principal financial officer, principal accounting officer and controller and any person performing similar functions. A copy of the Code of Business Conduct and Ethics is posted on the Company s website at *www.take2games.com* and can be accessed by clicking on Corporate, then Corporate Governance, then Highlights.

Conflict of Interest Guidelines for Directors / Directors Code of Conduct. The Company has adopted a written Conflict of Interest Guidelines for Directors / Directors Code of Conduct that applies to directors of the Company. A copy of the Conflict of Interest Guidelines for Directors / Directors Code of Conduct is posted on the Company s website at *www.take2games.com* and can be accessed by clicking on Corporate, then Corporate Governance, then Highlights.

Board Committees

The Board of Directors has three standing committees entirely comprised of independent directors: a Compensation Committee, a Corporate Governance Committee and an Audit Committee. The Board of Directors also has a standing Executive Committee, currently comprised of Messrs. Dornemann (Chair), Sheresky and Zelnick. These four committees are governed by written charters. The charters and the Company s Code of Business Conduct and Ethics are posted on the Company s website at *www.take2games.com* and can be accessed by clicking on Corporate, then Corporate Governance, then Highlights.

	Compensation Committee	Corporate Governance Committee	Audit Committee	Executive Committee
Robert A. Bowman			Chair	
Michael Dornemann				Chair
J Moses		Chair		
Michael Sheresky	Chair			
Susan Tolson				
Strauss Zelnick				
Number of Meetings in Fiscal 2016	**6**	**5**	**4**	**5**

Compensation Committee members are Messrs. Sheresky (Chair), Dornemann and Moses, each of whom is an independent director under NASDAQ s Rule 5605, a non-employee director as defined under the SEC rules and an outside director as defined under Section 162(m) of the Internal Revenue Code (the *Code*). The Compensation Committee, among other roles, reviews the compensation policies and procedures of the

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Company, evaluates and approves executive officer compensation, and makes recommendations to the Board of Directors regarding executive compensation. During the fiscal year ending March 31, 2016 (*fiscal 2016*), the Compensation Committee held six (6) meetings.

Corporate Governance Committee members are Messrs. Moses (Chair), Dornemann and Sheresky. This committee is responsible, among other things, for creating and maintaining overall corporate governance policies for the Company and identifying, screening and recruiting director candidates for the Board of Directors. The Corporate Governance Committee held five (5) meetings during fiscal 2016.

The Corporate Governance Committee will consider nominees recommended by shareholders, provided that the recommendation contains sufficient information for the committee to assess the suitability of the candidate and such nomination complies with the Company s bylaws. Candidates recommended by shareholders that comply with these procedures will receive the same consideration that candidates recommended by the committee receive.

When selecting directors, the Board of Directors reviews and considers many factors, including experience, business understanding, achievement, available time, diversity, skills and independence. It also will consider ethical standards, integrity and any conflict of interest. It considers recommendations primarily from shareholders of the Company and from members of the Board of Directors and management. The Corporate Governance Committee conducts interviews with candidates who meet the criteria of the Board of Directors, and has full discretion in considering its nominations to the Board of Directors. The Board of Directors adopted Corporate Governance Guidelines, which include criteria to assess the suitability of candidates for the Board of Directors. These Corporate Governance Guidelines are posted on the Company s website at *www.take2games.com* and can be accessed by clicking on Corporate, then Corporate Governance, then Highlights.

Audit Committee members are Messrs. Bowman (Chair) and Dornemann and Ms. Tolson. The Audit Committee oversees the accounting and financial reporting processes of the Company and audits of the financial statements of the Company. In addition, the Audit Committee assists the Board of Directors in its review and oversight of the Company s key investment objectives, strategies and policies. The Board of Directors has determined that Mr. Bowman and Ms. Tolson each qualify as an audit committee financial expert under federal securities laws. The Audit Committee held four (4) meetings during fiscal 2016.

Special Committees. From time to time the Board of Directors may form a special committee for a particular purpose. Most recently, in the fiscal year ended March 31, 2014 (*fiscal 2014*), the Board of Directors appointed a special committee, comprised entirely of independent directors, to lead the negotiation of a new management agreement with ZelnickMedia, which is described under Certain Relationships and Related Transactions Management Agreement.

Other Executive Officers

Each of the following executive officers, who are not also directors, will serve in such capacity until the next Annual Meeting of Shareholders or until earlier termination or removal from office.

Karl Slatoff, age 46, became President of the Company in May 2013 and served as Chief Operating Officer of the Company from October 2010 through April 2013. Mr. Slatoff serves as President of the Company pursuant to the terms of the 2014 Management Agreement between the Company and ZelnickMedia. See Certain Relationships and Related Transactions Management Agreement. From February 2008 to October 2010, Mr. Slatoff served as an Executive Vice President of the Company. Mr. Slatoff also is a partner in ZelnickMedia and serves as a director of Cannella Response Television, LLC.

Prior to joining ZelnickMedia in 2001, Mr. Slatoff served as Vice President, New Media for BMG Entertainment, where he was responsible for guiding BMG s online digital strategies, including the development

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of commercial digital distribution initiatives and new business models for the sale and syndication of online content. From 1994 to 1996, Mr. Slatoff worked in strategic planning at the Walt Disney Company, where he focused on the consumer products, studio and broadcast divisions, as well as several initiatives in the educational, publishing and new media sectors. From 1992 to 1994, Mr. Slatoff worked in the corporate finance and mergers and acquisitions units at Lehman Brothers where he focused on the consumer products and retail/merchandising industries.

Lainie Goldstein, age 48, was appointed Chief Financial Officer of the Company in June 2007, and is responsible for overseeing Finance, Investor Relations and Corporate Communications. Ms. Goldstein previously served as the Company s Senior Vice President of Finance from November 2003.

Ms. Goldstein is a CPA with over 20 years of financial and business experience in the software, entertainment, retail and apparel industries, with proven success in managing the finance function of publicly traded companies. Prior to joining the Company, Ms. Goldstein held a number of positions of increasing responsibility with Nautica Enterprises, Inc., most recently serving as Vice President, Finance and Business Development. Earlier in her career, she held positions in the audit and reorganization departments at Grant Thornton LLP.

Daniel Emerson, age 44, became Executive Vice President and General Counsel of the Company in October 2014. Mr. Emerson joined the Company as a Vice President in June 2005 and served in various capacities of increasing responsibility within the legal department, including Senior Vice President, Corporate Secretary and Deputy General Counsel. In addition to serving as the General Counsel of the Company, Mr. Emerson oversees administrative management of Internal Audit on behalf of the Audit Committee.

Prior to joining the Company, Mr. Emerson was a partner in the New York office of the law firm Blank Rome LLP, where he represented public and private companies in mergers & acquisitions, securities law, financings and general corporate matters.

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NON-BINDING ADVISORY VOTE TO APPROVE THE

COMPENSATION OF THE COMPANY S

NAMED EXECUTIVE OFFICERS

(Proposal 2)

In accordance with the SEC s proxy rules, we are seeking approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers listed in the Summary Compensation Table (the *NEOs*) for fiscal year 2016, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosures. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this Proxy Statement. This vote is commonly known as a say on pay advisory vote. The Board of Directors has adopted a policy providing for annual say on pay advisory votes.

The compensation of our NEOs is described in detail in the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 17, which we encourage you to read for additional details on our executive compensation programs and compensation of our NEOs for fiscal 2016.

Our executive compensation programs are based on three core principles that are designed to motivate our NEOs to achieve annual financial and strategic objectives to enhance the profitability of the Company and create long-term shareholder value. The fiscal 2016 compensation of our NEOs reflected these core principles:

- A significant portion of our NEOs compensation was based on the financial performance of the Company and therefore at risk ;
- The majority of each NEO s total compensation was provided in the form of long-term equity, a significant portion of which was subject to stock price performance, to further align the interest of our NEOs and shareholders; and
- The target total direct compensation package for each NEO was consistent with market practices for executive talent and each NEO s individual experience, responsibilities and performance.

We believe that our compensation programs and policies for fiscal 2016 were consistent with our core compensation principles, provided an effective incentive for the achievement of positive results, aligned with shareholders interests, supported by strong compensation governance practices and worthy of continued shareholder support. Accordingly, we ask for our shareholders to indicate their support for the compensation paid to our NEOs by voting FOR the following non-binding resolution at the Annual Meeting:

RESOLVED, that the Company s shareholders approve the compensation of the named executive officers for fiscal year 2016, including the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosures as included in this Proxy Statement.

Because your vote is advisory, the result will not be binding upon the Company. Although not binding, the Board of Directors values the opinions of our shareholders and will carefully review and consider the outcome of the vote, along with other relevant factors, in evaluating its compensation program for our NEOs.

THE BOARD OF DIRECTORS BELIEVES THAT APPROVAL OF THE FOREGOING RESOLUTION ON THE COMPENSATION OF THE NEOS IS IN THE BEST INTERESTS OF THE COMPANY AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPROVAL OF THE COMPENSATION OF THE COMPANY S NEOS, AS STATED IN THE ABOVE NON-BINDING RESOLUTION.

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COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis section describes the material elements of our executive compensation program for fiscal 2016, including the named executive officers (*NEOs*) as identified in the Summary Compensation Table and listed below:

Executive	Title
Strauss Zelnick	Executive Chairman and Chief Executive Officer
Karl Slatoff	President
Lainie Goldstein	Chief Financial Officer
Daniel Emerson	Executive Vice President and General Counsel

Messrs. Zelnick and Slatoff serve in their executive positions pursuant to a management agreement with ZelnickMedia, discussed below.

EXECUTIVE SUMMARY

Take-Two is a leading developer, publisher and marketer of interactive entertainment for consumers around the globe. Take-Two develops games and operates primarily through two wholly-owned labels Rockstar Games and 2K.

Top Sellers Include:

- ü Grand Theft Auto
- ü Max Payne
- ü Midnight Club
- ü Red Dead

Top Sellers Include:

- ü NBA 2K
- ü BioShock
- ü Borderlands
- ü Mafia
- ü Sid Meier s Civilization
- ü WWE 2K

We generate financial returns for our shareholders by pursuing a strategy of capitalizing on the widespread popularity of interactive entertainment and by focusing on publishing a select number of high quality titles for which we can create sequels and build successful franchises. We also seek to complement our core release schedule with digitally delivered offerings designed to drive recurrent consumer spending, including virtual currency, add-on content and online games.

Our management team and creative talent in our wholly-owned labels, Rockstar Games and 2K, are essential to building and maintaining the strongest portfolio of intellectual property in the industry. Our compensation program is designed to reflect the importance of our creative talent, including through the use of equity awards to establish strong links between our creative teams and long-term value creation for shareholders.

Select Fiscal 2016 Performance Highlights

Take-Two delivered strong financial results in fiscal 2016 and continued to execute successfully on our strategy of developing a select number of high-quality titles that make us a leader in our industry.

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Business Highlights

Grand Theft Auto V continued its positive momentum and is one of the most critically-acclaimed and commercially successful video games ever, with sell-in to date of more than 65 million units across PlayStation 4, PlayStation 3, Xbox One, Xbox 360 and PC;

NBA 2K16 continued to build on the Company s industry-leading basketball series track record of annual growth. The title is poised to become Take-Two s highest-selling sports game ever, with sell-in of nearly 7.5 million units-up double-digits versus the same period for the prior release;

The WWE 2K series also continued to grow, with WWE 2K16 crossing the 3 million unit sell-in mark; and

Successfully launched XCOM 2, which received stellar reviews and achieved sales that were higher than the PC version of its predecessor, XCOM: Enemy Unknown, during the same period after launch.

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With our strong financial performance in fiscal 2016, and with the strategic steps management has taken over the past several years to strengthen our balance sheet, grow and diversify the Company s franchise portfolio, and reduce costs, our expectation is that we will achieve strong financial results each year for the foreseeable future.

Shareholder Outreach

As part of our regular governance practices, the Compensation Committee evaluates our compensation programs in light of market conditions, shareholder views, and governance considerations, and makes changes as appropriate for our business. We value the feedback of our shareholders, as expressed through votes and direct communications, and annually submit our executive compensation programs to a non-binding shareholder advisory say-on-pay vote. At our Annual Meeting held in September 2015, our executive compensation program was approved by shareholders representing 98% of the votes cast on the proposal. As a result, we did not make any changes to our executive compensation program in fiscal 2016.

To enhance our understanding of our shareholder s perspectives, we maintain a regular shareholder outreach program. In the months leading up to the filing of this Proxy Statement, we sought discussions with holders of more than approximately 81.6% of our shares and had discussions with a number of our top holders (percentage based on the Company s investors most recent filings). These discussions included the Chair of the Compensation Committee and members of Take-Two s senior management team. Throughout these discussions, we sought shareholder feedback on the management agreement with ZelnickMedia, our executive compensation program, our Compensation Discussion and Analysis disclosure, and our use of equity as an incentive tool. Feedback from shareholders was generally positive on compensation and our enhanced disclosure in the 2015 proxy statement, with some of our shareholders inquiring about the reasons for choosing the particular metrics in our incentive plans, as well as how the Board of Directors thinks about and manages dilution from equity plans.

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In response to shareholder feedback, as well as in consideration of market practices and our overarching compensation philosophy, the Compensation Committee made several changes in early fiscal 2015 to our executive compensation program. These changes included:

Eliminated the Non-GAAP EBITDA catch-up metric in the performance-based awards. Previously, performance-based equity vested on either achievement of share-price appreciation goals, or EBITDA goals if share price appreciation goals were not met. This change eliminates the secondary performance opportunity; awards will only vest based on share-price appreciation.

Adopted a relative TSR metric in the long-term incentive plan. The relative TSR metric replaces the previous absolute (i.e., Company specific) share price appreciation metric in our performance-based awards. Take-Two s TSR performance will now be measured against the TSR performance of the companies comprising the NASDAQ Composite Index.

The Committee also negotiated a number of changes in the ZelnickMedia Management Agreement in fiscal 2014 as a result of shareholder feedback, as detailed under ZelnickMedia Management Agreement below.

ZelnickMedia Management Agreement

Executive Chairman and CEO Strauss Zelnick and President Karl Slatoff serve as executives of the Company under a management services agreement with ZelnickMedia, a partnership of private equity investors that focuses on the media and communications industry, of which they are partners. The Company first entered into a management services agreement with ZelnickMedia in 2007, and a new and amended management agreement was put in place in May 2011 (the *2011 Management Agreement*), which was originally anticipated to govern through May 31, 2015. On March 10, 2014, the Company and ZelnickMedia entered into a new management agreement (the *2014 Management Agreement*) that superseded the 2011 Management Agreement, under which ZelnickMedia will continue to provide management, consulting and executive level services to the Company through March 31, 2019.

The 2014 Management Agreement included several changes to address feedback the Board of Directors received from shareholders. These changes included:

Increased disclosure. Enhanced disclosure regarding the 2014 Management Agreement to provide greater transparency, including the establishment of individual fee caps paid by ZelnickMedia to Messrs. Zelnick and Slatoff for their services to Take-Two.

Transitioned from a front-loaded equity grant to an annual grant structure. Previous ZelnickMedia management agreements included an up-front equity grant at the commencement of the agreement. The 2014 Management Agreement provided a smaller equity grant at the time of signing on April 1, 2014 and provides the Compensation Committee the ability to grant additional annual equity awards in subsequent years, although the Compensation Committee is under no obligation to do so. The Compensation Committee elected to make additional annual equity awards to ZelnickMedia on May 20, 2015 and May 20, 2016, as further described below.

Eliminated catch-up provision. Performance-based equity grant will be based solely on relative TSR and IP performance and will not include any TSR catch-up opportunity.

Lengthened the performance measurement period of performance-based equity. The relative TSR performance measurement period was increased from a one-year period to a two-year period.

Elimination of automatic annual fee increases. The annual fee provided in the 2014 Management Agreement will remain constant for the duration of the agreement.

New IP metric focuses attention on key strategic goals. Performance shares vest based on TSR and performance of (i) new interactive entertainment products and (ii) our major and generally most profitable products.

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The Compensation Committee believes the Company s management structure and relationship with ZelnickMedia has been critical to building the Company s franchises, improving profitability and strengthening the balance sheet, and providing disciplined management. In 2007, the Company faced multiple investigations and significant litigation including shareholder lawsuits, as well as financial challenges, including limited cash (the Company ended fiscal 2007 with only $78 million in cash) and significant operating losses. In March 2007, shareholders then holding approximately 46% of our outstanding shares of common stock negotiated the management agreement with ZelnickMedia on our behalf and, after their election at the 2007 annual meeting of shareholders, the Board of Directors of the Company approved the execution of the management agreement by the Company.

Since that time, the Company has been transformed from single franchise dependency into a diverse, financially strong, global interactive entertainment enterprise. The Company has launched 9 new brands since 2007 and has 11 franchises with individual titles that have sold-in to retail more than 5 million units each. The Company has also expanded geographically, in digital distribution and with new business models.

As part of its regular governance practices, the Board of Directors continuously reviews the relationship with ZelnickMedia to ensure that it remains the right management structure for the Company and our shareholders. At least annually, the Compensation Committee conducts interviews on a confidential basis with all direct reports to Messrs. Zelnick and Slatoff, and other members of management, to seek feedback on the performance of the ZelnickMedia executives and to evaluate the effectiveness of the ZelnickMedia relationship broadly. The Compensation Committee s feedback from these 360-degree interviews is then discussed at executive sessions of independent board members. This feedback was taken into consideration during the most recent ZelnickMedia management agreement negotiation process. The Lead Independent Director also engages routinely with members of the executive team, including non-ZelnickMedia members of management, on an approximately bi-weekly basis.

NEO Compensation Structure and Pay-for-Performance Principles

The Compensation Committee of Take-Two has developed compensation programs and arrangements designed to place a significant portion of our executives compensation at risk based on Company performance. Equity awards are a key element in the compensation of our executives, as well as creative talent throughout the organization. The Compensation Committee believes equity awards create strong linkage between our executives and the long-term performance of our Company as well as the interest of our shareholders. Refer to **Annex B** herein for a reconciliation of GAAP net income to the Non-GAAP EBITDA measure discussed below.

Compensation of Mr. Zelnick and Mr. Slatoff

Mr. Zelnick and Mr. Slatoff serve in their executive roles at Take-Two under the Management Agreement with ZelnickMedia. Mr. Zelnick and Mr. Slatoff are compensated directly by ZelnickMedia and not Take-Two (except for $1 received annually by each of Mr. Zelnick and Mr. Slatoff from Take-Two to provide them the opportunity to receive certain health and other plan benefits). To provide greater disclosure and fuller understanding of the compensation received by Messrs. Zelnick and Slatoff individually, the 2014 Management Agreement includes a requirement that no more than 60 percent of the compensation the Company pays to ZelnickMedia shall be received by or conveyed to Mr. Zelnick (or other such employee of ZelnickMedia that serves as Executive Chairman and Chief Executive Officer of the Company), and no more than 40 percent of the compensation the Company pays to ZelnickMedia shall be received by or conveyed to Mr. Slatoff (or other such employee of ZelnickMedia that serves as President of the Company). See Certain Relationships and Related Transactions Management Agreement for additional detail.

The 2014 Management Agreement emphasizes performance-based, at-risk compensation and equity with greater than one-year vesting, to ensure it is closely aligned with the compensation of other Take-Two executives, the performance of the Company and the interests of our shareholders. Performance measures are designed to be challenging but achievable.

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Our Compensation Committee establishes the annual incentive fee based solely on performance against a budgeted Non-GAAP EBITDA (calculated using GAAP net income recorded for the Company, adding back or subtracting the net effect from deferral in net revenues and related costs of goods sold, impact of business reorganization, one-time gains or losses on long-term investments, and adding back stock based compensation, interest, depreciation, amortization and tax expenses) goal set at the beginning of each fiscal year; there is no discretionary element. The Compensation Committee uses the same specific Non-GAAP EBITDA goal in our internal executive pay program. We believe Non-GAAP EBITDA focuses our executives on operating growth and profitability. The 2014 Management Agreement provides for an absolute cap on the annual incentive opportunity. Non-GAAP EBITDA goals were met in each of the last four fiscal years.

The long-term incentive includes performance-based shares that vest based on TSR performance, New IP performance and Major IP performance as indicated in the table below. Relative TSR performance aligns the interests of ZelnickMedia and our executives with our shareholders generally. We seek to incentivize strong sales performance of New IP (new interactive entertainment products) to foster creation of additional strong franchises. The Major IP category is broader, including existing interactive entertainment products and products derived from existing products, as well as new products, as we seek to build on our major, most profitable franchises.

While we believe the short-term and long-term incentives are balanced to help incentivize optimal performance, we also note that there is no duplication in use of performance metrics between short-term and long-term programs.

The following table summarizes the compensation components of the 2014 Management Agreement:

Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Base Fee	N/A	Cash	N/A
Annual Incentive	100%	Cash	Non-GAAP EBITDA(1)
Long-Term Incentive (Equity Grants)	55% at target 71% at maximum	Time-Based Awards(2)	N/A 75%: Relative TSR Performance(3)
		Performance-Based Awards	12.5%: New IP Performance(4) 12.5% Major IP Performance(5)

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(1) The annual incentive is awarded based solely on the financial performance metric; there is no individual performance element. The table below describes the payout schedule for the annual incentive opportunity based on achievement of Non-GAAP EBITDA (with payouts being prorated on a straight-line basis between the amounts listed below based on the actual percentage of Non-GAAP EBITDA target obtained):

Percentage of Non-GAAP EBITDA Target Obtained	Amount of Annual Bonus
80% or less	$0
90%	$ 1,188,000
100%	$ 2,376,000
110%	$ 2,885,143
120%	$ 3,394,286
130%	$ 3,846,857
140%	$ 4,299,429
150%	$ 4,752,000
Above 150%	$ 4,752,000

(2) Time-based awards will vest on April 1, 2017 for the grant made on May 20, 2015 and will vest on April 1, 2018 for the grant made on May 20, 2016, in each case provided that the 2014 Management Agreement has not been terminated prior to such date.

(3) Relative TSR performance-based vesting is a function of the Company s total shareholder return during the performance period, as compared to the total shareholder return generated by the Company s peer group, which consists of the companies that comprise the NASDAQ Composite Index on the first day of the performance period. We use the NASDAQ Composite Index for this purpose, rather than a narrow peer group, given the small size of our public company peer group and the stock price volatility of those peers. The table below describes the vesting schedule for the performance-based equity based on achievement of relative TSR over a two-year performance period:

TSR Percentile Rank	TSR Vesting Percentage
Less than 40th Percentile	0% of target shares
40th Percentile	50% of target shares
50th Percentile	100% of target shares
75th Percentile	200% of target shares

(4) New IP performance-based vesting is a function of the revenue generated by sales performance or the number of units sold-in (sell-in performance) with respect to certain releases of New IP during the performance period. New IP consists of new interactive entertainment products that are commercially released on or after April 1, 2014. This metric underscores and promotes our long-term strategy of creating additional strong franchises. Whether vesting is based on sales performance or sell-in performance depends on whether the New IP that is released constitutes a regular price, reduced price, or other type of interactive entertainment product. In any case, the vesting percentage applicable to the New IP performance-based shares will be determined by comparing the Company s performance against the pre-determined performance criteria set out in the Restricted Unit Agreements (as defined below under Certain Relationships and Related Transactions Management Agreement).

(5) Major IP performance-based vesting is a function of the sales performance or the sell-in performance with respect to certain releases of Major IP during the performance period. Major IP consists of New IP, existing interactive entertainment products that were commercially released prior to April 1, 2014, and products that are derived from such existing products, in any case that are released on or after April 1, 2014. This metric underscores and promotes our long-term strategy of building game franchises through game sequels. Whether vesting is based on sales performance or sell-in performance depends on whether the Major IP that is released constitutes a regular price, reduced price, or other type of interactive entertainment product. In any case, the vesting percentage applicable to the Major IP performance-based shares will be determined by comparing the Company s performance against the pre-determined performance criteria set out in the Restricted Unit Agreements.

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Compensation of Other Named Executive Officers

Our other NEOs in fiscal 2016, who were Ms. Goldstein and Mr. Emerson, were compensated through three primary components: base salary, annual incentives and long-term incentives. The majority of Ms. Goldstein s and Mr. Emerson s compensation was performance-based and weighted toward long-term incentives. In early fiscal 2015, the Compensation Committee made several enhancements to the compensation structure of NEOs based on shareholder feedback. These changes are detailed in the section above, Shareholder Outreach and Compensation Program Changes.

The compensation structure for NEOs in fiscal 2016 was as follows:

Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Base Salary	N/A	Cash	N/A
Annual Incentive	100%	Cash	Non-GAAP EBITDA
Long-Term Incentive (RSUs)	66.7% at target	Time-Based Awards(1)	N/A
	80% at maximum	Performance-Based Awards(2)	Relative TSR

(1) Time-based awards will vest, subject to continuing employment, in three equal annual installments commencing in the year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant.

(2) Performance-based awards that are earned (based on relative TSR performance over a two-year performance period, determined in the same manner as under the 2014 Management Agreement, as described above) will vest in two equal annual installments commencing in the second year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant. For example, the grant of restricted stock units (*RSUs*) made to Ms. Goldstein on June 1, 2015 vests, if at all, 50% on June 1, 2017 and 50% on June 1, 2018.

Structural Pay and Performance Alignment for All NEOs

Our NEOs receive a mix of compensation that is appropriately weighted towards at-risk pay in the form of annual incentives and long-term incentives. The Compensation Committee believes this creates strong alignment with the Company s stated compensation philosophy of providing compensation commensurate with individual and corporate performance. The majority of incentive compensation is also delivered in the form of equity, which provides strong alignment between executives incentives and the interests of our shareholders. ZelnickMedia s compensation under the 2014 Management Agreement is also weighted towards at-risk compensation, as ZelnickMedia s compensation consists of: (1) RSUs, of which 55% vest subject to the satisfaction of performance criteria, and (2) cash compensation, with 60% of the maximum aggregate cash compensation in the form of an annual incentive based upon the Company s performance.

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The following chart illustrates the compensation mix, based on maximum compensation opportunities, under the 2014 Management Agreement and for current NEOs.

Fiscal 2016 Variable Compensation Targets and Performance Achievement

Annual and long-term incentives for ZelnickMedia and our NEOs (other than Messrs. Zelnick and Slatoff) are based on measurable financial and share price performance metrics. The following tables summarize the company-wide targets and actual results for both ZelnickMedia and NEO performance-based cash compensation paid and equity compensation granted in fiscal 2016.

ZelnickMedia s 2016 Variable Compensation Targets and resulting Fiscal 2016 Performance Achievements:

Incentive Component	Financial Performance Metrics	2016 Performance Threshold	2016 Performance Target	2016 Performance Maximum	2016 Actual Performance
Annual Incentive	Non-GAAP EBITDA	>$80.8 million	$101 million	$151.5 million	$266.1 million
Performance-Based RSUs (Fiscal 2016 Grant)	Relative TSR	40th Percentile	50th Percentile	75th Percentile	N/A: Relative TSR is measured over two-year period ending March 31, 2017

Other NEOs 2016 Variable Compensation Targets and resulting Fiscal 2016 Performance Achievements:

Incentive Component	Financial Performance Metrics	2016 Performance Threshold	2016 Performance Target	2016 Performance Maximum	2016 Actual Performance
Annual Incentive	Non-GAAP EBITDA	>$80.8 million	$101 million	$151.5 million	$266.1 million
Performance-Based RSUs	Relative TSR	40th Percentile	50th Percentile	75th Percentile	N/A: Relative TSR is measured over two-year period ending March 31, 2017

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Highlights of Compensation Governance Practices

Take-Two maintains strong compensation governance practices that support our pay-for-performance principles and align management incentives with the interests of our shareholders. We have adopted a number of best practices with respect to executive compensation, including:

- ü Clawback policy applicable to NEOs, including those under the 2014 Management Agreement with ZelnickMedia
- ü Incentive caps on annual bonuses to NEOs
- ü Strong anti-hedging and anti-pledging policies
- ü Double trigger acceleration of vesting on a change in control for grants made after July 2014 under an equity plan.
- ü Meaningful stock ownership requirements (5x for CEO/Chairman and President; 3x for other NEOs; and 5x annual cash retainer for directors)
- ü Equity incentive plan provisions that prohibit re-pricing of stock options without shareholder approval
- ü Limited perquisites
- ü No tax gross ups in respect of any excise taxes on parachute payments
- ü Annual compensation risk assessment for employee plans
- ü Retention of independent compensation consultants by the Compensation Committee
- ü Balanced compensation approach between short- and long-term incentive opportunities

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DETAILED DISCUSSION AND ANALYSIS

The main body of this Compensation Discussion and Analysis provides details on the principles and objectives of our executive compensation program and the Compensation Committee s key fiscal 2016 compensation-related decisions. This section is organized into the following categories:

I. Objectives and Philosophy of Executive Compensation

II. Compensation to Executive Chairman and CEO and President

III. Other NEO Compensation

IV. Competitive Market Positioning

V. Principal Elements of Executive Compensation

VI. Operation of the Compensation Committee

VII. Compensation Governance Practices

I. Objectives and Philosophy of Executive Compensation

Our executive compensation program is designed to drive Take-Two s mission of producing strong financial results for its shareholders by pursuing a strategy of capitalizing on the widespread popularity of interactive entertainment. We focus on publishing a select number of high quality titles for which we can create sequels and build successful franchises. To achieve this, it is critical that we have the resources available to attract and retain executives who are committed to creativity, efficiency and innovation.

Accordingly, the Compensation Committee has established a compensation plan for our NEOs that is designed to:

- Enhance the profitability of the Company and drive shareholder value creation;
- Link a significant portion of compensation to the Company s long-term financial and stock price performance, thereby creating long-term shareholder value;
- Attract, motivate, and retain highly qualified individuals;
- Reward each NEO s contribution to the Company s profitability and growth; individual initiative, leadership and achievements; and management of risks; and

- ü Motivate NEOs to build a career at the Company and to contribute to our future success.

The Company seeks to provide competitive compensation that is commensurate with performance and integrates individual efforts, Company and business unit results, and financial rewards. Accordingly, a significant portion of the total compensation paid to NEOs is placed at risk through annual and long-term incentives, which combination of incentives is designed to align the performance of NEOs and the Company s annual operating objectives and earnings performance with long-term shareholder value creation.

Our compensation program s design, in particular the use of equity awards as a key incentive element, establishes strong links between our creative teams and long-term value creation for shareholders. Our compensation program reflects the importance of creative talent to our business and enables us to retain and incentivize these groups. As a result of the importance we place on equity incentives, Take-Two may have higher equity usage for share plans than some of our peers. The Board of Directors periodically authorizes share repurchases when such actions are in the best interests of the shareholders; these repurchases directly reduce the number of the Company s outstanding shares.

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II. Compensation to Executive Chairman and CEO and President

Take-Two has had a long-standing management relationship with ZelnickMedia, under which ZelnickMedia provides executive management and other services to Take-Two. This relationship was first established in 2007 and has been maintained, with a number of amendments and restatements, since that time. Our Executive Chairman and CEO, Strauss Zelnick, and our President, Karl Slatoff, serve in their current roles pursuant to the 2014 Management Agreement with ZelnickMedia. Mr. Zelnick has been our Executive Chairman since 2008 and our CEO since 2011. Mr. Slatoff has been our President since May 2013 and previously served in other executive roles at the Company.

On March 10, 2014, the Company and ZelnickMedia entered into the 2014 Management Agreement, effective April 1, 2014 which superseded the prior 2011 Management Agreement. The 2014 Management Agreement emphasizes performance-based, at-risk compensation and equity with greater than one-year vesting, to ensure it is closely aligned with the compensation of other Take-Two executives, the performance of the Company and the interests of our shareholders. Fees and incentives paid to ZelnickMedia during fiscal 2016 are detailed below under Fiscal 2016 Fees and Incentives to ZelnickMedia.

The target compensation opportunity for ZelnickMedia under the 2014 Management Agreement considered the Company s need for a senior leadership team that can provide financial and technology acumen as well as management of creative talent. This is a unique combination of skills that creates a limited pool of candidates, and has resulted in the Board of Directors decision to provide a competitive compensation opportunity for ZelnickMedia. However, this compensation opportunity is contingent on achieving superior performance.

Services Provided by ZelnickMedia

The provisions of the 2014 Management Agreement establish the payments and benefits to which ZelnickMedia is entitled as consideration for providing certain services. These services include:

- Executive management and leadership delivered through the services of Executive Chairman and CEO Strauss Zelnick and President Karl Slatoff.
- Resources of other ZelnickMedia partners that may provide services and advice to the Company on an as-needed basis.
- First access to certain deal opportunities as they are identified by ZelnickMedia.
- Elevated market positioning due to the industry relationships of ZelnickMedia.

The Board of Directors and Compensation Committee believe that the services provided by ZelnickMedia, inclusive of the services of Mr. Zelnick and Mr. Slatoff, are a competitive advantage to Take-Two. The Board of Directors and the Compensation Committee regularly evaluate the relationship with ZelnickMedia to ensure it is still the appropriate management structure for the Company. To facilitate this review:

- At least annually, the Compensation Committee interviews a broad spectrum of Company management to seek feedback on the performance of Mr. Zelnick and Mr. Slatoff and the relationship with ZelnickMedia, generally.
- Feedback from Company management is discussed in executive sessions of the Board of Directors.
- The Lead Independent Director meets with members of the senior management team on an approximately bi-weekly basis to discuss the business strategy of the Company in greater detail and provide additional guidance to such members of management.

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Fiscal 2016 Fees and Incentives to ZelnickMedia

During fiscal 2016, in accordance with the 2014 Management Agreement, ZelnickMedia received an annual management fee, had the opportunity to receive an annual performance-based incentive, the payment of which is linked solely to an objective company performance measure, and received a long-term incentive equity grant in a combination of time-based vesting RSUs and performance-based vesting RSUs.

Compensation to ZelnickMedia in fiscal 2016 under the 2014 Management Agreement is summarized below:

Annual Management Fee	Annual Incentive Compensation	Performance-Based RSUs	Time-Based RSUs	Total Compensation
$2,970,000(1)	$4,752,000(2)	$4,750,000(3)	$3,850,000	$16,322,000

(1) Fixed annual fee per 2014 Management Agreement.
(2) Non-GAAP EBITDA achieved was greater than 150% of budgeted target. As a result, ZelnickMedia earned the maximum annual incentive.
(3) Grant made on May 20, 2015 and amount assumes that the target TSR performance and sales performance in connection with releases of New IP and Major IP vesting criteria for the performance-based RSUs are met, resulting in the vesting of 187,008 RSUs. If the maximum TSR performance and sales performance in connection with releases of New IP and Major IP vesting criteria for the performance-based RSUs are met, 374,016 RSUs would vest.

2014 ZelnickMedia Management Agreement

As previously noted, on March 10, 2014, the Company and ZelnickMedia entered into the 2014 Management Agreement, effective April 1, 2014, which superseded the prior 2011 Management Agreement. For a full description of the 2014 Management Agreement, refer to Certain Relationships and Related Transactions Management Agreement.

Compensation of Mr. Zelnick and Mr. Slatoff

Under the 2014 Management Agreement, Mr. Zelnick may not receive more than 60% of the aggregate compensation paid to ZelnickMedia and Mr. Slatoff may not receive more than 40% of the aggregate compensation paid to ZelnickMedia. ZelnickMedia and the Compensation Committee incorporated these individual caps into the 2014 Management Agreement to provide greater transparency with respect to the maximum compensation payable to Messrs. Zelnick and Slatoff. Beyond this provision, the allocation of any revenues of ZelnickMedia among its principals is not set forth in the 2014 Management Agreement or determined by means of any process in which the Company participates. In connection with their provision of services to the Company pursuant to the 2014 Management Agreement, the actual amount of compensation received by Messrs. Zelnick and Slatoff is determined in the sole discretion of ZelnickMedia.

Mr. Zelnick and Mr. Slatoff both receive $1 annually in compensation from the Company, to provide them the opportunity to receive certain health and other plan benefits, the value of which is described in the Summary Compensation Table below. Mr. Slatoff receives his $1 of annual compensation pursuant to an employment agreement entered into with the Company in February 2008, the terms of which are described under Executive Compensation Narrative Disclosure Regarding Equity Plans and Employment Agreements Employment Agreements Karl Slatoff below.

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Fees and Incentives to ZelnickMedia under 2014 Management Agreement

Under the 2014 Management Agreement, fees and incentives paid to ZelnickMedia are comprised of the following:

Monthly fee of $247,500 ($2,970,000 annually); this fee is frozen for the full five-year term of the agreement.

Annual bonus opportunity ranging from $0 to $4,752,000, based solely on the Company s Non-GAAP EBITDA performance versus pre-established goals; the maximum level is frozen for the full five-year term of the agreement.

As a result of the Company s Non-GAAP EBITDA performance for fiscal 2016, ZelnickMedia received the maximum bonus of $4,752,000 for fiscal 2016.

Equity grant, which was made on May 20, 2015. This grant consisted of:

151,575 time-based RSUs, with the number of such units based on $3,850,000 divided by the Company s 10-day average closing share price prior to April 1, 2015, which vest on April 1, 2017.

374,016 performance-based RSUs (representing the maximum number of performance-based RSUs), with the target number of units of 187,008 based on $4,750,000 divided by the Company s 10-day average closing share price prior to April 1, 2015. Performance will be measured over the two-year period ending on April 1, 2017, with units vesting subject to the following pre-defined performance criteria:

75% of performance-based RSUs tied to relative TSR performance; and

25% of performance-based RSUs tied to sales performance in connection with releases of New IP and Major IP.

The Compensation Committee has the ability to make future annual equity grants under the provisions of the 2014 Management Agreement, but the Compensation Committee is under no obligation to make additional equity grants.

On May 20, 2016, the Compensation Committee granted ZelnickMedia an equity grant, with the amount based in part on peer benchmarking. The equity grant consisted of:

107,551 time-based RSUs, with the number of such units based on $3,850,000 divided by the Company s 10-day average closing share price prior to April 1, 2016, which vest on April 1, 2018.

265,384 performance-based RSUs (representing the maximum number of performance-based RSUs), with the target number of units of 132,692 based on $4,750,000 divided by the Company s 10-day average closing share price prior to April 1, 2016. Performance will be measured over the two-year period ending on April 1, 2018, with units vesting subject to the following pre-defined performance criteria:

75% of performance-based RSUs tied to relative TSR performance; and

25% of performance-based RSUs tied to sales performance in connection with releases of New IP and Major IP.

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For illustrative purposes only, assuming that ZelnickMedia allocated the maximum 60% of the payments under the 2014 Management Agreement to Mr. Zelnick and the maximum 40% of the payments under the 2014 Management Agreement to Mr. Slatoff, the compensation set forth above to Messrs. Zelnick and Slatoff would be as follows:

	Minimum	Target	Maximum
	>80% EBITDA Goal	**100% EBITDA Goal**	**150% EBITDA Goal**
	>40th Percentile Relative TSR	**50th Percentile Relative TSR**	**75th Percentile Relative TSR**
	Min IP Goal	**Target IP Goal**	**Max IP Goal**
Annual Management Fee	$2,970,000	**$2,970,000**	$2,970,000
Annual Incentive			
Metric: EBITDA	$0	**$2,376,000**	$4,752,000
Time-Based RSUs	$3,850,000	**$3,850,000**	$3,850,000
Performance-Based RSUs			
Metrics: TSR and IP	$0	**$4,750,000**	$9,500,000
Performance			
Total Compensation			
Opportunity	$6,820,000	**$13,946,000**	$21,072,000
Maximum Opportunity at Each Performance Level			
Strauss Zelnick	$4,092,000	**$8,367,600**	$12,643,200
Karl Slatoff	$2,728,000	**$5,578,400**	$8,428,800

Historically, the targets set by the Board of Directors in ZelnickMedia management agreements have been sufficiently challenging that payouts to ZelnickMedia have varied. For example, on May 20, 2015 and May 20, 2016, ZelnickMedia forfeited 24,750 and 27,578 shares, respectively, of performance-based RSUs due to the failure to meet maximum performance conditions.

III. Other NEO Compensation

Other NEOs for fiscal 2016 were Ms. Goldstein, our Chief Financial Officer and Mr. Emerson, our Executive Vice President and General Counsel. Pay opportunities for specific individuals vary based on a number of factors, such as scope of duties, tenure, institutional knowledge and/or difficulty in recruiting a new executive. Actual total compensation and the mix of such compensation in a given year will vary above or below the target compensation levels based primarily on the attainment of operational goals and the creation of shareholder value. The Compensation Committee believes that each of the compensation packages to Ms. Goldstein and Mr. Emerson are within the competitive range of practices when compared to the objective comparative data.

Compensation Overview

In September 2012, and January 2015, the Company entered into amended employment agreements with Ms. Goldstein, and Mr. Emerson, respectively, which provide for an annual base salary, annual cash bonus, and long-term incentive compensation opportunities. The details of those employment agreements are discussed below under Executive Compensation Narrative Disclosure Regarding Equity Plans and Employment Agreements Employment Agreements.

Ms. Goldstein s and Mr. Emerson s fiscal 2016 target compensation was comprised of:

	Base Salary	Target Annual Cash Bonus Opportunity	Target Equity Incentive Opportunity (66.7% subject to performance

		(based on Non-GAAP EBITDA)	vesting)
Ms. Goldstein	$ 663,255	$464,279 (70% of base salary)	$700,000
Mr. Emerson	$ 435,000	$217,500 (50% of base salary)	$700,000

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As a result of the Company s Non-GAAP EBITDA performance for fiscal 2016, Ms. Goldstein and Mr. Emerson each received a maximum cash bonus for such period in the following amounts: Ms. Goldstein $928,557; Mr. Emerson $326,250. As discussed below under Principal Elements of Executive Compensation Long-Term Equity Incentives, in June 2016, Ms. Goldstein and Mr. Emerson each received an equity award based on a value of $1,050,000 (based in part on peer benchmarking), which was granted in recognition of performance during fiscal 2016.

IV. Competitive Market Positioning

The Compensation Committee determines pay levels for our NEOs based on a number of factors, including the individual s role and responsibilities within the Company, the individual s experience and expertise, historical compensation actually realized by the individual, pay levels in the marketplace for similar positions, and performance of the individual and the Company as a whole. In determining pay levels, the Compensation Committee considers all forms of compensation and benefits, including the mix thereof.

After consideration of data collected on external competitive levels of compensation and internal relationships within the executive group, the Compensation Committee makes decisions regarding each individual NEO s target total compensation opportunity based on the need to attract, motivate and retain an experienced and effective management team.

Each year, the Compensation Committee reviews and approves the peer group companies that are used to evaluate competitive market compensation. In doing so, the Compensation Committee seeks to approve a peer group that is representative of the sector in which we operate, and includes companies with similar revenue and market capitalization as Take-Two.

Fiscal 2016 Peer Group

The peer group used to evaluate competitive market compensation of NEOs for fiscal 2016 was composed of the following 16 companies:

Videogame	Internet & Technology		Entertainment & Leisure
Activision Blizzard Inc.	Autodesk Inc.	Nuance Communications, Inc.	AMC Networks, Inc.
Electronic Arts Inc.	Fair Isaac Corporation	Red Hat, Inc.	DreamWorks Animation SKG, Inc.
Zynga Inc.	IAC/InterActiveCorp	Rovi Corporation	Hasbro, Inc.
	Mentor Graphics Corporation	WebMD Health Corp.	Lions Gate Entertainment Corp.
			Scholastic Corporation

This peer group is the same as the peer group analyzed for our fiscal 2015 incentive program.

Fiscal 2017 Peer Group

Peer groups require periodic review for fit to ensure that the peer framework continues to provide an appropriate benchmark for executive pay levels and other policies and practices. As such, to support development of our incentive program for the fiscal year ending March 31, 2017 (*fiscal 2017*), Frederic W. Cook & Co., Inc. performed a peer group analysis in June 2016 and recommended certain adjustments to the peer

group, which were adopted by our Compensation Committee.

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The peer group used for competitive compensation analysis for fiscal 2017 is composed of the following 17 companies (shaded companies indicate new peers for 2017):

Videogame	Internet & Technology		Entertainment & Leisure
Activision Blizzard Inc.	Autodesk Inc.	Nuance Communications, Inc.	AMC Networks, Inc.
Electronic Arts Inc.	Fair Isaac Corporation	Red Hat, Inc.	Scientific Games Corporation
Zynga Inc.	IAC/InterActiveCorp	Rovi Corporation	Hasbro, Inc.
	Mentor Graphics Corporation	WebMD Health Corp.	Lions Gate Entertainment Corp.
	Pandora Media, Inc.		Scholastic Corporation

The Compensation Committee determined that the following changes should be made to the peer group for purposes of compensation planning for fiscal 2017: one company was removed from the peer group (DreamWorks Animation SKG, Inc.) due to the announced sale of its business to Comcast Corporation which will result in executive compensation information about the company no longer being publicly available once the transaction is completed, and two companies were added to the group (Scientific Games and Pandora Media) because each of the companies is comparably-sized to Take-Two and is engaged in entertainment or other consumer content businesses similar to the Company s business.

While the Compensation Committee believes that this peer group consists of those companies for which executive compensation information is publicly available that are most comparable to the Company, the Compensation Committee understands that Take-Two has a limited number of direct competitors in the videogame industry and that many of the Company s competitors are either privately held and/or incorporated in foreign jurisdictions which do not require public disclosure of executive compensation. This dynamic creates added challenges when constructing a statistically reliable set of peers and requires that the Company expand its pool of potential peer companies to those that are tangentially related to the Company (i.e., internet and technology, and entertainment and leisure companies) and with which the Company may not compete directly to attract and retain talent. While imperfect, the Compensation Committee believes the peer group selected is representative of the sector in which the Company operates, and includes companies with similar revenue and market capitalization as Take-Two.

Target Determinations

The Compensation Committee annually reviews total NEO compensation as compared to competitive market data. For purposes of calculating annual target compensation for any fiscal year, the Compensation Committee includes annual base salary, annual target cash bonus, annual target long-term incentive compensation and any special awards.

Ms. Goldstein s and Mr. Emerson s annual pay targets in fiscal 2016 are both below the median of the peer group used by the Company in considering executive compensation.

V. Principal Elements of Executive Compensation

The following describes compensation processes and programs with respect to the NEOs other than the Executive Chairman and CEO and the President.

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Pay Elements Overview

Executive compensation for our NEOs consists of the following elements:

Direct Compensation Elements	Indirect Compensation Elements
Base Salary	Other Compensation/Employee Benefits
Annual Cash Incentive	Severance and Change in Control Protection
Long-Term Equity Incentives	

Base Salary

The base salary component is intended to provide fixed pay that takes into account an NEO s role and responsibilities, experience, expertise, marketplace comparables and individual performance, and although established by the NEOs employment agreements, is subject to annual review by the Compensation Committee, including for discretionary year-to-year increases. Ms. Goldstein s base salary increased from $650,250 to $663,255 in fiscal 2016 because, as discussed below under Executive Compensation Narrative Disclosure Regarding Equity Plans and Employment Agreements, the amended employment agreement with Ms. Goldstein provides for an automatic, annual cost of living increase in base salary of 2% each year commencing on and after April 1, 2013, which was consistent with the average Company-wide increase in base salary. Mr. Emerson received a base salary of $435,000 during fiscal 2016, while Mr. Emerson s fiscal 2015 base salary of $397,781 reflected a combination of his base salary prior to becoming General Counsel effective October 2014 and a base salary of $435,000 after becoming General Counsel effective October 2014. On May 26, 2016, the Compensation Committee approved an increase to Mr. Emerson s base salary, effective April 1, 2016, to $500,000 based in part on peer benchmarking.

Annual Cash Incentive

The Compensation Committee has the authority to award annual performance-based cash bonuses to the NEOs pursuant to their employment agreements with the Company. The Compensation Committee believes that an annual performance-based bonus opportunity provides the incentives necessary to retain our NEOs and reward them for their attainment of the Company s business goals. In fiscal 2016, Ms. Goldstein and Mr. Emerson were eligible to receive an annual cash bonus pursuant to the terms of their employment agreements.

Pursuant to her amended employment agreement, Ms. Goldstein s target contractual bonus ranges from 0% to 140% of base salary. Annual bonus targets are set at 70% of base salary, so achievement of 100% of the Company s target Non-GAAP EBITDA would result in a bonus of 70% of base salary. Maximum bonus amounts are capped at 140% of base salary.

Pursuant to his employment agreement, Mr. Emerson is entitled to a target bonus equal to 50% of base salary. The maximum bonus amount is capped at 150% of his target bonus amount in fiscal 2016.

Annual bonus awards for Ms. Goldstein and Mr. Emerson are performance-based and primarily dependent on achievement of budgeted Non-GAAP EBITDA over the applicable fiscal year. Budgeted Non-GAAP EBITDA targets are pre-determined at the beginning of the applicable fiscal year and EBITDA is calculated using GAAP net income recorded for the Company, adding back or subtracting the net effect from deferral in net revenues and related costs of goods sold, impact of business reorganization, one-time gains or losses on long-term investments, and adding back stock based compensation, interest, depreciation, amortization and tax expenses. The Compensation Committee believes that using budgeted Non-GAAP EBITDA as the core performance metric in the annual bonus design represents an appropriate measure of the Company s performance and an appropriate way to align NEOs short-term incentives with our shareholders interests.

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Bonus amounts for Ms. Goldstein are a function of Non-GAAP EBITDA relative to target, as set forth in the following table:

Non-GAAP EBITDA Achievement	Annual Bonus
Less than 80% of the budget	No bonus earned
80% - 100% of the budget	0% - 70% of base salary
100% - 120% of the budget	70% - 100% of base salary
120% - 150% of the budget	100% - 140% of base salary
Greater than 150% of the budget	Capped at 140% of base salary

Budgeted Non-GAAP EBITDA for fiscal 2016 was $101 million and the Company achieved actual Non-GAAP EBITDA of $266.1 million. This Non-GAAP EBITDA achievement was greater than 150% of the budgeted Non-GAAP EBITDA, and so Ms. Goldstein and Mr. Emerson each received the maximum annual cash bonus as follows:

	Annual Salary	Target Bonus	Maximum Bonus	Actual Bonus
Ms. Goldstein	$663,255	$464,279 (70% of base salary)	$928,557 (140% of base salary)	$928,557
Mr. Emerson	$435,000	$217,500 (50% of base salary)	$326,250 (75% of base salary)	$326,250

Long-Term Equity Incentives

We believe that equity-based awards are an important factor in aligning the long-term financial interests of the NEOs and certain other employees of the Company with its shareholders. The Compensation Committee continually evaluates the use of equity-based awards and intends to continue to use such awards in the future as part of designing and administering the Company s compensation program. Equity-based awards are generally granted to new key employees on a quarterly basis following the commencement of employment and to existing key employees on an annual basis and following a significant change in job responsibilities or to meet other special retention objectives.

Our compensation program design, in particular the use of equity awards as a key incentive element, establishes strong links between our creative teams and long-term value creation for shareholders. Our long-term equity incentive program reflects the importance of creative talent to our business and allows for Take-Two to retain and incentivize key talent.

All grants made to employees, including the NEOs, are approved by the Compensation Committee and issued during the 45-day period following the Company s filing with the SEC of our next quarterly report on Form 10-Q or the 30-day period following the Company s filing of our next annual report on Form 10-K, as applicable. The current outstanding awards granted to our NEOs were made under the 2009 Plan, which is discussed further in Executive Compensation Narrative Disclosure Regarding Equity Plans and Employment Agreements.

The Company generally uses a mix of time-based and performance-based vesting for NEO long-term equity incentive grants to achieve separate and distinct purposes. Time-based vesting awards emphasize the retention of skilled executives, while performance-based vesting awards support the goal of retention as well as alignment of the executives incentives with the interests of the Company s shareholders.

NEO Long-Term Incentives Awarded in Fiscal 2016

In June 2015, the Compensation Committee determined that the Company would issue an award of 38,799 RSUs based on a value of $1,050,000 to each of Ms. Goldstein and Mr. Emerson based in part on peer benchmarking. The Compensation Committee made the fiscal 2016 grants in the form of RSUs in June 2015,

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rather than in the form of restricted stock, in order to preserve flexibility to settle the awards in stock, cash or a combination of stock and cash. One grant, equal to 66.7% of the value at target, was a performance-based grant subject to satisfaction of TSR performance criteria during the vesting period (described in more detail below). A second grant, equal to 33.3% of the value at target, consisted of time-based RSUs and vests in three (3) equal annual installments commencing on June 1, 2016 based on Ms. Goldstein s and Mr. Emerson s, as applicable, continued service with the Company. The number of shares of common stock that may be issued upon vesting of the performance-based RSUs included in the award amounts stated above assumes the achievement of the target performance criteria established by the Compensation Committee; however the actual number of such shares for each grant may range from zero to a maximum of 51,732 (equal to 200% of target), with the number of shares at target performance equal to 25,866.

The awards were as follows:

Time-Based RSUs (#)	Time Based RSUs ($)	Performance Based RSUs (#) (at target)	Performance Based RSUs ($) (at target)	Performance Based RSUs (#) (at max)	Performance Based RSUs ($) (at max)
12,933	$350,000	25,866	$700,000	51,732	$1,400,000

In early fiscal 2015, the Compensation Committee approved a number of changes to the long-term incentive program that became effective with fiscal 2015 equity grants. These changes included:

Elimination of the EBITDA catch-up metric from the performance-based awards. Previously, performance-based equity vested on achievement of share price appreciation, or Non-GAAP EBITDA goals in cases when the share price appreciation levels were not achieved. This change eliminated the secondary performance test. The Compensation Committee believed this change strengthened the rigor of the plan and improved alignment with shareholders.

Adoption of a relative TSR metric for performance-based awards. The relative TSR metric replaced the previous share appreciation metric. Take-Two s TSR performance is now measured against the NASDAQ Composite Index over a period of two years to determine achievement of TSR goals. The TSR performance schedule is as follows:

TSR Percentile Rank	Shares Earned
Less than 40th Percentile	0%
40th Percentile	50%
50th Percentile	100%
75th Percentile	200%

NEO Long-Term Incentives Awarded in Fiscal 2017

In May 2016, the Compensation Committee determined that the Company would issue an award of 28,499 RSUs based on a value of $1,050,000 (based in part on peer benchmarking) to each of Ms. Goldstein and Mr. Emerson in recognition of the achievement of their individual performance goals and targets during fiscal 2016. The RSUs are comprised of:

(i) 9,500 time-based RSUs that vest in three (3) equal annual installments commencing on June 1, 2017; and

(ii) 18,999 performance-based RSUs that vest in two (2) equal annual installments commencing on June 1, 2018, subject to the satisfaction of certain performance criteria based on relative TSR performance during the measurement period.

The number of RSUs was determined based on the dollar value of the award and the average of the closing prices of the Company s common stock on the ten trading days prior to May 26, 2016, the fifth trading day following the filing of the Company s Annual Report on Form 10-K.

The number of shares of common stock that

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may be issued upon vesting of the performance-based RSUs assumes the achievement of the target performance criteria established by the Compensation Committee; however the actual number of such shares may range from zero to a maximum of 37,998 (equal to 200% of target), with the number of shares at target performance equal to 18,999.

SEC regulations generally require that the grant date fair value of equity awards be disclosed in the Summary Compensation Table for the year in which the equity awards were granted, not the year to which the services relate. As a result, the grant date value for equity grants made in June 2015 are shown in the Summary Compensation Table on page 43, and the grant date value for the equity grants made in June 2016 will be reflected in the Summary Compensation Table in our proxy statement for the 2017 Annual Meeting of Shareholders.

Other Compensation

401(k) Plan

We maintain a 401(k) savings plan and trust for our eligible employees, including our NEOs (other than Messrs. Zelnick and Slatoff). The plan permits each participant to make voluntary pre-tax contributions, post-tax Roth contributions or a combination of the two, and in addition, we make matching contributions equal to 50% of the participant s eligible elective deferral (excluding catch-up contributions) contributed to the 401(k) savings plan, but not more than an amount equal to 50% of the first 6% of the participant s pre-tax and/or Roth contributions will be matched. See the All Other Compensation column in the Summary Compensation Table for further information regarding these benefits.

Medical Expenses Reimbursement Plan

We maintain a medical expenses reimbursement plan (the *MERP*) for all of the NEOs, including for this purpose Messrs. Zelnick and Slatoff. Pursuant to the MERP, the participating NEOs are reimbursed for medical, dental and vision expenses that are not otherwise reimbursed by our group health insurance program.

Other Benefits and Perquisites

We provide health insurance, dental insurance, life and accidental death and dismemberment insurance and short-term and long-term disability benefits for our NEOs, including for this purpose Messrs. Zelnick and Slatoff, on the same basis as such benefits are generally provided to our employees. In addition, we pay a club membership fee on behalf of Mr. Zelnick, which is used primarily for general corporate and corporate development purposes. Other than the MERP and the club membership fee, no material perquisites are provided to our NEOs. We do not have a formal perquisite policy and do not emphasize special perquisites for our executive officers, although the Compensation Committee periodically reviews perquisites for our executive officers in its review of compensation.

Severance and Change in Control Benefits

Severance and Change in Control Benefits for ZelnickMedia

Pursuant to the 2014 Management Agreement, ZelnickMedia would receive the following cash payments and benefits upon a termination by the Company without cause or by ZelnickMedia for good reason (whether before or after a change in control): (i) the earned but unpaid portion of the management fee, (ii) any accrued but unpaid annual bonus for a completed fiscal year and (iii) three times the sum of the per annum management fee plus the target bonus amount. See Certain Relationships and Related Transactions Management Agreement for more details. In addition, the 2014 Management Agreement provides for accelerated vesting of outstanding and unvested equity awards upon such a termination (with vesting of TSR performance-based awards determined according to actual performance through the date of termination, and vesting of New IP and Major IP performance-based awards determined at target levels).

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The cash payments described above remain consistent whether the termination occurs before or after a change in control, so ZelnickMedia is not entitled to receive any enhanced cash payments in connection with a change in control. With respect to vesting of equity awards in connection with a change in control, the 2014 Management Agreement provides for double trigger vesting. Accordingly, if a change in control occurs during the term of the 2014 Management Agreement, outstanding and unvested equity awards will continue to vest (and performance-based RSUs will continue to vest at target levels) in accordance with the original vesting schedule, subject to earlier vesting upon a termination of the 2014 Management Agreement without cause or for good reason.

Severance and Change in Control Benefits for Other NEOs

In March 2008, the Compensation Committee approved the Take-Two Interactive Software, Inc. Change in Control Employee Severance Plan (the *CIC Severance Plan*), a change in control plan pursuant to which certain eligible employees, including the NEOs other than Messrs. Zelnick and Slatoff, may receive certain double-trigger cash severance benefits upon a termination of employment either by the Company without cause or voluntarily for good reason, in either case during the 12-month period following a change in control of the Company, as well as vesting of outstanding and unvested equity awards in connection with a change in control of the Company, as described under Executive Compensation Potential Payments Upon Termination or Change in Control below. The employment agreements with Ms. Goldstein and Mr. Emerson provide for severance payments in the event of a separation from service from the Company under certain conditions, as well as payments in the event of a change in control of the Company. See Executive Compensation Narrative Disclosure Regarding Equity Plans and Employment Agreements and Executive Compensation Potential Payments Upon Termination or Change in Control below for more information. We believe that these severance benefits assist us in recruiting talented individuals to join and remain a part of our management team. From time to time, we may recruit executives from other companies where they have job security, tenure and career opportunities. Accepting a position with us may entail foregoing an otherwise secure position at another employer, and the benefits provided by the CIC Severance Plan help to mitigate the risk of harm that the executive may suffer in connection with adverse actions taken by a successor to the Company. Severance benefits also allow our NEOs to focus on the Company s business without being unduly distracted by concerns about their job security in the event of a separation from service or a change in control. Our NEOs are not entitled to any gross-up payments to cover excise taxes imposed by the golden parachute regulations under Sections 280G and 4999 of the Code.

VI. Operation of the Compensation Committee

General

The Compensation Committee annually reviews compensation policies and procedures of the Company and evaluates and approves the NEOs compensation. The Compensation Committee also annually reviews the ZelnickMedia relationship. This review includes annual individual interviews with a broad group of executives, excluding our Executive Chairman and CEO and our President, to seek feedback on the ZelnickMedia relationship.

The Compensation Committee held six (6) meetings during fiscal 2016. The Compensation Committee regularly meets at least four times during the fiscal year.

Role of Management

When determining the compensation of the NEOs, the Compensation Committee solicits from the Executive Chairman and CEO an evaluation of the performance of, and recommendations with respect to compensation decisions for, each of the NEOs other than himself. In addition, with respect to setting compensation for fiscal 2016, the Compensation Committee interviewed all of the NEOs, including the CEO and President, and members

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of our management team who report to the NEOs in order to better assess each NEO s performance during such period. The Compensation Committee also interviewed certain of the foregoing individuals in connection with its annual review, in conjunction with the Board of Directors, of ZelnickMedia s performance during such period.

Use of Outside Advisors

The Compensation Committee has historically engaged the services of independent compensation consulting firms in connection with making executive compensation determinations. Consistent with our practice, the Compensation Committee retained Frederic W. Cook & Co., Inc. to review the compensation programs for our NEOs and our Board of Directors for fiscal 2016, and to develop recommendations regarding our compensation programs for our fiscal years ending March 31, 2016 and March 31, 2017.

The Compensation Committee has the authority to retain, terminate and set the terms of the Company s relationship with any outside advisors that assist the Compensation Committee in carrying out its responsibilities.

The Compensation Committee assessed the independence of Frederic W. Cook & Co., Inc. pursuant to SEC and NASDAQ rules and was satisfied that the firm is independent and that no conflict of interest exists that would prevent it from serving as an independent advisor to the Compensation Committee. The Compensation Committee, among other things, reviewed and was satisfied with the consultant s policies and procedures to prevent or mitigate conflicts of interest. The Compensation Committee also reviewed and was satisfied that there were no business or personal relationships between members of the Compensation Committee and the individuals at the consulting firm supporting the Compensation Committee.

VII. Compensation Governance Practices

Clawback Policy

Our Corporate Governance Guidelines includes a section entitled Recovery of Improperly-Awarded Incentive Compensation which is our Clawback Policy. Our NEOs (including ZelnickMedia and its shareholders, partners, employees, members and other affiliates who are deemed Executives under the Clawback Policy) are subject to the Clawback Policy. Our Corporate Governance Guidelines, including our Clawback Policy, are available on the Company s website at www.take2games.com by clicking on the Corporate tab, and then clicking on the Corporate Governance link. Our Clawback Policy includes any amendments that may be required to comply with any rules adopted by the SEC in response to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This policy requires the reimbursement of any bonus or incentive compensation, including cash bonuses, awarded to a covered person and/or the cancellation of unvested restricted stock or outstanding stock option awards previously granted to a covered person, in each case, where: (1) the payment was predicated upon achieving certain financial results that were subsequently determined to have been erroneously reported; (2) the Board of Directors determines that the person engaged in knowing or intentional fraudulent or illegal conduct that caused or substantially caused such erroneous reporting to have occurred; and (3) a lower payment would have been made to the person based upon the corrected financial results.

Executive Officer Stock Ownership Requirements and Holding Requirement

The Company has adopted stock ownership requirements for executive officers of the Company as follows:

Executive Chairman and CEO and President

As discussed elsewhere in this Proxy Statement, our Executive Chairman and CEO and our President are compensated through the operation of the 2014 Management Agreement, which contain certain provisions relating to stock ownership applicable to ZelnickMedia and its affiliates. In July 2016, the Board of Directors also adopted a policy relating to stock ownership guidelines applicable to any individual who serves as an

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executive officer of the Company pursuant to an agreement with a third party consultant, which currently includes our Executive Chairman and CEO and our President. The 2014 Management Agreement and the stock ownership guidelines policy adopted by the Board of Directors both prohibit, prior to March 31, 2019, ZelnickMedia and any Subject Person (as defined in the 2014 Management Agreement and which includes Messrs. Zelnick and Slatoff) from selling or otherwise disposing of any shares of common stock of the Company, if the Market Value (as defined in the 2014 Management Agreement) of all shares of common stock of the Company (including any options, restricted stock and RSUs), after giving effect to such proposed sale or other disposition, owned by ZelnickMedia and each Subject Person, including Messrs. Zelnick and Slatoff, in the aggregate as of the trading day immediately preceding the date of the proposed sale or disposition, would be less than five times the per annum management fee (excluding any bonuses).

Other NEOs

Under the Company s stock ownership requirements, NEOs (other than the Executive Chairman and CEO and President (who are currently subject to the stock ownership requirements described above)) shall own shares of common stock having a value equal to three times the annual base salary paid by the Company to its NEOs. Such NEOs shall achieve such stock position within five years after the date of the adoption of the requirements and future NEOs shall achieve such ownership position within five years after the date of their appointment as NEOs. For purposes of determining compliance with the stock ownership requirements, all shares that are directly owned by the NEO, shares that are beneficially owned by the NEO, such as shares held in street name through a broker or shares held in trust, and vested and unvested shares of restricted stock and RSUs are counted toward satisfying the requirements.

The policy adopted by the Board of Directors in July 2016 also includes stock retention guidelines for all NEOs requiring such officers to retain at least 50% of the total equity credited from grants of equity awards (net of amounts required to pay taxes and exercise prices) until compliance with the applicable stock ownership requirement is achieved. All NEOs are in compliance with the applicable stock ownership requirements as of the date of this proxy filing.

Anti-Hedging Policy

The Company has adopted a Securities Trading Policy which prohibits, among other things, officers, directors, employees and consultants of the Company, as well as the shareholders, partners, employees, members, and other affiliates of ZelnickMedia who are service providers to the Company subject to such policy, from engaging in the following transactions:

- In and Out Trading. (All purchases of the Company s securities in the open market must be held for a minimum of six months, with exceptions relating to the exercise of stock options.)
- Purchases of Company securities on margin or holding any Company securities in margin accounts.
- Pledging Company securities as collateral for a loan.
- Short sales of the Company s securities.
- Transactions in puts, calls or other derivatives on the Company s securities, as well as any other derivative or hedging transactions on Company securities.

The anti-hedging restrictions contained in the Securities Trading Policy were adopted by our Board of Directors in 2014.

Anti-Pledging Policy

As a matter of good corporate governance, our Board of Directors has adopted a formal policy against pledging common stock pursuant to which members of the Board of Directors and executive officers may not hold common stock in margin accounts and may not pledge common stock as collateral for a loan. None of our directors or executive officers has pledged any shares of our common stock.

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Impact of Tax and Accounting Rules

As a general matter, the Compensation Committee reviews and considers the various tax and accounting implications of compensation vehicles utilized by the Company.

With respect to accounting considerations, the Compensation Committee examines the accounting cost associated with equity compensation in light of requirements under the Accounting Standards Codification (*ASC*) Stock Compensation guidance, which generally requires the Company to recognize compensation expense relating to equity awards based upon the grant date fair value of those awards. The Company also considers the accounting impact of preserving flexibility to settle RSUs awards in cash, shares, or a combination of cash and shares.

With respect to taxes, the Compensation Committee may consider the anticipated tax treatment of various payments and benefits to the Company and, when relevant, to its executives. Section 162(m) of the Code generally prohibits any publicly held corporation from taking a federal income tax deduction for compensation paid in excess of $1 million in any taxable year to the NEOs (other than our chief financial officer), subject to certain exceptions. However, the Company generally believes that it is in our best interest and that of our shareholders to have the flexibility to pay compensation that is not deductible under the limitations of Section 162(m) of the Code to provide a compensation package consistent with our program and objectives.

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REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based upon this review and discussion, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the Compensation Committee
of the Board of Directors:
Michael Sheresky (Chair)
Michael Dornemann
July 28, 2016 J Moses

RISK ASSESSMENT OF OVERALL COMPENSATION PROGRAM

The Compensation Committee regularly reviews senior executive compensation and Company-wide compensation programs and policies in an ongoing effort to seek to eliminate or mitigate potential risks arising from such programs and policies and to ensure that our compensation structure, elements and incentives are not reasonably likely to have a material adverse effect on the Company.

The Compensation Committee seeks to design our compensation plans, including our incentive compensation programs, to incorporate a range of components that we believe help to mitigate potential risks, while rewarding employees for pursuing our strategic and financial objectives through appropriate risk taking, risk management, and prudent tactical and strategic decision making. For example, the design of our compensation plans is intended to encourage employees to remain focused on both the short-term and long-term goals of the Company by using a mix of short-term and long-term incentives to motivate employees to produce superior short-term and long-term results, and we believe that the use of long-term incentives for executives provides a safeguard against excessive risk-taking. Our long-term incentives are designed to deter risk-taking by aligning our employees interests with those of shareholders by incorporating equity-based compensation that vest over time and, in some cases, include a market-based performance metric, which we believe is not susceptible to manipulation by employees and encourages employees to remain focused on sustained stock price appreciation. Individual bonus caps for senior executives further mitigate risk.

We have also sought to deter unnecessary risk-taking by applying a clawback policy to certain senior executives of the Company, which requires the reimbursement of any bonus or incentive compensation awarded to a covered person and/or the cancellation of unvested restricted stock or outstanding stock option awards previously granted to a covered person under certain conditions, in each case, where (1) the payment was predicated upon achieving certain financial results that were subsequently determined to have been erroneously reported, (2) the Board of Directors determines that the person engaged in knowing or intentional fraudulent or illegal conduct that caused or substantially caused such erroneous reporting to have occurred, and (3) a lower payment would have been made to the person based upon the corrected financial results.

In addition, our stock ownership guidelines require that our executive officers hold a significant amount of common stock to further align their interests with shareholders over the long term by having a portion of their personal investment portfolio consist of common stock. We expect this component to mitigate risk on a prospective basis. We also prohibit transactions designed to limit or eliminate economic risks to our employees of owning our common stock, such as options, puts, and calls, so our executives cannot insulate themselves from the effects of poor stock price performance.

Senior executives from our risk, compliance, administrative, and finance functions, as well as the outside compensation consultant to our Compensation Committee, are involved in this review process. With respect to fiscal 2016 and the compensation programs in place for fiscal 2016, based in part on the information and analyses provided by management and its own advisors, the Compensation Committee concluded that the Company s compensation programs are not reasonably likely to have a material adverse effect on the Company.

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EXECUTIVE COMPENSATION

The following table sets forth summary information for the fiscal years ended March 31, 2016, March 31, 2015, and March 31, 2014, with respect to cash and all other compensation paid by the Company to, or earned by, the Company s NEOs.

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary ($)	Stock Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Strauss Zelnick(4)	2016	1			22,873	22,874
Executive Chairman and Chief Executive Officer	2015	1			20,913	20,914
	2014	1			19,092	19,093
Lainie Goldstein	2016	663,255	1,395,729	928,557	14,286	3,001,827
Chief Financial Officer	2015	650,250	1,686,554	910,350	14,284	3,261,438
	2014	637,500	991,582	892,500	22,115	2,543,697
Karl Slatoff(4)	2016	1			19,824	19,825
President	2015	1			19,824	19,825
	2014	1			33,559	33,560
Daniel Emerson(5)	2016	435,000	1,395,729	326,250	229,770(6)	2,386,749
Executive Vice President and General Counsel	2015	397,781	447,101	299,063	89,209(7)	1,233,154

(1) Represents the aggregate grant date fair value of stock awards granted to our NEOs in each of the reporting periods, determined under FASB ASC Topic 718, Compensation Stock Compensation. For additional information with respect to stock awards granted during fiscal 2016, see Note 15 under the heading Stock-Based Compensation of the Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for fiscal 2016. The amounts above reflect the grant date fair value for these awards, excluding the accounting effect of any estimate of future service-based forfeitures, and do not necessarily correspond to the actual value that might be realized by the NEOs which depends on the market value of the Company s common stock on a date in the future when the stock award vests. For time-vested RSUs, that value is based on the fair market value of the Company s common stock on the grant date and is determined by multiplying the number of shares subject to the grant by the closing price per share of the Company s common stock. The value of the performance-vested RSUs reflects the value of the awards at the grant date based upon the probable outcome of the performance conditions using the Monte Carlo simulation model and is consistent with our estimate of the aggregate compensation cost to be recognized over the vesting period determined in accordance with FASB ASC Topic 718, Compensation Stock Compensation, which is less than the maximum possible value. The following table shows the value of the NEOs respective performance-vested awards on the date of grant at both the probable outcome of the performance conditions, which is reflected in the table above, as well as the maximum achievement of the applicable performance conditions.

Name	Fiscal Year	Probable Outcome ($)	Maximum Performance ($)
Lainie Goldstein	2016	1,042,917	1,411,249
	2015	1,280,989	1,622,259
	2014	634,682	713,800
Daniel Emerson	2016	1,042,917	1,411,249
	2015	274,492	345,218

(2) These amounts represent annual cash incentive payments. For more information, refer to Compensation Discussion and Analysis Annual Cash Incentive above and the Grants of Plan-Based Awards table below.

(3) The amounts set forth in this column for fiscal 2016 represent (i) the Company s matching contributions to the Company s 401(k) plan for Ms. Goldstein and Mr. Emerson, (ii) medical, dental and vision expense reimbursements made pursuant to the Company s MERP and (iii) a

club membership fee paid by the Company on behalf of Mr. Zelnick, used primarily for general corporate and corporate development purposes.

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(4) As discussed in more detail below, Messrs. Zelnick and Slatoff were compensated for their respective services to the Company during fiscal years 2016, 2015 and 2014 pursuant to the 2011 Management Agreement and the 2014 Management Agreement. The provisions of the 2011 Management Agreement establish the payments and benefits to which ZelnickMedia is entitled as consideration for providing the services set forth therein; however, the actual allocation of any revenues of ZelnickMedia among its principals is not set forth in the 2011 Management Agreement or determined by means of any process in which the Company participates. In general, in connection with their provision of services to the Company, the actual amount of compensation received by Messrs. Zelnick and Slatoff is determined in the sole discretion of ZelnickMedia and without the Company s knowledge (except that, under the terms of the 2014 Management Agreement, which did not apply in fiscal 2014, Mr. Zelnick may not receive more than 60% of the payments and benefits made to ZelnickMedia and Mr. Slatoff may not receive more than 40% of the payments and benefits made to ZelnickMedia).

(5) On October 24, 2014, Mr. Emerson was appointed as Executive Vice President and General Counsel. In accordance with SEC regulations, only compensation information starting in the fiscal year in which Mr. Emerson became an NEO is reported in the Summary Compensation Table.

(6) Includes tax gross ups of $202,146 on certain relocation benefits provided to Mr. Emerson in connection with his temporary relocation from New York City to Singapore in April 2013 and back to New York City in October 2014, which relocation benefits the Company generally makes available to all employees that are asked to relocate internationally. The amount of such tax gross up will be offset in the future by any payments by Mr. Emerson to the Company as part of the Company s tax equalization policy, the amount of which, if any, has yet to be determined.

(7) Includes net tax gross ups of $61,066 on certain relocation benefits provided to Mr. Emerson in connection with his temporary relocation from New York City to Singapore in April 2013 and back to New York City in October 2014, which relocation benefits the Company generally makes available to all employees that are asked to relocate internationally. The amount of the net tax gross up is equal to $189,059 of taxes paid by the Company less $127,993 paid by Mr. Emerson to the Company as part of the Company s tax equalization policy.

Grants of Plan-Based Awards

The following table sets forth information concerning awards under the Company s equity and non-equity incentive plans granted to each of the NEOs during fiscal 2016, including performance-based awards and those using time-based vesting. Assumptions used in the calculation of certain dollar amounts are included in Note 15 to the Company s audited consolidated financial statements included in the Company s Annual Report on Form 10-K for fiscal 2016.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(2)	Grant Date Fair Value of Stock Awards
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)(3)	(#)	($)(4)
Strauss Zelnick(5)										
Lainie Goldstein	6/1/2015	6/1/2015					25,866	51,732		1,042,917
	6/1/2015	6/1/2015							12,933	352,812
				464,279	928,557					
Karl Slatoff(5)										
Daniel Emerson	6/1/2015	6/1/2015					25,866	51,732		1,042,917
	6/1/2015	6/1/2015							12,933	352,812
				217,500	326,250					

(1) Represents cash performance bonus opportunities ranging from 0% to 140% of base salary for Ms. Goldstein, and from 0% to 75% of base salary for Mr. Emerson. There is no set minimum payout amount. See Compensation Discussion and Analysis Annual Cash Incentive. Bonus amounts for Mr. Emerson are based on a target equal to 50% of base salary, with a maximum bonus amount capped at 150% of his target bonus amount in fiscal 2016.

(2) For Ms. Goldstein and Mr. Emerson, 66.7% of the RSUs vest in two (2) equal annual installments commencing in the second year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant, subject to the satisfaction of certain performance criteria based on the Company s TSR performance measured against the NASDAQ Composite Index over a period of two (2) years. The remaining 33.3% of the RSUs vest in three (3) equal annual installments commencing in the year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant based on the NEO s continued service with the Company.

(3) Represents the maximum shares of performance-vested RSUs that have the potential to vest over a period of two (2) years commencing in the year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant.

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(4) These amounts are valued based on the aggregate grant date fair market value of the award. For additional information with respect to stock awards granted during fiscal 2016, see Note 15 under the heading Stock-Based Compensation of the Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for fiscal 2016. The grant date fair value of equity incentive plan awards that are subject to performance-based vesting conditions is based upon the probable outcome of such conditions. All amounts reflect the grant date fair value for these awards, excluding the accounting effect of any estimate of future service-based forfeitures, and do not necessarily correspond to the actual value that might be realized by the NEOs.

(5) Messrs. Zelnick and Slatoff have not received grants of stock or option awards. Messrs. Zelnick and Slatoff are partners in ZelnickMedia, to which the Company has previously granted restricted stock, RSUs and options pursuant to the Management Agreements. For information regarding the grants made to ZelnickMedia, see Certain Relationships and Related Transactions.

Narrative Disclosure Regarding Equity Plans and Employment Agreements

2009 Stock Incentive Plan

The Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan was approved by shareholders on April 23, 2009. Under the 2009 Plan, the Company may grant stock-based incentive compensation awards to eligible employees (including officers), non-employee directors and consultants in the form of stock options, stock appreciation rights, restricted stock and other stock-based awards.

On April 23, 2009, the Board of Directors approved and adopted amendments to the 2002 Stock Option Plan and the Company s Incentive Stock Plan to provide that all shares of common stock remaining available for grant under such plans as of the close of business on that date would be transferred to the 2009 Plan; no shares of common stock would be available for the grant of awards under such plans following the close of business on that date; and shares of common stock that were subject to any award under either such plan that were forfeited after the close of business on that date would not be available for grant under such plan. Pursuant to those amendments, 1,508,954 carryover shares became available for issuance under the 2009 Plan.

On April 15, 2010, the shareholders of the Company approved an amendment to the 2009 Plan, which increased the number of shares that may be issued to participants under the 2009 Plan in connection with awards granted from 4,900,000 to 7,650,000 (excluding the carryover shares). On September 26, 2011, the shareholders of the Company approved an amendment to the 2009 Plan, which increased the number of shares that may be issued to participants under the 2009 Plan in connection with awards granted to 12,650,000 (excluding the carryover shares). On September 20, 2012, the shareholders of the Company approved and adopted an amendment to the 2009 Plan, which increased the number of shares that may be issued to participants in connection with awards granted to 15,450,000 (excluding the carryover shares). On September 18, 2013, the shareholders of the Company approved and adopted an amendment to the 2009 Plan, which increased the number of shares that may be issued to participants in connection with awards granted to 20,700,000 (excluding the carryover shares). On September 16, 2014, the shareholders of the Company approved and adopted an amendment to the 2009 Plan, which increased the number of shares that may be issued to participants in connection with awards granted to 25,700,000 (excluding the carryover shares). On July 21, 2016, the Board of Directors approved and adopted the proposed amendments to the 2009 Plan. If the amendments to the 2009 Plan are approved by the shareholders, the number of shares that may be issued to participants in connection with awards granted will be increased to 27,100,000 (excluding the carryover shares). For a more detailed description of the 2009 Plan, see Proposal 3 (Amendments to the 2009 Stock Incentive Plan) of this Proxy Statement.

Employment Agreements

Lainie Goldstein

Ms. Goldstein serves as Chief Financial Officer of the Company pursuant to an employment agreement between the Company and Ms. Goldstein, dated May 12, 2010, as amended on October 25, 2010 and August 27, 2012. Pursuant to the employment agreement, Ms. Goldstein will continue to serve as Chief Financial Officer of the Company until March 31, 2013, and thereafter for successive one-year periods until either party elects not to renew the term of the agreement (each, a *renewal term*).

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Pursuant to the terms of the employment agreement, Ms. Goldstein received an annual base salary of $625,000 through March 31, 2013. Ms. Goldstein s base salary increased to $637,500 on April 1, 2013, to $650,250 on April 1, 2014, and to $663,255 on April 1, 2015, in each case pursuant to her employment agreement, which was amended in 2012 to provide that her salary will be increased by 2% at the start of each renewal term commencing on and after April 1, 2013. Ms. Goldstein will also be eligible to receive an annual bonus during each fiscal year of her employment at target in the amount of 70% of her base salary, based on the achievement of certain financial targets by the Company, as set forth in the employment agreement. Additionally, Ms. Goldstein is eligible to participate in the Company s annual long-term incentive compensation program at a level commensurate with the Company s other senior executives.

The employment agreement also provides for severance benefits upon termination by the Company without cause or a change in control. For more information regarding these severance and change in control benefits, please refer to Potential Payments Upon Termination or Change in Control below.

Ms. Goldstein has agreed not to compete with the Company or solicit any of the Company s customers or personnel during her employment and for one year following any termination of her employment, all on the terms set forth in the employment agreement.

Karl Slatoff

On February 14, 2008, the Company entered into an employment agreement with Mr. Slatoff, pursuant to which Mr. Slatoff initially served as Executive Vice President of the Company. Effective October 25, 2010, Mr. Slatoff was named to the role of Chief Operating Officer of the Company. Effective May 1, 2013, Mr. Slatoff was appointed to the newly created role of President. Pursuant to the agreement, Mr. Slatoff will continue to serve as President of the Company until termination of the 2014 Management Agreement, unless earlier terminated upon his death or resignation, or by the Board of Directors for any reason. Pursuant to the terms of the employment agreement, Mr. Slatoff receives an annual salary of $1.00. Additionally, Mr. Slatoff is eligible to participate in all benefits and plans which the Company may institute from time to time for its executive officers and employees (other than the 401(k) savings plan). The employment agreement with Mr. Slatoff provides that he is not entitled to receive an annual bonus from the Company. The employment agreement does not provide for any continued obligations of the Company following a termination of Mr. Slatoff s employment other than continued indemnification rights and coverage under the Company s directors and officers liability insurance policies.

Mr. Slatoff has agreed not to compete with the Company or solicit any of the Company s customers or personnel during his employment and for one year following his termination for cause or without good reason, all on the terms set forth in the employment agreement.

Daniel Emerson

Mr. Emerson serves as Executive Vice President and General Counsel of the Company pursuant to an employment agreement between the Company and Mr. Emerson, dated January 28, 2015, effective as of October 24, 2014. Pursuant to the employment agreement, Mr. Emerson will continue to serve as Executive Vice President and General Counsel of the Company until his employment is terminated by him or the Company in accordance with the provisions of the employment agreement.

Pursuant to the terms of the employment agreement, Mr. Emerson receives an annual base salary of $435,000. Mr. Emerson will also be eligible to receive an annual bonus during each fiscal year of his employment at target in the amount of 50% of his base salary, based on the achievement of certain financial targets by the Company. Additionally, Mr. Emerson is eligible to participate in the Company s annual long-term incentive compensation program.

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The employment agreement also provides for severance benefits upon termination by the Company without cause or a change in control. For more information regarding these severance and change in control benefits, please refer to Potential Payments Upon Termination or Change in Control below.

Mr. Emerson has agreed not to solicit any of the Company s customers or personnel during his employment and for one year following any termination of his employment, all on the terms set forth in the employment agreement.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning shares of restricted stock and RSUs outstanding for each of the NEOs as of March 31, 2016:

	Stock Awards				
Name	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Shares or Units of Stock That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares or Units of Stock That Have Not Vested ($)
Strauss Zelnick(3)					
Lainie Goldstein	6/1/2015	12,933	487,186	25,866	974,372
	9/23/2014	81,756	3,079,749		
	6/10/2013	21,578	812,843		
	11/7/2012	258,993	9,756,266		
Karl Slatoff(3)					
Daniel Emerson	6/1//2015	12,933	487,186	25,866	974,372
	9/17/2014	20,022	754,229		
	6/10/2013	6,165	232,236		
	4/1/2013	10,913	411,093		

(1) Time-based awards and performance-based awards with respect to which the performance criteria have been satisfied, in each case made under the 2009 Plan, which time-based awards vest, subject to continuing employment, in three equal annual installments commencing in the year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant and which performance-based awards will vest, if at all, in two equal annual installments commencing in the second year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant, provided that (a) awards granted on June 10, 2013 will vest, if at all, in three equal annual installments commencing in the year following the year in which such grants were made on a date determined by the Compensation Committee at the time of grant and (b) awards granted on November 7, 2012 vest in six unequal installments over an approximately 65-month period, subject to satisfaction of certain stock price thresholds.

(2) Value determined based on the closing price of the Company s common stock of $37.67 on March 31, 2016, the final business day of fiscal 2016.

(3) Messrs. Zelnick and Slatoff have not received grants of stock or option awards. Messrs. Zelnick and Slatoff are partners in ZelnickMedia, to which the Company has previously granted restricted stock, RSUs and options pursuant to the Management Agreements. Of these grants, no options or shares of restricted stock remained outstanding and an aggregate of 737,655 RSUs (based on the target number of performance-based RSUs eligible to vest) or 1,145,081 RSUs (based on the maximum number of performance-based RSUs eligible to vest) remained unvested as of March 31, 2016. The value of the unvested RSUs based on the closing price of the common stock on March 31, 2016 was $27,787,464 (based on the target number of performance-based RSUs eligible to vest) or $43,135,201 (based on the maximum number of performance-based RSUs eligible to vest).

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Stock Vested During 2016 Fiscal Year

The following table sets forth information concerning the vesting of shares of restricted stock held by each of the NEOs during fiscal 2016. The value realized from vested restricted stock is deemed to be the market value of the common stock on the date of vesting multiplied by the number of shares.

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Strauss Zelnick(1)		
Lainie Goldstein	150,359	5,013,734
Karl Slatoff(1)		
Daniel Emerson	27,774	763,328

(1) As discussed above, Messrs. Zelnick and Slatoff have not received grants of stock or option awards, but are partners in ZelnickMedia, which has received certain grants. On May 20, 2015, May 21, 2015, May 22, 2015 and May 26, 2015 an aggregate of 1,108,250 shares of restricted stock held by ZelnickMedia vested. The value realized on vesting of such shares of restricted stock was $30,501,811.

Pension Benefits

We do not currently sponsor or maintain any defined benefit pension or retirement plans providing specified retirement payments and benefits for our employees.

Nonqualified Deferred Compensation Plan Benefits

We do not currently sponsor or maintain any nonqualified defined contribution or other nonqualified deferred compensation plans for the benefit of our employees.

Potential Payments Upon Termination or Change in Control

Ms. Goldstein and Mr. Emerson are entitled to receive certain amounts and benefits upon termination of their employment or a change in control pursuant to their employment agreements. Additionally, Ms. Goldstein and Mr. Emerson are eligible to participate in the CIC Severance Plan, to the extent they would be entitled to receive greater amounts and benefits under the CIC Severance Plan than under their employment agreements. Messrs. Zelnick and Slatoff are not entitled to receive directly any severance benefits from the Company upon a termination of employment or change in control.

Employment Agreements

Lainie Goldstein

Pursuant to the terms of Ms. Goldstein s employment agreement, Ms. Goldstein will be entitled to receive the following severance benefits upon a termination by the Company without cause (including a non-renewal of the agreement as well as her resignation following certain events that will be deemed a termination without cause): (i) a lump sum payment within 30 days of termination equal to the sum of (w) 1.5 times her then-current base salary, (x) 1.5 times her target bonus of 70% of base salary, (y) a prorated target bonus for the year of termination (equal to 50% of target if such termination occurs during the first half of the year, and 100% of target if such termination occurs during the second half of the year), and (z) any unpaid bonuses earned in respect of prior years; (ii) reimbursement for the cost of continued medical health insurance coverage under COBRA for 18 months (or until Ms. Goldstein becomes entitled to coverage with a subsequent employer); and (iii) immediate vesting in all outstanding and unvested options and shares of restricted stock then held by her. Ms. Goldstein has

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agreed not to compete with the Company or solicit any of the Company s customers or personnel during her employment and for one year following any termination of her employment, all on the terms set forth in the employment agreement.

The employment agreement also provides that, upon a change in control of the Company, Ms. Goldstein will be entitled to a retention bonus equal to three months base salary upon the closing of the transaction, and three months base salary upon the six month anniversary thereof, in each case subject to her continued employment with the Company through the applicable payment date (or an earlier termination by the Company without cause (including a non-renewal of the employment agreement as well as her resignation following certain events that will be deemed a termination without cause)). The employment agreement also provides that any amounts received by her in connection with a change in control will be reduced if, pursuant to the excise tax provisions of the Code relating to parachute payments, such reduction would result in a greater after-tax benefit to her.

Daniel Emerson

Pursuant to the terms of Mr. Emerson s employment agreement, Mr. Emerson will be entitled to receive the following severance benefits following a termination by the Company without cause (including his resignation following certain events that will be deemed a termination without cause): (i) for a period of 12 months following such termination of employment, continuation of his base salary and continued participation in Company welfare benefit plans (including, without limitation, any medical benefits in which he participates) on the same terms and conditions as in effect at the time of the event triggering his entitlement to severance; (ii) immediate vesting of all restricted equity previously granted to him; (iii) subject to the effective date of Mr. Emerson s termination, payment of the following lump sum amounts: (x) any accrued but unpaid bonuses earned in respect of prior years; (y) if the termination is effective during the first half of the year, a lump sum payment equivalent to the sum of (1) the accrued but unpaid bonus for the prior fiscal year and (2) 50% of the target bonus for which Mr. Emerson would otherwise have been eligible in the current fiscal year; or (z) if such termination occurs during the second half of the year, a lump sum payment equivalent to the sum of (1) the accrued but unpaid bonus for the prior fiscal year and (2) the target bonus for which Mr. Emerson would otherwise have been eligible in the current fiscal year. Mr. Emerson has agreed not to solicit any of the Company s customers or personnel during his employment and for one year following any termination of his employment, all on the terms set forth in the employment agreement.

CIC Severance Plan

Pursuant to the CIC Severance Plan, certain eligible employees, including Ms. Goldstein and Mr. Emerson may receive certain benefits upon a termination of employment either by the Company without cause or voluntarily for good reason, in either case during the 12-month period following a change in control of the Company. The benefits that Ms. Goldstein and Mr. Emerson would be entitled to receive upon a qualifying termination of employment under the CIC Severance Plan consist of the following:

- a cash severance payment equal to 150% of the sum of the NEO s annual base salary and target annual bonus or incentive opportunity;
- continued health benefits for a period of 18 months; and
- full and immediate vesting of all outstanding and unvested equity awards.

For purposes of the CIC Severance Plan, Ms. Goldstein and Mr. Emerson will be deemed to have resigned for good reason if the resignation occurs or occurred, as applicable, in connection with any of the events specified in the employment agreements, such that the resignation would be or would have been, as applicable, tantamount to a termination without cause under the terms of the employment agreements. For purposes of the CIC Severance Plan, cause generally means a participant s continued failure to substantially perform the

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participant s duties after receipt of notice from the Company, a participant s criminal conviction which is demonstrably injurious to the Company, a participant s felony conviction, a participant s gross negligence which affects the Company or a participant s failure to adhere to the Company s written policies or to cooperate in any investigation or inquiry involving the Company.

Severance benefits provided under the CIC Severance Plan are subject to reduction to avoid any excise tax on parachute payments under Section 280G of the Code if the employee would benefit from such reduction as opposed to receiving the full severance benefits and paying the excise tax. All employees who accept severance payments and, if applicable, the continued health coverage under the CIC Severance Plan are required to sign a release and are subject to restrictions on the solicitation of employees and customers of the Company for a period of six months following termination as well as a non-disparagement obligation. In addition, all employees who accept any benefits under the CIC Severance Plan are subject to a duty to cooperate reasonably with the Company in any litigation relating to matters in which the employee was personally involved. We do not provide for any tax gross-ups in respect of any excise taxes on parachute payments.

The tables below set forth amounts to be paid or benefits received by those NEOs entitled to receive any amounts or benefits upon termination of their employment or a change in control, assuming the applicable triggering event occurred on March 31, 2016.

Lainie Goldstein	**Termination Without Cause ($)(1)**	**Death or Disability ($)**	**Change in Control Termination Without Cause or for Good Reason ($)**	**Change in Control Without Termination ($)**
Cash Payment	1,691,301		1,691,301	
Continuation of Medical Insurance	14,439		14,439	
Acceleration of Equity Awards(2)	15,110,416	15,110,416	15,110,416	
Pro-rated Bonus	464,279	464,279	696,418	
Stay Bonus			331,628	331,628
Total Termination Benefits	17,280,435	15,574,695	17,844,202(3)	331,628(3)

Daniel Emerson	**Termination Without Cause ($)(1)**	**Death or Disability ($)**	**Change in Control Termination Without Cause or for Good Reason ($)**	**Change in Control Without Termination ($)**
Cash Payment	435,000		652,500	
Continuation of Welfare Benefits	15,938		43,924	
Acceleration of Equity Awards(2)	2,859,115		2,859,115	
Pro-rated Bonus	217,500		326,250	
Total Termination Benefits	3,527,553		3,881,789(3)	

(1) Under Ms. Goldstein s and Mr. Emerson s employment agreements, a termination without cause includes a resignation following certain events so as to be deemed a constructive termination by the Company without cause and for Ms. Goldstein, the Company s non-renewal of the employment agreement. For purposes of Ms. Goldstein s and Mr. Emerson s employment agreements, cause generally means such person s continued failure to substantially perform duties under the employment agreement after receipt of notice from the Company, such person s criminal conviction which is demonstrably injurious to the Company, such person s felony conviction, such person s gross negligence which significantly affects the Company or such person s material failure to adhere to the Company s material written policies or to cooperate in any investigation or inquiry involving the Company. For purposes of Ms. Goldstein s and Mr. Emerson s employment agreements, Ms. Goldstein s or Mr. Emerson s resignation in connection with the following events will be tantamount to a termination without cause: a material breach of the employment agreement

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by the Company, a material diminution in such person s title, status, position or responsibilities, the Company s failure to timely pay compensation due under the employment agreement, a material reduction in such person s salary or any reduction in target bonus, assignment of duties to such person which are materially inconsistent with the duties set forth in the employment agreement, relocation of such person s principal place of employment beyond 10 miles from its then-current location or the failure of any successor to assume the Company s obligations under the employment agreement.

(2) The value of the equity awards is calculated by multiplying the number of shares of restricted stock and RSUs that accelerate by the per share closing price of the Company s common stock of $37.67 on March 31, 2016.

(3) In the event that the total amounts payable in connection with a change in control to Ms. Goldstein or Mr. Emerson would trigger an excise tax on parachute payments under Section 280G of the Code, then the total amounts payable in the scenarios illustrated in this table would be reduced in order to avoid triggering the excise tax if they would benefit from such reduction as opposed to paying the excise tax.

Compensation of Directors During 2016 Fiscal Year

The Compensation Committee reviews and makes recommendations to the Board regarding the form and amount of compensation for non-employee directors. Typically, on an annual basis, the Committee considers a board compensation study by its independent compensation consultant to support the Committee in its deliberations.

Such compensation may include, but is not limited to, the following elements: board or committee retainer, board or committee meeting fees, committee chair retainer or fees, equity compensation, benefits and perquisites. All directors, other than Mr. Zelnick, are regarded as non-employee directors. The key elements of the compensation payable to our non-employee directors are as follows:

Component			Value of Award Under Current Policy	Notes
Annual Retainer	For Each Non-Employee Director		$225,000	$165,000 restricted stock(1) / $60,000 cash
Lead Independent Director Additional Fees	For Lead Independent Director		$200,000	$100,000 restricted stock / $100,000 cash
Committee Fees	Audit Committee	Chair	$35,000	Increased from $13,000 as of the fourth quarter of fiscal 2015
		Other Members	$17,500	
	Compensation Committee	Chair	$25,000	
		Other Members	$12,500	Increased from $8,750 as of the fourth quarter of fiscal 2015
	Corporate Governance Committee	Chair	$20,000	
		Other Members	$10,000	Increased from $6,500 as of the fourth quarter of fiscal 2015
	Executive Committee	Chair	N/A	Lead Independent Director Services as Executive Committee Chair for no additional fee
		Other Independent Members	$25,000	

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(1) On December 10, 2015, the Compensation Committee recommended and the Board of Directors approved, effective for fiscal 2017, an increase to the restricted stock portion of the annual retainer to $190,000.

Each non-employee director may make an irrevocable election to receive 100% of annual retainer and committee fees in shares of restricted stock. For fiscal 2016, Mr. Bowman received 100% of these fees in restricted stock.

The restricted stock portion of the annual retainer is granted to the non-employee directors in four equal quarterly installments and such shares vest on the first anniversary of the grant date (discussed below). Grants of restricted stock are generally made on the fifth trading day following the filing of the Company s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable. The number of shares of restricted stock granted is determined by dividing the dollar value of the restricted stock to be delivered by the average of the closing prices of our common stock on the ten trading days prior to the fifth trading day following the filing of the Company s Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable.

Reimbursement of Certain Expenses. Non-employee directors are reimbursed for travel expenses to attend Board of Directors and committee meetings and to attend director education seminars in accordance with policies approved from time to time.

Director Stock Ownership Requirements. The Board of Directors updated its existing stock ownership requirements for non-employee directors of the Company in December 2014. Under these requirements, non-employee directors are required to own shares of common stock having a value equal to five times the annual cash retainer. Before December 2014, non-employee directors were required to own shares of common stock having a value equal to three times the annual cash retainer. Current non-employee directors are required to achieve such stock position within five years after the date of the adoption of the requirements and future non-employee directors shall achieve such ownership position within five years after the date of their election to the Board of Directors. Information regarding executive officer stock ownership requirements is set forth in this Proxy Statement under Compensation Discussion and Analysis. Each independent director on the Board of Directors actually owned shares in excess of the requirements as of record date.

Director Compensation Table

The following table sets forth information concerning the compensation of the Company s non-employee directors during fiscal 2016.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Robert A. Bowman	95,000(2)	165,000	260,000
Michael Dornemann	200,000	265,000	465,000
J Moses	92,500	165,000	257,500
Michael Sheresky	120,000	165,000	285,000
Susan Tolson	77,500	165,000	242,500
Strauss Zelnick			

(1) Represents the aggregate grant date fair value of awards granted to our directors during fiscal 2016, determined under FASB ASC Topic 718, Compensation Stock Compensation. For additional information with respect to stock awards granted during fiscal 2016, see Note 15 under the heading Stock-Based Compensation of the Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for fiscal 2016. The amounts above reflect the grant date fair value for these awards, excluding the accounting effect of any estimate of future forfeitures, and do not necessarily correspond to

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the actual value that might be recognized by the directors. As of March 31, 2016, Messrs. Bowman, Dornemann, Moses and Sheresky, and Ms. Tolson held 5,300, 8,512, 5,300, 5,300 and 5,300 outstanding unvested restricted stock awards, respectively.

(2) For fiscal 2016, Mr. Bowman elected to receive all of his annual retainer and committee fees in shares of common stock. In accordance with SEC regulations, these amounts are reported in the table as fees earned or paid in cash, rather than as stock awards. On June 1, 2015, August 17, 2015, November 13, 2015 and February 11, 2016, respectively, 877, 765, 711, and 697 shares of stock were granted to Mr. Bowman, with grant date fair values of $27.28, $31.59, $33.12, and $35.07, respectively, as computed in accordance with FASB ASC Topic 718, Compensation Stock Compensation.

Compensation Committee Interlocks and Insider Participation

During fiscal 2016, Messrs. Dornemann, Moses and Sheresky served as members of the Compensation Committee. During fiscal 2016:

none of the members of the Compensation Committee was an officer (or former officer) or employee of the Company or any of its subsidiaries;

none of the members of the Compensation Committee had a direct or indirect material interest in any transaction in which the Company was a participant and the amount involved exceeded $120,000;

none of the Company s executive officers served on the compensation committee (or another Board of Directors committee with similar functions or, if none, the entire Board of Directors) of another entity where one of that entity s executive officers served on the Company s Compensation Committee;

none of the Company s executive officers was a director of another entity where one of that entity s executive officers served on the Company s Compensation Committee; and

none of the Company s executive officers served on the compensation committee (or another board committee with similar functions or, if none, the entire board of directors) of another entity where one of that entity s executive officers served as a director on the Board of Directors.

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VOTING SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of July 18, 2016 (unless otherwise noted) relating to the beneficial ownership of shares of the common stock by (i) each person or entity who is known by the Company to own beneficially five percent or more of the outstanding common stock, (ii) each current director, (iii) each director nominee, (iv) each of the NEOs and (v) all current directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of Shares of Common Stock Beneficially Owned(2)	Percentage of Outstanding Common Stock Beneficially Owned
BlackRock, Inc.(3)	8,508,488	9.89%
The Vanguard Group, Inc.(4)	6,132,508	7.13%
AJO, LP(5)	5,118,942	5.95%
Eminence Capital, LP(6)	4,576,563	5.32%
Strauss Zelnick(7)	1,291,807	1.49%
Karl Slatoff(8)	898,526	1.03%
Lainie Goldstein(9)	541,333	*
Daniel Emerson(10)	122,633	*
Robert A. Bowman	127,393	*
J Moses	8,720	*
Michael Sheresky	66,727	*
Michael Dornemann	10,738	*
Susan Tolson	14,134	*
All directors and executive officers as a group (9 persons)(11)	2,183,485	2.50%

* Less than 1%.

(1) Unless otherwise indicated, the address of each beneficial owner is Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. The address for Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. The address for AJO, LP is 230 S. Broad Street, 20th Floor, Philadelphia, Pennsylvania 19102. The address for Eminence Capital, LP is 65 East 55th Street, 25th Floor, New York, New York 10022

(2) Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them. A person is deemed to be the beneficial owner of securities that may be acquired by such person within 60 days after July 18, 2016 and is not deemed to be the beneficial owner of securities that may not be acquired within 60 days after July 18, 2016. Each beneficial owner s percentage ownership is determined by assuming that exercisable securities that are held by such person (but not those held by any other person) and which are exercisable within 60 days after July 18, 2016 have been exercised.

(3) Based on information contained in a report on Schedule 13G/A filed with the SEC on January 8, 2016.

(4) Based on information contained in a report on Schedule 13G/A filed with the SEC on February 10, 2016. The Vanguard Group, Inc. reported sole dispositive power with Vanguard Fiduciary Trust Company with respect to 143,322 of these shares. The Vanguard Group, Inc. reported shared dispositive power with Vanguard Investments Australia, Ltd. with respect to 4,600 of these shares.

(5) Based on information contained in a report on Schedule 13G filed with the SEC on February 5, 2016.

(6) Based on information contained in a report on Schedule 13G filed with the SEC on January 21, 2016. Eminence Capital, LP (*Eminence Capital*) serves as the management company to the Eminence Funds (as defined below) with respect to the shares of common stock directly owned by the Eminence Funds and the investment adviser to the SMA (as defined below) with respect to the shares of common stock directly owned by the SMA. Eminence Capital may be deemed to have voting and dispositive power over the shares held for the accounts of the Eminence Funds and the SMA. Eminence GP, LLC (*Eminence GP*) serves as general partner or manager with respect to the shares of common stock directly owned by the Partnerships

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(as defined below) and Master Funds (as defined below) and may be deemed to have voting and dispositive power over the shares held for the accounts of the Partnerships and Master Funds. Ricky C. Sandler is the Chief Executive Officer of Eminence Capital and the Managing Member of Eminence GP and may be deemed to have voting and dispositive power with respect to the shares of common stock directly owned by the Eminence Funds and the SMA, as applicable. The listed shares are held for the accounts of: (i) Eminence Partners, L.P., a New York limited partnership (*Eminence I*); Eminence Partners II, L.P., a New York limited partnership (*Eminence II*); Eminence Partners Leveraged, L.P., a Delaware limited partnership (*Eminence Leveraged*); Eminence Eaglewood Master, L.P., a Delaware limited partnership (*Eminence Eaglewood*); Eminence Partners Long, L.P., a Delaware limited partnership (together with Eminence I, Eminence II, Eminence Leveraged and Eminence Eaglewood, the *Partnerships*); as well as Eminence Fund Master, Ltd. (*Eminence Offshore Master Fund*); Eminence Fund Leveraged Master, Ltd. (together with Eminence Offshore Master Fund, the *Master Funds*), each a Cayman Islands company, and Eminence Fund Long, Ltd. (*Eminence Offshore Long*), a Cayman Islands company. The Partnerships, Master Funds and Eminence Offshore Long are collectively referred to as the *Eminence Funds* ; and (ii) a separately managed account (the *SMA*).

(7) Mr. Zelnick is a partner at ZelnickMedia. The shares listed include 258,281 shares of common stock held by Zelnick/Belzberg Living Trust (such shares are indirectly held by Mr. Zelnick), 135,000 shares of common stock held by the Wendy Jay Belzberg 2012 Family Trust (such shares are indirectly held by Mr. Zelnick) and 898,526 RSUs held by ZelnickMedia (such units are not held individually by Mr. Zelnick). Mr. Zelnick disclaims beneficial ownership of the securities held by each of the Zelnick/Belzberg Living Trust, the Wendy Jay Belzberg 2012 Family Trust and ZelnickMedia except to the extent of his pecuniary interest therein. The 898,526 RSUs held by ZelnickMedia consist of (a) unvested RSUs granted to ZelnickMedia on May 20, 2015 settleable for up to 525,591 shares of common stock and (b) unvested RSUs granted to ZelnickMedia on May 20, 2016 settleable for up to 372,935 shares of common stock. A portion of each grant is subject to time-based vesting and the other portion is subject to performance-based vesting. The 2015 grant will vest, if at all, on April 1, 2017, and the 2016 grant will vest, if at all, on April 1, 2018, subject in each case to acceleration or forfeiture under certain circumstances.

(8) Mr. Slatoff is a partner at ZelnickMedia. The shares listed include 898,526 RSUs held by ZelnickMedia (such units are not held individually by Mr. Slatoff). Mr. Slatoff disclaims beneficial ownership of the securities held by ZelnickMedia except to the extent of his pecuniary interest therein. The 898,526 RSUs held by ZelnickMedia consist of (a) unvested RSUs granted to ZelnickMedia on May 20, 2015 settleable for up to 525,591 shares of common stock and (b) unvested RSUs granted to ZelnickMedia on May 20, 2016 settleable for up to 372,935 shares of common stock. A portion of each grant is subject to time-based vesting and the other portion is subject to performance-based vesting. The 2015 grant will vest, if at all, on April 1, 2017, and the 2016 grant will vest, if at all, on April 1, 2018, subject in each case to acceleration or forfeiture under certain circumstances.

(9) The shares listed include (i) 133,610 shares of common stock held by Ms. Goldstein, (ii) 258,993 unvested performance-based restricted stock awards held by Ms. Goldstein, (iii) 23,962 unvested time-based RSUs held by Ms. Goldstein, and (iv) 124,768 unvested performance-based RSUs held by Ms. Goldstein. Such unvested awards will vest, or fail to vest, in accordance with the terms of the applicable award agreements.

(10) The shares listed include (i) 4,770 shares of common stock held by Mr. Emerson, (ii) 20,625 unvested time-based RSUs held by Mr. Emerson, and (iii) 97,238 unvested performance-based RSUs held by Mr. Emerson. Such unvested awards will vest, or fail to vest, in accordance with the terms of the applicable award agreements.

(11) The 898,526 RSUs held by ZelnickMedia, and beneficially owned by Messrs. Zelnick and Slatoff, are only included once.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Management Agreement

The Company is party to a Management Agreement, dated as of March 10, 2014, and effective April 1, 2014 (the *2014 Management Agreement*), with ZelnickMedia. The 2014 Management Agreement replaced the Company s previous Management Agreement with ZelnickMedia, dated as of May 20, 2011 (the *2011 Management Agreement*), which in turn had superseded the Company s original Management Agreement with ZelnickMedia, dated as of March 30, 2007, as amended as of July 27, 2007 and February 14, 2008 (the *Original Management Agreement*). Upon its effectiveness, the 2014 Management Agreement superseded and replaced the 2011 Management Agreement and the Original Management Agreement, except as otherwise contemplated in the 2014 Management Agreement.

Under the terms of the 2014 Management Agreement, ZelnickMedia provides financial and management consulting services to the Company.

Term and Personnel. The 2014 Management Agreement provides for a term through March 31, 2019, unless earlier terminated in accordance with its terms. Under the 2014 Management Agreement, ZelnickMedia continues to provide certain individuals as it deems appropriate for the performance of the 2014 Management Agreement. Specifically (i) Mr. Zelnick serves as Executive Chairman of the Board of Directors and CEO of the Company, (ii) Mr. Slatoff serves as the Company s President, and (iii) other ZelnickMedia personnel as appropriate provide services to the Company on a project-by-project, as needed basis.

If Mr. Zelnick or any other employee of ZelnickMedia acting in an executive capacity for the Company pursuant to the 2014 Management Agreement is unable or unavailable to serve in such capacity (other than due to a termination by the Company without Cause or their resignation for Good Reason (as such terms are defined in such person s employment agreement with the Company or, in the case of Mr. Zelnick, in the 2014 Management Agreement)), and ZelnickMedia is unable to provide a qualified individual within a reasonable period of time to serve in such capacity who is reasonably satisfactory to the Board of Directors, then the Company may fill such position with a person not affiliated with ZelnickMedia and deduct the costs of such person s compensation from ZelnickMedia s compensation under the 2014 Management Agreement (with such deduction limited to no more than 60% of the aggregate compensation payable to ZelnickMedia if such person replaces Mr. Zelnick and no more than 40% of the aggregate compensation payable to ZelnickMedia if such person replaces Mr. Slatoff).

Management Fee and Annual Bonus Opportunity. Under the 2014 Management Agreement, the Company pays a monthly management fee equal to $247,500 per month ($2,970,000 annualized). The management fee will not be increased or decreased during the term of the 2014 Management Agreement. In addition to the monthly management fee, ZelnickMedia receives an annual bonus, subject to the achievement by the Company of certain performance thresholds in respect of each of the five fiscal years ending March 31, 2015, 2016, 2017, 2018 and 2019. For each fiscal year, the annual bonus opportunity ranges from $0 (at 80% of the Target, as defined in the 2014 Management Agreement) to $4,752,000 (at 150% of the Target or greater). The annual bonus opportunity will not be increased or decreased during the term of the 2014 Management Agreement. If the 2014 Management Agreement is terminated by the Company without Cause (as defined in the 2014 Management Agreement) or by ZelnickMedia for Good Reason (as defined in the 2014 Management Agreement) (whether before or after a Change in Control (as defined in the 2014 Management Agreement)), ZelnickMedia is entitled to be paid on the date of termination an amount equal to the sum of (i) the earned but unpaid portion of the management fee, (ii) any accrued but unpaid annual bonus for a completed fiscal year and (ii) three times the sum of the per annum management fee plus the Target bonus amount.

Expense Reimbursement. Under the 2014 Management Agreement, ZelnickMedia is entitled to the reimbursement of reasonable out-of-pocket expenses in connection with the 2014 Management Agreement and the rendering of services thereunder.

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Limits on Compensation. Under the 2014 Management Agreement, no more than 60% of the aggregate compensation payable to ZelnickMedia under the 2014 Management Agreement (whether in the form of the management fee, the annual bonus or the RSU awards) shall be received by or conveyed to Mr. Zelnick (or such other employee of ZelnickMedia that serves as Executive Chairman and CEO of the Company) and no more than 40% of such aggregate compensation shall be received by or conveyed to Mr. Slatoff (or such other employee of ZelnickMedia that serves as the President of the Company).

Restrictions on Sale of Vested Stock. Under the 2014 Management Agreement, prior to March 31, 2019 (or earlier in the event of a Change in Control) ZelnickMedia and any Subject Person (as defined in the 2014 Management Agreement) are prohibited from selling or otherwise disposing of any shares of common stock of the Company, if the Market Value (as defined in the 2014 Management Agreement) of all shares of common stock of the Company (including any options, restricted stock and RSUs), after giving effect to such proposed sale or other disposition, owned by ZelnickMedia and each Subject Person in the aggregate as of the trading day immediately preceding the date of the proposed sale or disposition, would be less than five times (5x) the per annum management fee (excluding any bonuses).

Awards under the 2014 Management Agreement

Under the 2014 Management Agreement, as further described below, the Company has granted RSUs to ZelnickMedia on April 1, 2014 (the *2014 Restricted Units*), May 20, 2015 (the *2015 Restricted Units*), and May 20, 2016 (the *2016 Restricted Units*, and together with the 2014 Restricted Units and the 2015 Restricted Units, the *Restricted Units*) under the 2009 Plan. The 2014 Restricted Units, comprised of both time-based and performance-based RSUs as described below, were granted pursuant to the terms of a Restricted Unit Agreement, dated April 1, 2014, as amended, by and between the Company and ZelnickMedia (the *2014 Restricted Unit Agreement*). The 2015 Restricted Units, comprised of both time-based and performance-based RSUs as described below, were granted pursuant to the terms of a Restricted Unit Agreement, dated May 20, 2015, as amended, by and between the Company and ZelnickMedia (the *2015 Restricted Unit Agreement*). The 2016 Restricted Units, comprised of both time-based and performance-based RSUs as described below, were granted pursuant to the terms of a Restricted Unit Agreement, dated May 20, 2016, by and between the Company and ZelnickMedia (the *2016 Restricted Unit Agreement*, and together with the 2014 Restricted Unit Agreement and the 2015 Restricted Unit Agreement, the *Restricted Unit Agreements*). Under the 2014 Management Agreement, the Company, in its discretion, may grant additional annual equity awards to ZelnickMedia over the course of the term of the 2014 Management Agreement.

2014 Restricted Units.

Time-Based Award. The Company issued to ZelnickMedia 178,654 time-based RSUs (such number determined by dividing $3,850,000 by the average of the closing prices of the Company s common stock for each trading day during the 10 trading day period immediately prior to April 1, 2014), all of which units vested on May 20, 2016 (the *2014 Time-Based Award*).

Performance-Based Award. The Company granted ZelnickMedia 440,836 performance-based RSUs (the *2014 Performance Award*), which represents the maximum number of performance-based RSUs that are eligible to vest (with the target number of performance-based RSUs of 220,418 determined by dividing $4,750,000 by the average of the closing prices of the Company s common stock for each trading day during the 10 trading day period immediately prior to April 1, 2014). 413,258 of such units vested as of May 20, 2016 and 27,578 units were forfeited as of May 20, 2016 due to the failure to meet performance conditions.

2015 Restricted Units.

Time-Based Award. The Company issued to ZelnickMedia 151,575 time-based RSUs (such number determined by dividing $3,850,000 by the average of the closing prices of the Company s common stock for each

trading day during the 10 trading day period immediately prior to April 1, 2015), which units will vest on April 1, 2017, provided that the 2014 Management Agreement has not been terminated prior to such date (the *2015 Time-Based Award*). Notwithstanding the foregoing, the 2015 Time-Based Award will immediately vest in full if the 2014 Management Agreement is terminated by the Company without Cause or by ZelnickMedia for Good Reason. Conversely, ZelnickMedia will forfeit to the Company all 2015 Restricted Units under the 2015 Time-Based Award if the 2014 Management Agreement is terminated by the Company for Cause or by ZelnickMedia without Good Reason prior to April 1, 2017.

Performance-Based Award. The Company granted ZelnickMedia 374,016 performance-based RSUs (the *2015 Performance Award*), which represents the maximum number of performance-based RSUs that are eligible to vest (with the target number of performance-based RSUs of 187,008 determined by dividing $4,750,000 by the average of the closing prices of the Company s common stock for each trading day during the 10 trading day period immediately prior to April 1, 2015) and which have been divided into three categories of vesting as follows: (i) on April 1, 2017, a number of New IP Performance-Based Units (as defined in the 2015 Restricted Unit Agreement) will vest equal to the product of (x) the target number of New IP Performance-Based Units in such vesting tranche (23,376) multiplied by (y) the New IP Vesting Percentage (as defined in the 2015 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2017, which ranges from 0% to 200%, (ii) on April 1, 2017, a number of Major IP Performance-Based Units (as defined in the 2015 Restricted Unit Agreement) will vest equal to the product of (x) the target number of Major IP Performance-Based Units in such vesting tranche (23,376) multiplied by (y) the Major IP Vesting Percentage (as defined the 2015 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2017, which ranges from 0% to 200%, and (iii) on April 1, 2017, a number of TSR Performance-Based Units (as defined in the 2015 Restricted Unit Agreement) will vest equal to the product of (x) the target number of TSR Performance-Based Units in such vesting tranche (140,256) multiplied by (y) the TSR Vesting Percentage (as defined in the 2015 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2017, which ranges from 0% to 200%. See Compensation Discussion and Analysis NEO Compensation Structure and Pay-for-Performance Principles Compensation of Mr. Zelnick and Mr. Slatoff for more information on the performance-based vesting criteria.

In the event that any portion of the 2015 Performance Award will not have vested as of April 1, 2017 or upon a termination of the 2014 Management Agreement by the Company for Cause or by ZelnickMedia without Good Reason, ZelnickMedia will forfeit to the Company any and all 2015 Restricted Units that have not vested as of such date.

2016 Restricted Units.

Time-Based Award. The Company issued to ZelnickMedia 107,551 time-based RSUs (such number determined by dividing $3,850,000 by the average of the closing prices of the Company s common stock for each trading day during the 10 trading day period immediately prior to April 1, 2016), which units will vest on April 1, 2018, provided that the 2014 Management Agreement has not been terminated prior to such date (the *2016 Time-Based Award*, and together with the 2014 Time-Based Award and the 2015 Time-Based Award, the *Time-Based Awards*). Notwithstanding the foregoing, the 2016 Time-Based Award will immediately vest in full if the 2014 Management Agreement is terminated by the Company without Cause or by ZelnickMedia for Good Reason. Conversely, ZelnickMedia will forfeit to the Company all 2016 Restricted Units under the 2016 Time-Based Award if the 2014 Management Agreement is terminated by the Company for Cause or by ZelnickMedia without Good Reason prior to April 1, 2018.

Performance-Based Award. The Company granted ZelnickMedia 265,384 performance-based RSUs (the *2016 Performance Award*, and together with the 2014 Performance Award and the 2015 Performance Award, the *Performance Awards*), which represents the maximum number of performance-based RSUs that are eligible to vest (with the target number of performance-based RSUs of 132,692 determined by dividing $4,750,000 by the average of the closing prices of the Company s common stock for each trading day during the 10 trading day period immediately prior to April 1, 2016) and which have been divided into three categories of

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vesting as follows: (i) on April 1, 2018, a number of New IP Performance-Based Units (as defined in the 2016 Restricted Unit Agreement) will vest equal to the product of (x) the target number of New IP Performance-Based Units in such vesting tranche (16,587) multiplied by (y) the New IP Vesting Percentage (as defined in the 2016 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2018, which ranges from 0% to 200%, (ii) on April 1, 2018, a number of Major IP Performance-Based Units (as defined in the 2016 Restricted Unit Agreement) will vest equal to the product of (x) the target number of Major IP Performance-Based Units in such vesting tranche (16,586) multiplied by (y) the Major IP Vesting Percentage (as defined the 2016 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2017, which ranges from 0% to 200%, and (iii) on April 1, 2018, a number of TSR Performance-Based Units (as defined in the 2016 Restricted Unit Agreement) will vest equal to the product of (x) the target number of TSR Performance-Based Units in such vesting tranche (99,519) multiplied by (y) the TSR Vesting Percentage (as defined in the 2016 Restricted Unit Agreement) on the trading day immediately preceding April 1, 2018, which ranges from 0% to 200%.

In the event that any portion of the 2016 Performance Award will not have vested as of April 1, 2018 or upon a termination of the 2014 Management Agreement by the Company for Cause or by ZelnickMedia without Good Reason, ZelnickMedia will forfeit to the Company any and all 2016 Restricted Units that have not vested as of such date.

Treatment of Awards.

Upon a termination of the 2014 Management Agreement by the Company without Cause or by ZelnickMedia for Good Reason, any then-unvested restricted stock or units granted pursuant to the Performance Awards (including any restricted stock or units granted to ZelnickMedia during the term of the 2014 Management Agreement on or after April 1, 2014) will vest on the assumption that the applicable performance measure was achieved at the target level of performance for the applicable performance period or, prior to a Change in Control (as defined in the 2014 Management Agreement), for TSR Performance-Based Units (as defined in the applicable Restricted Unit Agreement), based on the actual level of performance achieved for each applicable performance measure as of the date of termination.

If the Company and ZelnickMedia fail to enter into a new management agreement on substantially similar terms in the aggregate as those provided under the 2014 Management Agreement upon the expiration of the term of the 2014 Management Agreement or otherwise fail to agree to extend the term of the 2014 Management Agreement, all unvested time-vesting restricted stock or units granted during the term of the 2014 Management Agreement on or after April 1, 2014 will vest upon such expiration and all then-unvested performance-vesting restricted stock or units will vest based on the assumption that the applicable performance measure was achieved at the target level of performance for the applicable performance period or, prior to a Change in Control, for TSR Performance-Based Units (as defined in the applicable Restricted Unit Agreement), based on the actual level of performance achieved for each applicable performance measure as of the date of termination.

If a Change in Control occurs during the term of the 2014 Management Agreement, the 2014 Management Agreement will not automatically terminate and all unvested RSUs granted pursuant to the applicable Restricted Unit Agreement will vest as set forth in the applicable Restricted Unit Agreement, except that any restricted stock or units granted to ZelnickMedia on or after April 1, 2014 will vest upon the earlier to occur of (x) a termination of the 2014 Management Agreement by the Company without Cause or by ZelnickMedia for Good Reason or (y) the second anniversary of the applicable date of grant, and, with respect to any performance-based restricted stock or units, in each case, based on the assumption of that the applicable performance measure was achieved at the target level of performance for the applicable performance period. As of March 31, 2016, all shares of restricted stock or units granted prior to April 1, 2014 (including any awards granted pursuant to the 2011 Management Agreement or the Original Management Agreement) have vested and/or have been forfeited pursuant to their terms.

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Settlement of Restricted Units.

Pursuant to the 2014 Management Agreement, the Company will have the right to elect to settle the RSUs granted to ZelnickMedia pursuant to the 2014 Management Agreement in shares of the Company s common stock that will be issued pursuant to the 2009 Plan.

Registration Statement. Pursuant to the 2014 Management Agreement, within 45 days following the request of ZelnickMedia, the Company will file a Registration Statement on Form S-3 registering for resale any of the shares of the Company s common stock issuable pursuant to awards granted to ZelnickMedia under the Restricted Unit Agreements. The Company filed a registration statement on Form S-3 on May 20, 2016 covering the resale of certain of such shares.

The foregoing descriptions of the 2014 Management Agreement and the Restricted Unit Agreements (including the Time-Based Awards and the Performance Awards issuable to ZelnickMedia thereunder) are only a summary and are qualified in their entirety by reference to the full text of the 2014 Management Agreement (and the 2014 Restricted Unit Agreement attached as Exhibit A thereto), which is attached as Exhibit 10.1 to the Company s Current Report on Form 8-K dated March 10, 2014 and incorporated herein by reference, the 2015 Restricted Unit Agreement, which is attached as Exhibit 10.2 to the Company s Registration Statement on Form S-3 dated May 20, 2015 and incorporated herein by reference, and the 2016 Restricted Unit Agreement, which is attached as Exhibit 10.2 to the Company s Registration Statement on Form S-3 dated May 20, 2016 and incorporated herein by reference.

Awards Under the 2011 Management Agreement

Restricted Stock Awards. Pursuant to the 2011 Management Agreement, the Company issued time-based and performance-based restricted stock to ZelnickMedia in November 2011, as further described below.

Time-Based Award. The Company granted ZelnickMedia a restricted stock award of 1,100,000 shares of common stock that vested in four equal installments on each of the first, second and third anniversaries of April 1, 2011, and then on May 20, 2015.

Performance-Based Award. The Company granted ZelnickMedia a restricted stock award of 1,650,000 shares of common stock. Twenty-five percent of such award vested on each of the first three anniversaries of April 1, 2011 and the remaining twenty-five percent vested, in the aggregate, on May 20, May 21, May 22 and May 26, 2015, respectively (which aggregate number of shares that vested on May 20, May 21, May 22 and May 26, 2015, respectively, equal to the number of shares eligible to vest on each of the first three anniversaries on April 1, 2011), respectively, based on the Company s total shareholder return relative to the total shareholder return of the companies that constitute the NASDAQ Composite Index (the Peer Companies) during each of the four fiscal years of the Company ending March 31, 2012, 2013, 2014, and 2015. To earn all of the shares, the Company needed to perform at the 75th percentile, or top quartile, of the NASDAQ Composite Index.

On April 1, 2012, the first vesting tranche included 305,250 shares, reflecting the Company s total shareholder return relative to the total shareholder return of the Peer Companies in the 62nd percentile. On April 1, 2013, no vesting of shares occurred reflecting the Company s total shareholder return relative to the total shareholder return of the Peer Companies below the 50th percentile. On April 1, 2014, 486,750 shares vested, reflecting the Company s total shareholder return relative to the total shareholder return of the Peer Companies in the 59th percentile for the third vesting tranche (using reference date of April 1, 2013), and the 50th percentile for the previously unvested portions of the first and second tranches (using reference date of April 1, 2011). On May 20, May 21, May 22 and May 26, 2015, an aggregate of 833,250 shares vested, reflecting the Company s total shareholder return relative to the total shareholder return of the Peer Companies in the 91st percentile for the fourth vesting tranche (using reference date of April 1, 2014), and the 74th percentile for the previously unvested portions of the first, second and third tranches (using reference date of April 1, 2011).

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Registration Statement. Pursuant to the 2011 Management Agreement, within 45 days following the request of ZelnickMedia, the Company will file a Registration Statement on Form S-3 registering for resale any shares of the Company s common stock issuable pursuant to awards granted to ZelnickMedia under the 2011 Management Agreement. The Company filed a registration statement on Form S-3 on May 20, 2015 covering the resale of certain of such shares.

The foregoing descriptions of the 2011 Management Agreement and the related restricted stock award agreements are only a summary and are qualified in their entirety by reference to the full text of the 2011 Management Agreement (and the restricted stock award agreements attached as Exhibit A thereto), which is attached as Exhibit 10.1 to the Company s Current Report on Form 8-K dated May 24, 2011 and incorporated herein by reference, and the amendments to the restricted stock award agreements, which are filed as Exhibits 10.2 and 10.3 to the Company s Quarterly Report on Form 10-Q filed on February 6, 2015 and Exhibits 10.5 and 10.6 to the Company s Registration Statement on Form S-3 dated May 20, 2015 and incorporated herein by reference.

Policy on Transactions with Related Persons

The Board of Directors has adopted a policy requiring that any transaction: (1) involving the Company or any of its subsidiaries and (2) in which one of our directors, nominees for director, executive officers, or greater than five percent shareholders, or their immediate family members, have a direct or indirect material interest; be approved or ratified by a majority of the independent directors of the full Board of Directors.

In determining whether to approve or ratify any such transaction, the independent directors of the Board of Directors must consider, in addition to other factors deemed appropriate, whether the transaction is on terms no less favorable to the Company than those involving unrelated parties. No director may participate in any review, approval or ratification of any transaction if the director, or an immediate family member of such director, has a direct or indirect material interest in the transaction.

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SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE

The members of our Board of Directors, our executive officers and persons who beneficially own more than 10% of our outstanding common stock are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended, which requires them to file reports with respect to their ownership of our common stock and their transactions in such common stock. Based solely upon a review of the copies of Section 16(a) reports that we have received from such persons or entities for transactions in our common stock and their common stock holdings for fiscal 2016, we believe that all reporting requirements under Section 16(a) for such fiscal year were met in a timely manner by our directors, executive officers and persons who beneficially own more than 10% of our outstanding common stock.

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AMENDMENTS TO THE 2009 STOCK INCENTIVE PLAN

(Proposal 3)

EXECUTIVE SUMMARY OF PROPOSAL

Summary of Proposal:	To increase the share reserve under our 2009 Stock Incentive Plan (the 2009 Plan) by 1,400,000 shares of common stock, and to amend the share counting provisions of our 2009 Stock Incentive Plan. As amended, the 2009 Plan also provides for an annual compensation limit for our non-employee directors and includes a minimum vesting period for certain awards.
Number of Shares Available for Grant:	695,695 as of June 30, 2016
Number of Shares Subject to Outstanding Unvested RSUs:	4,516,784 as of June 30, 2016
Number of Total Shares of Common Stock Outstanding:	86,017,266 as of June 30, 2016
Uses of Equity Compensation:	Equity is an essential tool to attract and retain highly-skilled creative talent, and it aligns the interests of creative employees with shareholders. Our creative employees at our wholly-owned labels drive our business, are critical to our continued success, and help us build shareholder value. Almost two-thirds of our employees work in our development studios and have technical capabilities to develop software titles for multiple platforms. In fiscal 2016, 64% of equity awards were used to retain creative talent. Two-thirds of equity grants to our internal non-ZelnickMedia NEOs, and more than half of the equity grants to ZelnickMedia, are performance-based.
Certain Plan Highlights:	Limits on awards to individual participants No evergreen provision for share reserve Annual compensation limits for non-employee directors

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	Minimum vesting periods for certain awards
	No repricing of stock options without shareholder approval
	No discounted stock options or SARs
	Clawback provisions included
	Non-liberal change in control provisions
	No automatic grants
	Double trigger acceleration of vesting for equity assumed or substituted for in connection with a change in control
	Dividends on performance-based awards granted after July 2014 do not vest and are not paid until the performance award is earned and vested.

Proposed Amendments to the 2009 Plan

At the Annual Meeting, the Company s shareholders will be asked to approve certain amendments to the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan (as amended, the *Plan*). The amendments were approved unanimously by the Board of Directors at its meeting on July 21, 2016. We propose to:

1. Increase the available shares reserved under the 2009 Plan by 1,400,000 shares; and

2. Amend the share counting provisions under the 2009 Plan to provide that shares covered by awards that are settled in cash, as well as shares used to pay tax withholding obligations in respect of any full value award, will again be available for issuance under the 2009 Plan.

No other changes that are subject to shareholder approval are contemplated by the proposed amendments to the 2009 Plan, other than those noted above. Additional changes made to the 2009 Plan include the addition of annual compensation limits for the Company s non-employee directors, and minimum vesting requirements for stock options and SARs, as described in more detail below, as well as certain other clarifying and administrative modifications.

Approved by shareholders in 2009, and amended in 2016, the 2009 Plan is designed to enable the Company to offer eligible employees, consultants and non-employee directors, stock-based incentives in the Company to attract, retain and reward such individuals and strengthen the mutuality of interests between such individuals and the Company s shareholders.

As discussed below, the 2009 Plan serves a critical role in retaining the Company s key talent and motivating such individuals to enhance the Company s growth and profitability. Accordingly, the Company anticipates granting additional equity to the Company s employees, consultants and non-employee directors as retention and performance incentive awards, which management believes would be best settled in common stock to most closely align the interests of such individuals with the Company s shareholders. As of June 30, 2016, there were 695,695 shares available for grant under the 2009 Plan. The Company has determined that an increase to the shares reserved under the 2009 Plan by 1,400,000 shares, and an amendment to the share counting provisions under the 2009 Plan to provide that shares covered by awards that are settled in cash, as well as shares used to pay tax withholding obligations in respect of any full value award, will be added back to the share reserve, will allow the

Company to continue providing meaningful incentives to its service providers under the 2009 Plan. If shareholders do not approve the amendments to increase the number of shares issuable under the 2009 Plan and to modify the share counting provisions under the 2009 Plan, the amendments will not take effect, but the Company may continue to grant awards under the 2009 Plan in accordance with the current terms and conditions to the extent that shares become available for grant in the future (generally as a result of cancellation, expiration or termination of awards, as discussed below). However, the Company does not anticipate that sufficient shares will be available for significant long-term stock-based incentive grants to employees if the amendments are not approved by the Company s shareholders.

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Alignment of the 2009 Plan with the Interests of the Company and Shareholders

More generally, the use of equity to retain and motivate the Company s key talent is critical to the Company s long-term goals. Affording the Company s employees, consultants and non-employee directors the benefits of the 2009 Plan serves the following critical interests of the Company and its shareholders:

Allows us to recruit and retain top talent. The Board of Directors believes that the proposed increase in the shares available under the 2009 Plan will serve a critical role in attracting and retaining high caliber individuals essential to the Company s success.

Allows us to align participant and shareholder interests. The Board of Directors believes that stock ownership by employees, consultants and non-employee directors provides performance incentives and fosters long-term commitment to our benefit and to the benefit of our shareholders.

Allows us to pay for performance. The Board of Directors believes that equity compensation, by its very nature, is performance-based compensation, and that the 2009 Plan reflects our pay-for-performance philosophy and motivates our employees, consultants and non-employee directors to enhance our growth and profitability.

Allows us to secure tax deductions for awards to certain executives. As discussed below, the 2009 Plan allows us to grant qualified performance-based equity-based awards to certain executives that are fully deductible under Section 162(m) of the Code.

In addition, the Board of Directors believes that the 2009 Plan contains several key features that enhance our commitment to shareholders long-term interests and sound corporate governance, including:

Annual limits on awards to individual participants. The 2009 Plan contains limits on the number of awards that may be granted to individual participants in a given fiscal year, as discussed below.

Provides for a fixed reserve of shares of Common Stock. The 2009 Plan does not contain an evergreen provision so that shareholder approval is required to issue any additional shares, allowing our shareholders to have direct input on our equity compensation program.

Limits annual compensation for non-employee directors. The 2009 Plan, as amended, imposes a $750,000 annual limit on the cash and equity compensation payable to the Company s non-employee directors, subject to certain limited exceptions.

Requires minimum vesting periods for certain awards. The 2009 Plan, as amended, generally requires that stock options and SARs be subject to a one-year minimum vesting requirement.

Provides for limited terms. The 2009 Plan sets a 10-year maximum term for stock options and SARs and will terminate on April 23, 2019.

Prohibits stock option repricing. The 2009 Plan prohibits the repricing of stock options and SARs without prior shareholder approval.

Prohibits discounted stock options or SARs. The 2009 Plan requires the exercise price of stock options and SARs to be not less than the fair market value of our common stock on the date of grant.

Double trigger for acceleration of vesting on a change in control. Vesting of awards assumed or substituted in connection with a change in control only accelerates as a result of the change in control if a qualified termination of the employee occurs following the change in control.

Dividend or dividend equivalents are subject to same vesting restrictions as underlying awards. Dividends on performance-based awards granted after July 2014 do not vest and are not paid until the performance award is earned and vested.

Prohibits certain detrimental activities by participants. The 2009 Plan provides that certain awards will be subject to forfeiture or recovery in the event that a participant engages in detrimental activities, as discussed below.

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Non-Liberal definition of Change in Control. The definition of change in control in the 2009 Plan requires the consummation of an actual transaction so that no change in control vesting acceleration may occur without an actual change in control transaction occurring.

No automatic grants. The 2009 Plan does not provide for automatic grants to any participant.

Independent Compensation Committee. Our Compensation Committee consists of entirely independent directors.

The following description of the 2009 Plan, as amended by the amendments to the 2009 Plan, is a summary and is qualified in its entirety by reference to the amended and restated Plan, a copy of which is attached as **Annex A** to this Proxy Statement.

Administration. The 2009 Plan is administered by a committee (the *Committee*) which, with respect to eligible employees and consultants, will be the Compensation Committee, or such other committee or subcommittee of the Board of Directors appointed from time to time by the Board of Directors, consisting of two or more non-employee directors, each of whom is intended to be, to the extent required, a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the *Exchange Act*), an outside director as defined under Section 162(m) of the Code and an independent director for the purposes of the applicable stock exchange rules. The Board of Directors will be the Committee with respect to the application of the 2009 Plan to non-employee directors.

Generally, the Committee has full authority to administer and interpret the 2009 Plan, to grant discretionary awards under the 2009 Plan, to delegate authority to others or other committees, and to determine:

the persons to whom awards will be granted;

the types of awards to be granted;

the terms and conditions of each award;

the number of shares of common stock to be covered by each award;

when an award may be granted (however, awards may be granted only during the 45-day period following the filing of a quarterly report by the Company or the 30-day period following the filing of the Company s annual report, or immediately prior to a change in control that occurs outside of such periods); and

all other matters arising in connection with the 2009 Plan and the awards thereunder as the Committee, in its sole discretion, deems necessary or expedient to promote the best interests of the Company that are not in conflict with the provisions of the 2009 Plan.

The terms and conditions of individual awards will be set forth in written agreements that are consistent with the terms of the 2009 Plan. Awards under the 2009 Plan may not be made on or after the tenth anniversary of the 2009 Plan s adoption by the Board of Directors, except that awards (other than any stock options or SARs) that are intended to be performance-based under Section 162(m) of the Code will not be made after the fifth anniversary of the date of the last approval by the Company s shareholders of the performance goals set forth in the 2009 Plan.

Eligibility and Types of Awards. All employees and consultants of the Company and its affiliates as well as non-employee directors of the Company are eligible to be granted nonqualified stock options, SARs, restricted stock and other stock-based awards. In addition, the Company s employees and employees of the Company s affiliates that qualify as subsidiaries or parent corporations (as defined under Section 424 of the Code) are eligible to be granted incentive stock options under the 2009 Plan. As of the date of this proposal, approximately 1,600 employees are eligible to participate in the 2009 Plan.

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Available Shares. As of June 30, 2016, 695,695 shares of common stock were available for issuance or for reference purposes under the 2009 Plan, subject to adjustment as provided in the 2009 Plan. Starting in fiscal year 2015, the Committee chose to count certain restricted units against the shares available under the 2009 Plan in full on the grant date, rather than incrementally as each tranche vests and is settled in shares of common stock. If the proposed amendments to the 2009 Plan are approved by shareholders, an additional 1,400,000 shares of our common stock will be available for future issuance under the 2009 Plan.

Awards of common stock under the 2009 Plan may either be authorized and unissued shares of common stock or shares of common stock held in treasury by the Company. In general, if awards under the 2009 Plan are cancelled, expire or terminate unexercised for any reason, the shares covered by such awards will be available again for the grant of awards under the 2009 Plan. If the proposed amendments to the 2009 Plan are approved by shareholders, shares covered by awards that are settled in cash, as well as shares used to pay tax withholding obligations in respect of any full value award, will again be available for issuance under the 2009 Plan. In addition, equity-based awards assumed or substituted by us or our affiliates in connection with a corporate transaction, or substitute awards, will not count against the share reserve under the 2009 Plan, as amended.

The number of shares of common stock available for awards under the 2009 Plan will be reduced by the total number of stock options, SARs or similar exercisable awards exercised (regardless of whether the shares of common stock underlying such awards are actually issued as the result of net settlement), any shares of common stock used to pay any exercise price or tax withholding obligation with respect to any stock options, SARs or similar exercisable awards, and any shares of common stock repurchased in the open market with the proceeds of a stock option exercise. The closing price of the common stock on the NASDAQ on July 18, 2016, was $40.66 per share.

The following share limits apply under the 2009 Plan with respect to awards granted to employees and consultants during any given fiscal year:

Type of Award	**Share Limit Per Year**
Awards subject to the attainment of performance goals and intended to satisfy Section 162(m) of the Code	1,000,000 shares per type of award per participant
	4,000,000 shares per participant for all types of awards in the aggregate
Awards of restricted stock not subject to the attainment of specified performance goals	No limit

The Committee will adjust the above individual maximum share limitations, the aggregate number of shares of common stock available for the grant of awards and the exercise price of an award to reflect certain changes in the Company s capital structure or business by reason of certain corporate transactions or events as provided in the 2009 Plan.

In addition, the 2009 Plan, as amended, provides that the maximum value of awards granted to non-employee directors in any one calendar year, together with any cash fees paid to such directors during such calendar year, may not, absent extraordinary circumstances, exceed $750,000. As determined by the Committee in its discretion, this limit may be increased for a non-executive chair of the Board of Directors or, in extraordinary circumstances, for other individual non-employee directors; provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

Awards Under the 2009 Plan. The following types of awards are available under the 2009 Plan:

Stock Options. The Committee may grant incentive stock options (only to eligible employees) and nonqualified stock options to purchase shares of common stock. The Committee will determine the number of shares of common stock subject to each option, the term of each option (which may not exceed 10 years (or five years in the case of an incentive stock option granted to a 10% shareholder)), the exercise price, the vesting schedule (if any), and the other material terms of each option. No stock option, other than a substitute award,

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may have an exercise price less than the fair market value of the common stock at the time of grant (or, in the case of an incentive stock option granted to a 10% shareholder, 110% of fair market value). The 2009 Plan, as amended, provides that no stock options, other than substitute awards, may vest over a period that is less than one year from the date of grant, except in the event of a recipient s termination of employment without cause, or due to death, disability or retirement. Unless otherwise determined by the Committee at the time of grant, (i) stock options are subject to termination if prior to exercise the recipient engages in certain defined types of detrimental activity, and (ii) if the recipient engages in detrimental activity during the one-year period following the later of the date the stock option is exercised and the date the stock option becomes vested, the Company may recover at any time within the one-year period following such date, and upon request the recipient will pay to the Company, an amount equal to any gain realized as a result of the exercise (collectively, the *Detrimental Activity Provisions*).

Options will be exercisable at such time or times and subject to such terms and conditions as determined by the Committee at the time of grant, and the exercisability of such options may be accelerated by the Committee in its sole discretion. Upon the exercise of an option, the participant must make payment of the full exercise price, either (i) in cash, check, bank draft or money order; (ii) solely to the extent permitted by law, through the delivery of irrevocable instructions to a broker reasonably acceptable to the Company to deliver promptly to the Company an amount equal to the purchase price; or (iii) on such other terms and conditions as may be acceptable to the Committee.

Stock Appreciation Rights. The Committee may grant SARs either with a stock option, which SARs may be exercised only at such times and to the extent the related option is exercisable (*Tandem SARs*), or independent of a stock option (*Non-Tandem SARs*). A SAR is a right to receive a payment in common stock or cash (as determined by the Committee) equal in value to the excess of the fair market value of one share of common stock on the date of exercise over the exercise price per share established in connection with the grant of the SAR. The exercise price per share covered by a SAR will be the exercise price per share of the related option in the case of a Tandem SAR and, other than with respect to a substitute award, will be no less than the fair market value of the common stock on the date of grant in the case of a Non-Tandem SAR. The Committee may also grant limited SARs, either as Tandem SARs or Non-Tandem SARs, which become exercisable only upon the occurrence of a change in control of the Company or such other event as the Committee may, in its sole discretion, designate at the time of grant or thereafter. The 2009 Plan, as amended, provides that no SAR, other than a substitute award, may vest over a period that is less than one year from the date of grant, except in the event of a recipient s termination of employment without cause, or due to death, disability or retirement. Unless otherwise determined by the Committee at the time of grant, SARs are subject to the Detrimental Activity Provisions.

Restricted Stock. The Committee may award shares of restricted stock. Except as otherwise provided by the Committee upon the award of restricted stock, the recipient generally has the rights of a shareholder with respect to the shares, including the right to receive dividends, the right to vote the shares of restricted stock and, conditioned upon full vesting of shares of restricted stock, the right to tender such shares in the event of a merger, recapitalization, reorganization or similar event involving the Company, subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the recipient s restricted stock agreement. The Committee may determine at the time of grant that the payment of dividends, if any, will be deferred until the expiration of the applicable restriction period, and, except as otherwise provided by the Committee in an award agreement, the payment of dividends with respect to shares of restricted stock that are earned or vest based on the attainment of performance goals will be withheld, without interest, for the recipient s account, and will be subject to forfeiture to the same degree as the underlying shares of restricted stock.

Recipients of restricted stock are required to enter into a restricted stock agreement with the Company that states the restrictions to which the shares are subject, which may include satisfaction of pre-established performance goals and the criteria or date or dates on which such restrictions will lapse.

If the grant of restricted stock or the lapse of the relevant restrictions is based on the attainment of performance goals, the Committee will establish for each recipient the applicable performance goals, formulas or

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standards and the applicable vesting percentages with reference to the attainment of such goals or satisfaction of such formulas or standards while the outcome of the performance goals is substantially uncertain. Such performance goals may incorporate provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar events or circumstances. Section 162(m) of the Code requires that performance awards be based upon objective performance measures. The performance goals for performance-vesting restricted stock will be based on one or more of the objective performance goals discussed below.

Other Stock-Based Awards. The Committee may, subject to limitations under applicable law, make a grant of such other stock-based awards (including, without limitation, performance units, dividend equivalent units, stock equivalent units, RSUs and deferred stock units) under the 2009 Plan that are payable in cash or denominated or payable in or valued by shares of common stock or factors that influence the value of such shares. The Committee will determine the terms and conditions of any such other awards, which may include the achievement of certain minimum performance goals for purposes of compliance with Section 162(m) of the Code and/or a minimum vesting period. The performance goals for other stock-based awards will be based on one or more of the objective performance goals discussed below. Except as otherwise provided by the Committee in an award agreement, the payment of dividends or dividend equivalents with respect to an award that is earned or vests based on the attainment of performance goals will be withheld, without interest, for the recipient s account, and will be subject to forfeiture to the same degree as the underlying award.

Performance Goals. The following is a list of the performance goals from which the Committee may select in establishing the grant, vesting and/or payment provisions of awards intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code, to be applied, where applicable and in the discretion of the Committee, on a Company-wide, divisional, or individual basis:

earnings per share;

earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization;

gross profit or gross profit return on investment;

gross margin or gross margin return on investment;

operating income, operating profit margin, net income, cash flow or economic value added;

revenue growth;

working capital;

specified objectives with regard to limiting the level of increase in all or a portion of the Company s bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the Committee;

return on equity, assets or capital;

return on invested capital;

net revenues;

gross revenues;

total shareholder return;

fair market value of the shares of the common stock;

the growth in the value of an investment in the common stock assuming the reinvestment of dividends; and

reduction in expenses.

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To the extent permitted by law, the Committee may also exclude, or make adjustments to reflect, the impact of an event or occurrence that the Committee determines should be appropriately excluded or a cause for adjustment, including:

- restructurings, discontinued operations, extraordinary items or events and other unusual or non-recurring charges;
- events either not directly related to the operations of the Company or not within the reasonable control of the Company s management; and
- changes in tax law or a change in accounting standards required by generally accepted accounting principles.

Change in Control. With respect to any award granted on or after July 2014, no employment agreement or award agreement may provide that the vesting, payment, purchase or distribution of an award will be accelerated by reason of a change in control of the Company for any Plan participant unless the participant s employment is involuntarily terminated within the one-year period following such change in control (or, if applicable, such longer post-change in control period as may be determined by the Committee). With respect to any award granted prior to July 2014, unless otherwise determined by the Committee at the time of grant, in a written employment agreement, or by an affirmative vote of a majority of the members of the Board of Directors prior to the occurrence of a change in control of the Company, awards subject to vesting and/or restrictions will accelerate and vest, or restrictions will lapse, upon a change in control of the Company. In addition, in the discretion of the Committee, awards may be (i) assumed and continued or substituted in accordance with applicable law, (ii) to the extent not assumed or substituted for in connection with a change in control, purchased by the Company for an amount equal to the price of the common stock paid in a change in control (less the aggregate exercise price of the awards) (or cancelled and extinguished pursuant to the terms of a merger or other purchase agreement), (iii) with respect to awards subject to exercise, to the extent not assumed or substituted for in connection with a change in control, terminated following expiration of a minimum 20 day advanced notice period, during which participants may exercise such awards, or (iv) cancelled if the price of the common stock paid in a change in control is less than the exercise price of the award.

Amendment and Termination. Notwithstanding any other provision of the 2009 Plan, the Board of Directors or the Committee may at any time amend any or all of the provisions of the 2009 Plan, or suspend or terminate it entirely, retroactively or otherwise; *provided, however*, that unless otherwise required by law or specifically provided in the 2009 Plan, the rights of a participant with respect to awards granted prior to such amendment, suspension or termination may not be materially impaired without the consent of such participant and, *provided*, *further*, that the effectiveness of any amendment is subject to the approval of our shareholders to the extent required by Delaware law, Section 162(m) or 422 of the Code, or the rules of the applicable stock exchange, as specified in the 2009 Plan.

Clawback/Recoupment Policy. All awards granted under the 2009 Plan are subject to any incentive compensation clawback or recoupment policies of the Company in effect or as may be amended or adopted from time to time.

Miscellaneous. Awards granted under the 2009 Plan are generally nontransferable (other than by will or the laws of descent and distribution), except that the Committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

Certain U.S. Federal Income Tax Consequences. The rules concerning the federal income tax consequences with respect to options granted and to be granted pursuant to the 2009 Plan are quite technical. Moreover, the applicable statutory provisions are subject to change, as are their interpretations and applications which may vary in individual circumstances. Therefore, the following is designed to provide a general understanding of the federal income tax consequences. In addition, the following discussion does not set forth

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any gift, estate, social security or state or local tax consequences that may be applicable, and such discussion is limited to the U.S. federal income tax consequences to individuals who are citizens or residents of the U.S., other than those individuals who are taxed on a residence basis in a foreign country.

Incentive Stock Options. In general, an employee will not realize taxable income upon either the grant or the exercise of an incentive stock option and the Company will not realize an income tax deduction at either such time. In general, however, for purposes of the alternative minimum tax, the excess of the fair market value of the shares of common stock acquired upon exercise of an incentive stock option (determined at the time of exercise) over the exercise price of the incentive stock option will be considered income. If the recipient was continuously employed on the date of grant until the date three months prior to the date of exercise and such recipient does not sell the common stock received pursuant to the exercise of the incentive stock option within either (i) two years after the date of the grant of the incentive stock option or (ii) one year after the date of exercise, a subsequent sale of the common stock will result in long-term capital gain or loss to the recipient and will not result in a tax deduction to the Company.

If the recipient is not continuously employed on the date of grant until the date three months prior to the date of exercise or such recipient disposes of the common stock acquired upon exercise of the incentive stock option within either of the above-mentioned time periods, the recipient will generally realize as ordinary income an amount equal to the lesser of (i) the fair market value of the common stock on the date of exercise over the exercise price and (ii) the amount realized upon disposition over the exercise price. In such event, subject to the limitations under Sections 162(m) and 280G of the Code (as described below), we will generally be entitled to an income tax deduction equal to the amount recognized as ordinary income. Any gain in excess of such amount realized by the recipient as ordinary income would be taxed at the rates applicable to short-term or long-term capital gains (depending on the holding period).

Nonqualified Stock Options. A recipient will not realize any taxable income upon the grant of a nonqualified stock option, and the Company will not receive a deduction at the time of such grant unless such option has a readily ascertainable fair market value (as determined under applicable tax law) at the time of grant. Upon exercise of a nonqualified stock option, the recipient will generally realize ordinary income in an amount equal to the excess of the fair market value of the common stock on the date of exercise over the exercise price. Upon a subsequent sale of the common stock by the recipient, the recipient will recognize short-term or long-term capital gain or loss depending upon the individual s holding period for the common stock. Subject to the limitations under Sections 162(m) and 280G of the Code (as described below), the Company will generally be allowed a deduction equal to the amount recognized by the recipient as ordinary income.

All Options. With regard to both incentive stock options and nonqualified stock options, the following also apply: (i) any of our officers and directors subject to Section 16(b) of the Exchange Act may be subject to special tax rules regarding the income tax consequences concerning their stock options, (ii) any entitlement to a tax deduction on the part of the Company is subject to the applicable tax rules (including, without limitation, Section 162(m) of the Code regarding the $1 million limitation on deductible compensation), and (iii) in the event that the exercisability or vesting of any award is accelerated because of a change in control, payments relating to the awards (or a portion thereof), either alone or together with certain other payments, may constitute parachute payments under Section 280G of the Code, which excess amounts may be subject to excise taxes and may be nondeductible by the Company.

In general, Section 162(m) of the Code denies a publicly held corporation a deduction for federal income tax purposes for compensation in excess of $1 million per year per person to its chief executive officer and the three highest compensated executive officers whose compensation is disclosed in its proxy statement other than the chief financial officer (or, if fewer, the number of executive officers whose compensation is disclosed in its proxy statement other than the chief executive officer and chief financial officer), subject to certain exceptions. Options will generally qualify under one of these exceptions if they are granted under a plan that has been

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approved by shareholders, is administered by a committee of outside directors, and states the maximum number of shares with respect to which options may be granted to any recipient during a specified period. The 2009 Plan is intended to satisfy these requirements with respect to options.

The 2009 Plan is not subject to any of the requirements of the Employee Retirement Income Security Act of 1974, as amended. The 2009 Plan is not, nor is it intended to be, qualified under Section 401(a) of the Code.

Future Plan Awards. No awards have been granted to any employee, officer, non-employee director or consultant pursuant to the 2009 Plan that are contingent upon the approval by our shareholders of the amendments to the 2009 Plan. We anticipate that other equity-based awards may be granted in the discretion of the Committee under the 2009 Plan out of the additional shares of our common stock to be reserved for issuance in connection with the approval of the amendments to the 2009 Plan; however, the number of shares of our common stock that may be so granted will be based upon various prospective factors, including the nature of services to be rendered by our employees, officers, non-employee directors and consultants, and their potential contributions to our success. Accordingly, the number, type, and grantee(s) of actual future awards cannot be determined at this time.

Equity Compensation Plan Information

The following table presents information concerning our equity compensation plans as of March 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)(2)	Weighted-Average Remaining Contractual Life of Outstanding Options, Warrants and Rights (years)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by shareholders	5,316,208(3)			1,721,568(4)
Equity compensation plans not approved by shareholders				
Total	5,316,208			1,721,568

(1) As of March 31, 2016, the Company also had 901,740 shares of outstanding restricted stock, which are not reflected in the table because they are treated as issued and outstanding and will not have additional dilutive impact on the Company when the awards vest.

(2) No weighted-average exercise price is reported for the awards reported because shares of common stock are issued under all of the outstanding awards without any cash payment.

(3) Consists of 5,203,659 RSUs granted under the 2009 Plan that may be settled in cash or, in the discretion of the Company, in shares of common stock issued under the 2009 Plan and 112,549 RSUs granted under the 2009 Plan that may only be settled in common stock issued under the 2009 Plan.

(4) The amount shown does not include shares of our common stock to be available for issuance under the amendments to the 2009 Plan proposed for approval by our shareholders at the Annual Meeting under Proposal 3 of this Proxy Statement. If approved, the aggregate number of shares of our common stock available for issuance under the 2009 Plan will be increased by 1,400,000.

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The following table presents information concerning our equity compensation plans as of June 30, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)(2)	Weighted-Average Remaining Contractual Life of Outstanding Options, Warrants and Rights (years)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by shareholders	4,516,784			695,695(3)
Equity compensation plans not approved by shareholders				
Total	4,516,784			695,695

(1) As of June 30, 2016, the Company also had 591,922 shares of outstanding restricted stock, which are not reflected in the table because they are treated as issued and outstanding and will not have additional dilutive impact on the Company when the awards vest.

(2) No weighted-average exercise price is reported for the awards reported because shares of common stock are issued under all of the outstanding awards without any cash payment.

(3) The amount shown does not include shares of our common stock to be available for issuance under the amendments to the 2009 Plan proposed for approval by our shareholders at the Annual Meeting under Proposal 3 of this Proxy Statement. If approved, the aggregate number of shares of our common stock available for issuance under the 2009 Plan will be increased by 1,400,000.

THE BOARD OF DIRECTORS BELIEVES THAT THE APPROVAL OF THE AMENDMENTS TO THE 2009 STOCK INCENTIVE PLAN ARE IN THE BEST INTERESTS OF THE COMPANY, AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPROVAL OF THE AMENDMENTS TO THE 2009 STOCK INCENTIVE PLAN.

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RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(Proposal 4)

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP (*Ernst & Young*) as the Company s independent registered public accounting firm to audit its consolidated financial statements for its fiscal year ending March 31, 2017. Although action by the shareholders on this matter is not required, the Audit Committee believes it is appropriate to seek shareholder ratification of the appointment of the independent registered public accounting firm to provide a forum for shareholders to express their views with regard to the Audit Committee s appointment. If the shareholders do not ratify the appointment of Ernst & Young, the selection of independent registered public accounting firms may be reconsidered by the Audit Committee; *provided, however,* that the Audit Committee retains the right to continue to engage Ernst & Young. In addition, notwithstanding the ratification of Ernst & Young as the Company s independent registered public accounting firm for the year ending March 31, 2017, the Audit Committee retains the right to replace Ernst & Young at any time without shareholder approval.

THE BOARD OF DIRECTORS BELIEVES THAT RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP IS IN THE BEST INTERESTS OF THE COMPANY AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR SUCH RATIFICATION.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Ernst & Young has been the Company s independent registered public accounting firm and has audited the Company s financial statements since April 2006. The Company has been advised that representatives of Ernst & Young will be present at the Annual Meeting with the opportunity to make a statement if the representatives desire to do so. It is expected that the representatives will be available to respond to appropriate questions.

Pre-Approval Policies and Procedures

Pursuant to its charter, the Audit Committee is responsible for reviewing and pre-approving all audit and non-audit services. The Audit Committee may delegate pre-approval authority to the chair or another member of the Audit Committee, in which case such approval must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee pre-approved all audit, audit-related and tax services provided by Ernst & Young for the recently completed fiscal year.

Independent Auditor Fee Information

The aggregate fees billed by Ernst & Young for fiscal 2016 and fiscal 2015 are set forth below. The Audit Committee believes that the services performed by Ernst & Young were compatible with maintaining Ernst & Young s independence.

	3/31/2016	3/31/2015
Audit(1)	$ 2,911,900	$ 3,579,642
Audit-Related	75,535	2,500
Tax(2)	919,000	728,875
Total	$ 3,906,435	$ 4,311,017

(1) Audit Fees were for audit services, including (a) the annual audit (including required quarterly reviews), subsidiary audits and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company s consolidated financial statements, (b) the audit of the effectiveness of the Company s internal control over financial reporting, (c) consultation with management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final proposed rules, standards or interpretations by the SEC , the Financial Accounting Standards Board or other regulatory or standard-issued in connection with securities offerings and assistance in responding to SEC comment letters.

(2) Tax Fees were for services related to (a) tax compliance and advice and (b) tax planning and tax advice.

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this Proxy Statement or future filings with the SEC, in whole or in part, the following report shall not be deemed to be soliciting material or filed with the SEC and shall not be deemed to be incorporated by reference into any such filing.

Review of the Company s Audited Financial Statements for the Fiscal Year Ended March 31, 2016

The Audit Committee oversees the Company s financial reporting process on behalf of the Board of Directors. The Company s management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements included in the Annual Report on Form 10-K for the year ended March 31, 2016 with Company management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited consolidated financial statements with U.S. generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company s accounting principles and such other matters as are required to be discussed with the Audit Committee by Auditing Standards No. 16, *Communication With Audit Committees* (as amended), other standards of the Public Company Accounting Oversight Board (United States), rules of the SEC, and other applicable regulations. In addition, the Audit Committee has received the written disclosures and the letter from the independent registered accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm s communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the independent registered public accounting firm s independence.

The Audit Committee also reviewed management s report on its assessment of the effectiveness of the Company s internal control over financial reporting and the independent registered public accounting firm s report on the effectiveness of the Company s internal control over financial reporting.

The Audit Committee discussed with the Company s internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company s internal control, including internal control over financial reporting, and the overall quality of the Company s financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited consolidated financial statements and management s assessment of the effectiveness of the Company s internal control over financial reporting be included in the Annual Report on Form 10-K for the year ended March 31, 2016 filed by the Company with the SEC. The Audit Committee also has appointed Ernst & Young as the Company s independent registered public accounting firm for the fiscal year ending March 31, 2017.

Submitted by the Audit Committee

of the Board of Directors:

Robert Bowman (Chair)

Michael Dornemann

Susan Tolson

Dated: July 28, 2016

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements contained in this Proxy Statement which are not historical facts 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, seeks, will, or words of similar meaning and include, but are not limited to, statements regarding the outlook for the Company s 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. All forward-looking statements are qualified by these cautionary statements and speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What matters will be considered at the Annual Meeting?

- the election as directors of the six nominees named in the attached Proxy Statement;
- the approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers as disclosed in this Proxy Statement;
- the approval of certain amendments to the 2009 Plan, including an increase in the available shares reserved thereunder;
- the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2017; and
- such other business that may properly come before the Annual Meeting or any adjournment thereof.

How does the Board of Directors recommend that shareholders vote on these matters?

The Board of Directors believes that the election of the nominated directors, the approval of the compensation of the named executive officers, the approval of certain amendments to the 2009 Plan and the ratification of the appointment of Ernst & Young are in the best interests of the Company and its shareholders and, accordingly, recommends a vote FOR the approval of each of these proposals.

Who is entitled to vote?

Shareholders of record as of the close of business on July 26, 2016 (the *Record Date*) are entitled to attend and vote at the Annual Meeting. Each shareholder is entitled to one vote for each share of common stock held on each matter submitted to a vote at the Annual Meeting.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

The rules of the SEC permit us to make our proxy materials available to beneficial owners of our stock electronically over the Internet without mailing printed copies of the proxy materials. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (*Notice of Internet Availability*) to our beneficial owners. All beneficial owners will have the ability to access the proxy materials, including this Proxy Statement and our 2016 Annual Report, on the website referred to in the Notice of Internet Availability or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or how to request a printed copy can be found in the Notice of Internet Availability. In addition, beneficial owners may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

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What does it mean if I receive more than one Notice of Internet Availability or proxy card?

It may mean that you hold shares registered in more than one account. Follow the voting instructions provided on each Notice of Internet Availability that you received to ensure that all of your shares are voted. If you received paper proxy cards, sign and return all proxy cards to ensure that all of your shares are voted. You may call American Stock Transfer & Trust Company at 1-800-937-5449 if you have any questions regarding the share information or your address appearing on the paper proxy card.

How do I vote?

You can vote by proxy over the Internet by following the instructions provided in the Notice of Internet Availability.

If you received a full set of proxy materials and your shares are registered directly with American Stock Transfer & Trust Company you may vote via the Internet at www.proxyvote.com. Although we encourage you to vote via the Internet, you may also sign and date each paper proxy card you receive and return it in the prepaid envelope; the paper proxy card may also contain instructions for voting by telephone. The enclosed proxy will be voted in accordance with the instructions thereon. Unless otherwise stated, all shares represented by such proxy will be voted as instructed. Proxies may be revoked in the manner described above.

If you hold your shares through a stock broker, nominee, fiduciary or other custodian you may also be able to vote through a program provided through Broadridge Financial Solutions (*Broadridge*) that offers Internet voting options. If your shares are held in an account at a brokerage firm or bank participating in the Broadridge program, you are offered the opportunity to elect to vote via the Internet. Votes submitted via the Internet through the Broadridge program must be received by 11:59 p.m. (Eastern Time) on September 21, 2016.

What happens if I do not give specific voting instructions?

For Shares Directly Registered in the Name of the Shareholder: If you return your signed proxy but do not indicate your voting preferences, the Company will vote on your behalf FOR the election of the nominated directors, FOR the approval of the compensation of the named executive officers, FOR the amendments to the 2009 Plan and FOR the ratification of the appointment of Ernst & Young. If any other matter properly comes before the shareholders for a vote at the Annual Meeting, the proxy holders will vote your shares in accordance with their best judgment.

For Shares Registered in the Name of a Brokerage Firm or Bank: If your shares are held in street name, your broker or nominee will ask you how you want your shares to be voted. If you provide voting instructions, your shares must be voted as you direct. If you do not furnish voting instructions, one of two things can happen, depending upon whether a proposal is routine. Under the rules that govern brokers that have record ownership of shares beneficially owned by their clients, brokers have discretion to cast votes on routine matters, such as the ratification of the appointment of independent registered public accounting firms, without voting instructions from their clients. Brokers are not permitted, however, to cast votes on non-routine matters, such as the election of directors, the non-binding advisory vote to approve the compensation of the Company s named executive officers as disclosed in this Proxy Statement and the approval of the amendments to the 2009 Plan without such voting instructions. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that proposal and has not received voting instructions from the beneficial owner.

What is an abstention?

An abstention is a properly signed proxy card that is marked abstain or properly completed instructions via the Internet to the same effect.

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How do I sign the paper proxy card?

Sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as an attorney, executor, administrator, guardian, trustee or the officer or agent of a company), you should indicate your name and title or capacity. If the stock is held in custody for a minor (for example, under the Uniform Transfers to Minors Act), the custodian should sign the proxy card, not the minor. If the stock is held in joint ownership, both owners must sign.

May I vote my shares in person at the Annual Meeting?

For Shares Directly Registered in the Name of the Shareholder: Yes, however, we encourage you to vote by proxy card or the Internet even if you plan to attend the meeting. If you wish to give a proxy to someone other than the individuals named as proxies on the enclosed proxy card, you may cross out the names appearing on the enclosed proxy card, insert the name of some other person, sign the card and give the proxy card to that person for use at the meeting.

For Shares Registered in the Name of a Brokerage Firm or Bank: Yes, but in order to do so you will first have to ask your bank, broker or other intermediary to furnish you with a legal proxy. You will need to bring the legal proxy with you to the meeting, and hand it in with a signed ballot that you can request at the meeting. You will not be able to vote your shares at the meeting without a legal proxy and a signed ballot.

Your attendance at the Annual Meeting in and of itself will not automatically revoke a proxy that was submitted via the Internet or telephone or by mail.

Who will count the votes?

A representative of Broadridge will tabulate the votes and act as independent inspector of election.

What constitutes a quorum?

The holders of a majority of the outstanding shares of common stock on the Record Date present in person or represented by proxy constitutes a quorum for the Annual Meeting. As of the close of business on July 26, 2016, 86,015,312 shares of common stock were issued and outstanding. Subject to the rules regarding the votes necessary to adopt the proposals discussed below, abstentions and broker non-votes (as described above) will be counted for purposes of determining whether a quorum is present. Once a share is represented for any purpose at the Annual Meeting, it will be deemed present for quorum purposes for the remainder of the Annual Meeting (including any meeting resulting from an adjournment or postponement of the Annual Meeting, unless a new record date is set).

What vote is needed to approve the matters to be presented at the Annual Meeting?

In an uncontested election for directors, the six persons receiving the highest number of FOR votes at the Annual Meeting will be elected. However, the Company s bylaws provide that any nominee for director who receives a greater number of votes withheld from the individual s election than votes for such election promptly shall tender the individual s resignation to the Corporate Governance Committee for consideration following certification of the shareholder vote. See above under the heading Election of Directors (Proposal 1) Policy on Majority Voting for Directors. A FOR vote by a majority of the votes cast is required to approve, on a non-binding advisory basis, the compensation of the Company s named executive officers as disclosed in this Proxy Statement; a FOR vote by a majority of the votes cast is required to approve the amendments to the 2009 Plan pursuant to applicable NASDAQ rules; and a FOR vote by the holders of a majority of the shares present in person or represented by proxy and entitled to vote is required to ratify the appointment of Ernst & Young and to approve any shareholder proposal. For purposes of determining approval of a matter presented at the Annual

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Meeting, abstentions will be deemed present and entitled to vote (but not cast), other than for purposes of the non-binding advisory vote to approve the compensation of the Company s named executive officers as disclosed in this Proxy Statement, the proposal to approve the amendments to the 2009 Plan, for which an abstention will have the effect of a vote against such proposal, while broker non-votes will not be deemed present and entitled to vote. Both abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present.

Will any other matters be acted on at the Annual Meeting?

If any other matters are properly presented at the Annual Meeting or any adjournment, the persons named in the proxy will have discretion to vote on those matters. As of the date by which shareholder proposals must have been received by the Company to be presented at the Annual Meeting, and as of the date of this Proxy Statement, the Company did not know of any other matters to be presented at the Annual Meeting.

Who pays for this proxy solicitation?

The Company will bear the entire cost of soliciting proxies, including the costs of preparing, assembling, printing and mailing this Proxy Statement, the proxy and any additional soliciting material furnished to shareholders. The Company has retained MacKenzie Partners, Inc., a proxy solicitation firm, to solicit proxies for a fee of $20,000, plus reimbursement of its out-of-pocket expenses. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to the beneficial owners of stock, and these entities may be reimbursed by the Company for their expenses. Proxies also may be solicited by directors, officers or employees of the Company in person or by telephone, e-mail or other means. No additional compensation will be paid to such individuals for these services.

How may I communicate with the Board of Directors?

Shareholders wishing to send communications to the Board of Directors individually or as a group may do so by writing to: The Board of Directors of Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012, Attention: Investor Relations. You should identify your communication as being from a shareholder of the Company. The Company may require reasonable evidence that your communication or other submission is made by a shareholder of the Company before transmitting your communication to the Board of Directors.

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AVAILABILITY OF CERTAIN DOCUMENTS

Householding of Annual Meeting materials

Some banks, brokers and other nominee record holders may participate in the practice of householding proxy statements and their accompanying documents and/or Notices of Internet Availability. This means that only one copy of our Proxy Statement and/or Notice of Internet Availability is sent to multiple shareholders in your household. We will promptly deliver a separate copy of these documents without charge to you upon written request to Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012, Attn: Investor Relations; our main telephone number is (646) 536-2842. If you want to receive separate copies of our proxy statements and/or Notice of Internet Availability in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address.

Additional information

We are required to file annual, quarterly and current reports, proxy statements and other reports with the SEC. Copies of these filings are available through our Internet website at *www.take2games.com* or the SEC s website at *www.sec.gov*. We will furnish copies of our SEC filings (without exhibits), including our Annual Report on Form 10-K for the year ended March 31, 2016, without charge to any shareholder upon written request to Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012, Attn: Investor Relations.

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NO INCORPORATION BY REFERENCE

In its filings with the SEC, the Company sometimes incorporates by reference certain information. This means that we are referring you to information that has previously been filed with the SEC and the information should be considered as part of the particular filing. As provided under SEC regulations, the Report of the Audit Committee of the Board of Directors and the Report of the Compensation Committee of the Board of Directors contained in this Proxy Statement specifically are not incorporated by reference into any other filings with the SEC and shall not be deemed to be soliciting material.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

The Company currently anticipates holding its Annual Meeting of Shareholders for its fiscal year ending March 31, 2017 in September 2017. Accordingly, shareholders who wish to present proposals, nominate directors or present other business appropriate for consideration at the Company s Annual Meeting of Shareholders to be held in 2017 must submit the proposal in proper form and in satisfaction of the conditions established by the SEC, to the Company at its address set forth on the first page of this Proxy Statement not later than April 7, 2017 in order for the proposal to be considered for inclusion in the Company s proxy statement and form of proxy relating to such annual meeting.

As provided in the Company s bylaws, for any proposal, director nomination or other business that is not submitted for inclusion in next year s proxy statement, but is instead sought to be presented directly at the 2017 Annual Meeting of Shareholders, notice of intention to present the proposal, nominate directors or present other appropriate business must be received in writing by the Company by no earlier than May 25, 2017 and no later than June 24, 2017. Address all notices of intention to present proposals at the 2017 Annual Meeting of Shareholders to Take-Two Interactive Software, Inc., 622 Broadway, New York, New York 10012, Attn: Investor Relations.

A notice for a director nomination is required to contain information about both the nominee and the shareholder making the nomination, including information specific to the recommended candidate that is relevant to a determination of whether the recommended candidate would be considered independent under the applicable rules of The NASDAQ Stock Market. A nomination that does not comply with these requirements will not be considered.

OTHER MATTERS

The Board of Directors is aware of no other matter, except for those incident to the conduct of the Annual Meeting, that are to be presented to shareholders for formal action at the Annual Meeting. If, however, any other matter properly comes before the Annual Meeting or any adjournment thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

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Annex A

TAKE-TWO INTERACTIVE SOFTWARE, INC.

2009 STOCK INCENTIVE PLAN

Amended and Restated Effective July 21, 2016

ARTICLE I

PURPOSE AND HISTORY

The purpose of the Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to offer Eligible Employees, Consultants and Non-Employee Directors stock-based incentives in the Company to attract, retain and reward such individuals and strengthen the mutuality of interests between such individuals and the Company s stockholders.

This Plan was originally adopted on April 23, 2009, amended on February 18, 2010, July 12, 2011, July 11, 2012 and July 24, 2013, and amended and restated on July 23, 2014 and amended and restated in its present form on July 21, 2016, subject to the approval by the stockholders of the Company of an increase in the number of shares reserved for issuance under the Plan and certain other amendments to Section 4.1(a) at the annual meeting of such stockholders on September 22, 2016; provided, however, that if such approval is not received, all other provisions of this amended and restated Plan shall remain in effect.

ARTICLE II

DEFINITIONS

For purposes of the Plan, the following terms shall have the following meanings:

2.1 Affiliate means each of the following: (a) any Subsidiary; (b) any Parent; (c) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company; (d) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; and (e) any other entity in which the Company or any of its Affiliates has a material equity interest and that is designated as an Affiliate by resolution of the Committee; provided, however, that if the Common Stock subject to any Award does not constitute service recipient stock for purposes of Section 409A of the Code, such Award shall be designed in a manner intended to comply with Section 409A of the Code.

2.2 Award means any grant under the Plan of any Stock Option, Stock Appreciation Right, Restricted Stock or Other Stock-Based Award. All Awards shall be evidenced by, and subject to the terms of, a written agreement executed by the Company and the Participant. Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

2.3 Board means the Board of Directors of the Company.

2.4 Cause means with respect to a Participant s Termination of Employment or Termination of Consultancy, the following: (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the

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Participant at the time of the grant of the Award (or where there is such an agreement but it does not define cause (or words of like import)), termination due to: (i) a Participant s conviction of, or plea of guilty or nolo contendere to, a felony; (ii) perpetration by a Participant of an illegal act that could cause significant economic injury to the Company; (iii) a Participant s insubordination, dishonesty, fraud, incompetence, moral turpitude, misconduct, refusal to perform his or her duties or responsibilities for any reason other than illness or incapacity or materially unsatisfactory performance of his or her duties for the Company or an Affiliate as determined by the Company in its sole discretion; (iv) continuing willful and deliberate failure by the Participant to perform the Participant s duties in any material respect, provided that the Participant is given notice and a reasonable opportunity (not to exceed 30 days) to effectuate a cure as determined by the Company; or (v) a Participant s material failure to adhere to the Company s written policies or to cooperate in any investigation or inquiry involving the Company, provided that the Participant is given notice and a reasonable opportunity (not to exceed 30 days) to effectuate a cure as determined by the Company; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines cause (or words of like import), cause as defined under such agreement; provided, however, that with regard to any agreement under which the definition of cause only applies on occurrence of a change in control, such definition of cause shall not apply until a change in control actually takes place and then only with regard to a termination thereafter. With respect to a Participant s Termination of Directorship, cause means an act or failure to act that constitutes cause for removal of a director under applicable Delaware law.

2.5 Change in Control has the meaning set forth in Section 11.2.

2.6 Change in Control Price has the meaning set forth in Section 11.1.

2.7 Code means the Internal Revenue Code of 1986, as amended. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.

2.8 Committee means: (a) with respect to the application of the Plan to Eligible Employees and Consultants, the Compensation Committee of the Board or such other committee or subcommittee of the Board appointed from time to time by the Board, which committee or subcommittee shall consist of two or more non-employee directors, each of whom it is intended to be (i) a non-employee director as defined in Rule 16b-3; (ii) to the extent required by Section 162(m) of the Code, an outside director as defined under Section 162(m) of the Code; and (iii) an independent director as defined under NASD Rule 5605(a)(2) or such other applicable stock exchange rule; and (b) with respect to the application of the Plan to Non-Employee Directors, the Board. To the extent that no Committee exists that has the authority to administer the Plan, the functions of the Committee shall be exercised by the Board. If for any reason the appointed Committee does not meet the requirements of Rule 16b-3 or Section 162(m) of the Code, such noncompliance shall not affect the validity of Awards, grants, interpretations or other actions of the Committee.

2.9 Common Stock means the common stock, $0.01 par value per share, of the Company.

2.10 Company means Take-Two Interactive Software, Inc., a Delaware corporation, and its successors by operation of law.

2.11 Consultant means any Person who provides bona fide consulting or advisory services to the Company or its Affiliates, which are not in connection with the offer and sale of securities in a capital-raising transaction, and do not, directly or indirectly, promote or maintain a market for the Company s or its Affiliates securities.

2.12 Detrimental Activity means:

(a) disclosing, divulging, furnishing or making available to anyone at any time, except as necessary in the furtherance of Participant s responsibilities to the Company or any of its Affiliates, either during or subsequent to Participant s service relationship with the Company or its Affiliates, any knowledge or information with respect to confidential or proprietary information, methods, processes, plans or

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materials of the Company or any of its Affiliates, or with respect to any other confidential or proprietary aspects of the business of the Company or any of its Affiliates, acquired by the Participant at any time prior to the Participant s Termination;

(b) any activity while employed or performing services that results, or if known could reasonably be expected to result, in the Participant s Termination for Cause;

(c) (i) directly or indirectly soliciting, enticing or inducing any employee of the Company or of any of its Affiliates to be employed by a person, firm or corporation that is, directly or indirectly, in competition with the business or activities of the Company or any of its Affiliates; (ii) directly or indirectly approaching any such employee for these purposes; (iii) authorizing or knowingly approving the taking of such actions by other persons on behalf of any such person, firm or corporation, or assisting any such person, firm or corporation in taking such action; (iv) directly or indirectly soliciting, raiding, enticing or inducing any person, firm or corporation (other than the U.S. Government or its agencies) who or which is, or at any time from and after the date of grant of the Award was, a customer of the Company or of any of its Affiliates to become a customer for the same or similar products or services that it purchased from the Company or any of its Affiliates, for any other person, firm or corporation, or approaching any such customer for such purpose or authorizing or knowingly approving the taking of such actions by any other person;

(d) Disparagement, or inducement of others to do so, of the Company or its Affiliates or their past and present officers, directors, employees or products; or

(e) a material breach of any written agreement between the Participant and the Company or any of its Affiliates (including, without limitation, any employment agreement or noncompetition or nonsolicitation or confidentiality agreement).

Unless otherwise determined by the Committee at grant and set forth in an Award agreement, Detrimental Activity shall not be deemed to occur after the end of the one-year period following the Participant s Termination. For purposes of subsections (a), (c) and (e) above, the Chief Executive Officer of the Company (or the Committee, in the case of the Chief Executive Officer of the Company) has the authority to provide the Participant with written authorization to engage in the activities contemplated thereby and no other person shall have authority to provide the Participant with such authorization. If it is determined by a court of competent jurisdiction that any provision in the Plan in respect of Detrimental Activities is excessive in duration or scope or otherwise is unenforceable, then such provision may be modified or supplemented by the court to render it enforceable to the maximum extent permitted by law.

2.13 Disability means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define disability (or words of like import)), a permanent and total disability as defined in Section 22(e)(3) of the Code; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines disability (or words of like import), disability as defined under such agreement. A Disability shall only be deemed to occur at the time of the determination by the Company of the Disability. Notwithstanding the foregoing, for Awards that are subject to Section 409A of the Code, Disability shall mean that a Participant is disabled under Section 409A(a)(2)(C)(i) or (ii) of the Code.

2.14 Disparagement means making comments or statements to the press, the Company s or its Affiliates employees, consultants or any individual or entity with whom the Company or its Affiliates has a business relationship that could reasonably be expected to adversely affect in any manner: (a) the conduct of the business of the Company or its Affiliates (including, without limitation, any products or business plans or prospects); or (b) the business reputation of the Company or its Affiliates, or any of their products, or their past or present officers, directors or employees.

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2.15 Effective Date means the effective date of the Plan as defined in Article XV.

2.16 Eligible Employee means each employee of the Company or an Affiliate.

2.17 Exchange Act means the Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder. Any references to any section of the Exchange Act shall also be a reference to any successor provision.

2.18 Exercisable Awards means Stock Options or Stock Appreciation Rights or similar Other Stock Based Award that provides for a Participant to receive the excess (if any) of the Fair Market Value of the Common Stock on the date of exercise over the Fair Market Value on the date of grant.

2.19 Fair Market Value means, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, as of any date and except as provided below, the last sales price reported for the Common Stock on the applicable date: (a) as reported on the principal national securities exchange in the United States on which it is then traded; or (b) if not traded, listed or otherwise reported or quoted, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate taking into account the requirements of Section 409A of the Code. For purposes of the grant of any Award, the applicable date shall be the trading day on which the Award is granted, or if such grant date is not a trading day, the trading day immediately prior to the date on which the Award is granted. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Company or, if not a day on which the applicable market is open, the next day that it is open.

2.20 Family Member means family member as defined in Section A.1.(5) of the general instructions of Form S-8, as may be amended from time to time.

2.21 Full Value Award means an Award other than an Exercisable Award, and which is settled by the issuance of shares of Common Stock.

2.22 Incentive Stock Option means any Stock Option awarded to an Eligible Employee of the Company, its Subsidiaries or its Parent (if any) under the Plan intended to be and designated as an Incentive Stock Option within the meaning of Section 422 of the Code.

2.23 Limited Stock Appreciation Right has the meaning set forth in Section 7.5.

2.24 Non-Employee Director means a director of the Company who is not an active employee of the Company or an Affiliate.

2.25 Non-Qualified Stock Option means any Stock Option awarded under the Plan that is not an Incentive Stock Option.

2.26 Non-Tandem Stock Appreciation Rights has the meaning set forth in Section 7.3.

2.27 Other Extraordinary Event has the meaning set forth in Section 4.2(b).

2.28 Other Stock-Based Award means an Award under Article IX of the Plan that is valued in whole or in part by reference to, or is payable in or otherwise based on, Common Stock, including, without limitation, a restricted stock unit or an Award valued by reference to an Affiliate.

2.29 Parent means any parent corporation of the Company within the meaning of Section 424(e) of the Code.

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2.30 Participant means an Eligible Employee, Non-Employee Director or Consultant to whom an Award has been granted pursuant to the Plan.

2.31 Performance Period means the duration of the period determined by the Committee in its sole discretion, and set forth in an Award agreement, during which receipt of an Award is subject to the satisfaction of performance criteria.

2.32 Person means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, incorporated organization, governmental or regulatory or other entity.

2.33 Plan means this Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan, as amended from time to time.

2.34 Reference Stock Option has the meaning set forth in Section 7.1.

2.35 Restricted Stock means a share of Common Stock issued under the Plan that is subject to restrictions under Article VIII.

2.36 Restriction Period has the meaning set forth in Section 8.3(a).

2.37 Retirement means a voluntary Termination of Employment or Termination of Consultancy at or after age 65 or such earlier date after age 50 as may be approved by the Committee, in its sole discretion, at the time of grant, or thereafter provided that the exercise of such discretion does not make the applicable Award subject to Section 409A of the Code, except that Retirement shall not include any Termination with or without Cause. With respect to a Participant s Termination of Directorship, Retirement means the failure to stand for reelection or the failure to be reelected on or after a Participant has attained age 65 or, with the consent of the Board, provided that the exercise of such discretion does not make the applicable Award subject to Section 409A of the Code, before age 65 but after age 50.

2.38 Rule 16b-3 means Rule 16b-3 under Section 16(b) of the Exchange Act as then in effect or any successor provision.

2.39 Section 162(m) of the Code means the exception for performance-based compensation under Section 162(m) of the Code and any applicable Treasury regulations thereunder.

2.40 Section 409A of the Code means the nonqualified deferred compensation rules under Section 409A of the Code and any applicable Treasury regulations thereunder.

2.41 Section 4.2 Event has the meaning set forth in Section 4.2(b).

2.42 Securities Act means the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder. Any reference to any section of the Securities Act shall also be a reference to any successor provision.

2.43 Stock Appreciation Right means the right pursuant to an Award granted under Article VII. A Tandem Stock Appreciation Right shall mean the right to surrender to the Company all (or a portion) of a Stock Option in exchange for a number of shares of Common Stock and/or cash (as determined by the Committee, in its sole discretion, on the date of grant) with a value equal to the difference between (a) the Fair Market Value on the date such Stock Option (or such portion thereof) is surrendered, of the Common Stock covered by such Stock Option (or such portion thereof), and (b) the aggregate exercise price of such Stock Option (or such portion thereof). A Non-Tandem Stock Appreciation Right shall mean the right to receive a number of shares of

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Common Stock and/or cash (as determined by the Committee, in its sole discretion, on the date of grant) with a value equal to the difference between (i) the Fair Market Value of a share of Common Stock on the date such right is exercised, and (ii) the aggregate exercise price of such right, otherwise than on surrender of a Stock Option.

2.44 Stock Option or Option means any option to purchase shares of Common Stock granted to Eligible Employees, Non-Employee Directors or Consultants pursuant to Article VI.

2.45 Subsidiary means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.

2.46 Substitute Award has the meaning set forth in Section 4.1(a).

2.47 Tandem Stock Appreciation Rights has the meaning set forth in Section 7.1.

2.48 Ten Percent Stockholder means a person owning stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, its Subsidiaries or its Parent.

2.49 Termination means a Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable.

2.50 Termination of Consultancy means: (a) that the Consultant is no longer acting as a consultant to the Company or an Affiliate; or (b) when an entity that is retaining a Participant as a Consultant ceases to be an Affiliate unless the Participant otherwise is, or thereupon becomes, a Consultant to the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that a Consultant becomes an Eligible Employee or a Non-Employee Director upon the termination of his or her consultancy, unless otherwise determined by the Committee, in its sole discretion, no Termination of Consultancy shall be deemed to occur until such time as such Consultant is no longer a Consultant, an Eligible Employee or a Non-Employee Director. Notwithstanding the foregoing, the Committee may, in its sole discretion, otherwise define Termination of Consultancy in the Award agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Consultancy thereafter.

2.51 Termination of Directorship means that the Non-Employee Director has ceased to be a director of the Company; except that if a Non-Employee Director becomes an Eligible Employee or a Consultant upon the termination of his or her directorship, his or her ceasing to be a director of the Company shall not be treated as a Termination of Directorship unless and until the Participant has a Termination of Employment or Termination of Consultancy, as the case may be. Notwithstanding the foregoing, the Committee may, in its sole discretion, otherwise define Termination of Directorship in the Award agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Directorship thereafter.

2.52 Termination of Employment means: (a) a termination of employment (for reasons other than a military or personal leave of absence granted by the Company) of a Participant from the Company and its Affiliates; or (b) when an entity that is employing a Participant ceases to be an Affiliate, unless the Participant otherwise is, or thereupon becomes, employed by the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that an Eligible Employee becomes a Consultant or a Non-Employee Director upon the termination of his or her employment, unless otherwise determined by the Committee, in its sole discretion, no Termination of Employment shall be deemed to occur until such time as such Eligible Employee is no longer an Eligible Employee, a Consultant or a Non-Employee Director. Notwithstanding the foregoing, the Committee may, in its sole discretion, otherwise define Termination of Employment in the Award agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Employment thereafter.

2.53 Transfer means: (a) when used as a noun, any direct or indirect transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition (including the issuance of equity in a Person), whether for value or no value and whether voluntary or involuntary (including by operation of law), and (b) when used as a verb, to

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directly or indirectly transfer, sell, assign, pledge, encumber, charge, hypothecate or otherwise dispose of (including the issuance of equity in a Person) whether for value or for no value and whether voluntarily or involuntarily (including by operation of law). Transferred and Transferable shall have a correlative meaning.

ARTICLE III

ADMINISTRATION

3.1 The Committee. The Plan shall be administered and interpreted by the Committee.

3.2 Grants of Awards. The Committee shall have full authority to grant, pursuant to the terms of the Plan, to Eligible Employees, Consultants and Non-Employee Directors: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, and (iv) Other Stock-Based Awards. In particular, the Committee shall have the authority:

(a) to select the Eligible Employees, Consultants and Non-Employee Directors to whom Awards may be granted hereunder;

(b) to determine whether and to what extent Awards are to be granted hereunder to one or more Eligible Employees, Consultants or Non-Employee Directors;

(c) to determine when an Award may be granted hereunder; provided that the grant date for Awards granted hereunder shall be during the 45 day period following the Company s filing of its quarterly report on Form 10-Q or the 30 day period following the Company s filing of its annual report on Form 10-K pursuant to the Exchange Act (or, in the case of a Change in Control occurring outside of any such periods, immediately prior to such Change in Control);

(d) suspend the right to exercise Awards during any period that the Committee deems appropriate to comply with applicable securities laws, and thereafter extend the exercise period of an Award by an equivalent period of time or such shorter period required by, or necessary to comply with, applicable law;

(e) to determine, in accordance with the terms of the Plan, the number of shares of Common Stock to be covered by each Award granted hereunder;

(f) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder (including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the shares of Common Stock relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion);

(g) to determine whether, to what extent and under what circumstances grants of Options and other Awards under the Plan are to operate on a tandem basis and/or in conjunction with or apart from other awards made by the Company outside of the Plan;

(h) to determine whether and under what circumstances an Award may be settled in cash, Common Stock and/or Restricted Stock under Section 6.3(e);

(i)

to determine whether, to what extent and under what circumstances Common Stock and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the Participant in any case, in a manner intended to comply with Section 409A of the Code;

(j) to determine whether a Stock Option is an Incentive Stock Option or Non-Qualified Stock Option;

(k) to determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of shares acquired pursuant to an Award for a period of time as determined by the Committee, in its sole discretion, following the date of such Award; and

(l) generally, to exercise such powers and to perform such acts as the Committee deems necessary or expedient to promote the best interests of the Company that are not in conflict with the provisions of the Plan.

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3.3 Guidelines. Subject to Article XII, the Committee shall, in its sole discretion, have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan and perform all acts, including the delegation of its responsibilities (to the extent permitted by applicable law and applicable stock exchange rules), as it shall, from time to time, deem advisable; to construe and interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan. The Committee may, in its sole discretion, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem necessary to effectuate the purpose and intent of the Plan. The Committee may, in its sole discretion, adopt special guidelines and provisions for persons who are residing in or employed in, or subject to, the taxes of, any domestic or foreign jurisdictions to comply with applicable tax and securities laws of such domestic or foreign jurisdictions. The Plan is intended to comply with the applicable requirements of Rule 16b-3 and with respect to Awards intended to be performance-based, the applicable provisions of Section 162(m) of the Code, and the Plan shall be limited, construed and interpreted in a manner so as to comply therewith.

3.4 Decisions Final. Any decision, interpretation or other action made or taken in good faith by or at the direction of the Board or the Committee (or any of its members) arising out of or in connection with the Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Company and all employees and Participants and their respective heirs, executors, administrators, successors and assigns.

3.5 Procedures. If the Committee is appointed, the Board shall designate one of the members of the Committee as chairman and the Committee shall hold meetings, subject to the By-Laws of the Company, at such times and places as it shall deem advisable, including, without limitation, by telephone conference or by written consent to the extent permitted by applicable law. A majority of the Committee members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all the Committee members in accordance with the By-Laws of the Company shall be as fully effective as if it had been made by a vote at a meeting duly called and held. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.6 Designation of Consultants/ Delegation of Authority/ Liability.

(a) The Committee may, in its sole discretion, designate employees of the Company and its Affiliates and professional advisors to assist the Committee in the administration of the Plan and (to the extent permitted by applicable law and applicable exchange rules) may grant authority to officers or employees of the Company and its Affiliates to execute agreements or other documents on behalf of the Committee relating to the grant of Awards. In addition, the Board or the Committee may (to the extent permitted by applicable law and applicable exchange rules) delegate to the Company s Chief Executive Officer the authority to grant Awards to Eligible Employees or Consultants who are (i) not then covered employees (as defined in Section 162(m) of the Code) and are not expected to be covered employees at the time of recognition of income resulting from such Award, (ii) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, or (iii) not then subject to Section 16 of the Exchange Act; provided that, in no event will the number of shares of Common Stock that may be granted by the Chief Executive Officer pursuant to the foregoing exceed (A) 10,000 shares to any such individual during any fiscal quarter or, (B) 100,000 shares in the aggregate during any fiscal quarter. Prior notice to the General Counsel or Secretary of the Company shall be given with respect to any Award granted pursuant to the authority delegated pursuant to this Section 3.6(a) and any such Award shall be reported to the Committee in accordance with guidelines established by the Committee.

(b) The Committee may, in its sole discretion, employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any

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such counsel or consultant and any computation received from any such consultant or agent. Expenses incurred by the Committee or the Board in the engagement of any such counsel, consultant or agent shall be paid by the Company. The Committee, its members and any person designated pursuant to subsection (a) above shall not be liable for any action or determination made in good faith with respect to the Plan. To the maximum extent permitted by applicable law, no officer of the Company or member or former member of the Committee or of the Board or any person to whom authority has been delegated pursuant to Section 3.6(a) above shall be liable for any action or determination made in good faith with respect to the Plan or any Award granted under it.

3.7 Indemnification. To the maximum extent permitted by applicable law and the Certificate of Incorporation and By-Laws of the Company and to the extent not covered by insurance directly insuring such person, each officer or employee of the Company or any Affiliate and member or former member of the Committee or the Board shall be indemnified and held harmless by the Company against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Committee) or liability (including any sum paid in settlement of a claim with the approval of the Committee), and advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with the administration of the Plan, except to the extent arising out of such officer s, employee s, member s or former member s fraud or bad faith. Such indemnification shall be in addition to any rights of indemnification the officers, employees, directors or members or former officers, directors or members may have under applicable law, under the Certificate of Incorporation or By-Laws of the Company or any Affiliate, by contract or otherwise. Notwithstanding anything else herein, this indemnification will not apply to the actions or determinations made by an individual with regard to Awards granted to him or her under the Plan.

ARTICLE IV

SHARE LIMITATION

4.1 Shares.

(a) General Limitations. The aggregate number of shares of Common Stock that may be issued or with respect to which Awards may be granted under the Plan shall not exceed 28,608,954, which may be either authorized and unissued Common Stock or Common Stock held in or acquired for the treasury of the Company or both. Other than with respect to a Substitute Award, if any Award granted under the Plan expires, terminates, is canceled, is forfeited or is settled in cash for any reason, the number of shares of Common Stock underlying any such Award shall again be available for the purpose of Awards under the Plan, as provided in this Section 4.1(a). If a Tandem Stock Appreciation Right or a Limited Stock Appreciation Right is granted in tandem with an Option, such grant shall only apply once against the maximum number of shares of Common Stock that may be issued under the Plan. Notwithstanding anything herein to the contrary, other than with respect to Incentive Stock Options, any share of Common Stock subject to an Award that again becomes available for grant pursuant to this Section 4.1(a) shall be added back to the maximum aggregate limit. The number of shares of Common Stock available for the purpose of Awards under the Plan shall be reduced by (i) the total number of Exercisable Awards that are exercised for shares of Common Stock, regardless of whether any of the shares of Common Stock underlying such Awards are not actually issued to the Participant as the result of a net settlement, (ii) any shares of Common Stock used to pay any exercise price or tax withholding obligation with respect to any Award that is not a Full Value Award and (iii) any shares of Common Stock repurchased on the open market with the proceeds of an Stock Option exercise price. Any shares of Common Stock used to pay any tax withholding obligation with respect to any Award that is a Full Value Award shall not be deemed to constitute shares delivered to the Participant and shall be deemed to again be available for the purpose of Awards under the Plan, as provided in this Section 4.1(a). Notwithstanding the foregoing, except as may be required by reason of Section 422 of the Code, the number of shares of Common Stock available for issuance hereunder shall

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not be reduced by shares issued pursuant to Awards issued or assumed in connection with a merger or acquisition as contemplated by, as applicable, NYSE Listed Company Manual Section 303A.08, NASDAQ Listing Rule 5635(c) and IM-5635-1, AMEX Company Guide Section 711, or other applicable stock exchange rules, and their respective successor rules and listing exchange promulgations (each such Award, a Substitute Award).

(b) Individual Participant Limitations.

(i) The maximum number of shares of Common Stock subject to any Award of Stock Options, Stock Appreciation Rights or Other Stock-Based Awards or shares of Restricted Stock for which the grant of such Award or the lapse of the relevant Restriction Period is subject to the attainment of Performance Goals in accordance with Section 8.3(a)(ii), which may be granted under the Plan during any fiscal year of the Company to each Eligible Employee or Consultant shall be 1,000,000 shares per type of Award (which shall be subject to any further increase or decrease pursuant to Section 4.2), provided that the maximum number of shares of Common Stock for all such foregoing types of Awards does not exceed 4,000,000 (which shall be subject to any further increase or decrease pursuant to Section 4.2) with respect to any fiscal year of the Company. If a Tandem Stock Appreciation Right is granted or a Limited Stock Appreciation Right is granted in tandem with a Stock Option, it shall apply against the Eligible Employee s or Consultant s individual share limitations for both Stock Appreciation Rights and Stock Options.

(ii) There are no annual individual Eligible Employee or Consultant share limitations on Restricted Stock for which the grant of such Award or the lapse of the relevant Restriction Period is not subject to attainment of Performance Goals in accordance with Section 8.3(a)(ii).

(c) Limitation on Awards to Non-Employee Directors. Notwithstanding anything herein to the contrary, the maximum value of any Awards granted to a Non-Employee Director in any one calendar year, taken together with any cash fees paid to such non-employee director during such calendar year, shall not exceed $750,000 (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes and excluding, for this purpose, the value of any dividend equivalent payments paid pursuant to any Award granted in a previous year); provided that the Committee may make exceptions to this limit for a non-executive chair of the Board or, in extraordinary circumstances, for other individual Non-Employee Directors, as the Committee may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation.

(d) Shares Available Under Acquired Plans. To the extent permitted by NYSE Listed Company Manual Section 303A.08, NASDAQ Listing Rule 5635(c) or other applicable stock exchange rules, subject to applicable law, in the event that a company acquired by the Company or with which the Company combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio of formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the number of shares of Common Stock reserved and available for delivery in connection with Awards under the Plan; provided that Awards using such available shares shall not be made after the date awards could have been made under the terms of such pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by the Company or any subsidiary of the Company immediately prior to such acquisition or combination.

4.2 Changes.

(a) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize (i) any adjustment,

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recapitalization, reorganization or other change in the Company s capital structure or its business, (ii) any merger or consolidation of the Company or any Affiliate, (iii) any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, (iv) the dissolution or liquidation of the Company or any Affiliate, (v) any sale or transfer of all or part of the assets or business of the Company or any Affiliate, (vi) any Section 4.2 Event, (vii) any Other Extraordinary Event, or (viii) any other corporate act or proceeding.

(b) If there shall occur any such change in the capital structure of the Company by reason of any stock split, reverse stock split, stock dividend, extraordinary cash dividend, subdivision, combination or reclassification of shares that may be issued under the Plan, any recapitalization, any merger, any consolidation, any spin off, any reorganization or any partial or complete liquidation, or any other corporate transaction or event having an effect similar to any of the foregoing (a Section 4.2 Event), then (i) the aggregate number and/or kind of shares that thereafter may be issued under the Plan, (ii) the number and/or kind of shares or other property (including cash) to be issued upon exercise of an outstanding Award or under other Awards granted under the Plan, (iii) the purchase price thereof, and/or (iv) the individual Participant limitations set forth in Section 4.1(b) (other than those based on cash limitations) shall be appropriately adjusted. In addition, if there shall occur any change in the capital structure or the business of the Company that is not a Section 4.2 Event (an Other Extraordinary Event), including, without limitation, by reason of any conversion, any adjustment, any issuance of any class of securities convertible or exercisable into, or exercisable for, any class of stock, or any sale or transfer of all or substantially all the Company s assets or business, then the Committee, in its sole discretion, may adjust any Award and make such other adjustments to the Plan. Any adjustment pursuant to this Section 4.2 shall be consistent with the applicable Section 4.2 Event or the applicable Other Extraordinary Event, as the case may be, and in such manner as the Committee may, in its sole discretion, deem appropriate and equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, Participants under the Plan. Any such adjustment determined by the Committee in accordance with the foregoing shall be final, binding and conclusive on the Company and all Participants and their respective heirs, executors, administrators, successors and permitted assigns. In connection with any Section 4.2 Event, the Committee may provide, in its sole discretion, for the cancellation of any outstanding Awards and payment in cash or other property in exchange therefore (provided that if the exercise price of any Exercisable Award equals or exceeds the Fair Market Value at the time of the Section 4.2 Event, no payment shall be required to cancel such Exercisable Award). Except as expressly provided in this Section 4.2 or in the applicable Award agreement, a Participant shall have no rights by reason of any Section 4.2 Event or any Other Extraordinary Event.

(c) Fractional shares of Common Stock resulting from any adjustment in Awards pursuant to Section 4.2(a) or Section 4.2(b) shall be aggregated until, and eliminated at, the time of exercise by rounding-down for fractions less than one-half and rounding-up for fractions equal to or greater than one-half. No cash settlements shall be made with respect to fractional shares eliminated by rounding. Notice of any adjustment shall be given by the Committee to each Participant whose Award has been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

4.3 Minimum Purchase Price. Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued shares of Common Stock are issued under the Plan, such shares shall not be issued for a consideration that is less than as permitted under applicable law.

4.4 Minimum Vesting Period. Other than with respect to a Substitute Award, no Award of Stock Options or Stock Appreciation Rights may vest over a period that is less than one (1) year from the date of grant; provided, however, that the foregoing minimum vesting period shall not apply in the event of a Participant s Termination without Cause or a Participant s Termination due to death, Disability or the Participant s Retirement.

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ARTICLE V

ELIGIBILITY AND GENERAL REQUIREMENTS FOR AWARDS

5.1 General Eligibility. All Eligible Employees, Consultants, Non-Employee Directors and prospective employees and consultants are eligible to be granted Awards, subject to the terms and conditions of the Plan. Eligibility for the grant of Awards and actual participation in the Plan shall be determined by the Committee in its sole discretion.

5.2 Incentive Stock Options. Notwithstanding anything herein to the contrary, only Eligible Employees of the Company, its Subsidiaries and its Parent (if any) are eligible to be granted Incentive Stock Options under the Plan. Eligibility for the grant of an Incentive Stock Option and actual participation in the Plan shall be determined by the Committee in its sole discretion.

5.3 General Requirement. The vesting and exercise of Awards granted to a prospective employee or consultant is conditioned upon such individual actually becoming an Eligible Employee or Consultant.

ARTICLE VI

STOCK OPTIONS

6.1 Options. Each Stock Option granted under the Plan shall be one of two types: (a) an Incentive Stock Option; or (b) a Non-Qualified Stock Option.

6.2 Grants. The Committee shall, in its sole discretion, have the authority to grant to any Eligible Employee (subject to Section 5.2) Incentive Stock Options, Non-Qualified Stock Options, or both types of Stock Options. The Committee shall, in its sole discretion, have the authority to grant any Consultant or Non-Employee Director Non-Qualified Stock Options. To the extent that any Stock Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Stock Option or the portion thereof that does not qualify shall constitute a separate Non-Qualified Stock Option.

6.3 Terms of Options. Options granted under the Plan shall be subject to the following terms and conditions and shall be in such form and contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee, in its sole discretion, shall deem desirable:

(a) Exercise Price. Other than with respect to a Substitute Award, the exercise price per share of Common Stock subject to a Stock Option shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Stock Option shall not be less than 100% (or, in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, 110%) of the Fair Market Value of the Common Stock at the time of grant.

(b) Stock Option Term. The term of each Stock Option shall be fixed by the Committee, provided that no Stock Option shall be exercisable more than 10 years after the date the Option is granted; and provided further that the term of an Incentive Stock Option granted to a Ten Percent Stockholder shall not exceed five years.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at grant and set forth in an Award agreement. If the Committee provides, in its discretion, that any Stock Option is exercisable subject to certain limitations (including, without limitation, that such Stock Option is exercisable only in installments or within certain time periods or upon attainment of certain financial results), the Committee may waive such limitations on the exercisability at any time at or after grant in whole or in part (including, without limitation, waiver of the installment exercise provisions or acceleration of the time at which such Stock Option may be exercised), based on such factors, if any, as the Committee shall determine, in its sole discretion. Unless otherwise determined by the Committee at grant, the Award agreement shall provide that (i) in the event the Participant engages in Detrimental Activity prior to any exercise of the Stock

Option, the Company shall be entitled to cause all Stock Options held by the Participant to immediately terminate and expire, (ii) as a condition of the exercise of a Stock Option, the Participant shall be required to certify (or shall be deemed to have certified) at the time of exercise in a manner acceptable to the Company that the Participant is in compliance with the terms and conditions of the Plan and that the Participant has not engaged in, and does not intend to engage in, any Detrimental Activity, and (iii) in the event the Participant engages in Detrimental Activity during the one year period commencing on the later of the date the Stock Option is exercised or becomes vested, the Company shall be entitled to recover from the Participant at any time within one year after such date, and upon the Company s request the Participant shall pay over to the Company, an amount equal to any gain realized as a result of the exercise (whether at the time of exercise or thereafter). In the event that a written employment agreement or other similar written agreement between the Company and a Participant provides for a vesting schedule that is more favorable than the vesting schedule provided in the form of Award agreement, the vesting schedule in such employment agreement shall govern, provided that such agreement is in effect on the date of grant and applicable to the specific Award.

(d) Method of Exercise. Subject to whatever installment exercise and waiting period provisions apply under subsection (c) above, to the extent vested, Stock Options may be exercised in whole or in part at any time during the Option term, by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased. Such notice shall be in a form acceptable to the Company and shall be accompanied by payment in full of the purchase price as follows: (i) in cash or by check, bank draft or money order payable to the order of the Company; (ii) solely to the extent permitted by applicable law, if the Common Stock is traded on a national securities exchange, and the Committee authorizes, through a procedure whereby the Participant delivers irrevocable instructions to a broker reasonably acceptable to the Committee to deliver promptly to the Company an amount equal to the purchase price; or (iii) on such other terms and conditions as may be acceptable to the Committee (including, without limitation, the relinquishment of Stock Options or by payment in full or in part in the form of Common Stock which, solely to the extent necessary to avoid adverse accounting consequences for the Company, have been owned by the Participant for a period of at least six months (and for which the Participant has good title free and clear of any liens and encumbrances) based on the Fair Market Value of the Common Stock on the payment date as determined by the Committee, in its sole discretion). No shares of Common Stock shall be issued until payment therefor, as provided herein, has been made or provided for.

(e) Non-Transferability of Options. No Stock Option shall be Transferable by the Participant otherwise than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Participant s lifetime, only by the Participant. Notwithstanding the foregoing, the Committee may determine, in its sole discretion, at the time of grant or thereafter that a Non-Qualified Stock Option that is otherwise not Transferable pursuant to this Section is Transferable without payment or consideration to a Family Member in whole or in part and in such circumstances, and under such conditions, as determined by the Committee, in its sole discretion. A Non-Qualified Stock Option that is Transferred to a Family Member pursuant to the preceding sentence (i) may not be subsequently Transferred otherwise than by will or by the laws of descent and distribution and (ii) remains subject to the terms of the Plan and the applicable Award agreement. Any shares of Common Stock acquired upon the exercise of a Non-Qualified Stock Option by a permissible transferee of a Non-Qualified Stock Option or a permissible transferee pursuant to a Transfer after the exercise of the Non-Qualified Stock Option shall be subject to the terms of the Plan and the applicable Award agreement.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an Eligible Employee during any calendar year under the Plan and/or any other stock option plan of the Company, any Subsidiary or any Parent exceeds $100,000, such Options shall be treated as Non-Qualified Stock Options. Should any provision of the Plan not be necessary in order for the Stock Options to qualify as Incentive Stock Options, or should any additional provisions be required, the Committee may, in its sole discretion, amend the Plan accordingly, without the necessity of obtaining the approval of the stockholders of the Company.

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(g) Form, Modification, Extension and Renewal of Stock Options. Subject to the terms and conditions and within the limitations of the Plan, Stock Options shall be evidenced by such form of agreement or grant as is approved by the Committee, and the Committee may, in its sole discretion, subject to Section 12(g), (i) modify, extend or renew outstanding Stock Options granted under the Plan (provided that the rights of a Participant are not reduced without his or her consent and provided further that such action does not subject the Stock Options to Section 409A of the Code), and (ii) accept the surrender of outstanding Stock Options (up to the extent not theretofore exercised) and authorize the granting of new Stock Options in substitution therefor (to the extent not theretofore exercised).

(h) Early Exercise. The Committee may provide that a Stock Option include a provision whereby the Participant may elect at any time before the Participant s Termination to exercise the Stock Option as to any part or all of the shares of Common Stock subject to the Stock Option prior to the full vesting of the Stock Option and such shares shall be subject to certain restrictions as determined by the Committee and be treated as Restricted Stock. Any unvested shares of Common Stock so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Committee, in its sole discretion, determines to be appropriate.

(i) Other Terms and Conditions. Stock Options may contain such other provisions, which shall not be inconsistent with any of the terms of the Plan, as the Committee shall, in its sole discretion, deem appropriate.

ARTICLE VII

STOCK APPRECIATION RIGHTS

7.1 Tandem Stock Appreciation Rights. Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option (a Reference Stock Option) granted under the Plan (Tandem Stock Appreciation Rights). In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Reference Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of the grant of such Reference Stock Option.

7.2 Terms and Conditions of Tandem Stock Appreciation Rights. Tandem Stock Appreciation Rights granted hereunder shall be subject to such terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee in its sole discretion, and the following:

(a) Exercise Price. The exercise price per share of Common Stock subject to a Tandem Stock Appreciation Right shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Tandem Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the Common Stock at the time of grant.

(b) Term. A Tandem Stock Appreciation Right or applicable portion thereof granted with respect to a Reference Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the Reference Stock Option, except that, unless otherwise determined by the Committee, in its sole discretion, at the time of grant, a Tandem Stock Appreciation Right granted with respect to less than the full number of shares covered by the Reference Stock Option shall not be reduced until and then only to the extent the exercise or termination of the Reference Stock Option causes the number of shares covered by the Tandem Stock Appreciation Right to exceed the number of shares remaining available and unexercised under the Reference Stock Option.

(c) Exercisability. Tandem Stock Appreciation Rights shall be exercisable only at such time or times and to the extent that the Reference Stock Options to which they relate shall be exercisable in accordance with the provisions of Article VI, and shall be subject to the provisions of Section 6.3(c).

(d) Method of Exercise. A Tandem Stock Appreciation Right may be exercised by the Participant by surrendering the applicable portion of the Reference Stock Option. Upon such exercise and surrender,

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the Participant shall be entitled to receive an amount determined in the manner prescribed in this Section 7.2. Stock Options that have been so surrendered, in whole or in part, shall no longer be exercisable to the extent the related Tandem Stock Appreciation Rights have been exercised.

(e) Payment. Upon the exercise of a Tandem Stock Appreciation Right, a Participant shall be entitled to receive up to, but no more than, an amount in cash and/or shares of Common Stock (as determined by the Committee, in its sole discretion, on the date of grant) equal in value to the excess of the Fair Market Value of one share of Common Stock over the Option exercise price per share specified in the Reference Stock Option agreement, multiplied by the number of shares in respect of which the Tandem Stock Appreciation Right shall have been exercised.

(f) Deemed Exercise of Reference Stock Option. Upon the exercise of a Tandem Stock Appreciation Right, the Reference Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been exercised for the purpose of the limitation set forth in Article IV of the Plan on the number of shares of Common Stock to be issued under the Plan.

(g) Non-Transferability. Tandem Stock Appreciation Rights shall be Transferable only when and to the extent that the underlying Stock Option would be Transferable under Section 6.3(f) of the Plan.

7.3 Non-Tandem Stock Appreciation Rights. Stock Appreciation Rights may also be granted without reference to any Stock Options granted under the Plan (Non-Tandem Stock Appreciation Rights).

7.4 Terms and Conditions of Non-Tandem Stock Appreciation Rights. Non-Tandem Stock Appreciation Rights granted hereunder shall be subject to such terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee in its sole discretion, and the following:

(a) Exercise Price. Other than with respect to a Substitute Award, the exercise price per share of Common Stock subject to a Non-Tandem Stock Appreciation Right shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Non-Tandem Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the Common Stock at the time of grant.

(b) Term. The term of each Non-Tandem Stock Appreciation Right shall be fixed by the Committee, but shall not be greater than 10 years after the date the right is granted.

(c) Exercisability. Non-Tandem Stock Appreciation Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at grant and set forth in an Award agreement. If the Committee provides, in its discretion, that any such right is exercisable subject to certain limitations (including, without limitation, that it is exercisable only in installments or within certain time periods), the Committee may waive such limitations on the exercisability at any time at or after grant in whole or in part (including, without limitation, waiver of the installment exercise provisions or acceleration of the time at which such right may be exercised), based on such factors, if any, as the Committee shall determine, in its sole discretion. Unless otherwise determined by the Committee at grant, the Award agreement shall provide that (i) in the event the Participant engages in Detrimental Activity prior to any exercise of the Non-Tandem Stock Appreciation Right, the Company shall be entitled to cause all Non-Tandem Stock Appreciation Rights held by the Participant to immediately terminate and expire, (ii) as a condition of the exercise of a Non-Tandem Stock Appreciation Right, the Participant shall be required to certify (or shall be deemed to have certified) at the time of exercise in a manner acceptable to the Company that the Participant is in compliance with the terms and conditions of the Plan and that the Participant has not engaged in, and does not intend to engage in, any Detrimental Activity, and (iii) in the event the Participant engages in Detrimental Activity during the one year period commencing on the later of the date the Stock Appreciation Right is exercised or becomes vested, the Company shall be entitled to recover from the Participant at any time within one year after such date, and upon the Company s request the Participant shall pay over to the Company, an amount equal to any gain realized as a result of the exercise (whether at the time of exercise or thereafter). In the event that a written employment agreement between the Company and a

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Participant provides for a vesting schedule that is more favorable than the vesting schedule provided in the form of Award agreement, the vesting schedule in such employment agreement shall govern, provided that such agreement is in effect on the date of grant and applicable to the specific Award.

(d) Method of Exercise. Subject to whatever installment exercise and waiting period provisions apply under subsection (c) above, Non-Tandem Stock Appreciation Rights may be exercised in whole or in part at any time in accordance with the applicable Award agreement, by giving written notice of exercise to the Company specifying the number of Non-Tandem Stock Appreciation Rights to be exercised.

(e) Payment. Upon the exercise of a Non-Tandem Stock Appreciation Right a Participant shall be entitled to receive, for each right exercised, up to, but no more than, an amount in cash and/or shares of Common Stock (as determined by the Committee, in its sole discretion, on the date of grant) equal in value to the excess of the Fair Market Value of one share of Common Stock on the date the right is exercised over the Fair Market Value of one share of Common Stock on the date the right was awarded to the Participant.

(f) Non-Transferability. No Non-Tandem Stock Appreciation Rights shall be Transferable by the Participant otherwise than by will or by the laws of descent and distribution, and all such rights shall be exercisable, during the Participant s lifetime, only by the Participant.

7.5 Limited Stock Appreciation Rights. The Committee may, in its sole discretion, grant Tandem and Non-Tandem Stock Appreciation Rights either as a general Stock Appreciation Right or as a limited stock appreciation right (a Limited Stock Appreciation Right). Limited Stock Appreciation Rights may be exercised only upon the occurrence of a Change in Control or such other event as the Committee may, in its sole discretion, designate at the time of grant or thereafter. Upon the exercise of Limited Stock Appreciation Rights, except as otherwise provided in an Award agreement, the Participant shall receive in cash or Common Stock, as determined by the Committee, an amount equal to the amount (a) set forth in Section 7.2(e) with respect to Tandem Stock Appreciation Rights, or (b) set forth in Section 7.4(e) with respect to Non-Tandem Stock Appreciation Rights, as applicable.

ARTICLE VIII

RESTRICTED STOCK

8.1 Awards of Restricted Stock. Shares of Restricted Stock may be issued either alone or in addition to other Awards granted under the Plan. The Committee shall, in its sole discretion, determine the Eligible Employees, Consultants and Non-Employee Directors, to whom, and the time or times at which, grants of Restricted Stock shall be made, the number of shares to be awarded, the price (if any) to be paid by the Participant (subject to Section 8.2), the time or times within which such Awards may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards. The Committee may condition the grant or vesting of Restricted Stock upon the attainment of specified performance targets (including, the Performance Goals specified in Exhibit A attached hereto) or such other factors as the Committee may determine, in its sole discretion, including to comply with the requirements of Section 162(m) of the Code.

8.2 Awards and Certificates. Eligible Employees, Consultants and Non-Employee Directors selected to receive Restricted Stock shall not have any rights with respect to such Award, unless and until such Participant has delivered a fully executed copy of the agreement evidencing the Award to the Company and has otherwise complied with the applicable terms and conditions of such Award. Further, such Award shall be subject to the following conditions:

(a) Purchase Price. The purchase price of Restricted Stock shall be fixed by the Committee. Subject to Section 4.3, the purchase price for shares of Restricted Stock may be zero to the extent permitted by applicable law, and, to the extent not so permitted, such purchase price may not be less than par value.

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(b) Acceptance. Awards of Restricted Stock must be accepted within a period of 60 days (or such other period as the Committee may specify) after the grant date, by executing a Restricted Stock agreement and by paying whatever price (if any) the Committee has designated thereunder.

(c) Legend. Each Participant receiving Restricted Stock shall be issued a stock certificate in respect of such shares of Restricted Stock, unless the Committee elects to use another system, such as book entries by the transfer agent, as evidencing ownership of shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and shall, in addition to such legends required by applicable securities laws, bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge of the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Take-Two Interactive Software, Inc. (the Company) 2009 Stock Incentive Plan (as the same may be amended or supplemented from time to time, the Plan) and an agreement entered into between the registered owner and the Company dated . Copies of such Plan and agreement are on file at the principal office of the Company.

(d) Custody. If stock certificates are issued in respect of shares of Restricted Stock, the Committee may require that any stock certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed, and that, as a condition of any grant of Restricted Stock, the Participant shall have delivered a duly signed stock power, endorsed in blank, relating to the Common Stock covered by such Award.

8.3 Restrictions and Conditions. The shares of Restricted Stock awarded pursuant to the Plan shall be subject to the following restrictions and conditions:

(a) (i) *Restriction Period*. Unless otherwise provided in an Award agreement, the Participant shall not be permitted to Transfer shares of Restricted Stock awarded under the Plan during the period or periods set by the Committee (the Restriction Period) commencing on the date of such Award, as set forth in a Restricted Stock Award agreement and such agreement shall set forth a vesting schedule and any events that would accelerate vesting of the shares of Restricted Stock. Within these limits, based on service, attainment of performance goals pursuant to Section 8.3(a)(ii) below and/or such other factors or criteria as the Committee may determine in its sole discretion, the Committee may condition the grant or provide for the lapse of such restrictions in installments in whole or in part, or may accelerate the vesting of all or any part of any Restricted Stock Award and/or waive the deferral limitations for all or any part of any Restricted Stock Award. In the event that a written employment agreement between the Company and a Participant provides for a vesting schedule that is more favorable than the vesting schedule provided in the form of Award agreement, the vesting schedule in such employment agreement shall govern, provided that such agreement is in effect on the date of grant and applicable to the specific Award.

(ii) *Objective Performance Goals, Formulae or Standards*. If the grant of shares of Restricted Stock or the lapse of restrictions is based on the attainment of Performance Goals, the Committee shall establish the Performance Goals and the applicable vesting percentage of the Restricted Stock Award applicable to each Participant or class of Participants in writing prior to the beginning of the applicable fiscal year or at such later date as otherwise determined by the Committee and while the outcome of the Performance Goals are substantially uncertain. To the extent provided in a Restricted Stock Award agreement, such Performance Goals may incorporate provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. With regard to a Restricted Stock Award that is intended to comply with Section 162(m) of the Code, to the extent any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect. The applicable Performance Goals shall be based on one or more of the performance criteria set forth in Exhibit A hereto.

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(b) Rights as a Stockholder. Except as provided in this subsection (b) and subsection (a) above and as otherwise determined by the Committee as set forth in an Award agreement, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a holder of shares of Common Stock of the Company including, without limitation, the right to receive any dividends, the right to vote such shares and, subject to and conditioned upon the full vesting of shares of Restricted Stock, the right to tender such shares in the event of a merger, recapitalization, reorganization or similar event involving the Company. The Committee may, in its sole discretion, determine at the time of grant that the payment of dividends shall be deferred until, and conditioned upon, the expiration of the applicable Restriction Period, and, except as otherwise provided by the Committee in an Award agreement, the payment of dividends with respect to shares of Restricted Stock that vest based on the attainment of Performance Goals shall be withheld by the Company for the Participant s account, and shall be subject to forfeiture to the same degree as the shares of Restricted Stock to which such dividends relate. Except as otherwise determined by the Committee, no interest will accrue or be paid on the amount of any cash dividends withheld.

(c) Lapse of Restrictions. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock, the certificates for such shares shall be delivered to the Participant and the Participant shall be responsible for such certificate upon receipt thereof (including for any replacement costs). All legends shall be removed from said certificates at the time of delivery to the Participant, except as otherwise required by applicable law or, except as otherwise set forth in an Award agreement, other limitations imposed by the Committee.

ARTICLE IX

OTHER STOCK-BASED AWARDS

9.1 Other Awards. The Committee, in its sole discretion, is authorized to grant to Eligible Employees, Consultants and Non-Employee Directors Other Stock-Based Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Common Stock, including, but not limited to, shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company or an Affiliate, performance units, dividend equivalent units, stock equivalent units, restricted stock units and deferred stock units. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under the Plan.

Subject to the provisions of the Plan, the Committee shall, in its sole discretion, have authority to determine the Eligible Employees, Consultants and Non-Employee Directors, to whom, and the time or times at which, such Awards shall be made, the number of shares of Common Stock to be awarded pursuant to such Awards, and all other conditions of the Awards. The Committee may also provide for the grant of Common Stock under such Awards upon the completion of a specified performance period.

The Committee may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Goals set forth on Exhibit A as the Committee may determine, in its sole discretion; provided that to the extent that such Other Stock-Based Awards are intended to comply with Section 162(m) of the Code, the Committee shall establish the objective Performance Goals for the vesting of such Other Stock-Based Awards based on a performance period applicable to each Participant or class of Participants in writing prior to the beginning of the applicable performance period or at such later date as permitted under Section 162(m) of the Code and while the outcome of the Performance Goals are substantially uncertain. Such Performance Goals may incorporate, if and only to the extent permitted under Section 162(m) of the Code, provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. To the extent any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect. The applicable Performance Goals shall be based on one or more of the performance criteria set forth in Exhibit A hereto.

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9.2 Terms and Conditions. Other Stock-Based Awards made pursuant to this Article IX shall be subject to the following terms and conditions:

(a) Non-Transferability. Subject to the applicable provisions of the Award agreement and the Plan, shares of Common Stock subject to Awards made under this Article IX may not be Transferred prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses.

(b) Dividends or Dividend Equivalents. Unless otherwise determined by the Committee at the time of grant, subject to the provisions of the Award agreement and the Plan, the recipient of an Award under this Article IX shall not be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of shares of Common Stock covered by the Award. To the extent the recipient of an Award under this Article XI is entitled to receive dividends or dividend equivalents with respect to an Award, except as otherwise provided by the Committee in an Award agreement, the payment of dividends with respect to an Award that vests based on the attainment of Performance Goals shall be withheld by the Company for the Participant s account, and shall be subject to forfeiture to the same degree as the Award to which such dividends relate. Except as otherwise determined by the Committee, no interest will accrue or be paid on the amount of any cash dividends withheld.

(c) Vesting. Any Award under this Article IX and any Common Stock covered by any such Award shall vest or be forfeited to the extent so provided in the Award agreement, as determined by the Committee, in its sole discretion. In the event that a written employment agreement between the Company and a Participant provides for a vesting schedule that is more favorable than the vesting schedule provided in the form of Award agreement, the vesting schedule in such employment agreement shall govern, provided that such agreement is in effect on the date of grant and applicable to the specific Award.

(d) Price. Common Stock issued on a bonus basis under this Article IX may be issued for no cash consideration; Common Stock purchased pursuant to a purchase right awarded under this Article IX shall be priced, as determined by the Committee in its sole discretion.

(e) Payment. Form of payment for the Other Stock-Based Award shall be specified in the Award agreement.

ARTICLE X

TERMINATION

10.1 Termination. The following rules apply with regard to the Termination of a Participant.

(a) *Rules Applicable to Stock Option and Stock Appreciation Rights.* Unless otherwise determined by the Committee at grant as set forth in an Award agreement or in any written employment agreement or other similar written agreement between the Company or any of its Affiliates and a Participant in effect on the date of grant (or, in either case, if no rights of the Participant are reduced, thereafter):

(i) *Termination by Reason of Death, Disability or Retirement.* If a Participant s Termination is by reason of death, Disability or the Participant s Retirement (other than a Retirement described in Section 10.2(a)(iii)(z) below), all Stock Options or Stock Appreciation Rights that are held by such Participant that are vested and exercisable at the time of the Participant s Termination (including pursuant to Section 6.3(d)) may be exercised by the Participant (or, in the case of death, by the legal representative of the Participant s estate) at any time within a one-year period from the date of such Termination, but in no event beyond the expiration of the stated term of such Stock Options or Stock Appreciation Rights; provided, however, if the Participant dies within such exercise period, all unexercised Stock Options or Stock Appreciation Rights held by such Participant shall thereafter be exercisable, to the extent to which they were exercisable at the time of death, for a period of one year from the date of such death, but in no event beyond the expiration of the stated term of such Stock Options or Stock Appreciation Rights.

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(ii) *Involuntary Termination Without Cause.* If a Participant s Termination is by involuntary termination without Cause, all Stock Options or Stock Appreciation Rights that are held by such Participant that are vested and exercisable at the time of the Participant s Termination (including pursuant to Section 6.3(d)) may be exercised by the Participant at any time within a period of 90 days from the date of such Termination, but in no event beyond the expiration of the stated term of such Stock Options or Stock Appreciation Rights; provided, however, if the Participant dies within such exercise period, all unexercised Stock Options or Stock Appreciation Rights held by such Participant shall thereafter be exercisable, to the extent to which they were exercisable at the time of death, for a period of one year from the date of such death, but in no event beyond the expiration of the stated term of such Stock Options or Stock Appreciation Rights.

(iii) *Termination for Cause or Voluntary Termination.* If a Participant s Termination: (x) is for Cause, (y) is a voluntary Termination (other than a Retirement), or (z) is a Retirement after the occurrence of an event that would be grounds for a Termination for Cause, all Stock Options or Stock Appreciation Rights, whether vested or not vested, that are held by such Participant shall thereupon terminate and expire as of the date of such Termination. Notwithstanding the foregoing, if a Participant s Termination is voluntary with the consent of the Company, then the Company may provide that all Stock Options or Stock Appreciation Rights that are held by such Participant that are vested and exercisable at the time of the Participant s Termination (including pursuant to Section 6.3(d)) may be exercised by the Participant at any time within a period not to exceed 90 days from the date of such Termination, but in no event beyond the expiration of the stated terms of such Stock Options or Stock Appreciation Rights.

(iv) *Unvested Stock Options and Stock Appreciation Rights.* Stock Options or Stock Appreciation Rights that are not vested as of the date of a Participant s Termination for any reason shall terminate and expire as of the date of such Termination.

(b) *Rules Applicable to Restricted Stock and Other Stock-Based Awards*. Unless otherwise determined by the Committee at grant as set forth in an Award agreement or otherwise provided in any written employment agreement or other similar written agreement between the Company or any of its Affiliates and a Participant in effect on the date of grant (or, in either case, if no rights of the Participant are reduced, thereafter) upon a Participant s Termination for any reason: (i) during the relevant Restriction Period, all Restricted Stock still subject to restriction shall be forfeited; and (ii) any unvested Other Stock-Based Awards shall be forfeited; provided, however, that if a Participant who is an Eligible Employee experiences a Termination by reason of death or Disability, the Committee may, in its discretion, within sixty (60) days of such Termination, accelerate the vesting of all or a portion of such Restricted Stock or Other Stock-Based Awards as of the date of such Termination, and no forfeiture shall be deemed to have occurred with respect thereto. For the avoidance of doubt, any Restricted Stock or Other Stock-Based Awards that vest prior to a Participant s Termination (including pursuant to Section 8.3(a)(ii)) shall not be forfeited.

ARTICLE XI

CHANGE IN CONTROL PROVISIONS

11.1 Benefits. In the event of a Change in Control of the Company, and except as otherwise provided by the Committee in an Award agreement or in a written employment agreement between the Company and a Participant, the Participant s Award shall be treated in accordance with one of the following methods as determined by the Committee in its sole discretion:

(a) Awards, whether or not then vested by their terms, shall be continued, assumed, or have new rights substituted therefor, as determined by the Committee in its sole discretion, and restrictions to which any shares of Restricted Stock or any other Award granted prior to the Change in Control are subject shall not lapse upon a Change in Control and the Restricted Stock or other Award shall, where

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appropriate in the sole discretion of the Committee, receive the same or other appropriate distribution as other Common Stock on such terms as determined by the Committee in it sole discretion; provided, however, that, the Committee may, in its sole discretion, decide to award additional Restricted Stock or other Award in lieu of any cash distribution. Notwithstanding anything to the contrary herein, for purposes of Incentive Stock Options, any assumed or substituted Stock Option shall comply with the requirements of Treasury Regulation § 1.424-1 (and any amendments thereto).

(b) The Committee, in its sole discretion, may provide for the purchase of any Awards that are not being assumed or substituted in connection with such Change in Control by the Company or an Affiliate (or the cancellation and extinguishment thereof pursuant to the terms of a merger or other purchase agreement entered into by the Company) for an amount of cash equal to the Change in Control Price (as defined below) of the shares of Common Stock covered by such Awards (less, solely in the case of Exercisable Awards, the aggregate exercise price of such Awards). For purposes of this Section 11.1, Change in Control Price shall mean the highest price per share of Common Stock paid in any transaction related to a Change in Control of the Company.

(c) The Committee, in its sole discretion, may terminate all outstanding and unexercised Exercisable Awards that are not being assumed or substituted in connection with such Change in Control effective upon the Change in Control by delivering notice of termination to each Participant at least 20 days prior to the date of consummation of the Change in Control, in which case during the period from the date on which such notice of termination is delivered to the consummation of the Change in Control, each such Participant shall have the right to exercise his or her Exercisable Awards that are then outstanding to the extent vested as of the date on which such notice of termination is delivered (or, without regard to any limitations on exercisability otherwise contained in the Award agreements), but any such exercise shall be contingent on the occurrence of the Change in Control, and, provided that, if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the notice and exercise pursuant thereto shall be null and void. If the Change in Control does take place after giving such notice, an Exercisable Award not exercised prior to the date of the consummation of the Change in Control shall be forfeited simultaneously with the consummation of the Change in Control. For the avoidance of doubt, the Committee may, in its sole discretion, provide for the cancellation of any particular Exercisable Award or Exercisable Awards without payment, if the Change in Control Price is less than the exercise price of such Award(s).

Notwithstanding any other provisions of the Plan or an Award agreement to the contrary, with respect to any Award granted on or after July 23, 2014, no Award agreement or written employment agreement between the Company and the Participant shall provide that the vesting, payment, purchase or distribution of an Award will be accelerated by reason of a Change in Control for any Participant unless the Participant s employment is involuntarily terminated as a result of the Change in Control. For purposes of this Section 11.1, a Participant s employment will be deemed to have been involuntarily terminated as a result of a Change in Control if it is involuntarily terminated other than for Cause (including the Participant s resignation for good reason or constructive termination (or similar term) as defined in the applicable Award agreement, in a written employment, change in control, retention, severance or similar agreement between the Company and a Participant, or in a change in control, retention, severance or similar plan maintained by the Company in which the Participant participates), or is terminated under circumstances which entitle the Participant to mandatory severance payment(s) pursuant to applicable law, at any time beginning on the date of the Change in Control up to and including the first (1st) anniversary of the Change in Control (or, if applicable, such longer post-Change in Control period as may be determined by the Committee).

11.2 Change in Control. Unless otherwise determined by the Committee at grant as set forth in an Award agreement, a Change in Control shall be deemed to have occurred:

(a) upon any person as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the

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Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Common Stock of the Company), becoming the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company s then outstanding securities;

(b) consummation of a merger or consolidation of the Company or a Subsidiary with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or such surviving entity s parent outstanding immediately after such merger or consolidation; or

(c) upon the approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company or the sale or disposition by the Company of all or substantially all of the Company s assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, at least 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale. Notwithstanding the foregoing, with respect to any portion of any Award under this Plan that constitutes non-qualified deferred compensation pursuant to Section 409A of the Code, (x) a liquidation of the Company shall not constitute a Change in Control and (y) a Change in Control shall be deemed to have occurred upon the consummation of a sale or disposition by the Company of all or substantially all of the Company s assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, at least 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale.

Notwithstanding anything herein to the contrary, in no event shall stockholder approval of a transaction which, if consummated, would constitute a Change in Control, constitute a Change in Control.

ARTICLE XII

TERMINATION OR AMENDMENT OF PLAN

12.1 Termination or Amendment. Notwithstanding any other provision of the Plan, the Board or the Committee may at any time, and from time to time, amend, in whole or in part, any or all of the provisions of the Plan (including any amendment deemed necessary to ensure that the Company may comply with any regulatory requirement referred to in Article XIV), or suspend or terminate it entirely, retroactively or otherwise; provided, however, that, unless otherwise required by law or specifically provided herein, the rights of a Participant with respect to Awards granted prior to such amendment, suspension or termination (including rights under any Award agreement), may not be materially impaired without the consent of such Participant and, provided further, without the approval of the stockholders of the Company in accordance with the laws of the State of Delaware, to the extent required by the applicable provisions of Rule 16b-3 or Section 162(m) of the Code, pursuant to the requirements of NASD Rule 5635(c) or such other applicable stock exchange rule, or, to the extent applicable to Incentive Stock Options, Section 422 of the Code, no amendment may be made that would:

(a) increase the aggregate number of shares of Common Stock that may be issued under the Plan pursuant to Section 4.1 (except by operation of Section 4.2);

(b) increase the maximum individual Participant limitations for a fiscal year under Section 4.1(b) (except by operation of Section 4.2);

(c) change the classification of Eligible Employees, Non-Employee Directors or Consultants eligible to receive Awards under the Plan;

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(d) decrease the minimum option price of any Stock Option or Stock Appreciation Right;

(e) extend the maximum option period under Section 6.3;

(f) alter the Performance Goals for the Award of Restricted Stock or Other Stock-Based Awards subject to satisfaction of Performance Goals as set forth in Exhibit A;

(g) other than adjustments or substitutions in accordance with Section 4.2 or in connection with a Change in Control, amend the terms of outstanding Awards to reduce the exercise price of outstanding Options or Stock Appreciation Rights or to cancel outstanding Options or Stock Appreciation Rights when the exercise price thereof exceeds Fair Market Value in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights; or

(h) require stockholder approval in order for the Plan to continue to comply with the applicable provisions of Section 162(m) of the Code or, to the extent applicable to Incentive Stock Options, Section 422 of the Code. In no event may the Plan be amended without the approval of the stockholders of the Company in accordance with the applicable laws of the State of Delaware to increase the aggregate number of shares of Common Stock that may be issued under the Plan, decrease the minimum exercise price of any Stock Option or Stock Appreciation Right, or to make any other amendment that would require stockholder approval under NASD Rule 5635(c), or the rules of any other exchange or system on which the Company s securities are listed or traded at the request of the Company.

The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to Article IV above or as otherwise specifically provided herein, no such amendment or other action by the Committee shall materially adversely impair the rights of any holder without the holder s consent.

ARTICLE XIII

UNFUNDED PLAN

13.1 Unfunded Status of Plan. The Plan is an unfunded plan for incentive and deferred compensation. With respect to any payments as to which a Participant has a fixed and vested interest but that are not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Company.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Legend. If set forth in an Award agreement, the Committee may require each person receiving shares of Common Stock pursuant to an Award granted under the Plan to represent to and agree with the Company in writing that the Participant is acquiring the shares without a view to distribution thereof and such other securities law-related representations as the Committee shall request. If set forth in an Award agreement, in addition to any legend required by the Plan, the certificates and/or book entry accounts for such shares may include any legend that the Committee, in its sole discretion, deems appropriate to reflect any restrictions on Transfer.

To the extent permitted in an Award agreement, all certificates and/or book entry accounts for shares of Common Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may, in its sole discretion, deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any national securities exchange system upon whose system the Common Stock is then quoted, any applicable Federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

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14.2 Other Plans. Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

14.3 No Right to Employment/Directorship/Consultancy. Neither the Plan nor the grant of any Option or other Award hereunder shall give any Participant or other employee, Consultant or Non-Employee Director any right with respect to continuance of employment, consultancy or directorship by the Company or any Affiliate, nor shall they be a limitation in any way on the right of the Company or any Affiliate by which an employee is employed or a Consultant or Non-Employee Director is retained to terminate his or her employment, consultancy or directorship at any time.

14.4 Withholding of Taxes. The Company shall have the right to deduct from any payment to be made pursuant to the Plan, or to otherwise require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash hereunder, payment by the Participant of, any Federal, state or local taxes required by law to be withheld. Upon the vesting of Restricted Stock (or other Award that is taxable upon vesting), or upon making an election under Section 83(b) of the Code, a Participant shall pay all required withholding to the Company. Any statutorily required withholding obligation with regard to any Participant may be satisfied, subject to the advanced consent of the Committee, by reducing the number of shares of Common Stock otherwise deliverable or by delivering shares of Common Stock already owned; provided, however, that the aggregate Fair Market Value of the number of shares of Common Stock that may be used to satisfy tax withholding requirements may not exceed the minimum statutorily required withholding amount with respect to any Award (unless the Committee determines, in its discretion, that a greater number of shares of Stock may be used to satisfy tax withholding requirements (but not in excess of the maximum statutorily required withholding amount) without resulting in an Award being classified as a liability award under Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)). Any fraction of a share of Common Stock required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash by the Participant.

14.5 No Assignment of Benefits. No Award or other benefit payable under the Plan shall, except as otherwise specifically provided by law or provided herein or permitted by the Committee as set forth in an Award agreement, be Transferable in any manner, and any attempt to Transfer any such benefit shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person.

14.6 Listing and Other Conditions. Unless otherwise provided in an Award agreement:

(a) Unless otherwise determined by the Committee, as long as the Common Stock is listed on a national securities exchange or system sponsored by a national securities association, the issue of any shares of Common Stock pursuant to an Award shall be conditioned upon such shares being listed on such exchange or system. The Company shall have no obligation to issue such shares unless and until such shares are so listed, and the right to exercise any Option or other Award with respect to such shares shall be suspended until such listing has been effected.

(b) If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Common Stock pursuant to an Option or other Award is or may in the circumstances be unlawful or result in the imposition of excise taxes on the Company under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act or otherwise, with respect to shares of Common Stock or Awards, and the right to exercise any Option or other Award shall be suspended until, in the opinion of said counsel, such sale or delivery shall be lawful and will not result in the imposition of excise taxes on the Company.

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(c) Upon termination of any period of suspension under this Section 14.6, any Award affected by such suspension that shall not then have expired or terminated shall be reinstated as to all shares available before such suspension and as to shares that would otherwise have become available during the period of such suspension, but no such suspension shall extend the term of any Award.

(d) A Participant shall be required to supply the Company with any certificates, representations and information that the Company reasonably requests and otherwise cooperate with the Company in obtaining any listing, registration, qualification, exemption, consent or approval the Company deems necessary or appropriate.

14.7 Clawback/Recoupment Policy. Notwithstanding anything contained herein to the contrary, all Awards granted under the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board and, in each case, as may be amended from time to time. No such policy adoption or amendment shall in any event require the prior consent of any Participant.

14.8 Governing Law. The Plan and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict of laws).

14.9 Construction. Wherever any words are used in the Plan in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

14.10 Other Benefits. No Award granted or paid out under the Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Company or its Affiliates nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation.

14.11 Costs. The Company shall bear all expenses associated with administering the Plan, including expenses of issuing Common Stock pursuant to any Awards hereunder.

14.12 No Right to Same Benefits. The provisions of Awards need not be the same with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

14.13 Death/Disability. The Committee may in its sole discretion require the transferee of a Participant to supply it with written notice of the Participant s death or Disability and to supply it with a copy of the will (in the case of the Participant s death) or such other evidence as the Committee deems necessary to establish the validity of the transfer of an Award. The Committee may, in its discretion, also require the agreement of the transferee to be bound by all of the terms and conditions of the Plan.

14.14 Section 16(b) of the Exchange Act. All elections and transactions under the Plan by persons subject to Section 16 of the Exchange Act involving shares of Common Stock are intended to comply with any applicable exemptive condition under Rule 16b-3. The Committee may, in its sole discretion, establish and adopt written administrative guidelines, designed to facilitate compliance with Section 16(b) of the Exchange Act, as it may deem necessary or proper for the administration and operation of the Plan and the transaction of business thereunder.

14.15 Section 409A of the Code. Although the Company does not guarantee the particular tax treatment of an Award granted under the Plan, Awards made under the Plan are intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and the Plan and any Award agreement hereunder shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or any of its Affiliates be liable for any additional tax, interest or penalties that may be imposed on a Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

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14.16 Successor and Assigns. The Plan shall be binding on all successors and permitted assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate.

14.17 Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

14.18 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipt thereof shall be deemed paid when paid to such person s guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Committee, the Board, the Company, its Affiliates and their employees, agents and representatives with respect thereto.

14.19 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

14.20 Vesting of Awards. Notwithstanding any other provisions of the Plan or an Award agreement to the contrary, in the event that the vesting date for all or a portion of an Award occurs on a date which is not a trading day on the principal national securities exchange in the United States on which the shares of Common Stock are then traded, such portion of the Award will vest on the trading day immediately prior to the vesting date for the Award.

14.21 Electronic Delivery. Any reference herein to a written agreement or document or writing will include any agreement or document delivered electronically or posted on the Company s intranet (or other shared electronic medium controlled or authorized by the Company to which the Participant has access) to the extent permitted by applicable law.

ARTICLE XV

EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board or such later date as provided in the adopting resolution, subject to the approval of the Plan by the stockholders of the Company within 12 months before or after adoption of the Plan by the Board in accordance with the requirements of the laws of the State of Delaware.

ARTICLE XVI

TERM OF PLAN

No Award shall be granted pursuant to the Plan on or after the tenth anniversary of the earlier of the date the Plan is adopted by the Board and the date of stockholder approval, but Awards granted prior to such tenth anniversary may, and the Committee s authority to administer the terms of such Awards shall, extend beyond that date; provided, however, that no Award (other than a Stock Option or Stock Appreciation Right) that is intended to be performance-based under Section 162(m) of the Code shall be granted on or after the fifth anniversary of the stockholder approval of the Plan unless the Performance Goals set forth on Exhibit A are reapproved (or other designated performance goals are approved) by the stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which stockholders approve the Performance Goals set forth on Exhibit A.

ARTICLE XVII

NAME OF PLAN

The Plan shall be known as the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan.

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EXHIBIT A

PERFORMANCE GOALS

To the extent permitted under Section 162(m) of the Code, performance goals established for purposes of the grant or vesting of Awards of Restricted Stock and/or Other Stock-Based Awards, each intended to be performance-based under Section 162(m) of the Code, shall be based on the attainment of certain target levels of, or a specified increase or decrease (as applicable) in one or more of the following performance goals (Performance Goals):

(a) earnings per share;

(b) operating income;

(c) operating profit margin;

(d) net income;

(e) cash flow;

(f) gross profit;

(g) gross profit return on investment;

(h) gross margin return on investment;

(i) gross margin;

(j) working capital;

(k) earnings before interest and taxes;

(l) earnings before interest, tax, depreciation and amortization;

(m) return on equity;

(n) return on assets;

(o) return on capital;

(p) return on invested capital;

(q) net revenues;

(r) gross revenues;

(s) revenue growth;

(t) total shareholder return;

(u) economic value added;

(v) specified objectives with regard to limiting the level of increase in all or a portion of the Company s bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the Committee in its sole discretion;

(w) the fair market value of the shares of the Company s Common Stock;

(x) the growth in the value of an investment in the Company s Common Stock assuming the reinvestment of dividends; or

(y) reduction in expenses.

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To the extent permitted under Section 162(m) of the Code, the Committee may, in its sole discretion, also exclude, or adjust to reflect, the impact of an event or occurrence that the Committee determines should be appropriately excluded or adjusted, including:

(i) restructurings, discontinued operations, and other unusual or non-recurring charges as described in Accounting Principles Board Opinion No. 30 and/or management s discussion and analysis of financial condition and results of operations appearing or incorporated by reference in the Company s Form 10-K for the applicable year;

(ii) an event either not directly related to the operations of the Company or not within the reasonable control of the Company s management; or

(iii) a change in tax law or accounting standards required by generally accepted accounting principles.

Performance goals may also be based upon individual Participant performance goals, as determined by the Committee, in its sole discretion.

In addition, such Performance Goals may be based upon the attainment of specified levels of Company (or subsidiary, division, other operational unit or administrative department of the Company) performance under one or more of the measures described above relative to the performance of other corporations. To the extent permitted under Section 162(m) of the Code, but only to the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval), the Committee may also (a) designate additional business criteria on which the performance goals may be based; or (b) adjust, modify or amend the aforementioned business criteria.

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Annex B

Reconciliation of GAAP Net Income to Non-GAAP EBITDA

(in millions, except share data)	Fiscal Year Ended March 31, 2016
GAAP Net Income	$ (8,302)
Net effect from deferral in net revenues and related cost of goods sold	106,531
Stock-based compensation	69,996
Impact of business reorganization	72,513
Gain on long-term investments, net	(2,683)
(Benefit from) provision for income taxes	(30,048)
Interest expense (income)	29,294
Depreciation and amortization	28,800
Non-GAAP EBITDA	$ 266,101

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VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on September 21, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

ATT: INVESTOR RELATIONS

622 BROADWAY

NEW YORK, NY 10012

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote FOR the following:	**For All**	**Withhold All**	**For All Except**	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
1. Election of Directors **Nominees**	¨	¨	¨	

01 Strauss Zelnick 02 Robert A. Bowman 03 Michael Dornemann 04 J Moses 05 Michael Sheresky 06 Susan Tolson

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.	**For**	**Against**	**Abstain**
2. Approval, on a non-binding advisory basis, of the compensation of the Company s named executive officers as disclosed in the Proxy Statement.	¨	¨	¨
3. Approval of certain amendments to the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan.	¨	¨	¨
4. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2017.	¨	¨	¨

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

For address change/comments, mark here. ¨

(see reverse for instructions)

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report, Notice & Proxy Statement is/are available at www.proxyvote.com.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

Annual Meeting of Shareholders

September 22, 2016

This proxy is solicited by the Board of Directors

The shareholder(s) hereby appoint(s) Daniel Emerson and Matthew Breitman, or any one of them acting individually, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot and in the discretion of the proxies on such other matters as may properly come before the meeting, all of the shares of common stock of Take-Two Interactive Software, Inc. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 a.m., local time on September 22, 2016, at the W Hotel, 201 Park Avenue South, New York, New York 10003 and any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE OF THIS BALLOT FOR THE BOARD OF DIRECTORS, AND FOR PROPOSALS 2, 3 AND 4.

Address change/comments:

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side