

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

51-0350842
(I.R.S. Employer
Identification Number)

622 Broadway
New York, New York 10012
(646) 536-2842

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Strauss Zelnick
Chairman and Chief Executive Officer
Take-Two Interactive Software, Inc.
622 Broadway
New York, New York 10012
(646) 536-2842

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please address a copy of all communications to:

Adam M. Turteltaub, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if smaller reporting company)

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share(3)	Proposed maximum aggregate offering price(3)	Amount of registration fee
Common Stock of Take-Two Interactive Software, Inc., par value \$0.01 per share, to be issued under the 2009 Stock Incentive Plan	229,282(2)	\$ 69.10	\$ 15,843,386.20	\$ 1,836.25

- (1) In addition to the shares set forth in the table, pursuant to Rule 416(a) under the Securities Act of 1933, as amended (“Securities Act”), the number of shares registered includes an indeterminable number of common shares issuable under the plan, as this amount may be adjusted as a result of stock splits, stock dividends, capitalizations or similar events.
- (2) Represents shares issuable upon the settlement of outstanding restricted units granted under the 2009 Stock Incentive Plan pursuant to the terms of the Restricted Unit Agreement, dated as of May 25, 2017, by and between ZelnickMedia Corporation and the registrant.
- (3) Estimated solely for the purposes of calculating the registration fee. Pursuant to Rule 457(c) under the Securities Act, the registration fee has been calculated based upon the average of the high and low prices, as reported by the NASDAQ Global Select Market, for our common stock on May 22, 2017.
-
-

Explanatory Note

This Registration Statement registers shares of common stock of Take-Two Interactive Software, Inc. (the “Company”), par value \$0.01 per share (“Common Stock”), that may be issued upon settlement of restricted units (the “Restricted Units”) granted by us on May 25, 2017 to ZelnickMedia Corporation (“ZelnickMedia”) under the Company’s 2009 Stock Incentive Plan (the “2009 Plan”). The Restricted Units consist of time-based restricted units under which up to 66,122 shares of Common Stock are issuable, and performance-based restricted units under which up to 163,160 shares of Common Stock are issuable. The Restricted Units were granted pursuant to the terms of a Restricted Unit Agreement, dated as of May 25, 2017, by and between the Company and ZelnickMedia (the “Restricted Unit Agreement”) and represent additional equity awards under the terms of the Management Agreement, dated as of March 10, 2014, and effective April 1, 2014 (the “Management Agreement”), with ZelnickMedia. Pursuant to the Management Agreement and Restricted Unit Agreement, the Company will have the right to elect to settle the Restricted Units in shares of Common Stock that will be issued pursuant to the 2009 Plan.

This Registration Statement is on Form S-3 rather than Form S-8 because a Compliance and Disclosure Interpretation of the Securities and Exchange Commission (the “Commission”) on Securities Act Forms indicates that employees or consultants of an issuer may use Form S-8 to register securities issued under an employee benefit plan only if the consultant is a natural person.

This Registration Statement contains the form of prospectus to be used in connection with these offers. The form of prospectus is to be used by us in connection with the offer and issuance by us of shares of Common Stock upon settlement of the Restricted Units under the 2009 Plan.

2

PROSPECTUS

TAKE-TWO INTERACTIVE SOFTWARE, INC.

229,282 Shares of Common Stock under 2009 Stock Incentive Plan

This prospectus, dated May 25, 2017, covers the offer and issuance by us of up to 229,282 shares of our common stock (“Common Stock”) upon the settlement of restricted units (the “Restricted Units”) that are currently outstanding and held by ZelnickMedia Corporation (“ZelnickMedia”). The Restricted Units were granted by us to ZelnickMedia on May 25, 2017 under the Company’s 2009 Stock Incentive Plan (the “2009 Plan”) pursuant to the terms of a Restricted Unit Agreement, dated as of May 25, 2017, by and between the Company and ZelnickMedia (the “Restricted Unit Agreement”). The Restricted Units represent additional equity awards granted pursuant to the terms of the Management Agreement, dated as of March 10, 2014, and effective April 1, 2014 (the “Management Agreement”), with ZelnickMedia. Pursuant to the Management Agreement and Restricted Unit Agreement, the Company will have the right to elect to settle the Restricted Units in shares of Common Stock that will be issued pursuant to the 2009 Plan. The Restricted Units consist of time-based restricted units under which up to 66,122 shares of Common Stock are issuable and performance-based restricted units under which up to 163,160 shares of Common Stock are issuable.

Our Common Stock is listed on the NASDAQ Global Select Market under the symbol “TTWO.” The last reported sale price on May 24, 2017 was \$77.73 per share.

Investing in our securities involves risks. See “Risk Factors” beginning on page 2 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus or any applicable prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 25, 2017

i

TABLE OF CONTENTS

	Page
ABOUT THIS PROSPECTUS	1
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	1
PROSPECTUS SUMMARY	3
RISK FACTORS	3
USE OF PROCEEDS	3
RESTRICTED UNIT AWARD	3
LEGAL MATTERS	6
EXPERTS	7
WHERE YOU CAN FIND MORE INFORMATION	7
INFORMATION NOT REQUIRED IN PROSPECTUS	I-1

References in this prospectus to “Take-Two,” “we,” “us,” “our,” the “Company” or similar references mean Take-Two Interactive, Inc. and its subsidiaries. References to “Common Stock” refer to the Company’s Common Stock, par value \$.01 per share.

You should rely on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. Neither we nor any of our affiliates have authorized anyone else to provide you with different information. The securities are not being offered in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any accompanying prospectus supplement is delivered or securities are sold on a later date.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the “SEC”) using the “shelf” registration process. Under this shelf registration process, we may offer the offered securities in one or more offerings or resales.

In certain circumstances, we may provide a prospectus supplement that will contain specific information about the terms of a particular offering by us. We may also provide a prospectus supplement to add information to, or update or change information contained in, this prospectus. To the extent there is a conflict between the information contained in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement, provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date — for example, a document incorporated by reference in this prospectus or any prospectus supplement — the statement in the later-dated document modifies or supersedes the earlier statement.

You should read both this prospectus and any applicable prospectus supplement together with the additional information about our company to which we refer you in the section of this prospectus entitled “Where You Can Find More Information.”

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain statements that are considered forward-looking statements under federal securities laws and may be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should” “will,” or words of similar meaning and include, but are not limited to, statements regarding the outlook for 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 including, but not limited to, our dependence on key management and product development personnel, our dependence on our Grand Theft Auto products and our ability to develop other hit titles for current and next-generation platforms, the timely release and significant market acceptance of our games, the ability to maintain acceptable pricing levels on our games and risks associated with international operations. Other important factors and information are discussed under the heading “Risk Factors” beginning on page 2 of this prospectus and contained in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017 and the Company’s other periodic filings with the SEC, which are incorporated herein by reference. 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.

PROSPECTUS SUMMARY

This prospectus relates to the offer and issuance by us of shares of our Common Stock upon the settlement of Restricted Units that are currently outstanding and held by ZelnickMedia. The Restricted Units were granted by us on May 25, 2017 to ZelnickMedia under the 2009 Plan pursuant to the terms of a Restricted Unit Agreement, dated May 25, 2017, by and between the Company and ZelnickMedia. This summary highlights selected information appearing elsewhere in this prospectus or in documents incorporated herein by reference. You should carefully read the entire prospectus, including the information set forth in the section entitled “Risk Factors” and the information that is incorporated by reference into this prospectus. See the sections entitled “Where You Can Find More Information” for a further discussion on incorporation by reference.

We are a leading developer, publisher and marketer of interactive entertainment for consumers around the globe. Our products are currently designed for console gaming systems such as Sony’s PS4 and PS3 and Microsoft’s Xbox One and Xbox 360; and PC, including smartphones and tablets. We deliver our products through physical retail, digital download, online platforms and cloud streaming services.

We endeavor to be the most creative, innovative and efficient company in our industry. Our core strategy is to capitalize on the popularity of video games by developing and publishing high-quality interactive entertainment experiences across a range of genres. We focus on building compelling

entertainment franchises by publishing a select number of titles for which we can create sequels and incremental revenue opportunities through add-on content, microtransactions and online play. Most of our intellectual property is internally owned and developed, which we believe best positions us financially and competitively. We have established a portfolio of proprietary software content for the major hardware platforms in a wide range of genres, including action, adventure, family/casual, racing, role-playing, shooter, sports and strategy, which we distribute worldwide. We believe that our commitment to creativity and innovation is a distinguishing strength, enabling us to differentiate our products in the marketplace by combining advanced technology with compelling storylines and characters that provide unique gameplay experiences for consumers. We have created, acquired or licensed a group of highly recognizable brands to match the broad consumer demographics we serve, ranging from adults to children and game enthusiasts to casual gamers. Another cornerstone of our strategy is to support the success of our products in the marketplace through innovative marketing programs and global distribution on platforms and through channels that are relevant to our target audience.

We were incorporated under the laws of the State of Delaware in 1993 and are headquartered at 622 Broadway, New York, New York 10012. Our telephone number is (646) 536-2842.

RISK FACTORS

Investment in our Common Stock involves risks. Before you invest in our Common Stock, you should carefully consider the risk factors incorporated into this prospectus by reference to our most recent Annual Report on Form 10-K, and the other information contained in this prospectus, as updated by our subsequent filings under the Exchange Act, and risk factors and other information contained in any applicable prospectus supplement before acquiring any of such shares of Common Stock. For a description of these reports and documents, and information about where you can find them, see the section entitled “Where You Can Find More Information.” The occurrence of any of the events described in the risk factors might cause you to lose all or part of your investment in the Common Stock. Please also refer to the section above entitled “Cautionary Statement Regarding Forward-Looking Statements.”

USE OF PROCEEDS

We will not receive any proceeds from the offer and issuance by us of the Common Stock to ZelnickMedia pursuant to this registration statement on Form S-3.

2

RESTRICTED UNIT AWARD

As described above, this registration statement on Form S-3 registers shares of Common Stock that may be issued upon the settlement of restricted units (the “Restricted Units”) that are currently outstanding and held by ZelnickMedia Corporation (“ZelnickMedia”). The Restricted Units were granted by us to ZelnickMedia on May 25, 2017 under the Company’s 2009 Stock Incentive Plan (the “2009 Plan”). The Restricted Units, comprising both timed-based and performance-based restricted units as described below, were granted pursuant to the terms of a Restricted Unit Agreement, dated May 25, 2017, by and between the Company and ZelnickMedia (the “Restricted Unit Agreement”).

The Company is party to a Management Agreement, dated as of March 10, 2014, and effective April 1, 2014 (the “Management Agreement”), with ZelnickMedia. The Restricted Units represent additional equity awards granted pursuant to the terms of the Management Agreement. Pursuant to the Management Agreement and Restricted Unit Agreement, the Company will have the right to elect to settle the Restricted Units in shares of Common Stock that will be issued pursuant to the 2009 Plan.

Time-Based Award. On May 25, 2017 the Company issued to ZelnickMedia 66,122 time-based restricted units (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, 2017), which units will vest on April 4, 2019, provided that the Management Agreement has not been terminated prior to such date (the “Time-Based Award”). Notwithstanding the foregoing, the Time-Based Award will immediately vest in full if the Management Agreement is terminated by the Company without Cause or by ZelnickMedia for Good Reason. Conversely, ZelnickMedia will forfeit to the Company all Restricted Units under the Time-Based Award if the Management Agreement is terminated by the Company for Cause or by ZelnickMedia without Good Reason prior to April 4, 2019.

Performance-Based Award. On May 25, 2017 the Company issued to ZelnickMedia 163,160 performance-based restricted units (the “Performance Award”) (such number determined by dividing \$9,500,000 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, 2017), which units represent the maximum number of Performance-Based Units that are eligible to vest and have been divided into three categories of vesting as follows: (i) on April 4, 2019, a number of New IP Performance-Based Units (as defined in the Restricted Unit Agreement) will vest equal to the product of (x) the target number of New IP Performance-Based Units in such vesting tranche (10,198) multiplied by (y) the New IP Vesting Percentage (as defined in the Restricted Unit Agreement) on March 29, 2019, which ranges from 0% to 200%, (ii) on April 4, 2019, a number of Major IP Performance-Based Units (as defined in the Restricted Unit Agreement) will vest equal to the product of (x) the target number of Major IP Performance-Based Units in such vesting tranche (10,197) multiplied by (y) the Major IP Vesting Percentage (as defined in the Restricted Unit Agreement) on March 29, 2019, which ranges from 0% to 200%, and (iii) on April 4, 2019, a number of TSR Performance-Based Units (as defined in the Restricted Unit Agreement) will vest equal to the product of (x) the target number of TSR Performance-Based Units in such vesting tranche (61,185) multiplied by (y) the TSR Vesting Percentage (as defined in the Restricted Unit Agreement) on March 29, 2019, which ranges from 0% to 200%.

In the event that any portion of the Performance Award will not have vested as of April 4, 2019 or upon a termination of the Management Agreement by the Company for Cause or by ZelnickMedia without Good Reason, ZelnickMedia will forfeit to the Company any and all Restricted Units that have not vested as of such date.

Treatment of Awards.

Upon a termination of the 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 Award (including any restricted stock or units granted to ZelnickMedia during the term of the 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 Management Agreement), for TSR Performance-Based Units, 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 Management Agreement upon the expiration of the term of the Management Agreement or otherwise fail to agree to extend the term of the Management Agreement, all unvested time-vesting restricted stock or units granted during the term of the 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, 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 Management Agreement, the Management Agreement will not automatically terminate and all unvested restricted units granted pursuant to the Restricted Unit Agreement will vest as set forth in the 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 Management Agreement by the Company without Cause or by ZelnickMedia for Good Reason or (y) such other date set forth in the applicable restricted unit agreement (which date is April 4, 2019, for the Restricted Units), 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.

The foregoing descriptions of the Management Agreement and the Restricted Unit Agreement (including the Time-Based Award and the Performance Award issuable to ZelnickMedia thereunder) are only a summary and are qualified in their entirety by reference to the full text of the Management Agreement, 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, and the Restricted Unit Agreement, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

LEGAL MATTERS

Unless otherwise specified in a prospectus supplement, the validity of our Common Stock shares have been passed upon for us by Willkie Farr & Gallagher LLP.

EXPERTS

The consolidated financial statements of Take-Two Interactive Software, Inc. appearing in Take-Two Interactive Software, Inc.'s Annual Report (Form 10-K) for the year ended March 31, 2017 and the effectiveness of Take-Two Interactive Software, Inc.'s internal control over financial reporting as of March 31, 2017 (excluding the internal control over financial reporting of Social Point S.L.), have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in its reports thereon, which as to the report on the effectiveness of Take-Two Interactive Software, Inc.'s internal control over financial reporting contains an explanatory paragraph describing the above referenced exclusion of Social Point S.L. from the scope of such firm's audit of internal control over financial reporting, included therein, and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with these requirements, we are required to file periodic reports and other information with the SEC. You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. The SEC also maintains an Internet website at <http://www.sec.gov> that contains our filed reports, proxy and information statements, and other information we file electronically with the SEC.

Additionally, we make our SEC filings available, free of charge, on our website at www.take2games.com as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. The information on our website, other than the filings incorporated by reference in this prospectus, is not, and should not be, considered part of this prospectus, is not incorporated by reference into this document, and should not be relied upon in connection with making any investment decision with respect to our Common Stock.

We are "incorporating by reference" into this prospectus certain information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information we incorporate by reference in this prospectus is legally deemed to be a part of this prospectus, and later information that we file with the SEC will automatically update and supersede the information included in this prospectus and the documents listed below. We incorporate the documents listed below:

- Annual Report on Form 10-K for the fiscal year ended March 31, 2017, filed with the SEC on May 24, 2017;
- Definitive Proxy Statement on Schedule 14A filed with the SEC on July 28, 2016;
- Current Report on Form 8-K filed with the SEC on February 3, 2017, as amended on April 18, 2017;
- Description of our common stock contained in our Registration Statement on Form 8-A, filed with the SEC on March 26, 2008, including any subsequent amendment or any report filed for the purpose of updating such description; and
- All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the initial registration statement of which this prospectus forms a part until all of the securities being offered under this prospectus or any prospectus supplement are sold (other than reports, documents or information that is furnished and not filed with the SEC).

We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference herein, other than exhibits to such documents that are not specifically incorporated by reference therein. You should direct any requests for documents to us at the following

Take-Two Interactive, Inc.
622 Broadway
New York, New York 10012
(646) 536-2842
Attention: Corporate Secretary

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses in connection with the issuance of the securities being registered. Other than the SEC registration fee, all of the amounts listed are estimates.

SEC Registration Fee	\$	1,836.25
Accounting Fees and Expenses		30,000
Legal Fees and Expenses		30,000
Transfer Agent and Registrar Fees and Expenses		10,000
Miscellaneous		10,000
Total	\$	81,836.25

Item 15. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (“DGCL”) provides, among other things, that a corporation may indemnify any director or officer of the corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the corporation’s request as a director or officer of another entity, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The power to indemnify also applies to any threatened, pending or completed action or suit brought by or in the right of the corporation, but only to the extent of expenses (including attorneys’ fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification will be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court deems proper. To the extent that a present or former director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, such person will be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection therewith.

Section 102(b)(7) of the DGCL provides that a corporation may eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision will not eliminate or limit the liability of a director (i) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision will eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective.

The Company’s Restated Certificate of Incorporation provides that it shall indemnify and hold harmless its officers and directors to the fullest extent authorized by the DGCL, as the DGCL exists or is amended to permit the Company to provide broader indemnification rights than the DGCL provided prior to such amendment, against all expense, liability and loss (including attorneys fees), reasonably incurred

or suffered by such person in connection therewith; provided, however, that the Company shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board.

In addition, the Company’s Amended and Restated By-laws require the Company to indemnify its officers and directors to the extent permitted by the DGCL.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions or otherwise, the Company has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 16. Exhibits.

See Exhibit Index attached hereto and incorporated by reference.

Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

II-2

- (4) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(b) The undersigned Registrant hereby further undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

II-3

SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York on May 25, 2017.

By: /s/ Strauss Zelnick

Name: Strauss Zelnick

Title: Chairman and Chief Executive Officer

Each person whose signature appears below constitutes and appoints each of Strauss Zelnick and Daniel P. Emerson his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated and on the date set forth above.

/s/ Strauss Zelnick

Strauss Zelnick

Chairman and Chief Executive Officer (Principal Executive Officer)

/s/ Lainie Goldstein

Lainie Goldstein

Chief Financial Officer (Principal Financial and Accounting Officer)

/s/ Michael Dornemann

Michael Dornemann

Lead Independent Director

/s/ Robert Bowman

Robert Bowman

Director

/s/ J Moses

J Moses

Director

/s/ Michael Sheresky

Michael Sheresky

Director

/s/ Susan Tolson

Susan Tolson

Director

/s/ LaVerne Srinivasan

LaVerne Srinivasan

Director

S-1

EXHIBIT INDEX

Exhibit No.	Description of Document
5.1*	Opinion of Willkie Farr & Gallagher LLP (counsel).
10.1+	Management Agreement, dated as of March 10, 2014, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation.
10.2*	Restricted Unit Agreement, dated as of May 25, 2017, by and between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation.
23.1*	Consent of Willkie Farr & Gallagher LLP (counsel) (included in Exhibit 5.1).
23.2*	Consent of Ernst & Young LLP (independent registered public accounting firm).
23.3*	Consent of KPMG Auditores, S.L., Independent Auditors of Social Point, S.L.
24.1*	Powers of Attorney (included on signature page).

* Filed herewith.

+ Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 10, 2014 and incorporated herein by reference.

WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, NY 10019-6099

May 25, 2017

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

Re: Take-Two Interactive Software, Inc.
Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Take-Two Interactive Software, Inc., a Delaware corporation (the “Company”), with respect to the Company’s Registration Statement on Form S-3 (the “Registration Statement”) to be filed by the Company with the Securities and Exchange Commission on or about the date hereof. The Registration Statement relates to the registration under the Securities Act of 1933, as amended (the “Act”), by the Company of an additional 229,282 shares of Common Stock, par value \$0.01 per share (the “Common Stock”) upon the settlement of restricted units that were granted by the Company to ZelnickMedia Corporation under the Company’s 2009 Stock Incentive Plan (the “Plan”) pursuant to the terms of a Restricted Unit Agreement, dated as of May 25, 2017, by and between the Company and ZelnickMedia Corporation.

We have examined, among other things, originals and/or copies (certified or otherwise identified to our satisfaction) of such documents, papers, statutes, and authorities as we have deemed necessary to form a basis for the opinion hereinafter expressed. In our examination, we have assumed the genuineness of all signatures and the conformity to original documents of all copies submitted to us. As to various questions of fact material to our opinion, we have relied on statements and certificates of officers and representatives of the Company.

Based on the foregoing, and subject to the limitations, qualifications, exceptions and assumptions expressed herein, we are of the opinion that the Common Stock to be issued by the Company under the Plan, when duly issued and delivered pursuant to the terms of the Plan, will be legally issued, fully paid, and non-assessable.

This opinion is limited to the General Corporation Law of the State of Delaware, and we express no opinion with respect to the laws of any other jurisdiction or any other laws of the State of Delaware.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption “Legal Matters” in the prospectus contained in the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments that hereafter may be brought to our attention and that may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, ZelnickMedia Corporation or the Common Stock.

Very truly yours,

/s/ Willkie Farr & Gallagher LLP

**RESTRICTED UNIT AGREEMENT
PURSUANT TO THE
TAKE-TWO INTERACTIVE SOFTWARE, INC.
2009 INCENTIVE STOCK PLAN
(Amended and Restated Effective July 21, 2016)**

This Restricted Unit Agreement (this “**Agreement**”), dated as of May 25, 2017, is made by and between Take-Two Interactive Software, Inc. (the “**Company**”) and ZelnickMedia Corporation (the “**Participant**”).

WITNESSETH:

WHEREAS, the Company has adopted the Take-Two Interactive Software, Inc. 2009 Stock Incentive Plan (as amended and restated from time to time, the “**Plan**”), a copy of which has been delivered to the Participant, which is administered by a committee appointed by the Company’s Board of Directors (the “**Committee**”);

WHEREAS, pursuant to Section 9.1 of the Plan, the Committee may grant awards to Consultants that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of the Company’s common stock, par value \$0.01 per share (“**Common Stock**”); and

WHEREAS, pursuant to the Management Agreement between the Participant and the Company, effective as of April 1, 2014 (the “**Management Agreement**”), the Company may grant to the Participant additional equity awards, in amounts determined at the discretion of the Committee.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Restricted Units.** Subject to the restrictions, terms and conditions of this Agreement, the Company hereby awards to the Participant 229,282 restricted units (“**Restricted Units**”) each representing the right to receive, upon vesting, an amount equal the Fair Market Value (as defined in the Plan) of one (1) share of Common Stock (a “**Share**”), subject to adjustment, forfeiture and the other terms and conditions set forth below. The Restricted Units constitute an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to the Participant, subject to the terms of this Agreement, cash, Shares or a combination of cash and Shares, in the discretion of the Company, on the applicable vesting date for such Restricted Units as provided herein. Until such delivery, the Participant shall have only the rights of a general unsecured creditor, and no rights as a shareholder of the Company; provided, that if prior to the settlement of any Restricted Unit, (a) the Company pays a cash dividend (whether regular or extraordinary) or otherwise makes a cash distribution to a shareholder in respect of a Share, then the Company shall credit, in respect of each then-outstanding Restricted Unit held by the Participant, an amount equal to any such cash dividend or distribution to a book entry account on behalf of the Participant, provided that such cash dividend or distribution shall not be deemed to be reinvested in shares of Common Stock and will be held uninvested and without interest and

paid in cash at the same time as such Restricted Unit vests and is settled under Section 2 below (and the Participant shall forfeit any such right to such cash if such Restricted Unit is forfeited prior to vesting), and (b) the Company pays a non-cash dividend (whether regular or extraordinary) or otherwise makes a non-cash distribution in Shares or other property to a shareholder in respect of a Share, then the Company shall provide the Participant, in respect of each then-outstanding Restricted Unit held by the Participant, an amount equal to the Fair Market Value of such Shares or an amount equal to the fair market value of such other property as reasonably determined by the Company in good faith, as applicable, at the same time as such Restricted Unit vests and is settled under Section 2 below (and the Participant shall forfeit any such right to such amount if such Restricted Unit is forfeited prior to vesting).

2. **Vesting.** The Restricted Units shall become vested and settled in accordance with the terms set forth on Annex A attached hereto.

3. **Taxes.** The Participant shall be solely responsible for all applicable federal, state, local, and foreign taxes the Participant incurs from the grant, vesting or settlement of the Restricted Units.

4. **No Obligation to Continue Service.** This Agreement is not an agreement of consultancy. This Agreement does not guarantee that the Company or its affiliates will retain, or continue to retain, the Participant during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which the Restricted Units are outstanding, nor does it modify in any respect the Company or its affiliate’s right to terminate or modify the Participant’s consultancy or compensation.

5. **Power of Attorney.** The Company, and its successors and assigns, is hereby appointed the attorney-in-fact, with full power of substitution, of the Participant for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may reasonably deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for the Participant, may in the name and stead of the Participant, make and execute all conveyances, assignments, and transfers of the Restricted Units, Shares, and property provided for herein, and the Participant hereby ratifies and confirms all that the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, the Participant shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the reasonable judgment of the Company, be advisable for the purpose.

6. **Uncertificated Shares.** Notwithstanding anything else herein, to the extent permitted under applicable law, the Company may issue Shares in the form of uncertificated shares. Such uncertificated Shares shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant. If thereafter certificates are issued with respect to the uncertificated Shares, such issuance and delivery of certificates shall be in accordance with the applicable terms of this Agreement.

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions, and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations, and interpretations relating to the Plan as may be adopted

by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations. Capitalized terms in this Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

8. **Adjustments.** The Company shall make any adjustments to the Restricted Units upon any changes in capital structure of the Company, as determined by the Committee in good faith and in a manner consistent with the Plan.

9. **Notices.** Any notice or communication given hereunder (each a “**Notice**”) shall be in writing and shall be sent by personal delivery, by courier or by United States mail (registered or certified mail, postage prepaid and return receipt requested), to the appropriate party at the address set forth below:

If to the Company, to:

Take-Two Interactive Software, Inc.
622 Broadway
New York, New York 10012
Attention: General Counsel

If to the Participant, to:

ZelnickMedia Corporation
19 West 44th Street, 18th Floor
New York, NY 10036
Telephone: (212) 223-1383
Facsimile: (212) 223-1384
Attention: Strauss Zelnick

or such other address or to the attention of such other person as a party shall have specified by prior Notice to the other party. Each Notice will be deemed given and effective upon actual receipt (or refusal of receipt).

10. **Governing Law.** All questions concerning the construction, validity, and interpretation of this Agreement will be governed by, and construed in accordance with, the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

11. **Consent to Jurisdiction.** In the event of any dispute, controversy, or claim between the Company or any affiliate and the Participant in any way concerning, arising out of or relating to the Plan or this Agreement (a “**Dispute**”), including without limitation any Dispute concerning, arising out of, or relating to the interpretation, application, or enforcement of the Plan or this Agreement, the parties hereby (a) agree and consent to the personal jurisdiction of the courts

of the State of New York located in New York County and/or the Federal Courts of the United States of America located in the Southern District of New York (collectively, the “**Agreed Venue**”) for resolution of any such Dispute, (b) agree that those courts in the Agreed Venue, and only those courts, shall have exclusive jurisdiction to determine any Dispute, including any appeal, and (c) agree that any cause of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of New York. The parties also hereby irrevocably (i) submit to the jurisdiction of any competent court in the Agreed Venue (and of the appropriate appellate courts therefrom), (ii) to the fullest extent permitted by law, waive any and all defenses the parties may have on the grounds of lack of jurisdiction of any such court and any other objection that such parties may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court (including without limitation any defense that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum), and (iii) consent to service of process in any such suit, action, or proceeding anywhere in the world, whether within or without the jurisdiction of any such court, in any manner provided by applicable law. Without limiting the foregoing, each party agrees that service of process on such party pursuant to a Notice as provided in Section 9 hereof shall be deemed effective service of process on such party. Any action for enforcement or recognition of any judgment obtained in connection with a Dispute may be enforced in any competent court in the Agreed Venue or in any other court of competent jurisdiction.

12. **Counterparts.** This Agreement may be executed (including by facsimile transmission) with counterpart signature pages or in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

13. **Amendment.** The Committee may, subject to the terms of the Plan, at any time and from time to time amend, in whole or in part, any or all of the provisions of this Agreement, and may also suspend or terminate this Agreement, subject to the terms of the Plan. Except as otherwise provided in the Plan, no modification or waiver of any of the provisions of this Agreement shall be effective unless in writing by the party against whom it is sought to be enforced.

14. **Miscellaneous.**

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns.

(b) This Agreement, the Plan, and the Management Agreement contain the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

(c) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

4

(d) Although the Company makes no guarantee with respect to the tax treatment of the Restricted Units, the Company intends that the Restricted Units shall not constitute “nonqualified deferred compensation” subject to Section 409A of the Internal Revenue Code of 1986, as amended, and any successor provision or any Treasury Regulation promulgated thereunder (“**Section 409A**”) and this Agreement shall be interpreted, administered and construed consistent with such intent. If, and only to the extent that, (i) the Restricted Units constitute “deferred compensation” within the meaning of Section 409A and (ii) the Participant is deemed to be a “specified employee” (as such term is defined in Section 409A and as determined by the Company), the payment of Restricted Units on termination of the Management Agreement shall not be made until the first business day of the seventh month following such termination or, if earlier, the date of the Participant’s death.

[End of text. Signature page follows.]

5

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

COMPANY:

TAKE-TWO INTERACTIVE SOFTWARE, INC.

By: /s/ Daniel P. Emerson
Name: Daniel P. Emerson
Title: EVP and General Counsel

PARTICIPANT:

ZELNICKMEDIA CORPORATION

By: /s/ Karl Slatoff
Name: Karl Slatoff
Title: Partner

6

Annex A

Vesting

A. **Time Based Vesting.**

Subject to Section C, 66,122 of the Restricted Units (the “**Time-Based Units**”) shall become vested on April 4, 2019 (the “**Vesting Date**”).

B. **Performance Based Vesting.**

Subject to Section C, certain of the Restricted Units shall be subject to performance-based vesting in accordance with Section (B)(i) (the “**TSR Performance-Based Units**”), Section (B)(ii) (the “**New IP Performance-Based Units**”), and Section (B)(iii) (the “**Major IP Performance-Based Units**,” and together with the TSR Performance-Based Units and the New IP Performance-Based Units, the “**Performance-Based Units**”).

(i) **TSR Performance-Based Units.** The target number of TSR Performance-Based Units that shall be eligible to vest pursuant to this Section B(i) shall be 61,185, and the maximum number of TSR Performance-Based Units that shall be eligible to vest pursuant to this Section B(i) shall be 122,370. Subject to Section C, on the Vesting Date, a number of TSR Performance-Based Units shall become vested equal to the product of (x) the target number of TSR Performance-Based Units eligible to vest pursuant to this Section B(i) *multiplied by* (y) the TSR Vesting Percentage on March 29, 2019, rounded down to the nearest whole TSR Performance-Based Unit.

(ii) **New IP Performance-Based Units.** The target number of New IP Performance-Based Units that shall be eligible to vest pursuant to this Section B(ii) shall be 10,198, and the maximum number of New IP Performance-Based Units that shall be eligible to vest pursuant to this Section B(ii) shall be 20,396. Subject to Section C, on the Vesting Date, a number of New IP Performance-Based Units shall become vested equal to the product of (x) the target number of New IP Performance-Based Units in such vesting tranche *multiplied by* (y) the New IP Vesting Percentage on March 29, 2019, rounded down to the nearest whole New IP Performance-Based Unit.

(iii) **Major IP Performance-Based Units.** The target number of Major IP Performance-Based Units that shall be eligible to vest pursuant to this Section B(iii) shall be 10,197, and the maximum number of Major IP Performance-Based Units that shall be eligible to vest pursuant to this Section B(iii) shall be 20,394. Subject to Section C, on the Vesting Date, a number of Major IP Performance-Based Units shall become vested equal to the

product of (x) the target number of Major IP Performance-Based Units in such vesting tranche *multiplied by* (y) the Major IP Vesting Percentage on March 29, 2019, rounded down to the nearest whole Major IP Performance-Based Unit.

C. Qualifying Termination; Change in Control.

(i) Termination. In the event of a Qualifying Termination prior to the earlier of (x) the Vesting Date or (y) a Change in Control (as defined in the Management Agreement): (a) the effective date of such Qualifying Termination shall serve as the vesting date for all Time-Based

A-1

Units hereunder, and all such Time-Based Units shall vest as of such date; (b) the effective date of such Qualifying Termination shall serve as the vesting date for all TSR Performance-Based Units hereunder and the given date for purposes of the Measurement Price, and the number of such TSR Performance-Based Units that shall vest as of such date shall be calculated in accordance with Section B(i) above based upon the Percentile Rank through the effective date of such Qualifying Termination; and (c) the effective date of such Qualifying Termination shall serve as the vesting date for all New IP Performance-Based Units and Major IP Performance-Based Units hereunder, and the target number of such New IP Performance-Based Units and Major IP Performance-Based Units (as set forth in Sections B(ii) and B(iii), as applicable) shall vest as of such date without regard to the application of the Applicable Vesting Percentage.

(ii) Change in Control. If a Change in Control occurs while the Management Agreement remains in effect, in any case prior to the earlier of (x) the Vesting Date or (y) a Qualifying Termination, all Time-Based Units and the target number of Performance-Based Units (as set forth in Sections B(i), B(ii) and B(iii), as applicable) shall remain eligible to vest and shall vest (without regard to the application of the Applicable Vesting Percentage, in the case of Performance-Based Units), in each case, as of the earlier of (a) a Qualifying Termination or (b) the Vesting Date. Each Restricted Unit that remains eligible to vest following a Change in Control pursuant to the foregoing sentence shall be referred to as a “**Vesting-Eligible Unit.**” Upon the occurrence of a Change in Control, each Vesting-Eligible Unit shall be converted into an amount in cash equal to the Market Value of the consideration payable in the Change in Control in respect of each such Vesting-Eligible Unit, and such consideration shall be paid to the Participant promptly following the satisfaction of the vesting conditions set forth in this Section C(ii) (*i.e.*, in full on the Vesting Date, or if earlier, upon a Qualifying Termination), and shall automatically be forfeited and shall revert back to the Company if such vesting conditions are not satisfied.

D. Forfeiture.

(i) Any Restricted Units that have not vested as of the termination of the Management Agreement for any reason other than a Qualifying Termination shall automatically be forfeited and shall revert back to the Company without compensation to the Participant.

(ii) Any Performance-Based Units that (x) have not vested as of the earlier of (a) the Vesting Date or (b) the effective date of a Qualifying Termination, or (y) do not become Vesting-Eligible Units upon the occurrence of a Change in Control (*i.e.*, any Performance-Based Units above the target numbers set forth in Sections B(i), B(ii) and B(iii), as applicable), shall automatically be forfeited and shall revert back to the Company without compensation to the Participant.

E. Settlement. Subject to the last sentence of Section C(ii), upon vesting pursuant to Sections A, B, and C, the Company shall deliver to the Participant an amount in cash having a value equal to the aggregate value of a number of Shares equal to the number of Restricted Units vesting on such date, based on the closing price of the Shares on such settlement date on the principal national securities exchange on which the Shares are traded on such date (or if the Shares are not traded on such date, the immediately preceding trading day), provided that the Participant has satisfied any tax withholding obligations as described in this Agreement. Notwithstanding anything herein to the contrary, but subject to the last sentence of Section C(ii), each Restricted Unit (including any

A-2

amount provided for pursuant to Section 1(a) of the Agreement) may, at the election of the Company, be settled in Shares issued pursuant to the Plan (subject to any required delay in issuance as required under the Plan). To the extent any Shares become deliverable to the Participant hereunder the Participant shall be deemed the beneficial owner of any Share issued upon settlement of a Restricted Unit at the close of business on any settlement date and shall be entitled to any dividend or distribution that has not already been made with respect to such Share if the record date for such dividend or distribution is after the close of business on such settlement date, and the Company shall promptly issue and deliver, unless the Company is using a book entry or similar method pursuant to Section 6 of the Agreement (in which case the Company shall upon request promptly issue and deliver upon the Participant’s request), to the Participant a new stock certificate registered in the name of the Participant for any Shares issued upon settlement of Restricted Units and deliver to the Participant such Shares, in each case free of all liens, claims and other encumbrances (other than those created by the Participant).

F. Definitions.

“**Add-On Content**” in respect of any IP means all interactive software entertainment products that are ancillary to such IP, either in the form of expansion packs or micro-content and which are not playable separately from such IP, but excluding any Sequel of such IP.

“**Applicable Vesting Percentage**” means (i) with respect to TSR Performance-Based Units, the TSR Vesting Percentage, (ii) with respect to New IP Performance-Based Units, the New IP Vesting Percentage, and (iii) with respect to Major IP Performance-Based Units, the Major IP Vesting Percentage.

“**Existing IP**” means any IP commercially released prior to April 1, 2014 and any products released on or after April 1, 2014 that are derived from or use the branding, environments or characters of such products (*e.g.*, Sequels and subsequent Individual Releases).

“**Individual Release**” means any IP released across any and all gaming platforms and all SKUs released of any IP, including, for the avoidance of doubt, any bundles, anniversary editions or “game of the year” editions of such IP but excluding (i) any Add-On Content in respect of such IP and (ii) any expansion packs that are playable separately from such IP, with each such expansion pack being deemed to be a separate Individual Release.

“**IP**” means any interactive entertainment product.

“**Major IP**” means Existing IP or New IP.

“**Major IP Vesting Percentage**” as of a given date is a function of the Company’s Sell-In Performance or Sales Performance, as applicable, for any Individual Release of Major IP calculated as of such date, determined by reference to the following tables. For the avoidance of doubt, the Major IP Vesting Percentage shall be determined based on the Company’s Sell-In Performance or Sales Performance, as applicable, with respect to one Individual Release of Major IP. If multiple Individual Releases of Major IP occur during the relevant measurement period, the Major IP Vesting Percentage shall be determined based on the Individual Release of Major IP (whether Regular Price IP, Reduced Price IP or Other IP) that results in the highest Major IP Vesting Percentage. Without limiting the generality of the foregoing, in no event shall

A-3

(i) the Company’s Sell-In Performance and/or Sales Performance with respect to multiple Individual Releases of Major IP or (ii) the Major IP Vesting Percentages attributable to multiple Individual Releases of Major IP, be aggregated for purposes of determining the Major IP Vesting Percentage. By way of example, if, during the relevant measurement period, the Company has an Individual Release of Major IP that is Regular Price IP that results in a Sell-In Performance of 4,000,000 units, as well as an Individual Release of Major IP that is Other IP that results in Sales Performance of \$150,000,000, the Major IP Vesting Percentage will be 100% (i.e., the highest Major IP Vesting Percentage attributable to an Individual Release of Major IP).

(x) For any Individual Release of Major IP that is Regular Price IP:

Major IP Sell-In Performance	Major IP Vesting Percentage
Less than 4,000,000 units	0%
4,000,000 units	50%
5,000,000 units	100%
6,000,000 units	200%

In the event that the Major IP Sell-In Performance is less than 4,000,000 units, the Major IP Vesting Percentage shall be zero percent (0%). In the event that the Major IP Sell-In Performance falls between any of the values listed in the table above, the Major IP Vesting Percentage shall be based on a straight line interpolation between such two values.

(y) For any Individual Release of Major IP that is Reduced Price IP:

Major IP Sell-In Performance	Major IP Vesting Percentage
Less than Reduced Price Major IP Minimum Number	0%
Reduced Price Major IP Minimum Number	50%
Reduced Price Major IP Target Number	100%
Reduced Price Major IP Maximum Number	200%

In the event that the Major IP Sell-In Performance is less than the Reduced Price Major IP Minimum Number, the Major IP Vesting Percentage shall be zero percent (0%). In the event that the Major IP Sell-In Performance falls between any of the values listed in the table above, the Major IP Vesting Percentage shall be based on a straight line interpolation between such two values.

(z) For any Individual Release of Major IP that is Other IP:

Major IP Sales Performance	Major IP Vesting Percentage
Less than \$120,000,000	0%
\$120,000,000	50%
\$150,000,000	100%
\$180,000,000	200%

In the event that the Major IP Sales Performance is less than \$120,000,000, the Major IP Vesting Percentage shall be zero percent (0%). In the event that the Major IP Sales Performance

A-4

falls between any of the values listed in the table above, the Major IP Vesting Percentage shall be based on a straight line interpolation between such two values.

“**Measurement Price**” as of a given date means the average of the closing prices of the Common Stock or the common stock of a Peer Group company, as applicable, for each of the 30 trading days ending on (and including) such date.

“**New IP**” means any IP commercially released on or after April 1, 2014 that is not Existing IP. Sequels and subsequent Individual Releases of New IP occurring after April 1, 2014 shall qualify as New IP for purposes of this Agreement.

“**New IP Vesting Percentage**” as of a given date is a function of the Company’s Sell-In Performance or Sales Performance, as applicable, for any Individual Release of New IP calculated as of such date, determined by reference to the following tables. For the avoidance of doubt, the New IP Vesting Percentage shall be determined based on the Company’s Sell-In Performance or Sales Performance, as applicable, with respect to one Individual Release of New IP. If multiple Individual Releases of New IP occur during the relevant measurement period, the New IP Vesting Percentage shall be determined based on the Individual Release of New IP (whether Regular Price IP, Reduced Price IP, or Other IP) that results in the highest New IP Vesting Percentage. Without limiting the generality of the foregoing, in no event shall (i) the Company’s Sell-In Performance and/or Sales Performance with respect to multiple Individual Releases of New IP or (ii) the New IP Vesting Percentages attributable to multiple Individual Releases of New IP, be aggregated for purposes of determining the New IP Vesting Percentage. By way of example, if, during the relevant measurement period, the Company has an Individual Release of New IP that is Regular Price IP that results in a Sell-In Performance of 2,000,000 units, as well as an Individual Release of New IP that is Other IP that results in Sales

Performance of \$90,000,000, the New IP Vesting Percentage will be 100% (i.e., the highest New IP Vesting Percentage attributable to an Individual Release of New IP).

(x) For any Individual Release of New IP that is Regular Price IP:

New IP Sell-In Performance	New IP Vesting Percentage
Less than 2,000,000 units	0%
2,000,000 units	50%
3,000,000 units	100%
4,000,000 units	200%

In the event that the New IP Sell-In Performance is less than 2,000,000 units, the New IP Vesting Percentage shall be zero percent (0%). In the event that the New IP Sell-In Performance falls between any of the values listed in the table above, the New IP Vesting Percentage shall be based on a straight line interpolation between such two values.

(y) For any Individual Release of New IP that is Reduced Price IP:

New IP Sell-In Performance	New IP Vesting Percentage
Less than Reduced Price New IP Minimum Number	0%
Reduced Price New IP Minimum Number	50%
Reduced Price New IP Target Number	100%
Reduced Price New IP Maximum Number	200%

A-5

In the event that the New IP Sell-In Performance is less than the Reduced Price New IP Minimum Number, the New IP Vesting Percentage shall be zero percent (0%). In the event that the New IP Sell-In Performance falls between any of the values listed in the table above, the New IP Vesting Percentage shall be based on a straight line interpolation between such two values.

(z) For any Individual Release of New IP that is Other IP:

New IP Sales Performance	New IP Vesting Percentage
Less than \$60,000,000	0%
\$60,000,000	50%
\$90,000,000	100%
\$120,000,000	200%

In the event that the New IP Sales Performance is less than \$60,000,000, the New IP Vesting Percentage shall be zero percent (0%). In the event that the New IP Sales Performance falls between any of the values listed in the table above, the New IP Vesting Percentage shall be based on a straight line interpolation between such two values.

“**Other IP**” means any IP that is not Reduced Price IP or Regular Price IP, which has a primary business model of not charging for the basic release and is meant to create revenue based on follow-on transactions as the primary business model.

The “**Peer Group**” shall consist of the companies that comprise The NASDAQ Composite Index on March 31, 2017; provided, that (i) subject to clause (ii) below, if a member of the Peer Group ceases to be publicly traded for any reason following March 31, 2017 and prior to the applicable date on which the Measurement Price is calculated, that member of the Peer Group shall be deleted as a member of the Peer Group and shall not be counted for purposes of the TSR Vesting Percentage and related calculations and (ii) if a member of the Peer Group becomes bankrupt following March 31, 2017 and prior to the applicable date on which the Measurement Price is calculated, that member of the Peer Group shall remain a member of the Peer Group and shall be attributed a Total Shareholder Return of -100% for purposes the TSR Vesting Percentage and related calculations.

The “**Percentile Rank**” of the Company’s Total Shareholder Return is defined as the percentage of the Peer Group companies’ returns falling at or below the Company’s Total Shareholder Return. The formula for calculating the Percentile Rank is as follows:

$$\text{Percentile Rank} = (N - R + 1) \div N \times 100$$

Where:

N = total number of companies in the Peer Group

A-6

R = the numeric rank of the Company’s Total Shareholder Return relative to the Peer Group, where the highest Total Shareholder Return in the Peer Group is ranked number 1

The Percentile Rank shall be rounded to the nearest whole percentage, with (0.5) rounded up.

To illustrate, if the Company’s Total Shareholder Return is the 25th highest in a Peer Group comprised of 100 companies, its Percentile Rank would be 76. The calculation is $(100 - 25 + 1) \div 100 \times 100 = 76$.

The “**Port**” of an IP means a substantially similar version of such IP developed to operate on a platform other than the platform for which such IP had theretofore been developed to operate.

“Qualifying Termination” means a termination of the Management Agreement by the Company without Cause (as defined in the Management Agreement) or by ZelnickMedia or its assignee for Good Reason (as defined in the Management Agreement).(1)

“Reduced Price IP” means any IP that is not Regular Price IP or Other IP.

“Reduced Price Major IP Target Number” means, for any Individual Release of Reduced Price Major IP, a number of units equal to the product of (i) 5,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

“Reduced Price Major IP Maximum Number” means, for any Individual Release of Reduced Price Major IP, a number of units equal to the product of (i) 6,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

“Reduced Price Major IP Minimum Number” means, for any Individual Release of Reduced Price Major IP, a number of units equal to the product of (i) 4,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

“Reduced Price New IP Maximum Number” means, for any Individual Release of Reduced Price New IP, a number of units equal to the product of (i) 4,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

“Reduced Price New IP Minimum Number” means, for any Individual Release of Reduced Price New IP, a number of units equal to the product of (i) 2,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

(1) For future grants, non-renewal of the Management Agreement will be included as a Qualifying Termination event.

A-7

“Reduced Price New IP Target Number” means, for any Individual Release of Reduced Price New IP, a number of units equal to the product of (i) 3,000,000 and (ii) a fraction, the numerator of which is 29.99 and the denominator of which is the numeric value of the original wholesale price in the United States per unit.

“Reference Price” means the average of the closing prices of the Common Stock or the common stock of a Peer Group company, as applicable, for each of the 30 trading days ending on (and including) March 31, 2017.

“Regular Price IP” means any IP that is not Reduced Price IP or Other IP, with a SKU that had an original wholesale price in the United States per unit equal to or in excess of \$29.99.

“Sales Performance” as of a given date means, with respect to any Individual Release of Other IP, the revenue generated during the period beginning on April 1, 2017 and ending on March 29, 2019.

“Sell-In Performance” as of a given date means, with respect to any Individual Release of Regular Price IP or Reduced Price IP, as applicable, the number of units “sold-in” during the period beginning on April 1, 2017 and ending on March 29, 2019.

“Sequel” means with respect to any IP, any game software program, other than any Port or Add-On Content, in any medium that is derived from such IP within the same genre, utilizing the same game play, and based on the same themes and using the same brand name as such IP where the visual display(s), character(s), background(s), virtual environment(s), or other visual or video elements accessible to the end-user of the game software program are derived from comparable elements of such IP.

“Total Shareholder Return” as of a given date means the percentage change in the value of the Common Stock or the common stock of a Peer Group company, as applicable, from the Reference Price to the Measurement Price on such date.

“TSR Vesting Percentage” as of a given date is a function of the Company’s Percentile Rank among the Peer Group calculated as of such date, determined by reference to the following table:

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

In the event that the Percentile Rank is less than 40th Percentile, the TSR Vesting Percentage shall be zero percent (0%). In the event that the Percentile Rank falls between any of the values listed in the table above, the TSR Vesting Percentage shall be based on a straight line interpolation between such two values.

A-8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Experts” in this Registration Statement (Form S-3) and related Prospectus of Take-Two Interactive Software, Inc. for the registration of common stock and to the incorporation by reference therein of our reports dated May 23, 2017, with respect to the consolidated financial statements of Take-Two Interactive Software, Inc., and the effectiveness of internal control over financial reporting of Take-Two Interactive Software, Inc., included in its Annual Report (Form 10-K) for the year ended March 31, 2017, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, New York

May 25, 2017



KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Social Point, S.L.

We consent to the incorporation by reference in the registration statement to be filed on May 25, 2017, on Form S-3 of Take-Two Interactive Software, Inc. of our report dated April 14, 2017, with respect to the balance sheet of Social Point, S.L. as of December 31, 2015, and the related income statement, statement of changes in equity and statement of cash flows for the year then ended, which report appears in the amendment on the Form 8-K/A of Take-Two Interactive Software, Inc. dated April 18, 2017. As more fully disclosed in Note 2.5 to the December 31, 2015 financial statements, the audit report is qualified due to the omission of comparative financial information. Furthermore, the audit report contains an explanatory paragraph relating to qualitative differences between Spanish Generally Accepted Accounting Principles and U.S. Generally Accepted Accounting Principles as presented in Note 18 to the financial statements.

/s/ KPMG Auditores, S.L.

KPMG Auditores, S.L.
Madrid, Spain
May 24, 2017

KPMG Auditores S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Document classification: KPMG Confidential

Reg. Mer Madrid, T. 11.961, F.90, Sec. 8, H. M -188.007,
Inscrip. 9 N.I.F. B-78510153