

DISCLOSURE POLICY of MAD CATZ INTERACTIVE, INC.

Preamble

This disclosure policy (the “Policy”) which is current as of July 15, 2004, incorporates The Toronto Stock Exchange (the “TSX”) and Canadian Securities Administrators (the “CSA”) guidelines plus (i) the requirements of the Ontario Securities Commission (the “OSC”) regarding certification of disclosure in annual and interim filings, and (ii) recommendations made by the Securities Industry Committee on Analyst Standards, a joint committee of the TSX, the Canadian Venture Exchange and the Investment Dealer’s Association.

This Policy has been approved by the Board of Directors (the “Board”) of Mad Catz Interactive, Inc. (the “Company”) and must be presented for reading by all directors, officers and employees of the Company and its subsidiaries with access to strategic or material non-public information involving the Company and its affairs.

1. DISCLOSURE OF MATERIAL INFORMATION

A. *Policy*

To comply with the requirements of provincial securities regulators and the TSX, and in the interests of developing and maintaining the confidence of the investing public, and in assisting the public in making informed investment decisions based on equal access to information, it is the policy of the Company to promptly disclose to the investing public and to its other public constituencies, all material information concerning the operations and financial results of the Company other than such information as may be lawfully withheld from disclosure and only for such time as it may be lawfully withheld from disclosure.

B. *Procedure*

(I) Information is deemed “material” and will require prompt disclosure when such information, if made public, could reasonably be expected to cause a significant change in the market price or value of any of the Company’s listed securities. Material information consists of both material facts and material changes¹ regarding the business and affairs of the Company. In addition, the declaration of any dividend, conditional or unconditional, will be disclosed immediately upon the conclusion of the Board meeting at which the decision to declare the dividend was made,

¹ A **material change** means (i) a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company, or (ii) a decision to implement a change referred to in (i) made by the Board or other persons acting in a similar capacity or by senior management of the Company who believe that confirmation of the decision by the Board or such other person acting in a similar capacity is probable [*Securities Act* (Ontario), s.1(1)].

and quarterly financial statements will be disclosed as directed by the Board as soon as possible after the Board meeting at which they were approved. The release of information pertaining to dividends and quarterly financial statements will be addressed by the Chief Financial Officer of the Company (the “CFO”) upon the Board’s approval of such statements and dividends without further instructions or authority.

- (II) Except as mentioned in the preceding paragraph, the Chief Executive Officer of the Company (the “CEO”) shall determine whether or not any information pertaining to the Company is material and whether and when it will be disclosed. In making this determination, the CEO should obtain the advice and counsel of the Company’s securities counsel. In the event of the absence or unavailability of the CEO, the responsibility for determining whether or not information is material and whether and when it will be disclosed will be assumed by the CFO with the advice and counsel of the Company’s securities counsel. In the absence or unavailability of both the CEO and CFO, this determination will be made by the Senior Vice President of Human Resources and Corporate Communications with the advice and counsel of the Company’s securities counsel.
- (III) The CEO and the CFO (the “Responsible Officers”) shall be the only persons authorized to disclose or discuss information concerning the Company to the media, analysts, institutional investors and other market professionals. All other Directors, officers and employees approached by these or other parties for such information shall refer such inquiries to one or more of the Responsible Officers.
- (IV) In the event that the Responsible Officer determines that material information should be disclosed, the Responsible Officer shall cause a news release to be issued disclosing all material facts and, if the TSX is open for trading, shall advise the Market Surveillance branch of the TSX (“Market Surveillance”) of the details of the release and the proposed method of dissemination. Where an announcement is to be made after the TSX has closed for trading, Market Surveillance must be advised of this information before trading opens the next trading day. Market Surveillance shall determine whether a halt in trading is necessary. After consulting with Market Surveillance, the Responsible Officer shall send the news release to Canada News Wire or other national news service, with a copy to Market Surveillance. Immediately following the issuance of the news release, the Responsible Officer shall seek the advice and counsel of the Company’s securities counsel regarding

possible filing requirements (i.e., material change reports) with the appropriate securities regulatory authorities.

- (V) In the event that material information which would otherwise be required to be promptly disclosed must, for any reason, be kept secret for any length of time, the Responsible Officer, on the advice and counsel of the Company's securities counsel, shall so advise Market Surveillance and explain the reasons for such request. The Company should also discuss with securities counsel whether or not a confidential material change report should be filed. Release of the information shall thereafter be made as soon as possible, consistent with the instructions of Market Surveillance. If material information is being withheld, the Company is under a duty to take precautions to keep such information confidential (see Item #2 of this Policy – "Maintaining Confidentiality of Information"). In the event that such information or rumour thereof is divulged (other than in the necessary course of business), the Company shall immediately disclose the information to the general public in a news release prepared in accordance with this Policy.
- (VI) In making material disclosure and preparing the text and content of news releases and other disclosure documents, the Responsible Officer shall observe that:
- (a) half-truths are misleading; disclosure must include any information which, if omitted, would make the rest of the disclosure misleading;
 - (b) unfavourable information must be disclosed as promptly and completely as favourable information;
 - (c) no disclosure of previously undisclosed information should be made to selected individuals or groups such as analysts, major shareholders or other market professionals including members of the financial press. If such selective disclosure is made through inadvertence, general disclosure of the subject information should immediately be made through a news release prepared in accordance with this Policy;
 - (d) disclosure must be updated if earlier disclosure has become misleading as a result of intervening events;
 - (e) the CFO will determine in advance what information is to be disclosed at meetings with analysts, and shall brief those officers in attendance accordingly. No material information concerning the finances or prospects of the Company is to be disclosed to analysts (in response to questioning or otherwise) before it has been released to the stock exchanges and to Canada News Wire or other

national news service. If material information is to be announced at an analyst or shareholder meeting or a press conference, its announcement must be coordinated with a general public announcement by a news release; and

- (e) the CFO shall maintain a record of all public records concerning the Company, including news releases, analyst research reports, reports in the press and debriefings following meetings, conference calls or other interactions with analysts. The materials in the record shall be available to the management of the Company and will assist the Responsible Officers in determining whether any particular information is material.

2. **MAINTAINING CONFIDENTIALITY OF INFORMATION**

A. *Policy*

No Director, officer or employee in possession of non-public information concerning the finances, affairs and prospects of the Company that, if generally known, could be reasonably expected to cause a significant change in the market price of the Company's stock ("Confidential Information") shall disclose such information to any person outside the Company unless such person has been designated under this Policy or by the CEO to make such disclosure, nor shall any such Director, officer or employee disclose any such information to any person within the Company whose job duties do not require the possession of such information.

Employees of the Company are permitted to disclose Confidential Information if required to do so in the necessary course of business. *This exemption from the prohibition against disclosing material non-public information, however, is not available for communications made to the media, securities analysts, institutional investors or other market professionals.*

B. *Procedure*

- (I) If any ambiguity exists as to whether or not information should be confidential, it should be discussed with the Company's securities counsel.
- (II) To limit the number of people who know about Confidential Information, the Company should limit access to only those parties who, as a function of their employment with the Company, are required to know the information. Documents containing confidential information should be stored in a secure place and code words should be used where practicable for material projects that have not been generally disclosed to the public.

- (III) Before a meeting with other parties at which Confidential Information may be imparted, the other parties should be told that they must not divulge that information to any other party, other than in the necessary course of business, and that they may not trade in the Company's securities until the information is generally disclosed (see Item #3 of this Policy – "Trading by Insiders and Employees").
- (IV) Confidential Information may be disclosed if this disclosure takes place as part of the necessary course of business with and is pertinent to the ongoing business relationship between the Company and such parties as:
 - (a) vendors and suppliers;
 - (b) employees, directors and officers;
 - (c) lenders, legal counsel and auditors;
 - (d) parties to negotiations;
 - (e) labour unions and industry associations;
 - (f) governmental and non-governmental regulators, and
 - (f) credit-rating agencies.

In the event that there is an ambiguity as to whether or not the disclosure of certain Confidential Information is considered to be in the necessary course of business, the party responsible for the disclosure should consult the CEO or CFO who may seek the further advice and counsel of the Company's securities counsel.

- (V) All employees who are or who may be aware of Confidential Information (including clerical staff) must be explicitly warned to keep it confidential. More specifically:
 - (a) employees must not disclose Confidential Information to anyone, except in the necessary course of business;
 - (b) employees must not discuss Confidential Information in situations where they may be overheard; and
 - (c) employees must not participate in discussions with others about investments in the Company.
- (VI) Directors, officers and employees of the Company should not comment on draft reports submitted to them by analysts other than identifying inaccuracies, omissions or publicly disclosed factual information that may affect an analyst's model. Those parties appointed to speak to the media, analysts, institutional investors and other market professionals should be briefed in advance to review what information is material and what information has not been publicly disclosed. After a press conference, interview,

discussion or visit to the Company's premises by an analyst or other market professional, a debriefing should be conducted to review what information was imparted to the analyst and a record of what was said should be compiled and maintained. If a debriefing uncovers selective disclosure of previously undisclosed material information, the Company must immediately disclose the information to the general public in a news release prepared in accordance with this Policy. Voice recordings of quarterly analyst conference calls shall be kept available for public access on a call-in basis for seven days after the call in question.

3. TRADING BY INSIDERS AND EMPLOYEES

A. *Policy*

Trading in the securities of the Company (including dealings with options, futures, rights and all other securities) or the provision to other parties of information to facilitate a possible trade ("tipping") by any director, officer or employee with knowledge of undisclosed material information about the Company is strictly prohibited. In addition, in circumstances where a director, officer or employee becomes aware of undisclosed material information concerning another public company as a result of their employment with the Company, trading in the securities of such other company is similarly prohibited.

B. *Procedure*

- (I) It is an offence for any person in a "special relationship" with the Company to trade securities of the Company while in possession of material non-public information that, if made public, could reasonably be expected to cause a significant change in the price of the Company's stock. Persons in a "special relationship" with the Company include all Directors, officers and employees of the Company plus all parties ("tippees") who learn of material information from any Director, officer or employee of the Company ("tippers") where the tippee knows or reasonably ought to have known that the tipper was in a special relationship with the Company. Directors, officers and employees are also deemed to be in a special relationship with another company (and are correspondingly prohibited from trading in the securities of said other company) if they become aware of undisclosed material information concerning the other company as a result of their employment with the Company.
- (II) In the event that a Director or senior officer wishes to make a trade in the securities of the Company, he or she should advise the

General Counsel of the Company (or, in his absence, the CFO) in writing (or by telephone and confirmed in writing) of his or her intended trade, and the General Counsel shall discuss the intended trade with the President and CEO of the Company, or, in his absence, the CFO. On the basis of such discussion, the General Counsel (or the CFO, as the case may be) shall forthwith advise such Director or officer if the trade is considered to be appropriate or inappropriate.

- (III) Certain circumstances will give rise to periods of time (“Black-out Periods”) during which no trading of securities is to take place at all by Directors, officers and employees who are routinely (or in the special circumstances at hand) in possession of undisclosed material information (“Restricted Persons”). The imposition of Black-out Periods is to be determined and announced by the CFO and shall include periods from the commencement of the preparation of the annual and quarterly financial statements of the Company. A Black-out Period shall also be declared by the CFO pending the announcement of any material undisclosed development affecting the Company or following the crystallization of a material transaction involving the Company. Black-out Periods shall remain in effect until the second business day following release of the material information concerned. In declaring a Black-out Period, the CFO may stipulate whether any particular class of Restricted Person is to be fully or partially excused from the application of the Black-out Period, and the CFO may determine whether any particular reason is to be given for the imposition of a Black-out Period.
- (IV) Persons involved in the negotiation of material transactions will be held to a higher standard than other Restricted Persons as a result of their more intimate knowledge of a particular transaction. Accordingly, such persons should cease trading in the Company’s securities when any material transaction comes under serious negotiation rather than upon the imposition of a Black-out Period. If any ambiguity exists as to whether or when a transaction has come under “serious negotiation”, the matter should be discussed with the Company’s securities counsel.
- (V) Persons, upon becoming insiders of the Company, must file with the OSC an initial report and must subsequently report all trades made in the securities of the Company within 10 days after the trade is made. Assistance with the preparation and filing of insider trading reports may be obtained from the Finance Department of the Company.

- (VI) Breaches of this Policy may constitute violation of securities laws and can cause acute embarrassment to the Company. If the Company discovers that a Director, officer or employee has violated applicable securities laws, it will refer the matter to the appropriate regulatory authorities. Disciplinary action may be brought against a party who violates this Policy, which could result in termination of employment with the Company.

4. **ELECTRONIC DISCLOSURE**

A. ***Policy***

All information disclosed by the Company electronically shall comply with the TSX's Electronic Communications Guidelines to ensure that such information is timely, accurate and up-to-date.

B. ***Procedure***

- (I) The Company should ensure that its investor relations information is available through its website. However, the Company must not disclose material information on its website or distribute it by e-mail or any other electronic manner before it is disseminated in a news release in accordance with this Policy. Information is not considered to be generally disclosed to the public if it only appears on the Company's website. The Company shall furthermore review and update its electronic security systems on a regular basis and shall monitor the integrity of its website to ensure that the site is accessible and has not been altered and shall regularly review, correct and update information on its website over time. It is not sufficient, for purposes of this Policy, if the information has been corrected or updated elsewhere.
- (II) If voluntarily-disclosed forward-looking financial information is posted on the Company's website, it should be accompanied by:
 - (a) a statement that the information is forward-looking;
 - (b) a listing of the factors that could cause the actual results to materially differ from the projection; and
 - (c) a statement of the material factors or assumptions that were used.
- (III) The CFO is responsible for overseeing the Company's policies on electronic communications and should ensure that all information on the Company's website or published elsewhere electronically complies with applicable securities laws and the internal policies of the Company. The Company should not post any information on its website that is authored

by a third party unless the information was prepared on behalf of the Company or is of a general nature and is not specific to the Company.

- (IV) Employees of the Company must not engage in internet chat rooms and news groups in discussions relating to the Company, its securities or any actions taken or proposed to be taken by the Company. All employee e-mail addresses are considered, for purposes of this Policy, to be corporate addresses of the Company and all correspondence received and sent via e-mail is considered, for purposes of this Policy, to be corporate correspondence of the Company.
- (V) All supplementary non-material information that is distributed to analysts and other parties but not otherwise publicly distributed should be posted on the Company's website as soon as practicable. If the volume of such information makes this impractical, the Company should describe the information on its website and provide contact information whereby the investor may contact the Company to obtain a copy of the information or review the information with the Company's officers.
- (VI) The Company should not directly respond to rumours posted in news groups or chat rooms but instead should issue a news release in accordance with the terms of this Policy. If any Director, officer or employee of the Company becomes aware of a rumour in a chat room or news group or other source that may have a material impact on the price of the Company's stock, he or she should immediately contact the CEO or the CFO, who will, with the assistance of the Company's securities counsel, decide the appropriate course of action.

5. **CERTIFICATION OF DISCLOSURE IN ANNUAL AND INTERIM FILINGS**

Requirement

Multilateral Instrument 52-109 - Certification of Disclosure of Issuers' Annual and Interim Filings requires the CEO and CFO of the Company to personally sign certificates, in prescribed form, with each annual and interim filing.

The Company's CEO and CFO must each certify that information contained in financial statements, annual information forms and management's discussion and analysis ("MD&A"):

- (a) has been reviewed by each of the CEO and CFO,
- (b) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is

necessary to make a statement not misleading in light of the circumstances under which it was made, and

- (c) fairly presents, in all material respects, the financial condition, results of operations and cash flows of the Company.

Additionally, the CEO and CFO must each certify that:

- (a) the Company has established, and is maintaining, disclosure controls and procedures (to provide reasonable assurances that material information relating to the Company, including its consolidated subsidiaries, is made known to the CEO and CFO), and internal controls (to provide reasonable assurances that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles), and
- (b) they have each disclosed, in the annual MD&A, whether there were changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

There is a transition period during which the Company will be able to file "bare" interim certificates which make no reference to disclosure controls and procedures or to internal control over financial reporting.

Annual Certificates:

The first annual certificate that has to be filed will be for the financial year ending March 31, 2005 and must be a "full" certificate in Form 52-109F1. Annual certificates must be filed for each successive financial year.

Interim Certificates:

"Bare" interim certificates in Form 52-109FT2 may be filed for the following interim periods:

- April 1, 2004 – June 30, 2004;
- July 1, 2004 – September 30, 2004;
- October 1, 2004 – December 31, 2004

The first "full" interim certificate that has to be filed will be for the April 1, 2005 to June 30, 2005 interim period, and must be the "full" certificate in Form 52-109F2, as opposed to a "bare" certificate in Form 52-109FT2. An interim

certificate in Form 52-109F2 will have to be filed for each successive interim period.²

² The form of annual and interim certificates is attached.

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I _____, *Chief Financial Officer of Mad Catz Interactive, Inc.*, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of ***Mad Catz Interactive, Inc.*** (the issuer) for the interim period ending _____, ***XXXX***;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date:

Name:
Chief Financial Officer

Form 52-109FT2 - Certification of Interim Filings during Transition Period

I _____, *Chief Executive Officer of Mad Catz Interactive, Inc.*, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of ***Mad Catz Interactive, Inc.*** (the issuer) for the interim period ending _____,XXXX;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date:

Name:
Chief Executive Officer

