

MAD CATZ INTERACTIVE, INC.
CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE

The Governance and Nominating Committee (the “Committee”) will act on behalf of and subject to the direction of the Board of the Company in all matters pertaining to (i) corporate governance issues, and (ii) new director nominees, as well as the size and composition of the Board and Board Committees. Initially, the Board, as a whole, will act as the Committee.

Chairman

The Board, upon recommendation of the Committee, will appoint the Chairman of the Committee annually, to be selected from the members of the Committee. If, in any year, the Board does not make an appointment of the Chairman, the incumbent Chairman will continue in office until that Chairman’s successor is appointed.

Removal and Vacancies

Any member of the Committee may be removed and replaced at any time by the Board and will automatically cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies in the Committee by election from among the members of the Board. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

Tenure

Subject to the paragraph above, each member of the Committee will hold office until the next annual meeting of shareholders of the Company after his or her election.

Notice of Meetings

- (a) The Chairman of the Committee may call meetings of the Committee periodically and will do so at the request of any two Committee members.
- (b) The Committee will have the right to require the attendance of any member of management of the Company at meetings of the Committee.
- (c) The Committee will have the right to invite any person to attend meetings of the Committee.
- (d) Notice of the time and place of each meeting of the Committee will be given to each member by telephone not less than 48 hours before the time of the meeting or by written notice not less than four days before the day of the meeting, and, subject to the requirements of applicable law, need not specify the purpose of or the business to be transacted at the meeting. Meetings of the Committee may be held at any time without

notice if all the members have waived or are deemed to have waived notice of the meeting.

Times and Places of Meetings

The Committee will meet as many times as is necessary to carry out its responsibilities. The meetings shall be at times and places to be determined by the Committee.

Quorum

A quorum at any meeting will be a simple majority provided that if the number of Committee members is an even number, one half of the number plus one shall constitute a quorum.

Minutes of Meetings

The Committee will keep regular minutes of its proceedings and will report to the Board at each Board meeting. Minutes will be circulated to all Directors on a timely basis.

Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all Committee members entitled to vote on that resolution at a meeting of the Committee.

Remuneration

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

Duties and Responsibilities of the Committee

Governance and Nominating Matters

- Develop and enforce policy in the area of corporate governance and the practices of the Board in light of the Company's particular circumstances, the changing needs of investors and the Company, and changes in corporate governance guidelines.
- Prepare and recommend to the Board annually a Statement of Corporate Governance Practices to be included in the Company's annual report or information circular and ensure that such disclosure is complete and provided in accordance with the regulatory requirements.
- Monitor developments in the area of corporate governance and the practices of the Board and advise the Board accordingly.
- Review, on a periodic basis, the size of the Board and Board Committees and make

appropriate recommendations to the Board.

- Review on a periodic basis, the composition of the Board and Board Committees and make appropriate recommendations to the Board.
- Adopt a process for determining what competencies and skills the Board as a whole should have, and apply this result to the recruitment process for new directors.
- Identify individuals qualified to become new Board members and recommend to the Board the new director nominees for the next annual meeting of shareholders.
- In making its recommendations, the Committee should consider:
 - (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
 - (b) the competencies and skills that the Board considers each existing director to possess; and
 - (c) the competencies and skills each new nominee will bring to the boardroom.
- Recognize that shareholding by Directors is appropriate in aligning Director and shareholder interests.
- Assume responsibility for nominating matters, including identifying and reporting to the Board with respect to appropriate candidates for nomination to the Board, recognizing that:
 - (i) Board composition must comply with the requirements of the TSX, and the Board should annually disclose whether it complies with these requirements and provide an analysis of the relevant TSX principles in support of this conclusion;
 - (ii) the full Board should engage in a disciplined process to determine, in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities it should seek in new Board members in order to add value to the Company, and the results of such discussion should provide a framework for the Committee in developing a list of candidates;
 - (iii) the Committee should actively look beyond traditional sources in seeking out men and women with the right mix of experience and competencies to serve as directors;
 - (iv) the Committee should ensure that prospective candidates fully understand the role of the Board and the contribution they are expected to make, including in particular the commitment of time and energy that the Company expects of its Directors; and
 - (v) the desirability of providing for a strong Chairman should be a consideration in recruiting

new board members;

- Annually review credentials of existing Board members to assess suitability for re-election.
- Establish procedures for, and approve and ensure provision of, an appropriate orientation and education program for new recruits to the Board and continuing education for Board members.
- Develop a communications policy for the Company that includes a framework for investor relations and a public disclosure policy.
- Develop, implement and maintain appropriate policies with respect to disclosure, confidentiality and insider trading.
- Consider and, if thought fit, approve requests from individual Directors or Board Committees for an engagement of special outside advisors at the expense of the Company.

Recommend procedures to permit the Board to meet on a regular basis without management present.

Access to Records

The Committee will be permitted access to all records and corporate information that it determines to be required in order to perform its duties.