

As adopted by the Board of Directors
June 12, 2000
As amended by the Board of Directors
July 11, 2001, and September 19, 2002

ACTIVISION, INC.

AUDIT COMMITTEE CHARTER

I. ORGANIZATION

There shall be an Audit Committee of the Board of Directors of Activision, Inc. (the "Company") composed of at least three directors, each of whom is independent of the management and free of any relationship that would interfere with his or her exercise of independent judgment as a member of the Audit Committee. Each member of the Audit Committee shall satisfy the independence requirements of The NASDAQ Stock Market and applicable law, including the Sarbanes-Oxley Act of 2002 (the "SOA") and the regulations thereunder.

All members of the Audit Committee shall understand financial statements and be financially literate and at least one member of the Audit Committee shall have accounting or related financial management expertise as required by applicable law, including the SOA and the rules thereunder, and exchange rules. The Board of Directors shall appoint the chairperson of the Audit Committee, and if the Board does not designate a chairperson the Audit Committee shall elect a chairperson from its own membership.

II. STATEMENT OF POLICY

The Audit Committee shall assist the Board of Directors in fulfilling its responsibility relating to the Company's accounting, reporting practices, and the quality and integrity of its financial reports and other financial information provided by the Company to any governmental body or the public. The Audit Committee-rather than management- shall be solely responsible for the appointment, compensation and oversight of the Company's independent auditors, and the independent auditor shall report directly to the Audit Committee. The Audit Committee shall serve as an independent and objective party to monitor the Company's financial reporting process and internal control system. The Audit Committee shall endeavor to maintain free and open communication between the Board of Directors, the independent auditors, the internal auditors or internal audit function, and the financial and senior management. Consistent with these functions, the Audit Committee shall encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. Members of the Audit Committee may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The Audit Committee shall also be responsible for reviewing and approving all related party transactions involving the Company and any director, executive officer or family member.

III. MEETINGS

The Audit Committee shall meet four times per year or more frequently as the circumstances require. As part of its job to foster open communication, the Audit Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary in the judgment of the Audit Committee. The Audit Committee may also meet with the chief financial officer, the senior internal auditing executive (if any) and the independent auditor in separate executive sessions. The Audit Committee may create subcommittees who shall report to the Audit Committee.

IV. RESPONSIBILITIES

The Audit Committee's policies and procedures should remain flexible, in order to best react to changing conditions and to help ensure that the Company's accounting and reporting practices accord with all requirements and are of the highest quality. In carrying out its responsibilities, the Audit Committee shall:

Document/Report Review

- Review and update this Charter periodically.
- Include a copy of this Charter as an appendix to the Company's proxy statement at least once every three years, but in the event that the Charter is materially amended, include the Charter as an appendix to the Company's proxy statement in such year.
- Review the financial statements and any reports contained in the annual report or other financial information submitted to any governmental body, or the public, including the Company's Quarterly Reports on Form 10-Q, with management and the independent auditors to determine whether the independent auditors are satisfied with the disclosure and content of such documents, and participate in quarterly and annual review and certification of periodic reports.
- Receive before each meeting of the Audit Committee, a summary of findings from completed internal audits and a progress report on the proposed internal audit plan, with explanations for any deviations from the original plan.

Independent Auditors

- Have sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification) and be directly responsible for approval of fees and other compensation to be paid to the independent auditors.
- Pre-approve audit and non-audit services provided by the independent auditor consistent with applicable law and exchange requirements.

- Review and discuss with the Board of Directors any relationship between the independent auditors and the Company or any other relationships that may adversely affect the independence of the independent auditors.
- Ensure that the independent auditor submits, on a periodic basis, a formal written statement to the Audit Committee delineating all relationships between the independent auditor and the Company.
- Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor.
- Review performance of the independent auditors; determine whether it is appropriate to adopt a policy of rotating independent auditors on a regular basis; and approve any proposed discharge of the independent accountants when circumstances warrant, including a formal review of the selection of independent auditors not less frequently than every five years.
- Require the lead audit partner to be rotated every five years.
- Consider whether the independent auditor's provision and implementation of non-audit services to the Company is compatible with maintaining the independent auditor's independence and is consistent with applicable law and stock exchange requirements.

Process

- Meet with the independent auditors and the financial management to review the scope of the audit proposed for the current year and the audit procedures to be utilized, and at its conclusion, review the audit, including the comments or recommendations of the independent auditors.
- Review the internal audit function, including the independence and authority of its reporting obligations, the audit plans proposed for the coming year, and the coordination of such plans with the work of the independent auditors.
- Review with the independent auditors, the internal auditing staff, if any, and the financial and accounting personnel, out of the presence of management, the adequacy of the accounting and financial controls, computerized information system controls and security, and matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.
- Elicit any recommendations for improvement of particular areas where augmented controls are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any activity that might be unethical or otherwise improper.

- Advise financial management and the independent auditor that they are expected to provide a timely analysis of significant current financial reporting issues and practices.
- Receive from the independent auditor a report of all critical accounting policies and practices, all alternative treatments of financial information that have been discussed and the ramifications of such alternate treatments, including the treatment preferred by the independent auditor, and all material communications between the independent auditor and management.
- Determine, as regarding new transactions or events, the independent auditor's reasoning for the appropriateness of the accounting principles and disclosure practices adopted by management.
- Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditors or management.
- Review any significant disagreement or changes required in the independent auditor's audit plans among management and the independent auditors or the internal auditing department (if any) in connection with the preparation of the financial statements.
- Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Review with management and the independent auditor and approve all transactions or courses of dealing with parties related to the Company which transactions are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements.
- Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements, auditing or accounting policies.
- Inquire of management, the internal auditing staff, if any, and the independent accountants about any potential risks or exposures and assess the steps managements should take or has taken to minimize such risk.

Ethical and Legal Compliance

- Review any year-to-year changes in accounting principles or practices.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting or auditing matters.
- Establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review accounting and financial personnel, including the internal audit department, if any.
- Submit the minutes of its meetings to, or discuss the matters discussed at each committee meeting with, the Board of Directors.
- Retain such outside counsel, experts and other advisors as it determines appropriate to assist in the full performance of its functions.
- Investigate any matter brought to its attention within the scope of its duties, with the power to retain professional advice for this purpose if, in its judgment, that is appropriate.
- Review, with the Company's counsel, legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and programs, including corporate securities trading policies.
- Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation and by-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.