



Equity Award Committee Charter

PURPOSE:

The purpose of the Equity Award Committee initially established on June 24, 2004 as the Stock Option Committee (the "Committee"), as set forth in this charter, is to review and approve grants of options to purchase shares of Common Stock ("Options") and Restricted Stock Units ("RSUs") to the non-officer employees of Ikanos Communications, Inc. and its subsidiaries (the "Company") pursuant to the Company's Amended and Restated 2004 Equity Incentive Plan and any amendments thereto (the "Equity Incentive Plan").

The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board of Directors from time to time prescribes.

STATEMENT OF PHILOSOPHY:

The Company's philosophy in reviewing the Company's compensation policies is to maximize shareholder value over time. The Committee implements the Company's compensation policies with respect to the grant of options to non-officer employees of the Company. As the Company strongly believes that compensation should be directly linked to continuous improvements in corporate performance and increases in shareholder value, the Committee aims to provide an equity-based compensation program that enables the Company to attract and retain key employee talent while reflecting both corporate and individual achievement.

MEMBERSHIP:

The Committee shall consist of a minimum of two (2) directors of the Company. The members of the Committee are appointed by and serve at the discretion of the Board of Directors.

AWARD PROGRAM:

The Company's equity-based compensation program is intended to attract, retain and motivate highly effective employees by tying such compensation to stock performance. The intent of the Equity Incentive Plan is to instill the pride and economic incentives of ownership and create employee incentives to improve shareholder value. The value of both Options and RSUs depends upon appreciation in the value of the Company's stock. Since gains occur only if the stock price improves, employees do not profit unless shareholders also profit. Awards under the Equity Incentive Plan also utilize vesting periods to encourage employees to remain with the Company and to focus on longer-term results.

GRANTS:

The Committee may approve grants of Options and RSUs in the amount of up to 25,000 and 12,500 shares, respectively, per person per year of the Company's Common Stock to non-officer employees of the Company. Any such grants shall be made in accordance with the following procedures:

- Grants of Options and/or RSUs shall be made to each non-officer employee on the first Monday of the first month of each new fiscal quarter (provided that, if such Monday is a holiday, the grant date shall be the next trading day); and
- The strike price for each such Option shall be equal to the closing price of the Company's Common Stock on the Nasdaq Stock Market on the date of grant.

MEETINGS:

The Committee will take the actions outlined above at least one time each month either at a meeting or via written consent according to the schedule set in advance by the Board of Directors. However, the Committee may hold



additional meetings according to its own schedule, which it will provide to the Board of Directors in advance.

MINUTES:

The Committee will maintain written minutes of its meetings and actions, which minutes will be filed with the minutes of the meetings of the Board of Directors.