



Code of Ethics

I. INTRODUCTION

At Ikanos, integrity and ethics are fundamental to what we do and who we are. Our reputation for fair and honest dealings has been and remains an essential element of our success. It is essential that we comply with all laws, including securities laws, which are relevant to the operation of our business in each of the jurisdictions where we conduct business. In doing so, we must strive to maintain adherence not only to the letter of the law, but also to the spirit of the law.

Except where otherwise indicated, this Code is intended to apply to all directors, officers and employees, agents and contractors of Ikanos and its subsidiaries. The purpose of this Code is to help all Ikanos employees and directors understand the standards to which we run our business. The Code is designed to, among other things, deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that Ikanos files with, or submits to, the United States Securities and Exchange Commission and in other public communications made by Ikanos;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

This Code, as applied to the Company's principal financial officers, is our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. This Code is also our "code of conduct" within the meaning of the National Association of Securities Dealers Rule 4350(n).

All Ikanos employees and directors are expected to read and understand this Code, to uphold these standards in day to day activities, to comply with all applicable policies and procedures, and to ensure that all agents and contractors are aware of, understand and adhere to these standards.

We have designated a member of management to be our Corporate Compliance Officer. Although the individual charged with this responsibility may change in the future, the name of the current Corporate Compliance Officer will always be posted on Ikanos's Intranet under "Corporate Policies". The Corporate Compliance Officer has ultimate responsibility for overseeing compliance with all applicable laws, this Code and all related Ikanos policies and procedures. Although the Corporate Compliance Officer may be a member of a specific group or department within Ikanos (such as the Finance Group), his or her duties and reporting responsibilities as Corporate Compliance Officer will be entirely separate and distinct from his or her duties and reporting responsibilities as a member of that specific group/department. In the role of Corporate Compliance Officer, he or she will report directly to the Chairman of the Board of Directors (the "Board") and Chief Executive Officer, as well as to the Audit Committee and to the Nominating & Corporate Governance Committee of the Board.

Because the principles described in this document are general in nature, you should also review all applicable Ikanos policies and procedures for more specific instruction, and contact the Corporate Compliance Office.



We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification, and we reserve the right to amend, alter or terminate this Code at any time and for any reason, subject to applicable law. This Code is not the exclusive source of guidance and information regarding the conduct of our business. You should consult applicable policies and procedures in specific areas as they apply. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

Please sign the acknowledgment form at the end of this Code and return the form to the Corporate Compliance Officer indicating that you have received, read, understand and agree to comply with the Code. The signed acknowledgment form will be kept on file. Periodically, you will be asked to sign an acknowledgment indicating your continued understanding of the Code. **COMPLIANCE IS A REQUIREMENT.**

Ethical business conduct is critical to our business. Many of our practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability for you, Ikanos, its directors, officers, and other employees. In some instances, we hold ourselves to a higher standard than local law. In these cases you are expected to follow our higher standards.

As an employee or director, it is your responsibility to respect and adhere to our practices. Violations of law, this Code or other Ikanos policies or procedures can lead to disciplinary action up to and including termination of your employment or relationship with Ikanos. In trying to determine whether any given action is appropriate, use the following test. Imagine that the words you are using or the action you are taking are going to be fully disclosed in the media with all the details, including your photo. If you are uncomfortable with the idea of this information being made public, perhaps you should think again about your words or your course of action.

Further, part of your job and ethical responsibility is to help enforce this Code. You should be alert to possible violations and report possible violations of this Code or other Ikanos policies to the Corporate Compliance Officer or to any other person in accordance with Section V of this Code. You must cooperate in any internal or external investigations of possible violations. Ikanos will not tolerate or permit any reprisal, threats, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Ikanos policies, or against any person who is assisting in any investigation or process with respect to such a violation.

If you are ever unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the Corporate Compliance Officer.

II. YOUR RESPONSIBILITIES TO IKANOS AND ITS STOCKHOLDERS

A. General Standards of Conduct

Ikanos expects all employees, directors, agents and contractors to exercise good judgment to ensure the safety and welfare of employees, directors, agents and contractors and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Ikanos sponsored business and social events, or at any other place where you are a representative of Ikanos. Employees, directors, agents or contractors who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including termination of your employment or relationship with Ikanos.

B. Applicable Laws



All Ikanos employees, directors, agents and contractors must comply with all applicable laws, regulations, rules and regulatory orders. Ikanos employees located outside of the United States must comply with laws, regulations, rules and regulatory orders of the United States, including the Foreign Corrupt Practices Act and the U.S. Export Control Act, in addition to applicable local laws. Each employee, director, agent and contractor must acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice on specific Ikanos policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, director agent or contractor to individual criminal or civil liability, as well as to discipline by Ikanos. Such individual violations may also subject Ikanos to civil or criminal liability or the loss of business.

C. Conflicts of Interest

Each of us has a responsibility to Ikanos, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. Ikanos is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety, except under guidelines approved by the Board.

What constitutes conflict of interest? A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of Ikanos. While it would be impractical to attempt to list all possible situations, some common types of conflicts are discussed below:

- i. **Employment/Outside Employment.** Our employees and contractors are prohibited from engaging in any other employment that diminishes their professional effectiveness at Ikanos or is otherwise in conflict with or prejudicial to Ikanos. Our policies prohibit any employee from accepting simultaneous employment with an Ikanos supplier, customer or developer. Additionally, our policies prohibit any employee or director from accepting simultaneous employment with an Ikanos competitor, or from taking part in any activity that enhances or supports a competitor's position. Additionally, employees must disclose to Ikanos any interest that they have that may conflict with the business of Ikanos. If you have any questions on this requirement, you should contact the Corporate Compliance Officer.
- ii. **Outside Directorships.** It is a conflict of interest to serve as a director of any company that competes with Ikanos. Although Ikanos employees, contractors and directors may serve as a director of an Ikanos supplier, customer, developer, or other business partner, our policy requires that employees first obtain approval from the Corporate Compliance Officer before accepting a directorship, and, in the case of members of the Company's Board, such directors must first obtain the consent of the Nominating and Governance Committee of the Board before accepting a new directorship position. Any compensation you receive should be commensurate to your responsibilities. Such approval may be conditioned upon the completion of specified actions.
- iii. **Business Interests.** With respect to our employees and contractors, if you are considering investing in an Ikanos customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to Ikanos. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence Ikanos' decisions; your access to confidential information of Ikanos or of the other company; and the nature of the relationship between Ikanos and the other company. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Corporate Compliance Officer.



- iv. **Related Parties.** As a general rule, all Ikanos employees and directors should avoid conducting Ikanos business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships, and in laws. Significant others include persons living in a spousal (including same sex) or familial fashion with an employee or director. We encourage you to seek guidance if you have any questions as to whether an interest in a transaction qualifies as a related party transaction.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to the Company's Audit Committee and Ikanos' Audit Committee must also review and approve of the transaction, in writing, prior to the transaction taking place. Ikanos must report all such material related party transactions under applicable accounting rules, Federal securities laws, SEC rules and regulations, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

Ikanos discourages the employment of relatives and significant others within Ikanos and prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship). The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Human Resources Department is responsible for determining whether an applicant's or transferee's acknowledged relationship is covered by this policy. The Human Resources Department will advise all affected applicants and transferees of this policy. Willful withholding of information regarding a prohibited relationship/reporting arrangement may be subject to corrective action, up to and including termination of employment. If a prohibited relationship exists or develops between two employees, the employee in the senior position must bring this to the attention of his/her supervisor. Ikanos retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination of employment, if necessary.

- v. **Loans by the Company.** Loans from the Company to directors and executive officers are prohibited (except for loans entered into prior to July 30, 2002).
- vi. **Other Situations.** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Corporate Compliance Officer and the head of the Human Resources Department.

D. Corporate Opportunities

Employees and directors may not exploit for their own personal gain opportunities that are discovered through the use of Ikanos property, information or position unless the opportunity is disclosed fully in writing to Ikanos' Board and the Board declines to pursue such opportunity.

E. Protecting Ikanos' Confidential Information

Ikanos' confidential information is a valuable asset. Ikanos' confidential information includes any non-public information that relates to the actual or anticipated business or research and development of the Company, technical data, trade secrets or know-how, including, but not limited to, research, product plans



or other information regarding Company's products or services and markets therefore, customer lists and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the term of my employment), software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information. This information is the property of Ikanos and may be protected by patent, trademark, copyright and trade secret laws. All confidential information must be used for Ikanos business purposes only. Every employee, director, agent and contractor must safeguard it. **THIS RESPONSIBILITY INCLUDES NOT DISCLOSING IKANOS CONFIDENTIAL INFORMATION INCLUDING BUT NOT LIMITED TO INFORMATION REGARDING IKANOS' PRODUCTS OR BUSINESS OVER THE INTERNET OR BY ANY OTHER MEANS, OR NAMES OF EMPLOYEES.** You are also responsible for properly labeling any and all documentation shared with or correspondence sent to Ikanos outside counsel as "Attorney Client Privileged." This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with Ikanos' policy on Maintaining and Managing Records as described in Subsection J of this Section II. Not only do we have an obligation to protect our own confidential information, we also have the obligation to protect the information of others. This is discussed in Section III of this document.

- i. **Proprietary Information and Invention Agreement.** When you joined Ikanos, you signed an agreement to protect and hold confidential Ikanos' proprietary information. This agreement remains in effect for as long as you work for Ikanos and after you leave Ikanos. Under this agreement, you may not disclose Ikanos' confidential information to anyone or use it to benefit anyone other than Ikanos without the prior written consent of the Board of Directors of the Company, except under a nondisclosure agreement duly authorized and executed by the Company as more fully set forth below.
- ii. **Disclosure of Ikanos Confidential Information.** To further Ikanos' business, from time to time our confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Ikanos management that disclosure of confidential information is necessary, you must then contact the Corporate Compliance Officer to consider whether an appropriate written nondisclosure agreement is signed prior to the disclosure. Ikanos has standard nondisclosure agreements suitable for most disclosures. You must not sign a nondisclosure agreement from a third party or accept changes to Ikanos' standard nondisclosure agreements without review and approval by the Corporate Compliance Officer or by someone that he or she has designated to act on his or her behalf. In addition, all Ikanos materials that contain Ikanos confidential information, including presentations, may only be disclosed pursuant to a properly executed non-disclosure agreement. Furthermore, any employee publication or publicly made statement that might be perceived or construed as attributable to Ikanos, made outside the scope of his or her employment with Ikanos, must be reviewed and approved in writing in advance by the Corporate Compliance Officer and must include Ikanos' standard disclaimer that the publication or statement represents the views of the specific author and not of Ikanos.
- iii. **Requests by Regulatory Authorities.** Ikanos and its employees, directors, agents and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of Ikanos with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the Corporate Compliance Officer. No financial information may be disclosed without the prior approval of the Chief Financial Officer



- iv. **Ikanos Spokespeople.** Specific policies have been established regarding who may communicate information to the press and the financial analyst community. All inquiries or calls from the financial press and financial analysts should be referred to the Chief Financial Officer. Ikanos has designated the Chief Financial Officer and the Chief Executive Officer as the only Ikanos spokespeople for any financial matters. Such persons may specify or designate another spokesperson on specific financial matters. All inquiries or calls from general or industry press or industry analysts should be referred to the Vice President of Marketing, Chief Financial Officer or Chief Executive Officer. Ikanos has designated the Vice President of Marketing, Chief Financial Officer and the Chief Executive Officer as official Ikanos spokespersons for marketing, technical and other such information. The Vice President of Marketing and the Chief Executive Officer can designate others from time to time for specific matters.

F. Obligations Under Securities Laws — "Insider" Trading

Obligations under the U.S. securities laws apply to everyone. In the normal course of business, officers, directors, employees, directors, agents, contractors and consultants of Ikanos may come into possession of significant, sensitive information regarding Ikanos, its customers, or its suppliers. This information is the property of Ikanos -- you have been entrusted with it. You may not profit from it by buying or selling securities yourself, or passing on the information to others to enable them to profit or for them to profit on your behalf. Note that insider trading does not just apply to Ikanos stock; it applies to the securities of any company for which you have material non-public information. The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Ikanos policy and U.S. securities laws.

Insider trading is a crime, penalized by fines of up to \$5,000,000 and 20 years in jail for individuals. In addition, the SEC may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and are often subjected to an injunction against future violations. Finally, insider traders may be subjected to civil liability in private lawsuits.

Employers and other controlling persons (including supervisory personnel) are also at risk under U.S. securities laws. Controlling persons may, among other things, face penalties of the greater of \$5,000,000 or three times the profits made or losses avoided by the trader if they recklessly fail to take preventive steps to control insider trading.

Thus, it is important for both you and Ikanos that insider-trading violations not occur. You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the chance that U.S. federal or other regulatory authorities will detect and prosecute even small level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. You should contact the Corporate Compliance Officer if you are unsure as to whether or not you are free to trade.

Ikanos has imposed a trading blackout period on directors, officers or employees of, or consultants or contractors to Ikanos, that possess material nonpublic information about Ikanos. These directors, executive officers, employees, consultants and contractors generally may not trade in Ikanos securities during the blackout period. Even if the trading window is "open," you must never trade securities for which you have insider information.

For more details, and to determine if you are restricted from trading during trading blackout periods, you should review Ikanos' Insider Trading Compliance Program. You can request a copy of this policy from the Corporate Compliance Officer. You should take a few minutes to read the Insider Trading Compliance



Program carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. Employees, directors, agents and contractors of Ikanos who violate this policy are also subject to disciplinary action by Ikanos, which may include termination of employment or of business relationship. All questions regarding Ikanos' Insider Trading Compliance Program should be directed to the Corporate Compliance Officer.

G. Prohibition Against Short Selling of Ikanos Stock

No Ikanos director, officer or other employee, agent or contractor may, directly or indirectly, sell any equity security, including derivatives, of Ikanos if he or she (1) does not own the security sold, or (2) if he or she owns the security, does not deliver it against such sale (a "short sale against the box") within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation.

No Ikanos director, executive officer or other employee, agent or contractor may engage in short sales of Ikanos securities. While employees who are not executive officers or directors are not prohibited by law from engaging in short sales of Ikanos' securities, it is Ikanos' policy that short sales by any employee, agent or contractor is prohibited. A short sale, as defined in this policy, means any transaction whereby one may benefit from a decline in Ikanos' stock price.

H. Disclosure to the SEC and the Public

As a public company, we are required to follow strict accounting principles and standards, to report financial information accurately and completely in accordance with these principles and standards, and to have appropriate internal controls and procedures to ensure that our accounting and financial reporting complies with law. The integrity of our financial transactions and records is critical to the operation of our business and is a key factor in maintaining the confidence and trust of our employees, security holders and other stakeholders. The Chief Executive Officer, President and Chief Financial Officer and other officers providing financial information (as a group known as "Financial Officers") must provide full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in our other public communications. Accordingly, our Financial Officers must ensure that they and others in Ikanos comply with our disclosure controls and procedures and our internal controls for financial reporting. Furthermore, Ikanos has the policy of encouraging its employees and directors, when they reasonably believe that questionable accounting or auditing conduct or practices have occurred or are occurring, to report those concerns to Ikanos in accordance with our Financial Information Integrity Policy.

I. Use of Ikanos' Assets

- i. **General.** Protecting Ikanos' tangible and intangible assets is a key fiduciary responsibility of every employee, director, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All Ikanos employees, directors, agents and contractors are responsible for the proper use of Ikanos assets, and must safeguard such assets against loss, damage, misuse or theft. Employees, directors, agents or contractors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Ikanos asset may be subject to disciplinary action, up to and including termination of employment or business relationship at Ikanos' sole discretion. As a guideline as to what is an appropriate use of Ikanos' assets, ask yourself how you would treat your own personal assets. If you have any questions regarding this policy, you should bring them to the attention of the Corporate Compliance Officer.



- ii. **Physical Access Control.** Ikanos has and will continue to develop procedures covering physical access control to ensure privacy of communications, maintenance of the security of Ikanos communication equipment, and the safeguarding of Ikanos assets from theft, misuse and destruction. All employees, directors, agents and contractors are personally responsible for complying with the level of access control that has been implemented in the facility where they work on a permanent or temporary basis. You must not defeat or cause to be defeated the purpose for which the access control was implemented. Also note that such tangible and intangible assets, including electronic data such as email stored on Ikanos' equipment, are the property of Ikanos.
- iii. **Ikanos Funds.** Every Ikanos employee and director is personally responsible for all Ikanos funds over which he or she exercises control. Ikanos agents and contractors should not be allowed to exercise control over Ikanos funds. Ikanos funds must be used only for Ikanos business purposes. Every Ikanos employee, director, agent and contractor must take reasonable steps to ensure that Ikanos receives good value for Ikanos funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Ikanos employees, directors, agents and contractors must not use Ikanos funds for any personal purpose.
- iv. **Software.** All software used by employees and contractors to conduct Ikanos business must be appropriately licensed. Never make or use illegal or unlicensed copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and Ikanos to potential civil and criminal liability. In addition, use of illegal or unlicensed copies of software may subject the employee to disciplinary action, up to and including termination of employment. Ikanos' IT Department may inspect Ikanos computers periodically to verify that only legal and licensed software has been installed. Any non licensed software will be removed.
- v. **Electronic Usage.** Employees, contractors and directors should use electronic communication devices in a legal, fair, ethical, and appropriate manner. You must not post or discuss proprietary or confidential information or any information that may be deemed material to the performance of Ikanos stock or any non public information concerning Ikanos' products or business in person or electronically, including using computers, e mail, postings to chat rooms or internet communities, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video conferencing, facsimiles, and telephones with non-Ikanos employees without the prior written consent of the Corporate Compliance Officer, or evidence of a nondisclosure agreement with the third party. Any other form of electronic communication used by employees or directors currently, or in the future, is also intended to be encompassed under this policy. It is not possible to identify every standard and rule applicable to the use of electronic communications devices. Dissemination of false or misleading or non-public information in any form is expressly forbidden.

J. Maintaining and Managing Records

While only a few of us are responsible for maintaining accounting records, many employees help keep or contribute to Company's records. Every employee is responsible for providing accurate and complete information to the accounting and the finance departments. No false, misleading or artificial entries may be made on, or be provided for entry on, Company's books and records. No funds or assets may be maintained by Company for any illegal or improper purposes. All transactions must be fully, completely and accurately documented and recorded in Company's accounting records. It is against Company policy to make entries that intentionally conceal or disguise the true nature of any transaction.



There are both legal and business requirements for managing records, including all recorded information regardless of medium or characteristics. Records include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. Ikanos is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, directors, agents, contractors and Ikanos, and failure to comply with such guidelines may subject the employee, director agent or contractor to disciplinary action, up to and including termination of employment or business relationship at Ikanos' sole discretion.

K. Records on Legal Hold

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The Corporate Compliance Officer determines and identifies what types of Ikanos records or documents are required to be placed under a legal hold. Every Ikanos employee, director, agent and contractor must comply with this policy. Failure to comply with this policy may subject the employee, director, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at Ikanos' sole discretion.

The Corporate Compliance Officer will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from the Corporate Compliance Officer. **RECORDS OR SUPPORTING DOCUMENTS THAT HAVE BEEN PLACED UNDER A LEGAL HOLD MUST NOT BE DESTROYED, ALTERED OR MODIFIED UNDER ANY CIRCUMSTANCES.** A legal hold remains effective until it is officially released in writing by the Corporate Compliance Officer. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the Corporate Compliance Officer.

If you have any questions about this policy you should contact the Corporate Compliance Officer.

L. Payment Practices

- i. **Accounting Practices.** Ikanos' responsibilities to its stockholders and the investing public require that all transactions be fully and accurately recorded in Ikanos' books and records in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Ikanos' policy and the law. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.
- ii. **Political Contributions.** Ikanos reserves the right to communicate its position on important issues to elected representatives and other government officials. It is Ikanos' policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. Ikanos' funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Corporate Compliance Officer and, if required, the Board.
- iii. **Prohibition of Inducements.** Under no circumstances may employees, directors, agents or contractors offer to pay, make payment, promise to pay, or issue authorization to pay any money, gift, or anything of value to customers, vendors or consultants, or similar party, that is perceived as intended, directly or indirectly, to improperly influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive and/or they do not create an appearance of impropriety, do not violate this policy.



Questions regarding whether a particular payment or gift violates this policy should be directed to the Corporate Compliance Officer.

M. Foreign Corrupt Practices Act

Ikanos requires full compliance with the Foreign Corrupt Practices Act (FCPA) by all of its employees, directors, agents, and contractors. The anti bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of: influencing any act or failure to act, in the official capacity of that foreign official or party; or inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone.

All Ikanos employees, directors, agents and contractors whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA compliance. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest moral, ethical and professional standards of Ikanos. FCPA compliance includes Ikanos' policy on Maintaining and Managing Records in Section II earlier in this document.

Laws in most countries outside of the United States also prohibit or restrict government officials or employees of government agencies from receiving payments, entertainment, or gifts for the purpose of winning or keeping business. No contract or agreement may be made with any business in which a government official or employee holds a significant interest, without the prior approval of the Corporate Compliance Officer.

N. Export Controls

A number of countries maintain controls on the destinations to which products may be exported. Some of the strictest export controls are maintained by the United States against countries that the U.S. government considers unfriendly or as supporting international terrorism. The U.S. regulations are complex and apply both to exports from the United States and to exports of products from other countries, when those products contain U.S. origin components or technology. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States may constitute a controlled export. The Corporate Compliance Officer can provide you with guidance on which countries are prohibited destinations for Ikanos products or whether a proposed technical presentation to foreign nationals may require a U.S. Government license.

III. RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS

A. Customer Relationships

If your job puts you in contact with any Ikanos customers or potential customers, it is critical for you to remember that you represent Ikanos to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. Ikanos and its employees have provided products and services for many years and have built up significant goodwill over that time. This goodwill is one of our most important assets, and Ikanos employees, directors, agents and contractors must act to preserve and enhance our reputation.

B. Payments or Gifts from Others

Under no circumstances may employees, directors, agents or contractors accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors,



consultants or similar persons, that is perceived as being intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive and/or do not create an appearance of impropriety, do not violate this policy. If you have any questions regarding whether a particular payment or gift violates this policy contact the Corporate Compliance Officer. Gifts given by Ikanos to suppliers or customers or received from suppliers or customers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost of gifts given by Ikanos to suppliers or customers must always be accurately recorded in Ikanos' books and records.

C. Publications of Others

Ikanos subscribes to many publications that help employees do their jobs better. These include newsletters, reference works, online reference services, magazines, books, and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant parts of them. When in doubt about whether you may copy a publication, consult the Corporate Compliance Officer.

D. Handling the Confidential Information of Others

Ikanos has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce Ikanos to enter into a business relationship. At other times, we may request that a third party provide confidential information to permit Ikanos to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of others responsibly. We handle such confidential information just as we would handle our own confidential information or in accordance with our agreements with such third parties. See also Ikanos' policy on Maintaining and Managing Records in Section II of this Code of Business Conduct and Ethics.

Ikanos employees and directors must also treat the non-confidential information of third parties with respect. The nature of Ikanos' business brings us into contact with many companies that are competitors. We have won respect from and trust from these companies by showing great sensitivity. Before disclosing any information about a customer, ask yourself if it is necessary to do so and if you think the customer itself would be comfortable disclosing the same information. If the answer to either of these questions is "no," the information should not be disclosed.

Additionally, Ikanos requires that its employees, agents, contractors and directors honor any continuing confidentiality obligations that they may have to previous employers.

- i. **Appropriate Nondisclosure Agreements.** Confidential information may take many forms. An oral presentation about a company's product development plans may contain protected trade secrets. A customer list or employee list may be a protected trade secret. A demo of an alpha version of a company's new software may contain information protected by trade secret and copyright laws.

You should never accept information offered by a third party that is represented as confidential by that third party as confidential to that third party, unless an appropriate nondisclosure agreement has been signed with that third party offering the information. **The Corporate Compliance Officer can provide nondisclosure agreements to fit any particular situation, and will coordinate appropriate execution of such agreements on behalf of Ikanos.**



- ii. **Need to Know.** Once a third party's confidential information has been disclosed to Ikanos, we have an obligation to abide by the terms of the relevant nondisclosure agreement, which may include limits on its use for a specific purpose for which it was disclosed and to disseminate it only to other Ikanos employees and directors with a need to know the information. Every employee, director, agent and contractor involved in a potential business relationship with a third party must understand and strictly observe the restrictions on the use and handling of confidential information. When in doubt, consult the Corporate Compliance Officer.
- iii. **Notes and Reports.** When reviewing the confidential information about the suitability of a business relationship with a third party under a nondisclosure agreement, it is natural to take notes or prepare reports summarizing the results of the review and, based partly on those notes or reports, to draw conclusions. Notes or reports, however, should be retained only long enough to complete the evaluation of the potential business relationship. Subsequently, any notes or reports containing confidential information about a possible business relationship should be either destroyed or turned over to the Corporate Compliance Officer for safekeeping or destruction. They should be treated just as any other disclosure of confidential information is treated: marked as confidential and distributed only to those Ikanos employees, agents, contractors and directors with a need to know.
- iv. **Competitive Information.** You should never attempt to obtain a competitor's confidential information by improper means. While Ikanos may, and does, employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

E. Selecting Suppliers

Ikanos' suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with Ikanos, they must be confident that they will be treated lawfully and in a fair and ethical manner. Ikanos' policy is to purchase supplies based on need, quality, service, price and terms and conditions. Where possible, we select significant suppliers or enter into significant supplier agreements through a competitive bid process. Under no circumstances should any Ikanos employee, director, agent or contractor attempt to coerce suppliers in any way. The confidential information of a supplier is entitled to the same protection as that of any other third party and must not be received before an appropriate nondisclosure agreement has been signed. A supplier to Ikanos is generally free to sell its products or services to any other party, including competitors of Ikanos. In some cases, where the products or services have been designed, fabricated, or developed to our specifications, the agreement between the parties may contain restrictions on sales.

F. Government Relations and Government Contracts

As a company and as individuals, we must comply fully with all applicable local, state, federal, foreign and other applicable laws, rules and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. We must also comply fully with all applicable laws and regulations that apply to government contracting and strictly adhere to all terms and conditions of any contract with local, state, federal, foreign or other applicable governments. The Corporate Compliance Officer must review and approve all contracts with any government entity. If you have any questions concerning government relations or contracts you should contact the Corporate Compliance Officer.

G. Compliance with Governmental Laws, Rules and Regulations



In addition, Financial Officers must comply with all applicable governmental laws, rules and regulations. Each Financial Officer must acquire appropriate knowledge of the legal requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from outside legal counsel or the Audit Committee. Violations of applicable governmental laws, rules and regulations may subject the Financial Officers to individual criminal or civil liability, as well as to discipline by Ikanos. Such individual violations may also subject Ikanos to civil or criminal liability or the loss of business. If you become aware of or reasonably believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should report those concerns to Ikanos' Audit Committee in accordance with our Financial Information Integrity Policy.

H. Lobbying

Employees, agents or contractors whose work requires lobbying communication with any member or employee of a legislative body, or with any government official or employee involved in the formulation of legislation, must have prior written approval of such activity from the Corporate Compliance Officer. Activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials. Preparation, research, and other background activities that are done in support of lobbying communication are also covered by this policy even if the communication ultimately is not made.

I. Free and Fair Competition

Most countries have well developed bodies of law designed to encourage and protect free and fair competition. Ikanos is committed to obeying both the letter and spirit of these laws. The consequences of not doing so can be severe for all of us.

These laws often regulate Ikanos' relationships with its distributors, resellers, dealers, and customers. Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination, and many other practices.

Competition laws also govern, usually quite strictly, relationships between Ikanos and its competitors. As a general rule, contact with competitors should be limited and should always avoid subjects such as prices or other terms and conditions of sale, customers, and suppliers. Employees, directors, agents or contractors of Ikanos may not knowingly make false or misleading statements regarding Ikanos or its products, our competitors or their products, customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

No employee, director, agent or contractor shall at any time or under any circumstances enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as may bona fide purchases from or sales to competitors on non competitive products. However, the Corporate Compliance Officer must review all such proposed ventures in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.



Although the spirit of these laws, known as "antitrust," "competition," or "consumer protection" or unfair competition laws, is straightforward, their application to particular situations can be quite complex. To ensure that Ikanos complies fully with these laws, each of us should have a basic knowledge of them and should involve the Corporate Compliance Officer early on when questionable situations arise.

J. Industrial Espionage

It is Ikanos' policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain Ikanos' reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. Ikanos expects its competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. Ikanos employees, directors, agents and contractors may not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, business partners or competitors.

IV. WAIVERS

Except as otherwise provided in this Code of Business Conduct and Ethics, any waiver of any provision of this Code or any special approval for a member of Ikanos' Board or an executive officer must be reviewed and approved in writing by Ikanos' Board and must also be promptly disclosed along with the reasons for the waiver. Any waiver of any provision of this Code or any special approval with respect to any other employee, agent or contractor must be approved in writing by the Corporate Compliance Officer.

V. REPORTING VIOLATIONS

You should promptly report violations or suspected violations of this Code of Business Conduct and Ethics to the Corporate Compliance Officer. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, send a letter addressed to the Corporate Compliance Officer at Ikanos Communications, 47669 Fremont Blvd., Fremont, CA 94538. If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.

If your concerns relate to accounting, internal controls or auditing matters, or if the Corporate Compliance Officer is implicated in any violation or suspected violation, you may also contact the Audit Committee of the Board of Directors at Ikanos Communications, 47669 Fremont Blvd., Fremont, CA 94538. Reprisals, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

VI. INVESTIGATIONS

The Board or its designated committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving members of the Board or executive officers. The Board or its designated committee may designate others to conduct or manage investigations on its behalf and recommend disciplinary action.

Subject to the general authority of the Board to administer this Code, the Corporate Compliance Officer will be responsible for investigating violations and determining appropriate disciplinary action for other employees, agents and contractors. The Corporate Compliance Officer may designate others to conduct or manage investigations on its behalf and recommend disciplinary action. The Corporate Compliance Officer will periodically report Code violations and the corrective actions taken to the Board or its designated committee. The Board reserves the right to investigate violations and determine appropriate



disciplinary action on its own or to designate others to do so in place of, or in addition to, the Corporate Compliance Officer.

The Company will promptly investigate any suspected violations. If it is determined that evidence of a violation exists, the individual subject to investigation will be notified. The subject of an investigation will have an opportunity to respond to any allegations made against that person. A person suspected of violating the Code may be suspended with or without pay while an investigation is conducted. The Company will follow local grievance procedures in jurisdictions where such procedures apply.

VII. DISCIPLINARY ACTIONS

The matters covered in this Code of Business Conduct and Ethics are of the utmost importance to Ikanos, its stockholders and its business partners, and are essential to Ikanos' ability to conduct its business in accordance with our stated values. We expect all of our employees, directors, agents and contractors to adhere to these rules in carrying out their duties for Ikanos.

Ikanos will take appropriate action against any employee, director, agent or contractor whose actions are found to violate these policies or any other policies of Ikanos and will strive to enforce the Code in a consistent manner while accounting for all relevant information. Disciplinary actions may include immediate termination of employment or business relationship at Ikanos' sole discretion. Where Ikanos has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, Ikanos will report violators to the appropriate authorities.

VIII. ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS

I have received and read Ikanos' Code of Business Conduct and Ethics. I understand the standards and policies contained in Ikanos' Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with Ikanos' Code of Business Conduct and Ethics while an employee or director. If I have questions concerning the meaning or application of Ikanos' Code of Business Conduct and Ethics, any Ikanos policies, or the legal and regulatory requirements applicable to my job, I know I can consult the Corporate Compliance Officer, knowing that my questions or reports to these sources will be maintained in confidence.

_____ Employee Name (please print)

_____ Signature

_____ Date

Please sign and return this form to the Corporate Compliance Officer.