

**ADVANCED FIBRE COMMUNICATIONS, INC.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
CHARTER**

PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Advanced Fibre Communications, Inc. (the “Corporation”) is to seek and recommend to the Board qualified candidates for election or appointment to the Board, as well as recommend members of the Board to chair committees established by the Board. In addition, the Committee is to oversee matters of corporate governance, including the evaluation of the Board’s performance and processes, and assignment and rotation of members of the committees established by the Board.

MEMBERSHIP AND PROCEDURES

Membership and Appointment

The Committee shall comprise not fewer than three members of the Board, as shall be appointed from time to time by the Board based on recommendations from this Committee.

Removal of Members

The entire Committee or any individual Committee member may be removed from such Committee with or without cause by the affirmative vote of a majority of the Board. Any Committee member may resign from the Committee effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary, or the entire Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may appoint a qualified successor to take office when such resignation becomes effective.

Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings and shall have unlimited access to management, employees and information.

Independence and Qualifications

Each member shall be an “independent director” as defined by the rules promulgated by the National Association of Securities Dealers, Inc. (“NASD Rules”), as amended, and shall satisfy all applicable independence requirements under the federal securities laws or rules thereunder.

Meetings

The Committee shall meet at the call of the Chairperson. Meetings may be held in conjunction with regularly scheduled meetings of the Board or otherwise. Notice of meetings shall be given in accordance with the provisions of the Corporation's By-laws.

Annual Performance Evaluation

The Committee shall perform an annual performance evaluation of the Committee and, to the extent the Committee so determines, make recommendations to the Board for changes or modifications to the Committee's Charter.

RESPONSIBILITIES AND PROCESS

The following shall be the principal recurring responsibilities and principal recurring processes of the Committee. The responsibilities and processes are set forth as a guide with the understanding that the Committee may alter or supplement them as appropriate.

1. Annually, the Committee shall evaluate and select the director nominees of the Corporation to be considered for election at the annual meeting of stockholders. The Committee shall also select nominees to the Board with respect to filling vacancies on the Board. The criteria used by the Committee to evaluate and to select director nominees shall be the Board Membership Criteria as set forth in the Corporate Governance Guidelines. The Committee shall have the sole authority and shall be granted the resources to retain independent advisers, such as search firms, in order to assist the Committee in identifying and selecting nominees. Such authority shall include the sole authority to approve such advisor's fees and other retention terms.

2. The Committee shall review and make recommendations to the Board with respect to candidates for director proposed by stockholders of the Corporation.

3. The Committee shall consider and make recommendations to the Board concerning the appropriate size of the Board.

4. The Committee shall periodically receive reports on the status of Board compensation in relation to other companies, as it deems appropriate, and is responsible for recommending to the Board changes in compensation for non-employee directors.

5. The Committee shall formulate and recommend to the Board a list of corporate governance guidelines, which shall address, at a minimum, director qualification standards; director responsibilities; director access to management and, as necessary and appropriate, independent advisers; director compensation; director orientation and continuing education; management succession; and annual performance evaluation of the Board (the "Corporate Governance Guidelines"). The Committee shall from time to time or as necessary recommend to the Board any revisions to the Corporate Governance Guidelines that the Committee deems

appropriate or to ensure compliance with applicable securities law and regulations and stock market rules.

6. The Committee shall oversee the Board's annual self-assessment process, and to the extent the Committee deems appropriate, recommend changes to increase the effectiveness of the Board and its committees.

7. The Committee shall consider and make recommendations on matters related to the practices, policies and procedures of the Board.

8. The Committee shall perform such other activities and functions related to the selection and nomination of directors and corporate governance as may be assigned from time to time by the Board.

9. Notwithstanding anything to the contrary contained herein, if the Corporation is required by contract or otherwise to provide third parties with the ability to nominate directors, the selection and nomination of any such directors are not subject to the powers or oversight of this Committee, except to the extent that any such director shall be subject to the Corporate Governance Guidelines and the Code of Conduct of the Corporation and general oversight of this Committee.

10. In performing any of its duties and responsibilities, the Committee may consult with the Corporation's internal or outside legal counsel and shall have the sole authority and shall be granted the resources to retain independent legal counsel, which shall include the sole authority to approve any such counsel's fees and other retention terms.

Reports

1. The Committee may, as it desires, prepare or cause the preparation of a report for inclusion in the Corporation's annual proxy statement.

2. The Committee shall submit any recommendations for changes to the Committee's Charter to the full Board for approval.

3. The Committee shall maintain minutes of its meetings and regularly report its activities to the Board.

Reliance on Information Provided

In adopting this Charter, the Board acknowledges that the Committee members are not necessarily legal experts and are not providing any expert or special assurance as to the Corporation's legal compliance. Each member of the Committee shall be entitled to rely on the integrity of those persons and organizations within and outside the Corporation that provide information to the Committee and the accuracy and completeness of the corporate governance and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

AMENDMENT

This Charter and any provision contained herein may be amended or repealed by the Board.