

**CHARTER FOR THE CORPORATE GOVERNANCE
AND NOMINATING COMMITTEE
OF THE BOARD OF DIRECTORS
OF
AVANEX CORPORATION
(Amended July 2004)**

1. PURPOSE

The purpose of the Corporate Governance and Nominating Committee (the “*Committee*”) of the Board of Directors of Avanex Corporation (the “*Company*”) shall be to:

- review and make recommendations to the Board of Directors regarding matters concerning corporate governance;
- review the composition and evaluate the performance of the Board of Directors; select, or recommend for the selection of the Board of Directors, director nominees; and evaluate director compensation;
- review the composition of committees of the Board of Directors and recommend persons to be members of such committees; and
- review conflicts of interest of members of the Board of Directors and corporate officers.

In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

2. MEMBERSHIP AND ORGANIZATION

Composition. The Committee shall consist of no fewer than three members of the Board of Directors. All members of the Committee shall be appointed and replaced by the Board of Directors, shall be independent of the Company and its affiliates, shall have no relationship to the Company or its affiliates that may interfere with the exercise of their independence, and shall otherwise be deemed “Independent Directors” as defined in Rule 4200 of the Nasdaq Stock Market, Inc. Marketplace Rules (the “*Nasdaq Rules*”). The Board of Directors may designate one member of the Committee as its Chair. The Committee may form and delegate authority to subcommittees when appropriate.

Meetings. The Committee will meet at least once per quarter. The Committee may establish its own meeting schedule, which it will provide to the Board of Directors. Special meetings may be convened as required. The Committee, or its Chair, shall report to the Board of Directors on the results of these meetings. The Committee may invite to its meetings other Directors, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities. In performing its duties, the Committee shall have the authority to obtain advice, reports or opinions from internal or external legal counsel and expert advisors, including any search firm to be used to identify candidates for the Board of Directors, and shall have sole authority to approve such experts’ fees and other retention terms.

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

Compensation. Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board of Directors.

3. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Committee shall include:

Corporate Governance Generally

- Develop principles of corporate governance and recommend them to the Board of Directors for its consideration and approval;
- Review annually the principles of corporate governance approved by the Board of Directors to ensure that they remain relevant and are being complied with;
- Oversee the evaluation of the Company's management;
- Periodically review this Charter and the Committee's processes and procedures;
- Oversee compliance by the Board of Directors and its committees with applicable laws and regulations, including the Nasdaq Rules and regulations promulgated by the Securities and Exchange Commission.

Composition of the Board of Directors, Evaluation and Nominating Activities

- Review the composition and size of the Board of Directors and determine the criteria for membership on the Board of Directors, including issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like;
- Conduct an annual evaluation of the Board of Directors as a whole, and evaluate the performance of individual members of the Board of Directors eligible for re-election;
- Identify, consider and select, or recommend for the selection of the Board of Directors, candidates to fill new positions or vacancies on the Board of Directors;
- Select, or recommend for the selection of the Board of Directors, the director nominees by class for election to the Board of Directors by the stockholders at the annual meeting of stockholders;
- Review any candidates for the Board of Directors recommended by stockholders, provided such recommendations are submitted in compliance with the Company's policies and procedures for consideration of candidates for the Board of Directors;
- Review the disclosure included in the Company's proxy statement regarding the Company's policies and procedures for the Committee's consideration of candidates for the Board of Directors;
- Evaluate director compensation, consulting with outside consultants and/or with the Human Resources department when appropriate, and make recommendations to the Board of Directors regarding director compensation; and

- Review and make recommendations to the Board of Directors with respect to the 1999 Director Option Plan and any proposed amendments thereto, subject to obtaining stockholder approval of any amendments as required by law or the Nasdaq Rules.

Committees of the Board of Directors

- Periodically review the composition of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the change in mandate or dissolution of committees; and
- Recommend to the Board of Directors persons to be members of the various committees.

Conflicts of Interest

- Review and monitor the Company's Code of Business Conduct and Ethics;
- Consider questions of possible conflicts of interest of members of the Board of Directors and of corporate officers; and
- Review actual and potential conflicts of interest of members of the Board of Directors and corporate officers, and clear any involvement of such persons in matters that may involve a conflict of interest.