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Dear Fellow Employee:

Ethical conduct and business go together. Over the years, Tellabs has built a reputation for the highest levels of integrity in every aspect of its business — a reputation that continues to serve us well in an increasingly competitive global marketplace. This reputation depends upon the behavior of Tellabs' directors, officers, employees and representatives. Every one of us, regardless of position or assignment, is entrusted with upholding that reputation. It is up to each of us to guarantee that our conduct not only meets that high standard, but also enhances it.

To this purpose, the Business Conduct and Ethics Committee ("BCEC") guides and oversees the execution of Tellabs' corporate business conduct and ethical responsibilities. The BCEC consists of the CEO and the CEO's direct reports, the chief audit executive, the Vice President of Human Resources as well as additional one-year appointees to reflect the different geographical locations of Tellabs and as needed for subject matter expertise.

The principles and guidelines contained in the Tellabs Integrity Policy are intended to help us understand what standards of conduct are expected of us as Tellabs employees. They are provided for your review and reference. Adherence to the standards and the supporting policies and procedures helps build and maintain confidence and trust. It is expected that each of us will apply these guidelines to the best of our ability to our particular situations. But no set of guidelines can anticipate or provide for every ethical situation a person may face. While employed, you may encounter situations that challenge the principles of the Policy. Therefore, we encourage you to be familiar with the Policy, use the materials as appropriate and seek advice and guidance from management and other internal sources when you need it.

Simple adherence to these few items will not ensure the company's integrity, but by maintaining a sensitivity and awareness of the ethical aspects of what we do, we can ensure that our conduct is exemplary in all respects. Keep up the good work and we thank you for living up to the letter and spirit of the Integrity Policy.

Business Conduct and Ethics Committee
Tellabs, Inc.

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Tellabs Integrity Policy

Section 1 — Introduction

Tellabs is dedicated to integrity in every aspect of its business. Customers choose Tellabs both for the quality of its products and for the integrity of the people who produce them. This confidence in us rests upon a belief that Tellabs employees consistently decide to do what is right, and will continue to do so in the future.

Tellabs believes that the overall integrity of the Company* demands the continuing commitment of all employees. In making decisions on behalf of the Company, as well as in their individual activities in the workplace, employees are expected to always choose an ethical course of action from among the alternatives. No written code can take the place of personal integrity, common courtesy and good judgment. Yet the following general guidelines, which apply to all directors, officers and employees (full-time, part-time and limited term), highlight the more important integrity policies of the Company and should serve as a guide to minimum standards of proper conduct.

Tellabs does not anticipate granting waivers or exceptions to this Policy. Any waiver must be specifically pre-approved in writing, by Company management and the assistant general counsel responsible for compliance. If the individual requesting an exception is an officer or director, the waiver must be made by the Audit and Ethics Committee of the Board of Directors, and the waiver must be promptly disclosed to shareholders.

Any violation of these policies may subject the employee involved to disciplinary action by the Company, including dismissal, and possible civil or criminal penalties, as well as subjecting the Company to possible civil or criminal liability. Employees are reminded that both the Company and various governmental agencies view intentional ignorance of dishonest or improper activities to be the same as actual knowledge of those activities.

Suspected unethical conduct should be reported to the assistant general counsel responsible for compliance at +1.630.798.3030 (83030), or through the Ethics and Integrity Hotline at +1.630.798.3008 (83008), toll-free at +1.888.632.3060, or via email at ethics.hotline@tellabs.com. Alternatively, you may contact EthicsPoint® at 1-866-294-4988 or via the internet at https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7623. (EthicsPoint is an anonymous and confidential third-party reporting tool). Employees who contact the Ethics and Integrity Hotline, EthicsPoint or send an email may remain anonymous. All significant reports are communicated to the Audit and Ethics Committee of the Board of Directors and the Business Conduct and Ethics Committee, comprised of Company Management. Employees with concerns of financial misconduct or fraud may report such concerns directly to the Audit and Ethics Committee via email at audit.ethics@tellabs.com.

All employee reports and concerns will be handled confidentially, anonymously and with discretion. Employees can report suspected unethical activities without fear of retribution from the Company for doing so. All reports will be investigated, and the Company will undertake remedial measures as they are needed.

The Company considers it in the best interests of employees and the Company to discuss potential issues involving the Integrity Policy as they develop, rather than after the fact. In many cases, specific policies and regulations not included here will apply within departments or to certain employee activities and circumstances. Please contact your manager or the assistant general counsel responsible for compliance at +1.630.798.3030 (83030) for more information.

Upon starting with the Company, all employees, officers and members of the Board of Directors will be asked to sign an acknowledgement form confirming that they have read and understand the Integrity Policy and agreeing that it is their responsibility to comply with the guidelines contained in it. At least annually, all employees, officers and members of the Board of Directors will be asked to confirm in writing that they have complied with the guidelines contained in the Integrity Policy and that they agree to maintain such compliance.

A copy of this Policy shall be published on the Company's internal and external websites. Additional paper copies of the Policy are available upon request.

* In this Policy, the term "Company" refers to Tellabs, Inc. and all its subsidiaries (direct or indirect) and controlled affiliates.



Tellabs Integrity Policy

Section 2 — Code of Integrity

Integrity and a high ethical standard are fundamental to Tellabs' beliefs and are to be upheld by all individuals employed by the Company. The Company—and each employee—must remain committed to obeying all laws and always doing what is right.

These principles are accomplished in dealings with our customers, suppliers, employees, and all others with whom we work or whom we encounter while representing the Company, when we:

- obey the letter and intent of the law;
- conduct ourselves in a forthright and honest manner;
- are fair and considerate in all dealings;
- maintain professional behavior and use common courtesy;
- respect the rights and dignity of all individuals, as well as the legal rights of all other businesses and organizations;
- make only commitments we believe we can keep — and do our best to keep them;
- use the Tellabs name only in connection with authorized, legitimate business activities;
- use Tellabs' resources in a manner consistent with the best interests of Tellabs;
- use our positions at the Company to further only valid business objectives, rather than to further primarily personal interests in order to benefit ourselves, our families, friends, or associates;
- avoid the appearance of any impropriety; and,
- expect and encourage our chosen business partners and suppliers to maintain similarly high standards of ethical conduct.

Implementation of this Policy requires individual commitment. Following are a series of general guidelines designed to assist all employees in implementing the Policy. If you have questions concerning the proper course of action, please consult your manager or the assistant general counsel responsible for compliance at +1.630.798.3030 (83030).

Section 3 — Company assets and records

3.1 Company assets

It is the job of all Tellabs employees to safeguard Company assets. All assets, including financial assets, vehicles, office supplies, equipment, computer software, telephone and internet services, voice-mail and e-mail may only be used for purposes authorized by management. Company computers or networks may only be used in accordance with Company policy, and may never be used to access, receive or transmit material that is illegal.

Employees may not loan, borrow, donate, sell or dispose of any Company property unless specifically authorized by the Vice President Human Resources or his/her designee. Employees may not use Company property, information or his or her position at the Company for personal gain. Any act that involves theft, fraud, embezzlement, or misappropriation of any property is also prohibited.

3.2 Company books, records and filings

Investors rely on Tellabs to provide honest and accurate information and to make responsible business decisions based on reliable records. All financial books, records, accounts, government filings and communications to investors must accurately reflect transactions and events, and conform both to generally accepted accounting principles and to Tellabs' system of internal controls. Undisclosed, misrepresented or unrecorded funds, assets or liabilities are not allowed.

It is never acceptable to make false claims on an expense report or time sheet, to falsify quality or safety results, to record false sales or record them early, to understate or overstate known liabilities and assets, or to defer recording items that should be expensed. No entry may be made that intentionally hides or disguises the true nature of any transaction.

Employees must follow the Company's contracts processes and consult with the Legal Department before entering into any contracts, agreements or other legally enforceable commitments (whether written or unwritten) to which the Company is a party.



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Almost all business records — including e-mail and computer records — may become subject to public disclosure in the course of litigation or governmental investigations. Records are also often obtained by outside parties or the media. Employees should therefore be clear, concise, truthful and accurate when recording any information in any format.

Documents should be retained in accordance with our record retention policy. Contact the Legal Department if there is any doubt about the appropriateness of document retention or destruction.

3.3 Company Public Reporting

As a public company, it is of critical importance that our filings and submissions with the Securities and Exchange Commission (the “Commission”) be accurate and timely. Depending on your position with the Company, you may be called upon to provide necessary information to assure that the Company’s public reports and documents filed with the Commission and in other public communications by the Company are full, fair and understandable. The Company expects you to provide prompt, accurate answers to inquiries related to the Company’s public disclosure requirements.

Section 4 — Disclosure or Use of Confidential Information

4.1 Material, Non-Public Information

Particular care must be exercised with a specific type of Confidential Information known as “material, non-public information.” While this term cannot be defined precisely, it includes all factual information with respect to a company or its securities that is not publicly available and might reasonably be expected to affect the market price of a company’s securities. Both positive and adverse information may be material. The prohibition against misuse of material, non-public information applies to all persons connected with the Company worldwide, including employees, members of the Board of Directors, consultants and outside service organizations and their employees. Officers, directors and other supervisory personnel should take steps to limit the disclosure of confidential and material information to those employees with a “need to know,” and when disclosure is necessary, all recipients should be counseled to comply with the laws, this Policy and the Insider Trading Policy. Specific guidelines applicable to trading in Company stock are set forth in the Insider Trading Policy. If you have any questions, please contact an attorney in the Legal Department, the assistant general counsel responsible for compliance at +1.630.798.3030 (83030) or the Ethics and Integrity Hotline, at +1.630.798.3008 (83008), toll-free, at +1.888.632.3060, or via email at ethics.hotline@tellabs.com. Alternatively, you may contact EthicsPoint® at 1-866-294-4988 or via the internet at https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7623. Please refer to the Company’s Insider Trading Policy for additional information.

4.2 Securities Trading Guidelines

If you have material, non-public information regarding the Company, it is the Company’s policy that neither you nor any member of your immediate family or person living in your household, may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information. This Policy also applies to trading in the securities of any other company, including our customers and suppliers, if you have material, non-public information about the company which you obtained in the course of your employment with the Company.

Additionally, some employees, based on their position in the Company, may be placed on a list of designated insiders who are prohibited from buying or selling securities of the Company outside of designated open trading windows.

Note that even if you do not have material, non-public information regarding the Company, you are prohibited against “short selling” the Company’s stock under Section 5.3 of this Policy.

For additional information and guidance concerning securities trading please contact the Legal Department and/or refer to the Company’s Insider Trading Policy.

4.3 Protection of Confidential Information

“Confidential Information” means information about the Company’s business, employees, customers, vendors or other entities with which the Company does business that is not available to the general public. Confidential Information is typically learned by employees in the course of employment with the Company. Confidential Information includes personnel information, product development and marketing information and strategies, trade secrets, know-how, pricing



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and cost information, internal policies, computer access codes, current or projected earnings, and financial status not already disclosed in public documents.

Confidential Information should be disclosed only to those employees of the Company who need to know it to serve the interests of the customer, supplier, development partner, or the Company, and it should not be used for personal gain in connection with securities trades or otherwise. Before disclosing Confidential Information to consultants, independent contractors or other third parties, employees should verify that Confidential Information is safeguarded by a signed confidentiality or non-disclosure agreement. Confidential Information must not be discussed in the presence of persons, whether employed by the Company or not, who do not have a legitimate business purpose to learn the Confidential Information.

Unnecessary copying of documents containing Confidential Information must be avoided. Documents containing Confidential Information should not be left in conference rooms, in photocopy areas, on desks or at workstations where they can be seen by outsiders or unauthorized employees. Similarly, Confidential Information should not be left displayed on computer screens when not in use. Unless otherwise required by the terms of a specific confidentiality or non-disclosure document, additional or extra copies of Confidential Information should be shredded and not discarded in trash cans. Unauthorized, informal or inadvertent release of Confidential Information can subject an employee, the Company, or both, to liability for damages.

Both during and after employment with the Company, employees are obligated to safeguard Confidential Information. At the end of employment, employees must deliver all materials containing Confidential Information, including copies, notes, and files, to the Company. Confidential Information which is not in written form but which is retained in an employee's memory is subject to the same restrictions and prohibitions with respect to disclosure and usage as Confidential Information which is in written or other recorded form.

All employees of the Company also have an obligation to protect the confidential nature of relationships with former, present or prospective customers, suppliers or development partners of the Company. This includes but is not limited to Confidential Information owned by such third parties and disclosed to the Company in confidence. Any Confidential Information about customers, suppliers and development partners that is acquired by employees must be used solely for proper purposes of the Company, and under no circumstances shall such information be revealed to persons who do not have a legitimate Tellabs business purpose to learn the Confidential Information. Each department of the Company will determine whether supplemental procedures are necessary to protect confidentiality. Each employee should ascertain whether such supplemental procedures exist for his or her department.

In addition to the restrictions mentioned above, the Company, in many cases, may be bound by the terms of specific confidentiality or non-disclosure agreements. Individuals handling Confidential Information must ascertain whether any such agreement exists and, if it does, adhere to its provisions which may be more restrictive than those contained in this guideline. When in doubt about such restrictions, please consult the Legal Department and/or the assistant general counsel responsible for compliance at +1.630.798.3030 (83030).

Unnecessary copying of customer, supplier or development partner confidential documents must be avoided. Such documents should not be left in conference rooms, in photocopy areas, on desks or at workstations where they can be seen by outsiders or unauthorized employees. Informal or inadvertent release of Confidential Information can subject an employee or the Company, or both, to liability for damages. Unless otherwise required by the terms of a specific confidentiality or non-disclosure document, additional or extra copies of any such Confidential Information should be shredded and not discarded in trash cans.

Section 5 — Conflict of Interest

All officers, employees and members of the Board of Directors owe a duty of loyalty to the Company. This duty places on each person the obligation to act in the Company's best interests and to maintain in confidence all proprietary information of the Company, including third party Confidential Information obtained by the Company. Employees must not compete with the Company, and must avoid placing themselves in positions that may produce divided loyalty, or which could create the appearance of divided loyalty. It is the duty of each employee to refrain from using Company property, information, or his or her position at the Company for personal gain.

Specific examples of situations likely to result in such conflicts are listed in the following subsections. The list should not be considered all-inclusive. If you have a question regarding your conduct under particular circumstances, you should



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discuss the situation with your manager or with the assistant general counsel responsible for compliance at +1.630.798.3030 (83030). Exceptions to this Conflict of Interest policy will be rare, and must be specifically pre-approved by Company management and the assistant general counsel responsible for compliance, or the Audit and Ethics Committee of the Board of Directors in the case of officers and directors.

5.1 Outside Employment

An employee shall not engage in any type of outside employment while employed at the Company, including consulting and self-employment, if the outside employment:

- may embarrass or discredit the Company;
- may, in any way, affect the employee's impartiality, objectivity or efficiency in performing his or her duties at the Company (except as otherwise provided for under local laws or regulations);
- involves the use, possible use or disclosure of proprietary or confidential information of the Company or the proprietary or confidential information of others held by the Company;
- involves, in any way, a supplier, customer or competitor of the Company;
- involves the use of the Company's equipment, supplies, software or other resources; or,
- is conducted during or otherwise conflicts with the employee's work for the Company.

At times, organizations may invite Tellabs employees to speak or lecture at an engagement or seminar on a subject relating to the telecommunications industry or the employee's position at Tellabs. Provided that the speech does not involve disclosure of proprietary or confidential information, it does not create a conflict of interest. Any cash honorarium must be donated to the Tellabs Foundation by the sponsoring organization. Speaking engagements which are unrelated to Tellabs or the industry should be evaluated for appropriateness by reference to the criteria above. Prior to any speaking engagement you should consult with your manager and the Corporate Communications Department to review the nature of the event and the content of the proposed presentation.

A potential conflict of interest also arises when an employee serves on a committee or a Board, including an Advisory Board, of a different corporation, whether publicly or privately held if such membership or position has a material impact on the performance of the employee's duties or may otherwise harm the Company. Employees are required to disclose any and all such board or committee memberships. Prior to serving on such a board or committee, employees are required to obtain the approval of a special committee convened for this purpose, to include the Chief Executive Officer, the President of the business unit, and the appropriate business unit leader. Participation on such a board or committee shall only be permitted with prior approval and where such participation is consistent with the interests of the Company. To seek review of a request to participate on a board or committee, contact a member of the special committee identified above, the assistant general counsel responsible for compliance at +1.630.798.3030 (83030) or an attorney in the Legal Department.

5.2 Financial and Other Interests

Employees, officers, members of the Board of Directors and immediate family members are expected to monitor carefully their investments in or association with any organization that has a relationship with the Company. Relevant relationships with the Company include customers, suppliers of goods or services, competitors, those involved in partnering alliances and those known to the employee to be considering any such relationship. Written disclosure to the Company is required regarding any substantive association with an indicated outside entity that goes beyond that related with the employee's ordinary job responsibilities to the Company.

An employee contemplating or holding a direct or indirect interest in such an organization exceeding \$10,000 in value and who, in good conscience, believes the investment may cause even the appearance of a conflict of interest, must disclose that investment in writing to the Company. In determining whether an investment might result in the appearance of a conflict of interest, employees should use a broad metric. An appropriate measure is whether a reasonable, disinterested third party aware of all relevant facts might consider the investment to be a possible conflict. If so, disclosure is essential.

Such disclosures protect both the employee and the Company against concerns of divided loyalty or the appearance thereof.

These disclosure requirements do not apply to investments in mutual funds or pension plans which themselves invest in any of the organizations described above for their portfolios.



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Because of the greater danger of actual or perceived divided loyalty where the other business is closely held, relationships with closely held and publicly traded companies are treated differently.

In the case of corporations whose securities are regularly and publicly traded, whether there is a financial conflict of interest depends upon many factors, including:

- the employee's ability to influence Company decisions that might affect personal financial interest;
- the size of the investment in relation to the employee's income, investments, and financial needs; and,
- the nature and extent of the competition or the relationship between the Company and the other business.

In the case of closely held corporations and companies, employees are prohibited from having a financial interest in any of the businesses described above, if the employee has the ability to influence in any way the Company's relationship with the other business.

5.3 Prohibition against Short Selling of Company Stock

Employees, officers, members of the Board of Directors and members of their immediate families are prohibited against "short selling" Company stock. A short sale, as defined in this Policy, means any transaction whereby one may benefit from a decline in the Company's stock price.

Section 6 — Gifts and Gratuities

No gifts or gratuities, which could be construed as influencing or rewarding a particular course of action, may be solicited or accepted by a Company employee from, or be given by a Company employee to, any employee or representative of a customer, supplier, the media, any government agency or department, or any other organization doing business with the Company. The giving or receiving of gifts or gratuities in exchange for influencing or rewarding a particular action is not only prohibited by the Company, but may violate civil or criminal laws, or both.

In certain instances, gifts other than money may be accepted or given. These apply equally to business relationships in which the Company is the customer and to those in which the Company is the vendor. These instances include:

- food, travel arrangements, accommodations, entertainment, or promotional material, all of reasonable value, in the course of a meeting or other occasion whose purpose is to hold bona fide business discussions or to foster better business relations, provided that the expenses would be paid for by the Company as a reasonable business expense if not paid for by another party; and
- advertising or promotional material, or other non-cash gifts of a value not exceeding \$250 that relate to commonly recognized occasions such as promotion, new job, retirement, birthday, wedding, a civil or religious holiday, or business occasions for which local customs dictate gift-giving or receiving.

Certain instances may arise in which an employee is publicly presented with a gift of appreciation from a customer or business partner which exceeds these dollar value limitations. If, due to local customs, refusal of this gift would harm the business relationship, it is permissible for the employee to accept the gift on behalf of the Company with the gift then becoming Company property.

Where local customs dictate, some departments may choose to vary the dollar amount limits on gifts and gratuities. Donations to charity are recommended substitutes for gift-giving or receiving. Please question your manager regarding your department's specific policy.

Gifts or gratuities accepted or given by members of the immediate families of any of the persons referred to above are prohibited on the same basis described above. The giving or receiving of gifts, gratuities, bequests, amenities or favors based on family or personal relationships is acceptable when those relationships, rather than Company business, are the motivating factor.

(See also the specific guidelines on Improper Payments and on United States Government Contracting and Relations with Government Employees found respectively in Sections 7 and 8 of the Integrity Policy.)



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Section 7 — Improper Payments

Company policy prohibits, without exception, the use of corporate or personal funds to make or promise to make any improper payment, either domestic or international. An improper business payment is:

- any bribe, payoff or kickback made to obtain an advantage in a commercial transaction;
- any gift, payment, favor, entertainment or other thing of value beyond gifts of a token nature or entertainment of a moderate nature, provided on a customary basis; or,
- any commission, discount, or consulting or professional fee not reasonably related to services actually and legally performed.

In no case may an employee offer to pay, pay or authorize payment to any third person while knowing that any portion of the payment will be given by that third person to exert influence in obtaining or retaining business. This prohibition includes the concepts of conscious disregard of the truth or willful blindness (i.e. intentional ignorance).

Providing improper payments is not only a breach of Company policy, but may cause the Company or the employee, or both, to be in violation of civil or criminal laws, or both.

Those laws include the Foreign Corrupt Practices Act (“FCPA”), which provides additional corporate and personal penalties for an improper payment, as described above, to any foreign official, foreign political party or any candidate for political office. Such actions place the Company and the employee, regardless of citizenship, at risk for civil and criminal penalties, including significant corporate and personal fines, the ineligibility to receive export licenses and possible imprisonment. The FCPA also prohibits knowingly falsifying the company’s books and records or knowing, circumventing or failing to implement accounting controls.

Section 8 — Government Contracting and Relations with Government Employees

The regulations governing United States Government contracting and relations with government employees are complex and strictly enforced. Although a general summary is provided below, if you are involved in government contracting, you are required to review Tellabs’ Government Contracting Ethics and Compliance Policy, which is available from the Legal Department. If you have additional questions, please request further information from the Legal Department or the assistant general counsel responsible for compliance.

All bid responses to federal, state and local solicitations shall be submitted in full compliance with the requirements of the solicitation document and all applicable laws and regulations.

All employees must exercise good judgment in relationships with officials or employees of federal, state or local governments to avoid any conduct which could in any way be construed as influencing or rewarding an improper course of action by any employee of federal, state, or local government or any agent or department thereof. Employees shall not offer or furnish anything of value to any government employee in return for such an employee performing or refraining from performing an official act.

The offering or furnishing of gifts, gratuities, favors, entertainment, etc., no matter how innocently offered or furnished to government employees, may be a source of embarrassment to the Company and to the government, may be illegal, and may impair public confidence in the integrity of the business relations between the Company and the government. Employees shall not offer or furnish any gift, gratuity, favor, entertainment, loan, or any other thing of value, either directly or indirectly, even of a token nature, to any employee of an agency or department of any federal, state, or local government with which the Company is engaged or is endeavoring to engage in procurement activities or business or financial transactions of any sort. Gifts, gratuities, favors, entertainment, etc., bestowed upon members of the immediate families of government employees are also strictly prohibited.



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The Federal Procurement Integrity Amendment to the Federal Procurement Policy Act makes it illegal, during the conduct of any federal agency procurement of property or services, for the Company:

- to offer or accept bribes, kickbacks or gratuities;
- to solicit, obtain, or disclose source selection or proprietary information;
- to discuss future employment with, or to make an offer or promise of future employment to, a government procurement official; or,
- to hire a former government procurement official who participated personally and substantially on a procurement with the Company to work for the Company within a two-year period from the procurement.

The law requires that each employee involved in government contracts certify that he or she is familiar with the Act, will comply with the Act, and will report all violations. For all contract proposals more than \$100,000, the Company must certify in writing that every employee who has participated personally and substantially on the proposal has provided an individual certification. The Act provides both criminal and civil penalties.

Section 9 — Antitrust

The antitrust laws of the United States and in other jurisdictions promote commercial integrity and healthy competition. All employees must fully comply with all federal, state and local antitrust laws, including but not limited to the following federal statutes: the Sherman Act, the Clayton Act (including the price discrimination provisions of the Robinson-Patman Act) and the Federal Trade Commission Act. More specifically, all employees are absolutely prohibited from:

- proposing or making any written or verbal contract, agreement, combination, conspiracy, understanding, plan, scheme, or exchange of information of any kind with any competitor, however informal or indirect, relating to products either sold or purchased by the Company and having any effect on (i) prices or other terms and conditions of sale or purchase, (ii) allocation of customers, suppliers or markets, (iii) production quotas, (iv) method of distribution of products, (v) boycott of customers, or (vi) division of receipts or supplies;
- knowingly discussing or corresponding with any competitor or furnishing to or accepting from any competitor, information concerning any of the above;
- attending any meeting with competitors where, to the knowledge of the Company representative, any of the above matters are considered. Trade association and similar meetings may be attended so long as none of the above matters are discussed;
- knowingly inducing or accepting a preferential price from a supplier where there is reason to believe that the preferential price is neither cost justified nor made in good faith to meet the lawful, lower price of a competing supplier. Within these limitations, we should, of course, always seek to obtain the best prices possible;
- accepting from a supplier anything (such as a commission or rebate) that has the effect of reducing the price paid by the Company below the price generally available to competing purchasers;
- engaging in reciprocal buying practices, that is, the use of the Company's purchasing power to promote sales. Purchases must be made solely on the basis of the supplier's price, quality, service, reliability and financial responsibility, without regard to the supplier's status as a customer; or,
- imposing restrictions on a customer relating to the prices at which the Company's products are resold.

Other possibly sensitive situations include refusals to deal with particular customers or suppliers and the use of long-term sales or purchase contracts. In most cases, these situations do not involve any illegality, but to guard against the possibility of illegality, prior consultation with an attorney in the Legal Department and/or the assistant general counsel responsible for compliance is required. Outside of the United States, additional antitrust laws may apply to the conduct of business. If you have any concerns you should consult with a member of the Legal Department and/or the assistant general counsel responsible for compliance.

Nothing in this policy is intended to prohibit Company personnel from meeting with a competitor for the purpose of discussing or reaching agreement on arrangements that are not prohibited by the antitrust laws, such as sales of the Company's products or services to the competitor, purchases by the Company of the competitor's products or services, license agreements under patents, or know-how owned by the Company or by the competitor.



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Section 10 — Product and Marketing Integrity

The Company is dedicated to sales, promotional, manufacturing and technical integrity for its products. Company policy expressly prohibits making inaccurate claims about existing or planned product features, mislabeling, accepting orders that require unplanned capabilities, or failing to follow established manufacturing and testing procedures.

The Company neither expressly nor implicitly warrants that a product or specification meets a particular use requirement. Nonetheless, we must always try to avoid any unsafe or improper use of our products; no order should be accepted with knowledge that it will result in unsafe or improper use or that the product will not be able to accomplish the function requested by our customer. It is the policy of the Company to make only those commitments to customers that we believe can be met and that we fully intend to meet.

Section 11 — Professional Conduct in a Diverse Workplace

The employees who make up Tellabs come from many different countries, cultures backgrounds and beliefs. Our diversity is one of our greatest assets, helping us to compete knowledgeably and successfully in an increasingly global marketplace.

The Company is fully committed to meeting its obligation to provide equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin/ancestry, citizenship, age, sexual orientation, disability, veteran status or other protected status. Employees throughout the Company are responsible for conducting themselves in a professional manner and for helping to create an environment of dignity and respect for others with diverse backgrounds and perspectives, including fellow employees, customers, vendors and other third parties.

Professional conduct is characterized first and foremost by basic civility. Such conduct promotes open dialogue, encourages others to share their opinions, promotes sensitivity to individual and global differences, seeks to learn from other viewpoints and strives to avoid intentionally causing offense to others. Conduct that demeans, isolates or inappropriately excludes others is inconsistent with this standard. Conduct constituting harassment of any kind, including sexual harassment and harassment based on race, color, religion, national origin/ancestry, citizenship, age, disability, sexual orientation, veteran status or other protected status, is absolutely prohibited. Employees are required to report inappropriate and unwelcome conduct whenever they experience it, witness it or learn about it. Conduct constituting prohibited harassment and the procedures for reporting inappropriate conduct of any kind are described both in the Employee Guidelines and below in detail:

11.1 Harassment

Harassment in all of its forms is prohibited. Forms of inappropriate conduct that will not be tolerated include (but are not necessarily limited to) epithets, slurs, negative stereotyping, intimidating acts and the circulation, posting (inside or outside your work area) or e-mailing of written or graphic materials that show hostility towards individuals because of their race, color, religion, national origin/ancestry, citizenship, age, sexual orientation, disability, veteran status or other protected status.

11.2 Sexual Harassment

Sexual harassment is illegal and not tolerated at Tellabs. With regard to sexual harassment, conduct prohibited by Tellabs includes, but is not limited to, the following:

- Unwelcome sexual advances, requests for sexual favors and other verbal, physical or visual conduct of a sexual or otherwise offensive nature, especially where (i) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (ii) submission to or rejection of the conduct is used as a basis for employment decisions; or (iii) such conduct has the effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.
- Sexually offensive comments, jokes, innuendoes, and other sexually-oriented statements or materials, including electronic transmission of such materials.

The Integrity Policy prohibits inappropriate conduct regardless of whether the conduct rises to the level of a legal violation. Examples of prohibited conduct include, but are not limited to, the following: (i) offensive sexually-oriented



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verbal kidding, teasing or jokes; (ii) repeated unwanted sexual flirtations, advances or propositions; (iii) continued or repeated verbal abuse of a sexual nature; (iv) graphic or degrading comments about an individual's appearance or sexual activity; (v) offensive visual conduct, including leering, making sexual gestures, the display of offensive sexually suggestive objects or pictures, cartoons, posters or screen savers; (vi) unwelcome pressure for sexual activity; (vii) suggestive or obscene letters, e-mails, notes or invitations; or (viii) offensive physical contact such as patting, grabbing, pinching, or brushing against another's body.

Co-workers, supervisors, subordinates and non-employees can both initiate and be the target of unwelcome harassment. Sexual harassment can be initiated by a female or male, against a female or male.

11.3 Reporting Responsibilities and Procedures

All Tellabs employees are obligated to assist the Company with maintaining a professional workplace free from harassment. If you are subject to inappropriate conduct, if you witness such conduct or if you are made aware of it, you must report the conduct through one of the following avenues:

- Contact your human resources manager or any supervisor or manager. If you are uncomfortable doing this for any reason, you may use one of the alternatives below:
- Contact an upper level human resources manager or any other management official utilizing the Open Door Policy;
- Contact Tellabs' assistant general counsel responsible for compliance at +1.630.798.3030 (83030); or
- Contact Tellabs through the Ethics and Integrity Hotline, at +1.630.798.3008 (83008), toll-free, at +1.888.632.3060 or via email at ethics.hotline@tellabs.com. Alternatively, you may contact EthicsPoint® at 1-866-294-4988 or via the internet at www.ethicspoint.com.

Reports of discrimination or harassment will be promptly investigated and handled as discretely as possible. If an investigation confirms that a violation of this policy has occurred, the Company will take corrective action as appropriate, including discipline, up to and including termination of employment. Tellabs prohibits any form of retaliation against any person for making a good faith complaint under this policy or assisting in any investigation. Any person who reports an incident of harassment or has assisted in an investigation, and who has been coerced, intimidated or threatened in any manner for doing so, should follow the reporting procedure described above.

While employees are encouraged to report claims internally using the process described above, we are required by applicable state law to inform you of the following in addition to any other legal recourse available to you:

Employees in Illinois may take legal recourse by filing a charge with the Illinois Department of Human Rights located at 100 West Randolph Street, Suite 10-100, Chicago, IL 60601, at +1.312.814.6200 or in Springfield at 222 South College, Floor 1, Springfield, IL 62704, at +1.217.785.5100. The Department will investigate timely charges and will determine whether there is sufficient evidence to support the charge. If so, the Department may file a complaint on your behalf with the Illinois Human Rights Commission. You may also file a complaint with the Commission yourself between the 300th and 330th day after filing the charge if the Department has not yet issued a determination. The Commission is located at 100 West Randolph Street, Suite 5-100, Chicago, IL 60601.

Employees in Massachusetts may take legal recourse by filing a complaint with either the United States Equal Employment Opportunity Commission ("EEOC"), JFK Federal Building, Room 475, Boston, MA 02203, at +1.617.565.3200 or with the Massachusetts Commission Against Discrimination ("MCAD") at its Boston Office, One Ashburton Place, Room 601, Boston, MA 02108, at +1.617.727.3990, or its Springfield Office, 436 Dwight Street, Room 220, Springfield, MA 01103, or at +1.413.739.2145.

Employees in California may take legal recourse by filing a complaint with either the United States Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing (DFEH). To contact the commission consult directory assistance or write to Equal Employment Opportunity Commission, 1801 L Street, NW, Washington, D.C., 20507. The DFEH is the state agency that resolves complaints of unlawful discrimination, including sexual harassment. To contact the DFEH, consult your local telephone directory under State Government Offices or ask directory assistance for the number of the Department of Fair Employment and Housing headquarters in Sacramento or write to Department of Fair Employment and Housing, 2014 T Street, Suite 210, Sacramento, CA 95814-6824.

No employee will be demoted, discharged, or in any other way retaliated against for pursuing his or her rights under the legal remedies described above.



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Integrity Policy Acknowledgment Form

I confirm that I have read and understand the Tellabs, Inc. Integrity Policy and agree that it is my responsibility to comply with the guidelines contained therein.

Signature

Date

Print Name

Title/Position

Tellabs Location

Please sign and return this form to:

Tellabs
1415 West Diehl Road
Naperville, IL 60563 U.S.A.

Human Resources
Mail Stop # 447

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