

**Conflict of Interest Policy for the
Tellabs Foundation
(Amended January 2009)**

The purpose of this policy and the following procedures is to prevent the personal interests of Interested Parties (as defined below) from (i) interfering with the performance of their duties to the Tellabs Foundation, or (ii) resulting in personal, financial, professional, or political gain on the part of such persons at the expense of the Tellabs Foundation or Tellabs.

Definitions:

“Foundation” means Tellabs Foundation, a 501(c)(3) corporation.

“Foundation Director” means a member of the Board of Directors of the Tellabs Foundation.

“Immediate Family Member” means a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and any person (other than domestic employees) who shares such person’s home.

“Interested Part(ies)” are all persons in a position of trust with respect to the Tellabs Foundation including but not limited to Foundation Directors, Officers, Staff Members, and Volunteers. Interested Parties include officers, directors and employees of Tellabs to the extent such individuals are involved in or with any donee or potential donee.

“Officer(s)” means the President, Vice President and Secretary and any other duly elected officers of the Tellabs Foundation.

“Staff Member(s)” means the Executive Director of Tellabs Foundation and any person who performs services for the Foundation and receives part or all of his/her compensation for such services from the Tellabs Foundation or Tellabs.

“Tellabs” means Tellabs, Inc. and any of its affiliates.

“Tellabs Director” means a member of the Board of Directors of Tellabs, Inc.

“Volunteer” means a person, other than a Foundation Director, who provides services and/or expertise for the Tellabs Foundation without receiving compensation therefor.

POLICY AND PRACTICES

1. All Interested Parties owe a duty of loyalty to the Tellabs Foundation. This duty places on each Interested Party the obligation to act in the best interests of the Tellabs Foundation. Interested Parties 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 Interested Party to refrain from using Tellabs Foundation property, information or his or her position with the Tellabs Foundation for personal gain. Specific examples of situations which may result in such conflicts are listed below. This list should not be considered all-inclusive. Questions regarding conduct under particular circumstances should be discussed with the Foundation Board of Directors, as set forth in Section 5 below.

2. Interested Parties who are also employees of Tellabs shall comply with this policy as well as the Tellabs Integrity Policy.

3. No gifts, gratuities, benefits or financial rewards may be solicited or accepted by an Interested Party from donees or potential donees in connection with any grant or proposed grant, except as specifically permitted below. The giving or receiving of gifts, gratuities, benefits or financial rewards by an Interested Party is not only prohibited by this policy but may also violate self-dealing laws applicable to foundations. Gifts, gratuities, benefits and financial rewards accepted by an Immediate Family Member of any Interested Party are prohibited on the same basis described above.

In certain instances, gifts other than money may be accepted or given. These instances include:

- Food or entertainment of reasonable value in the course of a meeting, site visit or other occasion whose purpose is to hold business discussions, express gratitude or to foster better community relations
- Promotional material or other non-cash gifts of a value not exceeding \$250 that relate to commonly recognized occasions such as new job, birthday, wedding, a civil or religious holiday or business occasions for which local customs dictate gift-giving or receiving.

4. If a Foundation Director or an Immediate Family Member of a Foundation Director is an officer, director, manager, employee, general partner or person holding an equivalent position with an entity seeking a grant from the Tellabs Foundation, such Foundation Director shall be required to disclose to the Foundation Board of Directors the material facts regarding such relationship. The presence of such Foundation Director may be counted in determining whether a quorum is present, but may not be counted when the Foundation Board of Directors takes action on the grant proposal.

5. Any potential conflict of interest, or question regarding whether a particular circumstance violates this policy, shall be disclosed by the Interested Party to the Foundation Board of Directors. Such disclosure may be made in writing to the Executive Director or orally at a Foundation Board of Directors meeting.

6. Following full disclosure of a possible conflict of interest, the Foundation Board of Directors shall determine whether the possible conflict violates this policy and, if so the Foundation Board of Directors shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect the Foundation's best interests. Both votes shall be by a majority vote without counting the vote of any interested Foundation Director, even if the disinterested Foundation Directors are less than a quorum provided that at least one consenting Foundation Director is disinterested. An Interested Party shall not participate in any discussion or debate of the Foundation Board of Directors in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present Board member.

7. If a Tellabs Director or an Immediate Family Member of a Tellabs Director is an executive officer of an entity seeking a grant from the Tellabs Foundation, any grant to such entity shall not exceed the greater of \$200,000 or 5 percent of such entity's revenue. In circumstances where a Tellabs Director is also a Foundation Director, the other provisions of this policy shall also apply to such Foundation Director.

A copy of this policy shall be available to all Interested Parties upon commencement of such person's relationship with Tellabs Foundation and a copy shall also be published on the Tellabs Foundation website.