CISCO SYSTEMS INC.

MEETING DATE	Wed, 12 Dec 2018 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 29 Nov 2018
MEETING LOCATION	Cisco campus in Building 9, 260 East Tasman Drive, San Jose, California 95134				
CURRENT INDICES	S&P500				
SECTOR	Telephone and telegraph apparatus				

	PROPOSALS	ADVICE
1a	**Re-elect M. Michele Burns** Non-Executive Director. Not considered independent due to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1b	**Re-elect Michael D. Capellas** Non-Executive Director. Not considered independent due to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1c	**Re-elect Mark Garrett** Independent Non-Executive Director.	**For**
1d	**Re-elect Kristina M. Johnson** Independent Non-Executive Director.	**For**
1e	**Re-elect Roderick C. McGeary** Non-Executive Director. Not considered independent due to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1f	**Re-elect Charles H. Robbins** Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.	**Oppose**
1g	**Re-elect Arun Sarin** Non-Executive Director. Not considered independent due to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1h	**Re-elect Brenton L. Saunders** Independent Non-Executive Director.	**For**
1i	**Re-elect Steven M. West** Non-Executive Director. Not considered independent due to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**

2 Amend All Employee Option/Share Scheme **For**

It is proposed to approve the Amendment and Restatement of the Employee Stock Purchase Plan. The Qualified Employee Stock Purchase Plan is currently set to terminate on 3 January 2020 and the Board is seeking shareholder approval to extended the Plan to 3 January 2030 and assign to the plan a further 100 million shares.

As of September 28, 2018, there were approximately 78 million shares which remain available for issuance under the Purchase Plan, which are expected to satisfy Cisco's equity needs for approximately 3 years or through the 2021 annual meeting. If this amendment and restatement to add 100 million shares to the Purchase Plan is approved, it is expected there will be sufficient shares available under the Purchase Plan to satisfy Cisco's equity needs for approximately 7 years or through the 2025 annual meeting.

The Purchase Plan provides eligible employees the opportunity to acquire a stock ownership in Cisco through periodic payroll deductions from eligible earnings at a discount from the then current market price. The Purchase Plan does not provide for discretionary grants. The ability to purchase Cisco common stock under the plan is limited up to a maximum of 10% of a participant's eligible earnings.

As of July 28, 2018, Cisco estimates that approximately 73,000 employees, including all 7 executive officers, were eligible to participate in the Purchase Plan.

Limitations imposed on eligible employees include: participants may not purchase more than USD 25,000 worth of common stock, or purchase more than 22,500 share of common stock during any one purchase period. The Compensation Committee has been designated as the Plan Administrator.

It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership through payroll deductions. As the Plan is open to the majority of employees and is capped at purchase price of no less than 85% of fair market value, Triodos supports this resolution.

3 Advisory Vote on Executive Compensation **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment.

Annual bonus awards are considered to be excessive at over 200% of base salary. The time-based RSUs generally vest in four equal annual installments on each annual anniversary of the award date which is not considered sufficiently long-term. Any earned PRSUs will be settled following the completion of the three-year performance period, which is welcomed.

The compensation rating is: CDD. Based on this rating, Triodos opposes this resolution.

4 Appoint the Auditors **Oppose**

PwC proposed. Non-audit fees represented 18.99% of audit fees during the year under review and 6.78% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

5 Shareholder Resolution: Introduce an Independent Chairman Rule **For**

Proposed by: Kenneth Steiner.

Amend the Company's governing documents as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board.

Proponent's Supporting Argument: The Proponent argues that an independent Chairman is more likely to see that Cisco has more independent directors. Directors with long tenure control 80% of the seats on Cisco Systems Inc.'s 3 most important board of directors committees, including all 3 chairmanships. Long-tenure can impair the independence of a director, no matter how well qualified. Independence is a priceless attribute in a director. The lack of an independent board chairman seems to have resulted in a board refreshment problem at Cisco. There may be too many distractions for only one person to handle 2 important roles, Chairman and Chief Executive Officer.

Board's Opposing Argument: The Board is against this proposal as it believes it should maintain flexibility to set Cisco's Chairman and board leadership structure as it deems appropriate, it is not in the interest of shareholders to place arbitrary constraints, such as requiring an independent Chairman, on the Board. Cisco Systems Inc. has a strong Lead Independent Director. The Board is over 90% independent. All members of Cisco's key committees, Audit, Compensation and Nomination Committees are are independent. Cisco Systems Inc. has a strong set of Corporate Governance policies and practices in place.

PIRC Analysis: There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. Requiring the Chairman of the board to be an independent director would acheive this seperation of power. In addition it is a generally accepted norm of good practice that the Chairman of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this.

Triodos supports this resolution.

6 Shareholder Resolution: Adjust Executive Compensation Metrics for Share Buybacks. **For**

Proposed by: James McRitchie

Asks shareholders to approve the adoption of a policy that it will not utilize "earnings per share" ("EPS") or its variations (e.g., diluted or operating EPS) or financial ratios (return on assets or net assets or equity) in determining senior executive incentive compensation or eligibility for such compensation, unless the Board utilizes the number of outstanding shares on the beginning date of the performance period and excludes the effect of stock buybacks that occur between that date and the end of the performance period. The policy shall be implemented without violating existing contractual obligations in existence on the date this proposal is adopted.

Proponent's Supporting Argument: The Proponent argues that the purpose of performance metrics is to align senior executive pay with long-term sustainable growth. This alignment may not exist if a company is using earnings per share or certain financial return ratios to calculate incentive pay awards at a time that the company is aggressively repurchasing its shares or if senior executives use the jump in stock price resulting from a buyback announcement as a chance to sell stock intended to incentivize performance.

Board's Opposing Argument: The Board is against this proposal as it has a long-standing capital allocation strategy under which Cisco intends to return a minimum of 50% of its free cash flow annually to shareholders through cash dividends and repurchases of common stock. Repurchasing shares is a key method of returning cash to shareholders. The proposal, if passed, would limit the Compensation Committee's flexibility. The Compensation Committee is best placed to decide whether including share repurchases in calculating EPS is in line with shareholder interest. EPS is a significant component only for the long term incentive award of an executive's compensation, the share buy backs do not impact annual award payouts. The premise of the proposal is based on a flawed assumption.

PIRC Analysis: The use of EPS as a performance metric, is not considered best practice as it can be influenced by exogenous factors which are difficult to align to ones performance. In addition, the use of EPS as a performance metric may not be considered sufficiently challenging as the Board maintains the discretion to use share buyback to reduce the outstanding share capital which in turn adjusts the EPS.

Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

Disclosure: C- There is good disclosure of performance targets related to short- and long-term incentives, but not with respect to individual performance factors. Annual cash incentives are based on the Company's achievement against pre-established revenue and operating income measures and individual performance. The Company granted long-term incentives in the form of performance-based restricted stock units (PRSUs) and time-based RSUs. PRSUs are based on the following performance measures: operating cash flow; earnings per share (EPS); and relative total shareholder return (TSR) multiplier.

Named executives earn performance-related restricted share units (PRSUs)(75%)and time-based RSUs (25%) under the Company's long-term incentive plan. PRSUs are based on the following performance measures: operating cash flow; earnings per share (EPS); and relative total shareholder return (TSR) multiplier.

Balance: D- Annual bonus awards are considered to be excessive at over 200% of base salary. The time-based RSUs generally vest in four equal annual installments on each annual anniversary of the award date which is not considered sufficiently long-term. Any earned PRSUs will be settled following the completion of the three-year performance period, which is welcomed.

Contract: D- Under the 2005 Stock Incentive Plan, each outstanding award that is subject to vesting provisions, and each PRSU will vest in full in the event that the Company is acquired by merger or asset sale, unless the award or related agreement is assumed or replaced by the acquiring entity, or in the event there is a hostile change in control or ownership of Cisco, or a change in the majority of the members of the Board as a result of one or more contested elections for board membership. The Company has double-trigger provisions in place, which is welcomed.

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