CISCO SYSTEMS INC.

MEETING DATE	Tue, 10 Dec 2019 8:00 am	TYPE	AGM	ISSUE DATE	Wed, 27 Nov 2019
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	**Elect Michele Burns** Non-Executive Director and member of the Audit Committee. Not considered to be independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**
1b	**Elect Wesley G. Bush** Independent Non-Executive Director.	**For**
1c	**Elect Michael D. Capellas** Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Triodos opposes this resolution.	**Oppose**
1d	**Elect Mark Garrett** Independent Non-Executive Director. He is chair of the audit committee which is not fully independent which Triodos does not support.	**Oppose**
1e	**Elect Kristina M. Johnson** Independent Non-Executive Director.	**For**
1f	**Elect Roderick C. McGeary** Non-Executive Director, Chair of the Remuneration Committee. The Director is not considered independent owing to a tenure of over nine years. He is chair of the remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1g	**Elect Charles H. Robbins** Chair 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. Triodos opposes this resolution.	**Oppose**
1h	**Elect Arun Sarin** Non-Executive Director. The Director is not considered independent owing to an aggregate tenure of over nine years. There is insufficient independent representation on the Board. Triodos opposes this resolution.	**Oppose**
1i	**Elect Brenton L. Saunders** Independent Non-Executive Director.	**For**
1j	**Elect Carol B. Tome** Independent Non-Executive Director.	**For**

2 Advisory Vote on Executive Compensation **Abstain**

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. The compensation rating is: ACC.

The Company has failed to provide the fees it paid the Compensation Consultants.

For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Executive compensation is not aligned with peer group averages.

Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern.

Triodos abstains this resolution.

3 Ratify PricewaterhouseCoopers LLP as Auditors **Oppose**

PwC proposed. Non-audit fees represented 15.10% of audit fees during the year under review and 11.71% 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. Opposition is recommended

4 Shareholder Resolution: Separate Chairman and CEO **For**

Proposed by: Kenneth Steiner.

Shareholders request that the Chairman of the Board 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 three most important board of directors committees, including two chairmanships. Long-tenure can impair the independence of a director, no matter how well qualified. An independent board chairman can better focus on improving the performance of the directors. Improvement is needed since Carol Bartz, Michele Burns, Charles Robbins and Steven West each received more than 190 million against votes at 2018 annual meeting. This compares poorly with 3 Cisco directors who received less than 9 million against votes each.

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 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 achieve this separation 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.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure:A The Company has failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the Company. The grant of performance awards was based on the achievement of set levels of specific performance targets. Annual incentives performance measures are dividend in two parts: the Company Performance Factor(CPF) which include the measures, Revenue and Operating Income. The Individual Performance Factor (IPF) which include, Leadership, Innovation / Strategic Planning, Execution and Contribution to Financial Goals. Performance-based long term incentive is subject to quantified performance targets for Operating Cash Flow, EPS and Relative TSR Multiplier.

Balance:C The Company included non-financial metrics into the annual bonus structure, which is considered the best practice. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered the best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards made up less than one-third of the awards granted to executives, which is considered the best practice. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered the best practice. Executive compensation is not aligned with peer group averages.

Contracts:C Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. Equity awards are subject to pro-rata vesting, which is line with best practice. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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Researcher: Menelaous Paloumpis
Email: pircresearch@pirc.co.uk

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Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
http://www.pirc.co.uk

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