

September 9, 2010

Ms. Laura Graves
Mr. Mark Chandler
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706

Dear Ms. Graves and Mr. Chandler:

Thank you for allowing our dialogue on shareholders' human rights concerns to continue on a positive note, and especially for making it possible for a broad cross-section of high-level Cisco officials to be present and to participate in an open and responsive way at our September 3 meeting. We appreciate being able to share our views and ideas with you in this mutually constructive and cooperative way.

We hope, and believe, that our main message was understood and well received, as certainly appeared to be the case. That message is that more concrete and detailed steps need to be adopted by Cisco to implement and strengthen the Company's capacity to deal on an effective basis with the potential human rights impacts of Company policies and actions. The Company's positions on these matters that were very well articulated by Mr. Chandler -- namely that Cisco is committed to human rights observance, has an internal procedure in place to assess human rights risks and impacts, and has adopted a firm policy (unlike many other competitors) "by choice" to not supply products, technologies and software that could be used to facilitate surveillance and human rights abuses -- are certainly desirable, and are consistent with our concerns. But they do not accomplish their purposes, including protecting the Company from criticism, unless they are more clearly and openly articulated, and made part of specific institutional mechanisms that assure that they are effectively applied on a regular and ongoing basis, rather than being subject to *ad hoc*, individualized applications and determinations. I mentioned Chevron's response to my proposal (#9) this year <http://www.chevron.com/documents/pdf/Chevron2010ProxyStatement.pdf> as a reference. For example, it mentions to "recognizes that it plays an important role in respecting human rights in the communities where it operates... adopted an updated and comprehensive Human Rights Policy, supported by an implementation plan, defined roles and responsibilities, and management oversight and guidance... works cooperatively and constructively with host governments, communities and non-government organizations. It also engages with subject matter experts who help build on its understanding of human rights issues relevant to its business."

As Mr. Robert Lloyd very effectively summarized at the conclusion of the meeting, the concrete action steps that we are proposing involve the needs to:

- articulate a more detailed human rights Code of Conduct to supplement the very generalized ethics standard currently in place;
- create a Human Rights Advisory Board that includes some objective, outside human rights experts to assist the Company in identifying, dealing with and preventing potential problems, and in formulating appropriate remedial policies and standards;

- develop and publicly describe the internal mechanisms used by the Company to assess potential human rights and end use and end user impacts of proposed policies and actions on an ongoing basis so that proposed activities can be properly evaluated before they take place;

- increase and improve the attention paid to human rights issues in the annual Corporate Social Responsibility Reports to place them on a par with the treatment provided to environmental issues; and,

- engage shareholders, especially shareholders and representatives of the human rights community, in a more meaningful and open exchange of information and views to facilitate transparency, and to improve understanding of the Company's policies and missions. On this point we proposed, as a first step, some type of separate informational session on human rights issues for shareholders attending the Annual Meeting in November. You pointed out that the geographical reach of the Annual Meeting was very limited, and that a broader effort targeted to the much larger world-wide shareholders community would be required to accomplish this purpose, and we invited you to consider this type of wider initiative.

Besides, our input on developing the content of the Social Responsibility Reports to increase coverage of human rights issues may well be useful as you head closer to your Fall publication date for the 2010 Report. We would be pleased to share ideas and reactions with Ms. Christie on this matter.

We believe that these concrete institutional changes will greatly improve the Company's ability to convey and to assure observance of its core missions and policies, and to prevent the type of negative human rights, end use and end user impacts that concern us as stockholders. To the extent that institutional mechanisms are already in place for these purposes, as Mr. Chandler suggested was the case, greater disclosure and transparency about the specifics of these internal operating procedures would be needed.

Our understanding is that the Company has undertaken to provide us with more specific information and responses on each of these matters, and on related requests for information and suggestions included in our prior correspondence, and that a follow-up meeting would be scheduled to discuss them as soon as possible. Ms. Graves suggested after the meeting that the follow-up meeting would probably not be possible until October because of financial records tasks that are in process in September.

We look forward to our next meeting and discussion on these issues and suggestions, and stand ready to assist you in the process of developing institutional changes, or in making information available on existing procedures covering these needs.

Sincerely,

Jing Zhao

cc: Robert Lloyd, Blair Christie, Kathy Mulvany