

160 Maidenhair Court  
San Ramon, CA 94582  
Tele: 925-984-4909

September 3, 2010

Mr. John F. Platz  
Ms. Laura Graves  
Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1700

Dear Ms. Graves and Mr. Platz:

Thank you for sending me Cisco's Opposition Statement to the Shareholder proposal that I submitted to the coming shareholders meeting.

As you know, presently we are engaged in meaningful discussions with Cisco regarding the substantive issues covered by my shareholder proposal, and will no doubt include our comments and reactions to your Opposition Statement in our talks. In furtherance of that effort we would like to share with you in writing some specific thoughts that we hope we will have the opportunity to discuss with you in person as well. Principal among them is the heartfelt suggestion that Cisco may be missing the main point of my proposal and the action plan that it incorporates. As a shareholder, my goal is to help Cisco deal as effectively as possible with negative human rights impacts of company policies and sales in China and other highly repressive nations, so as to avoid potential problems, and prevent potential public embarrassment to the company that may have financial implications. In particular, as a political exile from China and Japan because of the Tiananmen Massacre in 1989, it is a grave concern that Cisco does not take necessary and adequate policy and measures to do business in a country where the regime has not legitimacy to rule.

It is clear to me, as it should be to anyone who witnessed the recent set of Congressional hearings on these issues that took place in Senator Durbin's Subcommittee on Human Rights of the Senate Judiciary Committee, that the most effective way of deflecting criticism about policies and actions that have negative human rights impacts, and preventing additional attacks on the company, is to adopt and implement a series of fairly simple institutional changes designed to prevent these types of issues from arising in the future. Simply stating that Cisco is committed to human rights, denying that any human rights violations may have occurred in the past, and rejecting the idea that any changes or new policies may be required, as Cisco has done in its Congressional testimony and now is doing in the Opposition Statement to my shareholder

proposal, is not the most effective method available to Cisco for dealing with the concerns that have been raised, and for containing and preventing potential criticism.

It would be far more effective if Cisco made clear its commitment to put in place the institutional mechanisms that would serve as proof positive that the company takes human rights concerns seriously, and is doing what is necessary to prevent any potential abuses. We as shareholders stand ready to assist and support you in this effort, and believe that our input and experiences can greatly assist in helping you to identify the specific institutional actions and policies that would more effectively immunize the company from potential challenges, and assure compliance with governmental requirements and ethical standards. This includes adoption of a more detailed Code of Conduct, the creation of a Human Rights Board of Advisors, and the development of an effective set of internal procedures and mechanisms within the company that would help you assess the potential human rights impacts of proposed policies and actions, consistent with the far more specific standards on assessment procedures that the U.S. Department of Commerce's Bureau of Industry and Security has recently adopted.

The essence is human rights due diligence. At Human Rights Council Fourteenth session on April 9, 2010, John Ruggie, the Special Representative of the UN Secretary-General on the issue of human rights and transnational corporations and other business enterprises, reported: "Human rights due diligence can be a game-changer for companies: from 'naming and shaming' to 'knowing and showing.' Naming and shaming is a response by external stakeholders to the failure of companies to respect human rights. Knowing and showing is the internalization of that respect by companies themselves through human rights due diligence." We believe development and adoption of these concrete institutional mechanisms will serve as the most effective method for preventing problems and criticisms of company practices in the future, and for heading off any further potentially embarrassing Congressional or governmental inquiries on these matters.

May I point out a few of the reasons why the positions that Cisco has taken in its Opposition Statement fall short in this regard, and unfortunately leave the company open to further questions or criticism.

Paragraph One indicates that the company is dealing adequately with human rights concerns and "strictly implement[s] U.S. Government regulations and restrictions" under the Export Administration Act. While it is true that thus far Cisco has not been cited by the Bureau of Industry and Security for any violations of the EAA standards, it also unfortunately is true that Cisco does not have in place the institutional mechanisms that BIS requires for assessing

potential human rights impacts, and potential violations of the EAA requirements. The company's position be much stronger would if it makes clear that Cisco is initiating a substantial effort to adopt and apply the end use, end user and human rights impact assessment mechanisms that BIS now requires, adopting a clearer and more specific Code of Conduct in support of these standards, and creating a Human Rights Advisory Board of experts to assist with these efforts.

Paragraph Three suggests that the "standardized equipment" Cisco sells is not related to the Internet Service Provider or "network management" activities that would put Cisco in the position of monitoring or censoring content or Internet user activities. While Cisco's role and products most certainly is different from that of Google, Yahoo! and other Internet Service Providers and network operators, the fact remains, as the hearings before Senator Durbin's Committee indicated, that many of Cisco's products, such as its Internet routers, do have the inherent, built-in capability of tracking and monitoring Internet use, and therefore do have the potential for contributing to human rights abuses, whether intended or promoted by Cisco or not. What the recently issued BIS Compliance Manual makes clear is that these potential end use and end user impacts must be assessed in advance of sales and exports, and cannot simply be ignored as unintended by-products of "dual use" products and equipment. How much more effective would Cisco's position be if it were able to indicate that it recognized the potential dangers inherent in the "dual use" situation, and was taking the steps necessary to make the required assessments of product use and impacts an integral part of the company's institutional structure?

Paragraph Five mentions the annual Corporate Social Responsibility reports. These reports certainly deserve praise as an indicator of the company's commitment to social responsibility principles, and its recognition of the social impacts of its activities. But the reality is that in the past these reports have given very short shrift to human rights issues in comparison, for example, with the extensive and detailed treatment and coverage that these reports have given to environmental issues. A commitment to give human rights similar treatment would be welcome. Regarding Cisco's corporate giving programs and social investments around the world, since no independent NPO/NGO can get registered in China, Cisco should work with various human/civil rights and humanitarian groups or individuals within and without China. This is another reason for a Human Rights Advisory Board of experts to assist with these efforts to provide access to remedy.

Paragraph Six suggests that "a policy prohibiting the sale, marketing or export of our products or technologies" in particular countries or for particular purposes **"where such sales do not violate applicable U.S. and non-U.S. laws and regulations"** would impede the beneficial

use of the Internet. The reality is, as Senator Durbin's hearings have made clear, that certain types of Cisco's sales and exports may well run counter to the specific Congressional mandated restrictions on sales to law enforcement agencies and for law enforcement purposes that are included in the Export Administration Act. It is only a matter of time before Congress, the BIS and the media give additional attention to these issues, unless Cisco makes the kind of institutional changes that we are proposing that would make it clear, beyond any reasonable doubt, that Cisco will have the capability of identifying and preventing these types of Congressionally prohibited end use and end user impacts. Simply stating that no allegations or findings of violations of the law have been made thus far is not adequate, given the more specific assessment standards that BIS has recommended, and the additional attention that Congress is bringing to these issues. It is in the company's best interests to take these preventive measures of building up its assessment capability to meet the new BIS standards on a proactive basis.

As shareholders, and with the best interests of the company in mind, we urge Cisco to look beyond the very narrow positions and arguments it has relied upon in the past, and to adopt a more proactive approach to dealing with these issues focused on developing and enhancing institutional capabilities for identifying and preventing potential problems before they arise, and before they create the type of government attention and public embarrassment that can have significant negative financial implications. We stand ready to work with you on a cooperative basis to help you consider these needs, and to develop the type of institutional mechanisms that will insulate Cisco from future problems and potential criticisms on a more effective basis.

In addition to the ongoing discussions on these matters that we already are in the process of having with you, may we invite you to join with me and other shareholders in organizing an informational discussion on these issues as a "side meeting" at the annual shareholders meeting. It would be a further indication that Cisco takes these shareholder concerns seriously, and is willing to engage in meaningful information sharing and strategy discussions with shareholders as part of the company's commitment to understanding and preventing potential human rights problems that may be associated with company policies and actions.

Sincerely,

A handwritten signature in black ink that reads "Jing Zhao". The signature is written in a cursive, flowing style.

Jing Zhao