

**By Priority Mail and Email**  
**CorporateSecretary@cisco.com**

May 23, 2016

Mr. Evan Sloves  
Secretary  
Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1706

Re: Shareholder proposal

Dear Mr. Sloves:



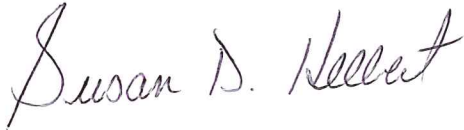
The Unitarian Universalist Association (UUA), a holder of 186,096 shares in Cisco Systems, Inc., is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. We urge the Board to authorize the preparation of a report, to be updated annually, disclosing company policy and procedures concerning lobbying and the decision making process and oversight by management and the Board for making payments.

The Unitarian Universalist Association (UUA) is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$173 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting

Verification that we are beneficial owners of the requisite shares of Cisco Systems, Inc. is enclosed. If you have questions or wish to discuss the proposal, please contact me at 617-948-4306 or [shelbert@uua.org](mailto:shelbert@uua.org).

Yours very truly,

A handwritten signature in dark ink, reading "Susan D. Helbert". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Susan D. Helbert  
Assistant to the Treasurer

Enclosures: Shareholder resolution on lobbying disclosure  
Verification of ownership

**Whereas**, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether Cisco's lobbying is consistent with Cisco's expressed goals and in the best interests of shareholders.

**Resolved**, the shareholders of Cisco Systems, Inc. ("Cisco") request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Cisco used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Cisco's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision making process and the Board's oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Cisco is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on the company's website.

## **Supporting Statement**

As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. Cisco spent \$5.04 million in 2014 and 2015 on direct federal lobbying activities (opensecrets.org). This figure does not include expenditures to influence legislation in states, where Cisco also lobbies but disclosure is uneven or absent. For example, Cisco reportedly lobbied in 34 different states from 2010 through 2014 ("Amid Federal Gridlock, Lobbying Rises in the States," The Center for Public Integrity, Feb. 11, 2016). And Cisco's lobbying over drone regulation has attracted media scrutiny ("New Drone Advocacy Group Launches with Cisco and CNN as Members," Fortune, May 3, 2016).

Cisco lists its membership in the U.S. Chamber of Commerce, which has spent over \$1.2 billion on lobbying since 1998. But Cisco does not comprehensively disclose all of its major trade association memberships, such as failing to list its membership in the Business Roundtable, which spent \$19.25 million on lobbying in 2015. Cisco also does not disclose its payments to trade associations or the amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to Cisco's long-term interests. For example, Cisco is a member company in the EPA's Green Power Partnership, yet the U.S. Chamber of Commerce has aggressively attacked the EPA Clean Power Plan to address climate change ("Move to Fight Obama's Climate Plan Started Early," New York Times, Aug. 3, 2015) and has sued the EPA to block it.