

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A INFORMATION

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-11(c) or § 240.14a-12

IPASS INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
1. Title of each class of securities to which transaction applies:
 2. Aggregate number of securities to which transaction applies:
 3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
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- Fee paid previously with preliminary materials.
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3800 Bridge Parkway, Redwood Shores, California 94065
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On June 7, 2011

TO THE STOCKHOLDERS:

You are cordially invited to attend the 2011 Annual Meeting of Stockholders of iPass Inc., a Delaware corporation. The meeting will be held on June 7, 2011, at 9:00 a.m. local time at iPass' offices located at 3800 Bridge Parkway, Redwood Shores, CA 94065, for the following purposes:

1. To elect the five nominees for director named herein to hold office until the 2012 Annual Meeting of Stockholders.
2. To ratify the selection by the Audit Committee of the Board of Directors of KPMG LLP as the independent registered public accounting firm of iPass for its fiscal year ending December 31, 2011.
3. To consider an advisory vote on compensation of our named executive officers.
4. To consider an advisory vote on the frequency of the advisory vote on compensation of our named executive officers.
5. To consider and vote upon proposed amendments to iPass' Amended and Restated Certificate of Incorporation, as amended, to authorize the Board of Directors to effect a reverse stock split, if, and when determined by the Board of Directors, which reverse stock split will also reduce the authorized number of shares of iPass' common and preferred stock in the same ratio.
6. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 21, 2011. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof. All stockholders will be required to show proof that they held shares as of the record date in order to be admitted to the Annual Meeting.

We hope you will be able to attend the Annual Meeting, but if you cannot do so, it is important that your shares be represented. We urge you to read the proxy statement carefully, and to vote for the proposals by telephone or Internet, or by signing, dating, and returning the enclosed proxy card in the postage-paid envelope provided, whether or not you plan to attend the Annual Meeting. Instructions are provided on the proxy card. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in the Proxy Statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 7, 2011, at 9:00 a.m. local time at 3800 Bridge Parkway, Redwood Shores, CA 94065.
The proxy statement and annual report to stockholders are available at investor.ipass.com.

By Order of the Board of Directors
/s/ Evan L. Kaplan
Evan L. Kaplan
President and Chief Executive Officer

Redwood Shores, California
April , 2011

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy card, or vote over the telephone or the Internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy card issued in your name from that record holder.

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3800 Bridge Parkway, Redwood Shores, California 94065

**PROXY STATEMENT FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS
June 7, 2011**

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors of iPass Inc. (“iPass”) is soliciting your proxy to vote at the 2011 Annual Meeting of Stockholders. You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or the Internet.

We intend to mail this proxy statement and accompanying proxy card on or about May , 2011 to all stockholders of record entitled to vote at the Annual Meeting.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 21, 2011 will be entitled to vote at the Annual Meeting. On this record date, there were shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on April 21, 2011, your shares were registered directly in your name with iPass’ transfer agent, Computershare Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the Internet as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 21, 2011, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are five matters scheduled for a vote:

- Election of the five nominees for director named herein to hold office until the 2012 Annual Meeting of Stockholders.
- Ratification of KPMG LLP as the independent registered public accounting firm of iPass for its fiscal year ending December 31, 2011.
- An advisory vote on compensation of our named executive officers.
- An advisory vote on the frequency of the advisory vote on compensation of our named executive officers.

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- Approval of amendments to iPass' Amended and Restated Certificate of Incorporation, as amended, to authorize the Board of Directors to effect a potential reverse stock split, if, and when determined by the Board of Directors, which reverse stock split would also reduce the authorized number of shares of iPass' common and preferred stock in the same ratio.

In addition, you are entitled to vote on any other matters that are properly brought before the Annual Meeting.

How do I vote?

It will depend on each proposal.

- For Proposal 1: You may either vote "For" all the nominees to the Board of Directors or you may "Withhold" your vote for any nominee you specify.
- For Proposal 2: You may vote "For" or "Against" or abstain from voting.
- For Proposal 3: You may either vote "For" or "Against" or abstain from voting.
- For Proposal 4: You may either vote for "Every Three Years" or "Every Two Years" or "Every One Year" or abstain from voting.
- For Proposal 5: You may vote "For" or "Against" or abstain from voting.

The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy using the enclosed proxy card, vote by proxy over the telephone, or vote by proxy on the Internet. All stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting.

Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

- To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.
- To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly. If you return your signed proxy card to us before the Annual Meeting, your shares will be voted as you direct.
- To vote over the telephone, dial toll-free 1-800-652-8683 using a touch-tone phone and follow the recorded instructions. You will be asked to provide information from the enclosed proxy card. Your vote must be received by 8:59 p.m., Pacific Daylight Time (11:59 p.m., Eastern Daylight Time) on June 6, 2011 to be counted.
- To vote on the Internet, go to www.investorvote.com to complete an electronic proxy card. You will be asked to provide information from the enclosed proxy card. Your vote must be received by 8:59 p.m., Pacific Daylight Time (11:59 p.m., Eastern Daylight Time) on June 6, 2011 to be counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from iPass. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

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We provide telephone and Internet proxy voting to allow you to vote your shares by telephone or on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your telephone or Internet access, such as telephone charges and usage charges from Internet access providers and telephone companies.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 21, 2011.

What if I return the proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted "For" the election of all five of the Board of Directors' nominees for director, "For" the ratification of KPMG LLP as the independent registered public accounting firm of iPass for fiscal year ending December 31, 2011, "For" approval of compensation of our named executive officers, "Every One Year" for the frequency of the advisory vote on compensation of our named executive officers, and "For" approval of amendments to iPass' Amended and Restated Certificate of Incorporation, as amended, to authorize the Board of Directors to effect a reverse stock split, if, and when determined by the Board of Directors, which reverse stock split will also reduce the authorized number of shares of iPass' common and preferred stock in the same ratio. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will have the authority to vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies.

We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted. Only your latest dated proxy for each account will be voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. You may revoke your proxy in any one of three ways:

- You may submit another properly completed proxy card with a later date.
- You may send a written notice that you are revoking your proxy to our Corporate Secretary at 3800 Bridge Parkway, Redwood Shores, CA 94065.
- If you are a stockholder of record, you may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

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When are stockholder proposals due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by January 8, 2012, to our Corporate Secretary at 3800 Bridge Parkway, Redwood Shores, CA 94065; however, if our 2012 Annual Meeting of Stockholders is held before May 8, 2012 or after July 7, 2012, your proposal must be received a reasonable time before we print and mail our proxy materials. If you wish to submit a proposal that is not to be included in next year's proxy materials or nominate a director pursuant to our bylaws, you must provide specified information to us between February 8, 2012 and March 9, 2012; however, if our 2012 Annual Meeting of Stockholders is held before May 8, 2012 or after July 7, 2012, your proposal must be received between 90 and 120 days before the meeting, or not more than 10 days after we announce the date of the meeting. If you wish to submit a stockholder proposal or nomination, please review our Bylaws, which contain a description of the information required to be submitted as well as additional requirements about advance notice of stockholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count:

- "For" and "Withhold" votes with respect to Proposal 1;
- "For" and "Against" votes and abstentions and broker non-votes with respect to Proposal 2, Proposal 3 and Proposal 5; and
- "Every Three Years," "Every Two Years" and "Every One Year" votes and abstentions and broker non-votes with respect to Proposal 4.

Abstentions will be counted towards the vote total for each proposal, and will have the same effect as "Against" votes. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to "discretionary" items, but not with respect to "non-discretionary" items. Only Proposal 2, to ratify the selection by the Audit Committee of the Board of Directors of KPMG LLP as the independent registered public accounting firm of iPass for its fiscal year ending December 31, 2011, is a discretionary item, for which your broker may vote shares held in street name in the absence of your voting instructions. On all other proposals, if you do not give your broker instructions, your broker cannot vote your shares and your shares will be treated as broker non-votes.

How many votes are needed to approve each proposal?

- In May 2008, iPass' stockholders amended our Bylaws and adopted a majority vote standard for non-contested director elections. Therefore, for Proposal 1, the election of the five nominees for director, each nominee must receive more "For" votes than "Withheld" votes among votes properly cast in person or by proxy to be elected. Abstentions and broker non-votes will have no effect.
- To be approved, Proposal 2 ratifying KPMG LLP as the independent registered public accounting firm of iPass for fiscal year ending December 31, 2011, must receive a "For" vote from the majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote.
- To be approved, Proposal 3, approving on an advisory basis the compensation of our named executive officers, must receive a "For" vote from the majority of shares present and entitled to vote either in

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person or by proxy. Because your vote is advisory, it will not be binding on the Board of Directors or iPass. However, the Compensation Committee of the Board of Directors will review the voting results and take them into consideration when making future decisions regarding executive compensation. If you “Abstain” from voting, it will have the same effect as an “Against” vote. Broker non-votes will have no effect.

- For Proposal 4, the frequency of the advisory vote on compensation of our named executive officers receiving the greatest number of votes for “Every Three Years”, “Every Two Years” or “Every One Year”, will be the frequency that stockholders approve. Because your vote is advisory, it will not be binding on the Board of Directors or iPass. However, the Board of Directors will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation. “Abstain” votes and broker non-votes will have no effect.
- To be approved, Proposal No. 5, approving amendments to our Amended and Restated Certificate of Incorporation, as amended, to authorize the Board of Directors to effect a potential reverse stock split, if, and when determined by the Board of Directors, which reverse stock split would also reduce the authorized number of shares of iPass’ common and preferred stock in the same ratio, must receive a “For” vote from the majority of outstanding shares of common stock. Abstentions and broker non-votes will have the same effect as “Against” votes.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by stockholders present at the meeting or by proxy. On the record date, there were _____ shares outstanding and entitled to vote. Thus _____ shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting or the Chairman of the meeting may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K to be filed by within four business days after the Annual Meeting (or, if the final voting results are not available by that time, we will announce the preliminary voting results in the Current Report on Form 8-K, and the final voting results by an amendment to the Current Report on Form 8-K when the final voting results are available).

PROPOSAL 1
ELECTION OF DIRECTORS

This Proposal 1 is to elect the five nominees for director named herein. Through the 2009 Annual Meeting of Stockholders, all directors were elected for three year terms, with approximately 1/3 of the members being elected each year. In June 2009, our Certificate of Incorporation was amended to declassify the Board of Directors and, beginning with the 2010 Annual Meeting, all directors elected are elected for one year terms; however, the declassification of the Board of Directors did not shorten any term for directors previously elected to three year terms. Vacancies on the Board of Directors may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board of Directors to fill a vacancy shall be elected to serve until the next annual meeting and until his or her successor is elected and qualified. This includes vacancies created by an increase in the number of directors.

The Board of Directors currently has eight members. There are five directors whose terms of office expire at the 2011 Annual Meeting, and there are five nominees for election for a one-year term, each of which is a current director of iPass. The five nominees are John D. Beletic, Peter C. Clapman, Gary A. Griffiths, Evan L. Kaplan and Samuel L. Schwerin. Each of these five nominees has consented to being named in this proxy statement and to serve as a director of iPass if elected.

Each of the five nominees elected at the 2011 Annual Meeting will serve until the 2012 Annual Meeting and until his successor is elected and has qualified, or until the director's death, resignation or removal. It is our policy to encourage directors to attend the annual meeting, and for those purposes to permit attendance by telephone. Seven of the then nine iPass directors attended the 2010 Annual Meeting of Stockholders.

NOMINEES FOR ELECTION FOR A ONE-YEAR TERM EXPIRING AT THE 2012 ANNUAL MEETING OF STOCKHOLDERS

The following is a brief biography of each nominee for director.

John D. Beletic, age 59, has served as a member of our Board of Directors since November 1999, and as our Chairman since November 2008.

Background. Since July 2002, Mr. Beletic has been a venture partner with Oak Investment Partners, a venture capital firm. He has served as Chairman of Accent Health, a private media company providing point of care advertising, since February of 2009. He was Chairman of Fiber Tower Inc. until December 2009, a provider of wireless backhaul services to mobile network carriers, where he previously served from August 2006 to September 2008 as Executive Chairman. From July 2002 to September 2004, Mr. Beletic served as Executive Chairman of Oculan Corporation, a network monitoring and intrusion detection company. From August 1994 until December 2001, Mr. Beletic was the Chief Executive Officer and Chairman of the Board of PageMart Inc., a wireless messaging service, and Weblink Wireless, Inc., a communications service company. Mr. Beletic was the Chief Executive Officer and Chairman of the Board of WebLink Wireless, Inc. when that company filed for bankruptcy protection in May 2001. Mr. Beletic was Chairman and CEO of Tigon Corporation, a voicemail service provider, which was acquired by Ameritech Corporation, a telecommunications company, in 1988. Mr. Beletic also serves as lead director on the board of directors of Tessco Technologies, a wireless technology provider.

Qualifications. Mr. Beletic has spent most of the past two decades in executive and board-level leadership positions at wireless and telecommunications corporations. The Board of Directors believes that his business experience as a successful CEO of several telecommunications companies, and his leadership position on the board of directors of other telecommunications companies, allows Mr. Beletic to provide valuable advice and

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guidance to the Board of Directors and iPass' management team, particularly in strategic matters, and to provide leadership as the Chairman of the Board.

Directorships. Mr. Beletic currently serves on the board at Tescro Technologies, a publicly traded wireless technology provider, and on the boards of a number of privately held companies. During the past five years, Mr. Beletic has also served on the board of directors at Fiber Tower Inc.

Peter C. Clapman, age 75, has served as member of our Board of Directors since February of 2007. Mr. Clapman was elected to our Board of Directors in 2007 as part of a settlement agreement with Shamrock Activist Value Fund, L.P. relating to a proxy contest. Mr. Clapman was re-elected to the Board of Directors in 2008 after being nominated by the Board of Directors upon the recommendation of the Corporate Governance and Nominating Committee.

Background. From November 1972 until to July of 2005, Mr. Clapman was senior vice president and Chief Counsel to TIAA-CREF, an investment fund. Since October of 2005, he has been a partner at Governance for Owners LLP, a UK based investment organization which offers governance and investment products to institutional investors, and is the president and chairman of its U.S. corporate governance operations. Mr. Clapman is a consultant in the fields of corporate governance and director education. Mr. Clapman has advised other publicly traded companies on these topics and has served on the faculty of director education programs at Stanford, Yale, the National Association of Corporate Directors and other venues.

Qualifications. Mr. Clapman has over three decades of experience in the financial services and investment sectors, and is a recognized authority on matters of corporate governance and, as such, the Board of Directors believes that Mr. Clapman is able to provide valuable advice and guidance to the Board of Directors and the iPass management team in matters pertaining to corporate governance.

Directorships. Mr. Clapman is a board member for the National Association of Corporate Directors. During the past five years, Mr. Clapman has served as independent chairman of the board of trustees of the AARP mutual funds.

Gary A. Griffiths, age 61, has served as a member of our Board of Directors since June 2009. Mr. Griffiths was elected to our Board of Directors in 2009 as part of a settlement agreement between iPass and Foxhill Opportunity Master Fund ("Foxhill") relating to a proxy contest.

Background. Mr. Griffiths is co-founder and Chief Executive Officer of Trapit, Inc., a company focused on Internet information discovery, which was founded in 2009. Mr. Griffiths joined WebEx Communications, Inc., a telecommunications firm specializing in the provision of web-based conferencing solutions, in December 2005 as Vice President of Products, and became President, Products and Operations. Upon the acquisition in May 2007 by Cisco Systems, Inc. of WebEx, Mr. Griffiths became a Vice President at Cisco, where he remained until April 2008. From June 1999 to December 2005, Mr. Griffiths was Chairman, President and Chief Executive Officer at Everdream Corporation, a technology services company. Mr. Griffiths was also the Chief Executive Officer at SegaSoft, Inc. from January 1996 until its acquisition by Sega, Inc. in March of 1999.

Qualifications. Mr. Griffiths has held leadership positions at several large and prominent telecommunications companies, and was a vice president in charge of both products and operations at these companies. The Board of Directors believes that his senior management experience across both the technical and operational sides of these businesses allows Mr. Griffiths to provide valuable advice and guidance to iPass' management team and Board of Directors in terms of both product sales and marketing and corporate operations. In addition, Mr. Griffiths has extensive experience with overseeing financial and accounting matters and strategic initiatives at small technology companies.

Directorships. Mr. Griffiths currently serves on the board of directors of Silicon Graphics International Corp., a publicly traded server, storage systems and data center infrastructure company.

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Evan L. Kaplan, age 51, has served as our President and Chief Executive Officer, and as a member of our Board of Directors, since November 2008.

Background. From February 1996 to July 2007, Mr. Kaplan served as founder, President, Chief Executive Officer and Chairman of Aventail Corporation, a virtual private networking equipment and services company and a long time strategic partner of iPass where he was responsible for overseeing all aspects of Aventail's business. After Aventail was acquired by SonicWALL, Inc., an information technology security and data backup and recovery solutions company in 2007, Mr. Kaplan remained with SonicWALL from July 2007 until January 2008 as Vice President of Business Development. From January to June 2008 Mr. Kaplan was on extended vacation with his family. From August 2008 until November 2008, Mr. Kaplan acted as a consultant to iPass, providing business planning and strategic and tactical advice and counseling to iPass.

Qualifications. Mr. Kaplan has over fourteen years of experience as a founder and executive officer in the information technology and security industry. Further, as our Chief Executive Officer he represents management on our Board of Directors and provides the Board of Directors with valuable insight into the day-to-day operation of iPass' business.

Directorships. Mr. Kaplan does not currently serve on the board of directors of any public company.

Samuel L. Schwerin, age 38, has been a member of our Board of Directors since January 2010.

Background. Since 2002, Mr. Schwerin has been a co-founder and Managing Partner at Millennium Technology Value Partners, a private investment fund. Prior to Millennium, Mr. Schwerin held positions at The Blackstone Group and Salomon Brothers. Mr. Schwerin has also served as a founder, CFO and Vice President of Corporate Development at OpenPeak, a provider of integrated tablet computing platforms for telephony, internet communications, digital media and energy management. Mr. Schwerin also served as Vice President of Finance and Strategy at StorageApps, a data storage management company that was acquired by Hewlett-Packard.

Qualifications. Mr. Schwerin has extensive experience in technology investing, investment banking and as a senior corporate financial officer of successful companies in the technology industry. In total, he has completed more than 200 transactions involving \$45 billion of principal investments, mergers, acquisitions, restructurings, and debt and equity financings. Mr. Schwerin has also served in a strategic and senior corporate development role at several technology companies and therefore is able to provide valuable advice and guidance to the Board of Directors and iPass management team in the areas of both corporate financial management and corporate strategy. Millennium Technology Value Partners is the largest single stockholder of iPass, and Mr. Schwerin provides the Board of Directors with valuable insight from an investor's perspective.

Directorships. During the past five years, Mr. Schwerin has served on the board of directors at Transforma Acquisition Group, an organization in the business of funding, acquiring and managing technology companies.

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2012 ANNUAL MEETING OF STOCKHOLDERS

Robert J. Majteles, age 46, has served on our Board of Directors since June of 2009.

Background. Mr. Majteles is the managing partner of Treehouse Capital LLC, an investment firm, and has held that position since 2000. He has been a CEO at three companies, including one which was publicly traded, and has served successfully as a board member of and an investor in many public and private technology companies. In addition, Mr. Majteles is the Director of the Entrepreneurship Program at the Berkeley Center for Law, Business, and the Economy. Mr. Majteles was also a mergers and acquisitions attorney and an investment banker.

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Qualifications. Mr. Majteles has experience across several industries. His experience in providing guidance and assistance to a wide array of technology companies in wide array of circumstances, including as they have reversed business losses and gained profitability and market share allows Mr. Majteles to provide valuable advice and guidance to the Board of Directors and iPass' management team. Mr. Majteles also has extensive experience serving on boards of directors and audit committees and overseeing the finance and accounting functions at a number of companies.

Directorships. Mr. Majteles currently sits on the boards of directors of U.S. Auto Parts Network, Inc., an e-commerce company focused on auto parts; Unify Corporation, a business software and services company; and Adept Technology, Inc., a robotics systems and services company. During the past five years, Mr. Majteles has also served on the board of directors at Comarco, Inc, a company focused on the design and manufacture of mobile power devices; Rovi Corporation (formerly Macrovision), a digital entertainment technology company; Phoenix Technologies, a core systems software company; Merriman, Curhan & Ford, an investment banking firm; Vertical Communications, a telecom software company; and WorldHeart, a medical device company.

Alan R. Spies, age 62, has served as a member of our Board of Directors since July of 2002, and served as our lead independent director from February 2007 until October 2008.

Background. From 1997 until his retirement in June 2000, Mr. Spies served as Executive Vice President and Chief Financial Officer of US West Communications, a telecommunications company that was acquired by Qwest Communications International, Inc. in June 2000.

Qualifications. Mr. Spies has held senior financial leadership positions in large telecommunications companies. His business experience in the telecommunications sector as well as his experience as the senior financial officer allows Mr. Spies to provide valuable advice and guidance to the Board of Directors and iPass' management team in the areas of financial and accounting matters.

Directorships. Mr. Spies currently serves on the board of directors of Insight Media Holdings, Inc., a provider of local search solutions. During the past five years, Mr. Spies has served on the board of directors at InfoNow, Inc., a provider of enterprise channel management software.

Kenneth H. Traub, age 49, has served as a member of our Board of Directors since June 2009.

Background. Since January 2009, Mr. Traub has been President and CEO of Ethos Management, a private investment and consulting firm and since November 2010, Mr. Traub has also been an operating partner of CI Capital Partners, a private equity investment firm with over \$1 billion of capital under management. Mr. Traub served from 1999 to 2008 as President and CEO of American Bank Note Holographics, Inc. ("ABNH"), a publicly traded supplier of document and product security devices. Under Mr. Traub's leadership, ABNH's shareholder value increased by more than 1000% culminating in the sale of ABNH to JDS Uniphase ("JDSU"). Mr. Traub served as a Vice President of JDSU following the sale in 2008. Prior to ABNH, Mr. Traub was a founder, Executive Vice President and CFO of Voxware, Inc., a publicly traded supplier of voice processing software and Vice President of Finance of Trans-Resources, Inc., a privately held multi-national holding company. Mr. Traub holds a Masters in Business Administration from Harvard Business School and Bachelor of Arts degree from Emory University.

Qualifications. Mr. Traub's extensive experience as a senior corporate executive managing turnarounds, growth and strategic transactions at Ethos Management, ABNH and Voxware allows Mr. Traub to provide valuable advice and guidance to the Board of Directors and iPass management team. In addition, Mr. Traub is Foxhill Opportunity Master Fund, L.P.'s designee to our Board of Directors.

Directorships. Mr. Traub currently serves as Chairman of the Board of Omnego, Inc, a privately-held supplier of mobile cards, coupons and tickets and as Chairman of the Board of the NJ Chapter of Young

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Presidents Organization. From 2009 to 2010, Mr. Traub served on the board of directors of Phoenix Technologies, Inc., a publicly-traded global provider of basic input-output software for personal computers. Mr. Traub also served on the board of directors of ABNH from 1999 to 2008 and on the board of directors of Voxware from 1994 to 1998.

Independence of the Board of Directors

As required under the Nasdaq Listing Rules, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the board of directors. The Board of Directors consults with our legal counsel to ensure that the Board of Directors' determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in the Nasdaq Listing Rules, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and iPass, its senior management and its independent registered public accounting firm, the Board of Directors affirmatively has determined that all of our directors, including former directors who were serving as directors during any portion of 2010, are independent directors within the meaning of the applicable Nasdaq Listing Rules, except for Mr. Kaplan, our President and Chief Executive Officer.

Diversity of the Board of Directors

In considering diversity, the Board of Directors and Corporate Governance and Nominating Committee views "diversity" as diversity of experience and expertise. The Board of Directors and Corporate Governance and Nominating Committee believe that by having a Board of Directors diverse in experience and expertise enables the Board of Directors, as a group, to have the broad range of requisite expertise and experience to guide the company and management and to fulfill its role of oversight and stewardship. However, neither the Board of Directors nor the Corporate Governance and Nominating Committee has developed a policy with respect to diversity in identifying nominees for director, other than as set forth in the corporate governance guidelines to consider diversity when assessing nominees.

The Board of Directors' Leadership Structure

The Board of Directors has determined that having an independent director serve as Chairman of the Board is in the best interest of stockholders at this time. This structure has been particularly useful given the strategic initiatives undertaken by the company to turnaround its business. The structure ensures a greater role for the independent directors in the oversight of the company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board of Directors. This leadership structure also is preferred by a significant number of the company's stockholders.

The Board of Directors' Role in Risk Management

The Board of Directors has an active role, as a whole and also at the committee level, in overseeing management of the company's risks. The Board of Directors regularly reviews information regarding the risks associated with the company's strategy, business, operations, regulatory and financial position. The Compensation Committee of the Board of Directors is responsible for overseeing the management of risks relating to the company's executive compensation plans and arrangements. The Audit Committee oversees management of financial risks. The Corporate Governance and Nominating Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

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Information Regarding the Board of Directors and its Committees

Mr. Beletic has been the Chairman of the Board since November 2008.

Our Board of Directors has an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee. The following table provides membership information for 2010 for each of the committees:

<u>Name</u>	<u>Audit</u>	<u>Compensation</u>	<u>Corporate Governance and Nominating</u>
John D. Beletic		X	X
Peter C. Clapman(1)	X		X*
Gary A. Griffiths(1)	X	X*	
Robert J. Majteles	X*		
Allan R. Spies(2)	X		X
Kenneth H. Traub		X	X
Peter G. Bodine(3)		X	
A. Gary Ames(4)	X		X

* Committee Chairperson

- (1) Mr. Clapman and Mr. Griffiths were appointed to the Audit Committee effective July 1, 2010.
- (2) Mr. Spies served on the Audit Committee until June 30, 2010.
- (3) Mr. Bodine resigned from the Board of Directors effective June 8, 2010.
- (4) Mr. Ames resigned from the Board of Directors effective June 30, 2010.

Below is a description of each committee of the Board of Directors. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board of Directors has determined that each member of each committee meets the applicable rules and regulations regarding “independence” and that each member is free of any relationship that would interfere with his or her individual exercise of independent judgment with regard to iPass.

Audit Committee

The Audit Committee of the Board of Directors oversees our corporate accounting and financial reporting process. For this purpose, the Audit Committee performs several functions. The Audit Committee evaluates the performance of and assesses the qualifications of the independent registered public accounting firm; determines and approves the engagement of the independent registered public accounting firm; determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm; reviews and approves the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on our audit engagement team as required by law; confers with management and the independent registered public accounting firm regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by iPass regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and meets with management and the independent registered public accounting firm to review our annual audited financial statements, quarterly financial statements, quarterly earnings releases and disclosures in iPass’ Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. The Audit Committee met nine times during 2010. Our Audit Committee Charter is available on our website at investor.ipass.com.

The Board of Directors has reviewed the Nasdaq Listing Rules definition of independence for Audit Committee members and has determined that all members of our Audit Committee, both in 2010 and currently,

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are independent (as independence is currently defined in Rule 5605(c)(2) of the Nasdaq Listing Rules). The Board of Directors has determined that for 2010, Mr. Majteles qualifies as an “audit committee financial expert,” as defined in applicable Securities and Exchange Commission (SEC) rules. The Board of Directors made a qualitative assessment of Mr. Majteles’ level of knowledge and experience based on a number of factors, including his formal education and experience as Chief Executive Officer of three companies; CAMAX, ULTRADATA and Citadon and his experience serving on the audit committees of a number of public companies.

Compensation Committee

The Compensation Committee of the Board of Directors reviews and approves the overall compensation strategy and policies for iPass. The Compensation Committee: reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management; reviews and approves the compensation and other terms of employment of our Chief Executive Officer; reviews and approves the compensation and other terms of employment of the other officers; and administers our stock option and purchase plans, and other similar plans and programs. All members of our Compensation Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq Listing Rules). The Compensation Committee met twelve times during 2010 and acted via unanimous written consent twice. Our Compensation Committee Charter is available on our website at investor.ipass.com.

The processes used by the Compensation Committee for the consideration and determination of executive officer compensation consists of the following:

- meeting regularly to review and evaluate compensation matters;
- evaluating the Chief Executive Officer’s recommendation regarding the amount and form of compensation for other executive officers;
- analyzing third party survey data in connection with establishing the amount and form of the Chief Executive Officer’s compensation; and
- analyzing third party survey data in connection with evaluation of compensation matters.

The Compensation Committee may, under its charter, form and delegate all or some of its authority to one or more subcommittees of the Compensation Committee. No subcommittees are currently formed. The Compensation Committee has full access to all of our books, records, facilities and personnel as deemed necessary or appropriate by any member of the Compensation Committee to discharge his or her responsibilities under its charter. The Compensation Committee has the authority to obtain, at our expense, advice and assistance from internal or external legal, accounting or other advisors and consultants. In addition, the Compensation Committee has sole authority to retain and terminate any compensation consultant to assist in the evaluation of chief executive officer or senior executive compensation. The Compensation Committee has the authority to incur other reasonable expenditures for external resources that the Compensation Committee deems necessary or appropriate in the performance of its duties.

In 2010, the Compensation Committee made compensation decisions in light of the comprehensive executive compensation evaluation previously performed by Mercer (US) Inc. (“Mercer”) in 2008 and subsequently updated in 2009. Because the Committee did not make 2010 increases to base salaries and annual bonus targets (except for Mr. Kaplan, whose annual bonus target amount was increased in accordance with the terms of his employment agreement), the Committee believes it was appropriate to rely on the 2008/2009 compensation evaluation in making 2010 compensation decisions.

For 2011 compensation decisions, the Committee determined that it was appropriate to update its prior compensation evaluation benchmarking. As a result, the Committee engaged Mercer in December 2010 to perform a comprehensive executive compensation study. Mercer was instructed to review the compensation paid

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to executive officers at comparable companies. The results of this study were considered by the Committee in connection with compensation decisions made in early 2011.

The specific determinations of the Compensation Committee with respect to executive compensation, for fiscal 2010, as well as additional information regarding the role of Mercer, are described in greater detail in the Compensation Discussion and Analysis section of this proxy statement.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee of the Board of Directors is responsible for identifying, reviewing and evaluating candidates to serve as directors of iPass, reviewing and evaluating incumbent directors, recommending to the Board of Directors for selection candidates for election to the Board of Directors, making recommendations to the Board of Directors regarding the membership of the committees of the Board of Directors and assessing the performance of the Board of Directors. In addition, the Corporate Governance and Nominating Committee hired Mercer Human Resource Consulting in each of the years 2006 through 2010 to conduct a compensation survey related to director compensation. All members of the Corporate Governance and Nominating Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq Listing Rules). The Corporate Governance and Nominating Committee met seven times during 2010. Our Corporate Governance and Nominating Committee Charter is available on our website at investor.ipass.com.

The Corporate Governance and Nominating Committee has established specific, minimum attributes that would be desirable for a candidate to have to serve on our Board of Directors. The Corporate Governance and Nominating Committee will consider all of the relevant qualifications of candidates for the Board of Directors, including the following minimum qualifications: possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of iPass, having demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of our stockholders. The Corporate Governance and Nominating Committee will also consider the current needs of the Board of Directors and iPass, including whether the candidates for the Board of Directors will be independent for Nasdaq purposes. In the case of incumbent directors whose terms of office are set to expire, the Corporate Governance and Nominating Committee will also review such directors' overall service to iPass during their term, and any relationships and transactions that might impair such directors' independence. The Corporate Governance and Nominating Committee will conduct any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board of Directors. To date, the Corporate Governance and Nominating Committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates.

The Corporate Governance and Nominating Committee will consider director candidates recommended by stockholders. The Corporate Governance and Nominating Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate was recommended by a stockholder or not. Stockholders who wish to recommend individuals for consideration by the Corporate Governance and Nominating Committee to become nominees for election to the Board of Directors may do so by delivering a written recommendation to the Corporate Governance and Nominating Committee at the following address: 3800 Bridge Parkway, Redwood Shores, CA 94065. Submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our common stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met seven times during 2010 and during those meetings met three times without the CEO or other members of management present. The Board of Directors acted via unanimous written consent five times. Each director attended at least 75% of the aggregate of the meetings of the Board of Directors and of the committees on which he served, held during the period for which he was a director or committee member, respectively.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Our Board of Directors has adopted a formal process by which stockholders may communicate with the Board of Directors or any of our directors. Stockholders who wish to communicate with the Board of Directors may do so by sending written communications addressed to the Secretary of iPass at 3800 Bridge Parkway, Redwood Shores, California 94065. All communications should include the number of shares of iPass common stock held and will be forwarded by the Secretary of iPass to the Board of Directors or the individual directors, as designated. All communications directed to the Audit Committee in accordance with our policy regarding accounting matters complaint procedures that relate to questionable accounting or auditing matters involving iPass will be promptly and directly forwarded to the Audit Committee.

CODE OF CONDUCT AND ETHICS

We have adopted a code of conduct and ethics that applies to all members of our Board of Directors and employees, including the principal executive officer, principal financial officer and principal accounting officer. This code of conduct and ethics is posted on our Website. The Internet address for our Website is www.ipass.com, and our code of conduct and ethics may be found as follows:

1. From our main Web page, first click on "About."
2. Next, click on "Investors."
3. Then, click on "Code of Conduct."
4. Finally, click on "Code of Conduct and Ethics."

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waivers from, a provision of this code of conduct and ethics by posting such information on our website, at the address and location noted above.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS⁽¹⁾

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2010 with management of iPass. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board (“PCAOB”) in Rule 3200T, *Communication with Audit Committee*. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants’ communications with the audit committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm’s independence. Based on the foregoing, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in iPass’ Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

AUDIT COMMITTEE

Robert J. Majteles, Chairman
Peter C. Clapman
Gary A. Griffiths

¹ The material in this report is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference in any filing of iPass under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

PROPOSAL 2
RATIFICATION OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 and has further directed that management submit the selection of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. KPMG LLP has audited our financial statements since May 2002. Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the selection of KPMG LLP as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of iPass and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of KPMG LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to iPass for fiscal years ended December 31, 2010 and December 31, 2009, by KPMG LLP, our independent registered public accounting firm:

<u>Fee Category</u>	<u>2010 Fees</u>	<u>2009 Fees</u>
Audit Fees	\$879,550	\$1,058,978
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	62,574	57,149
Total Fees	\$942,124	\$1,095,689

Audit Fees. Consists of fees for professional services rendered for the audit of iPass' consolidated financial statements and internal controls over financial reporting, review of the interim consolidated financial statements included in quarterly reports, review of the tax provision in iPass' financial statements, comfort letters and consents and services that are normally provided by KPMG LLP in connection with statutory audits and regulatory filings or engagements as well as certain out-of-pocket expenses incurred by KPMG LLP in connection with services provided to iPass.

Tax Fees. Consists of fees for professional services rendered for tax compliance, tax audit assistance and tax planning.

All Other Fees. Consists of fees for professional services rendered for documentation assistance related to internal control over financial reporting by KPMG LLP as well as related out-of-pocket expenses incurred by KPMG LLP in connection with services provided to iPass.

All of these services were approved by the Audit Committee prior to the services being rendered to us.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 2

PROPOSAL 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, iPass' stockholders are now entitled to vote to approve, on an advisory basis, the compensation of iPass' named executive officers as disclosed in this proxy statement in accordance with SEC rules. This vote is not intended to address any specific item of compensation, but rather the overall compensation of iPass' named executive officers and the philosophy, policies and practices described in this proxy statement.

The compensation of iPass' named executive officers subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosure contained in this proxy statement. As discussed in those disclosures, iPass believes that its compensation policies and decisions are focused on pay-for-performance principles, strongly aligned with our stockholders' interests and consistent with current market practices. Compensation of iPass' named executive officers is designed to enable iPass to attract and retain talented and experienced executives to lead iPass successfully in a competitive environment.

Our cash compensation targets for executive officers in 2010 remained largely unchanged. None of our named executive officers received an increase in his base salary in 2010. In addition, target incentive bonuses for all of our executive officers remained the same from 2009 to 2010, except for Mr. Kaplan whose target incentive bonus was increased as per the terms of his employment agreement.

Our compensation programs are designed to pay for performance. As described under the caption "Compensation Discussion and Analysis" later in this proxy statement, the cash compensation programs for our named executive officers are heavily weighted toward "at-risk" performance-based pay. While target total cash compensation is generally targeted at market median levels, base salaries of our executive officers are generally targeted below the market median. As a result, a higher percentage of iPass' target compensation is at-risk compared to comparator group companies. For 2010, 50% of our CEO's target cash compensation and 29%-48% of our other named executive officers' target cash compensation was performance-based. However, according to Mercer's 2010 analysis, our broader compensation comparator group provided an average of only 33% target performance-based compensation to their CEOs and only 27%-29% target performance-based compensation to their other named executive officers (see Compensation Discussion and Analysis" for additional description of the comparator group).

Our compensation programs are designed to align our executives' interests with our stockholders' interests. The time-based stock option awards that comprise a substantial portion of our executives' annual compensation are subject to vesting over four years. Four year vesting of stock options serves to align our executives' interests with those of our stockholders in the long-term value of iPass stock.

Our compensation programs are designed to be fair and competitive. Our Compensation Committee is comprised only of independent directors and retains an independent compensation consultant to advise it on competitive market practices.

Accordingly, the Board of Directors is asking the stockholders to indicate their support for the compensation of iPass' named executive officers as described in this proxy statement by casting a non-binding advisory vote "FOR" the following resolution:

"RESOLVED, that the compensation paid to iPass' named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in this proxy statement, is hereby APPROVED."

Because the vote is advisory, it is not binding on the Board of Directors or iPass. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the

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Board of Directors and, accordingly, the Board of Directors and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 3

PROPOSAL 4
ADVISORY VOTE ON THE FREQUENCY OF SOLICITATION OF
ADVISORY STOCKHOLDER APPROVAL OF EXECUTIVE COMPENSATION

As a result of the Dodd-Frank Act, iPass' stockholders are also entitled to indicate their preference regarding how frequently iPass should solicit a non-binding advisory vote on the compensation of iPass' named executive officers as disclosed in iPass' proxy statements. Accordingly, iPass is asking stockholders to indicate whether they would prefer an advisory vote every year, every other year or every three years.

After considering the benefits and consequences of each alternative, the Board of Directors recommends that the advisory vote on the compensation of iPass' named executive officers be submitted to the stockholders once every year.

The Board of Directors believes that an annual advisory vote on the compensation of iPass' named executive officers is the best approach for iPass. In formulating its recommendation, the Board of Directors considered that an annual advisory vote on executive compensation will allow stockholders to provide direct input on iPass' compensation philosophy, policies and practices every year. Additionally, an annual advisory vote on executive compensation is consistent with iPass' policy of seeking input from, and engaging in discussions with, its stockholders on executive compensation and corporate governance matters.

Accordingly, the Board of Directors is asking stockholders to indicate their preferred voting frequency by voting for one, two or three years on the resolution below:

“RESOLVED, that the alternative of soliciting advisory stockholder approval of the compensation of iPass' named executive officers once every one, two or three calendar years that receives the highest number of votes from the holders of shares present in person or represented by proxy and entitled to vote at the annual meeting shall be considered the frequency preferred by the stockholders.”

While the Board of Directors believes that its recommendation is appropriate at this time, the stockholders are not voting to approve or disapprove that recommendation, but are instead asked to indicate their preferences, on an advisory basis, as to whether the non-binding advisory vote on the approval of iPass' executive officer compensation practices should be held every year, every other year or every three years. The option among those choices that receives the highest number of votes from the holders of shares present in person or represented by proxy and entitled to vote at the annual meeting will be deemed to be the frequency preferred by the stockholders.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF “ONE YEAR” ON PROPOSAL 4

PROPOSAL 5

AMENDMENTS TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED, TO GRANT AUTHORIZATION TO EFFECT A POTENTIAL REVERSE STOCK SPLIT IN THE FUTURE, WHICH IF COMPLETED WOULD ALSO REDUCE THE AUTHORIZED NUMBER OF SHARES OF PREFERRED AND COMMON STOCK IN THE SAME RATIO

Background

This Proposal, if approved, will not immediately cause a reverse stock split, but rather will grant authorization to the Board of Directors to effect a reverse stock split, if, and when determined by the Board of Directors. The Board of Directors had determined it is advisable, and has approved, a series of proposed amendments to the iPass Amended and Restated Certificate of Incorporation (the "Restated Certificate of Incorporation") that would authorize the Board of Directors to effect a reverse stock split of all outstanding shares of the common stock at ratios of 1:5, 1:6, 1:8, 1:10 or 1:12, which would also reduce the authorized number of shares of iPass' common and preferred stock in the same ratio as the reverse stock split.

Under these proposed amendments, if, in the future the Board of Directors determines to effect a reverse stock split, each outstanding 5, 6, 8, 10 or 12 shares of common stock would be combined, converted and changed into one share of common stock. The effect of each of these alternative amendments (which are referred to in this proxy statement as the "Reverse Stock Splits") is illustrated in the table below:

	<u>Amendment No. 1</u> <u>(see Appendix 1-A)</u>	<u>Amendment No. 2</u> <u>(see Appendix 1-B)</u>	<u>Amendment No. 3</u> <u>(see Appendix 1-C)</u>	<u>Amendment No. 4</u> <u>(see Appendix 1-D)</u>	<u>Amendment No. 5</u> <u>(see Appendix 1-E)</u>
Potential Reverse Stock Split Ratios	1:5	1:6	1:8	1:10	1:12

The effectiveness of any one of these amendments and the abandonment of the other amendments, or the abandonment of all of these amendments, will be determined by the Board of Directors following the 2011 Annual Meeting and prior to the 2012 Annual Meeting. The Board of Directors has recommended that these proposed amendments be presented to the iPass stockholders for approval.

Upon receiving stockholder approval of the proposed amendments, the Board of Directors will have the sole discretion, until the 2012 Annual Meeting, pursuant to Section 242(c) of the Delaware General Corporation Law to elect, as it determines to be in the best interests of iPass and its stockholders, whether to effect a reverse stock split and, if so, the number of shares, 5, 6, 8, 10 or 12, of common stock which will be combined into one share of common stock. The Board of Directors believes that stockholder approval of five selected exchange ratios (as opposed to approval of a single exchange ratio) provides the Board of Directors with maximum flexibility to achieve the purposes of a reverse stock split and, therefore, is in the best interests of iPass and its stockholders.

If the Board of Directors determines to effect one of the Reverse Stock Splits (the "Effective Reverse Stock Split") by filing the applicable amendment to the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, the Restated Certificate of Incorporation would be amended accordingly, and all other amendments would be abandoned. Approval of the Reverse Stock Splits will authorize the Board of Directors in its discretion to effectuate the Effective Reverse Stock Split in any of the ratios as described in the table above, or not to effect any of the Reverse Stock Splits. The text of the amendments to the Restated Certificate of Incorporation, one of which would be included in a Certificate of Amendment to the Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware to effect the Effective Reverse Stock Split, are set forth in Appendices 1-A through 1-E to this Proxy Statement; provided, however, that such text is subject to amendment to include such changes as may be required by the office of the Secretary of State of the State of Delaware or as the Board of Directors deems necessary and advisable to effect the Effective Reverse Stock Split.

If the Board of Directors elects to effect a reverse stock split, the number of issued and outstanding shares of common stock would be reduced in accordance with an exchange ratio selected by the Board of Directors from

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among those set forth in this proposal, and the number of authorized shares of common stock and preferred stock would also be proportionately reduced. Except for adjustments that may result from the treatment of fractional shares as described below, each stockholder will hold the same percentage of outstanding common stock immediately following the reverse stock split as such stockholder held immediately prior to the reverse stock split. The par value of the common stock would remain unchanged at \$0.001 per share.

Reasons for the Board to Effective a Potential Reverse Stock Split in the Future

The Board of Directors believes that the Effective Reverse Stock Split may be desirable for a number of reasons, primarily because it could improve the marketability and liquidity of the common stock.

The Board of Directors believes that the current low per share market price of the common stock has had a negative effect on the marketability of the iPass existing shares. The Board of Directors believes there are several reasons for these effects. First, certain institutional investors have internal policies preventing the purchase of low-priced stocks. Also, a variety of policies and practices of broker-dealers discourage individual brokers within those firms from dealing in low-priced stocks. Second, because the brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher priced stocks, the current share price of the common stock can result in individual stockholders paying transaction costs (commissions, markups or markdowns) which are a higher percentage of their total share value than would be the case if the share price of the common stock were substantially higher. This factor is also believed to limit the willingness of some institutions to purchase the common stock. The Board of Directors anticipates that an Effective Reverse Stock Split will result in a higher bid price for the common stock, which may help to alleviate some of these problems.

The Board of Directors also believes that the decrease in the number of shares of common stock outstanding as a consequence of an Effective Reverse Stock Split, and the anticipated increase in the price of the common stock, could generate interest in the common stock and possibly promote greater liquidity for the iPass stockholders. However, any increase in the market price of the common stock resulting from the Effective Reverse Stock Split may be proportionately less than the decrease in the number of outstanding shares, effectively reducing iPass' market capitalization.

The Board of Directors does not intend for this transaction to be the first step in a series of plans or proposals of a "going private" transaction within the meaning of Rule 13e-3 of the Securities Exchange Act of 1934, as amended.

Board Discretion to Implement a Potential Reverse Stock Split in the Future

If the Reverse Stock Splits are approved by the stockholders of iPass at the Annual Meeting, the Effective Reverse Stock Split will be effected, if at all, only upon a subsequent determination by the Board of Directors to effect a Reverse Stock Split with an exchange ratio determined by the Board of Directors as described above. Such determination will be based upon many factors, including existing and expected marketability and liquidity of the common stock, prevailing market conditions and the likely effect on the market price of the common stock. Notwithstanding approval of the Reverse Stock Splits by the stockholders, the Board of Directors may, in its sole discretion, abandon all of the proposed amendments and determine prior to the effectiveness of any filing with the Delaware Secretary of State not to effect any of the Reverse Stock Splits, as permitted under Section 242(c) of the Delaware General Corporation Law. If the Board of Directors fails to implement any of the Reverse Stock Splits before the date 12 months from the 2011 Annual Meeting, further stockholder approval would be required prior to implementing any reverse stock split.

Effects of a Potential Reverse Stock Split

If implemented in the future, after the Effective Reverse Stock Split, each stockholder would own a reduced number of shares of common stock. However, the Effective Reverse Stock Split will affect all of the iPass

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stockholders uniformly and will not affect any stockholder's percentage ownership in iPass, except to the extent that the Effective Reverse Stock Split results in any of the iPass stockholders owning a fractional share as described below. The number of stockholders of record would not be affected by the Effective Reverse Stock Split, except to the extent that any stockholder holds only a fractional share interest and receives cash for such interest after the proposed reverse stock split.

Proportionate voting rights and other rights of the holders of common stock would not be affected by the Effective Reverse Stock Split (other than as a result of the payment of cash in lieu of fractional shares as described below). For example, a holder of 2% of the voting power of the outstanding shares of common stock immediately prior to the Effective Reverse Stock Split would continue to hold 2% of the voting power of the outstanding shares of common stock after the Effective Reverse Stock Split. The number of authorized but unissued shares of common stock and preferred stock would be decreased significantly by an Effective Reverse Stock Split, but the ratio of the number of shares of outstanding common stock to the number of authorized shares of common stock and preferred stock would remain the same. For example, based on the 58,118,048 shares of common stock outstanding on March 31, 2010, the 250,000,000 shares of common stock and 25,000,000 shares of preferred stock that are authorized under the Restated Certificate of Incorporation, a one-for-ten Effective Reverse Stock Split would have the effect of decreasing the number of outstanding shares of common stock to 5,811,804, and reducing the number of authorized shares of common stock and preferred stock to 25,000,000 and 2,500,000, respectively, thereby reducing the number of authorized but unissued shares of common stock from 191,881,952 to 19,188,196; however, the number of shares of outstanding common stock both before and after the Effective Reverse Stock Split would be approximately 23% of the number of shares authorized common stock and 232% of the number of shares authorized preferred stock.

The Effective Reverse Stock Split would reduce the number of shares of common stock issuable pursuant to outstanding stock awards, as well as available for future issuance, under the iPass equity compensation plans in proportion to the exchange ratio of the Effective Reverse Stock Split. The number of shares of common stock currently issuable pursuant to outstanding stock awards, as well as authorized for future issuance but unissued, at March 31, 2011 under the iPass equity compensation plans is 9,125,214 and 17,942,788, respectively, prior to giving effect to any Effective Reverse Stock Split.

The following table contains approximate information relating to the common stock under each of the proposed amendments based on share information as of March 31, 2011:

	Pre-Reverse Split	1-for-5	1-for-6	1-for-8	1-for-10	1-for-12
Authorized	250,000,000	50,000,000	41,666,666	31,250,000	25,000,000	20,833,333
Outstanding	58,118,048	11,623,609	9,686,341	7,264,756	5,811,804	4,843,170
Reserved for future issuance pursuant to employee equity plans	17,942,788	3,588,558	2,990,465	2,242,849	1,794,279	1,495,232
Reserved for future issuance pursuant to outstanding stock awards	9,125,214	1,825,043	1,520,869	1,140,652	912,521	760,435
Authorized but unissued and unreserved	164,813,950	32,962,790	27,468,991	20,601,743	16,481,396	13,734,496

No fractional shares of common stock would be issued in connection with the proposed Effective Reverse Stock Split. Holders of common stock who would otherwise receive a fractional share of common stock pursuant to the Effective Reverse Stock Split would receive cash in lieu of the fractional share as explained more fully below.

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If the Reverse Stock Split is implemented, some stockholders may consequently own less than one hundred shares of common stock. A purchase or sale of less than one hundred shares (an “odd lot” transaction) may result in incrementally higher trading costs through certain brokers, particularly “full service” brokers. Therefore, those stockholders who own less than one hundred shares following the Effective Reverse Stock Split may be required to pay modestly higher transaction costs should they then determine to sell their shares in iPass.

The common stock is currently registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and iPass is subject to the periodic reporting and other requirements of the Exchange Act. The Effective Reverse Stock Split would not affect the registration of the common stock under the Exchange Act. After the Effective Reverse Stock Split, the common stock would continue to be reported on the Nasdaq Global Market under the symbol “IPAS” (although Nasdaq would likely add the letter “D” to the end of the trading symbol for a period of 20 trading days to indicate that the Effective Reverse Stock Split has occurred).

Stockholders should note that the effect of the Effective Reverse Stock Split upon the market prices for the common stock cannot be accurately predicted, and the history of similar stock split combinations for companies in like circumstances is varied. In particular, there is no assurance that the price per share of the common stock after the Effective Reverse Stock Split will be five, six, eight, ten or twelve times, as applicable, the price per share of the common stock immediately prior to the Effective Reverse Stock Split. Furthermore, there can be no assurance that the market price of the common stock immediately after the proposed Effective Reverse Stock Split will be maintained for any period of time. Even if an increased share price can be maintained, the Effective Reverse Stock Split may not achieve the other desired results which have been outlined above. Moreover, because some investors may view an Effective Reverse Stock Split negatively, there can be no assurance that approval of the Reverse Stock Splits will not adversely impact the market price of the common stock or, alternatively, that the market price following the Effective Reverse Stock Split will either exceed or remain in excess of the current market price.

Effective Date of a Potential Reverse Stock Split

If the proposed Reverse Stock Splits are approved at the Annual Meeting and the Board of Directors elects to proceed with the Reverse Stock Split in one of the approved ratios, the Effective Reverse Stock Split would become effective at 5:00 p.m. on the date of filing (the “Effective Date”) of the applicable Certificate of Amendment to the Restated Certificate of Incorporation with the office of the Secretary of State of the State of Delaware. Except as explained below with respect to fractional shares, on the Effective Date, shares of common stock issued and outstanding immediately prior thereto will be, automatically and without any action on the part of the stockholders, combined and converted into new shares of common stock in accordance with the Effective Reverse Stock Split ratio determined by the Board of Directors among the choices set forth in this Proposal. If the Board of Directors fails to implement any of the Reverse Stock Splits before the 2012 Annual Meeting, further stockholder approval would be required prior to implementing any reverse stock split.

Exchange of Stock Certificates

Shortly after the Effective Date, each holder of record of an outstanding certificate theretofore representing shares of common stock will receive from the iPass exchange agent (the “Exchange Agent”) for the Effective Reverse Stock Split, instructions for the surrender of such certificate to the Exchange Agent. Such instructions will include a form of Transmittal Letter to be completed and returned to the Exchange Agent. As soon as practicable after the surrender to the Exchange Agent of any certificate that prior to the Effective Reverse Stock Split represented shares of common stock, together with a duly executed Transmittal Letter and any other documents the Exchange Agent may specify, the Exchange Agent shall deliver to the person in whose name such certificate had been issued certificates, registered in the name of such person representing the number of full shares of common stock into which the shares of common stock previously represented by the surrendered certificate shall have been reclassified and a check for any amounts to be paid in cash in lieu of any fractional

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share. Until surrendered as contemplated herein, each certificate that immediately prior to the Effective Reverse Stock Split represented any shares of common stock shall be deemed at and after the Effective Reverse Stock Split to represent the number of full shares of common stock contemplated by the preceding sentence. Each certificate representing shares of common stock issued in connection with the Effective Reverse Stock Split will continue to bear any legends restricting the transfer of such shares that were borne by the surrendered certificates representing the shares of common stock.

No service charges, brokerage commissions or transfer taxes shall be payable by any holder of any certificate that prior to approval of the Effective Reverse Stock Split represented any shares of common stock, except that if any certificates of common stock are to be issued in a name other than that in which the certificates for shares of common stock surrendered are registered, it shall be a condition of such issuance that (i) the person requesting such issuance shall pay to iPass any transfer taxes payable by reason thereof (or prior to transfer of such certificate, if any) or establish to the satisfaction of iPass that such taxes have been paid or are not payable, (ii) such transfer shall comply with all applicable federal and state securities laws, and (iii) such surrendered certificate shall be properly endorsed and otherwise be in proper form for transfer.

No Appraisal Rights

Under Delaware law, stockholders of iPass would not be entitled to dissenter's or appraisal rights with respect to an Effective Reverse Stock Split.

Cash Payment In Lieu Of Fractional Shares

No fractional shares of common stock would be issued if the Effective Reverse Stock Split is implemented. Instead, in lieu of any fractional shares to which a holder of common stock would otherwise be entitled as a result of the Effective Reverse Stock Split, iPass shall pay cash equal to such fraction multiplied by the closing sales price of the common stock on the Global Market on the last business day prior to the Effective Time. As of March 31, 2011, there were approximately 180 stockholders of record of the common stock. Upon stockholder approval of this proposal, if the Board of Directors elects to implement the Effective Reverse Stock Split at an exchange ratio of 1:5, 1:6, 1:8, 1:10 or 1:12 stockholders owning less than 5, 6, 8, 10 or 12 shares, respectively, of common stock prior to the Effective Reverse Stock Split would be eliminated.

Material U.S. Federal Income Tax Consequences of the Effective Reverse Stock Split

The following discussion summarizes the material U.S. federal income tax considerations of the Effective Reverse Stock Split that would be expected to apply generally to U.S. Holders (as defined below) of iPass stock. This summary is based upon current provisions of the Internal Revenue Code of 1986, as amended, or the Code, existing Treasury Regulations under the Code and current administrative rulings and court decisions, all of which are subject to change or different interpretation. Any change, which may or may not be retroactive, could alter the tax consequences to iPass or the iPass stockholders as described in this summary. No ruling from the U.S. Internal Revenue Service has been or will be requested in connection with the Effective Reverse Stock Split. No attempt has been made to comment on all U.S. federal income tax consequences of the Effective Reverse Stock Split that may be relevant to particular U.S. Holders, including holders: (i) who are subject to special tax rules such as dealers, brokers and traders in securities, mutual funds, regulated investment companies, real estate investment trusts, insurance companies, banks or other financial institutions or tax-exempt entities; (ii) who are subject to the alternative minimum tax provisions of the Code; (iii) who acquired their shares in connection with stock options, stock purchase plans or other compensatory transactions; (iv) who hold their shares as a hedge or as part of a hedging, straddle, "conversion transaction", "synthetic security", integrated investment or any risk reduction strategy; (v) who are partnerships, limited liability companies that are not treated as corporations for U.S. federal income tax purposes, S corporations, or other pass-through entities or investors in such pass-through entities; (vi) who do not hold their shares as capital assets for U.S. federal income tax purposes (generally, property held for investment within the meaning of Section 1221 of the Code); (vii) who hold their shares through individual retirement or other tax-deferred accounts; (viii) whose shares constitute qualified small business stock with the meaning of Section 1202 of the Code; or (ix) who have a functional currency for United States federal income tax purposes other than the U.S. dollar.

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In addition, the following discussion does not address the tax consequences of the Effective Reverse Stock Split under state, local and foreign tax laws. The discussion assumes that for U.S. federal income tax purposes the Effective Reverse Stock Split will not be integrated or otherwise treated as part of a unified transaction with any other transaction. Furthermore, the following discussion does not address the tax consequences of transactions effectuated before, after or at the same time as the Effective Reverse Stock Split, whether or not they are in connection with the Effective Reverse Stock Split.

For purposes of this discussion, a U.S. Holder means a beneficial owner of iPass stock who is: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof; (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or (iv) a trust (other than a grantor trust) if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

HOLDERS OF IPASS STOCK ARE ADVISED AND EXPECTED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE EFFECTIVE REVERSE STOCK SPLIT IN LIGHT OF THEIR PERSONAL CIRCUMSTANCES AND THE CONSEQUENCES OF THE EFFECTIVE REVERSE STOCK SPLIT UNDER STATE, LOCAL AND FOREIGN TAX LAWS.

No gain or loss will be recognized by iPass as a result of the Effective Reverse Stock Split. An iPass stockholder who receives solely a reduced number of shares of common stock pursuant to the Effective Reverse Stock Split will generally recognize no gain or loss. An iPass stockholder who receives cash in lieu of a fractional share interest will generally recognize gain or loss equal to the difference between (i) the portion of the tax basis of the pre-reverse split shares allocated to the fractional share interest and (ii) the cash received. An iPass stockholder's basis in its post-reverse split shares, will be equal to the aggregate tax basis of such stockholder's pre-reverse split shares decreased by the amount of any basis allocated to any fractional share interest for which cash is received. The holding period of iPass stock received in the Effective Reverse Stock Split will include the holding period of the pre-reverse split shares exchanged. For purposes of the discussion of the basis and holding periods for shares of iPass stock, stockholders who acquired different blocks of iPass stock at different times for different prices must calculate their basis, gains and losses, and holding periods separately for each identifiable block of such stock exchanged, converted, canceled or received in the Effective Reverse Stock Split. Any gain or loss recognized by an iPass stockholder as a result of the Effective Reverse Stock Split will generally be a capital gain or loss and will be long term capital gain or loss if the stockholder's holding period for the shares of iPass stock exchanged is more than one year.

Required Vote

The affirmative vote of the holders of a majority of the shares of the common stock outstanding on the record date will be required to approve the amendments to our Amended and Restated Certificate of Incorporation to authorize the Board of Directors to effect a reverse stock split, if, and when determined by the Board of Directors and to reduce the authorized number of shares of iPass' common and preferred stock in the same ratio as the reverse stock split. As a result, abstentions and broker non-votes will have the same effect as "Against" votes.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 5

EXECUTIVE OFFICERS

Set forth below is information regarding our executive officers as of April 1, 2011.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Evan L. Kaplan	51	President, Chief Executive Officer and Director
Steven H. Gatoff	43	Senior Vice President and Chief Financial Officer
Steven G. Wastie	43	Senior Vice President, Marketing and Product Management
Barbara M. Nelson	50	Chief Technology Officer
William P. Garvey	46	Vice President, General Counsel and Corporate Secretary

Evan L. Kaplan has served as our President and Chief Executive Officer, and as a member of our Board of Directors, since November 2008. From August 2008 until November 2008, Mr. Kaplan acted as a consultant to iPass, providing business planning and strategic and tactical advice and counseling to the company. From January 2008 until July 2008, Mr. Kaplan was on an extended vacation. From February 1996 to July 2007, Mr. Kaplan served as founder, President, Chief Executive Officer and Chairman of Aventail Corporation, a pioneer in the virtual private networking equipment and services and a long time strategic partner of iPass, where he was responsible for overseeing all aspects of Aventail's business. After Aventail was acquired by SonicWALL, Inc., an IT security and data backup and recovery solution company, in 2007, Mr. Kaplan remained with SonicWALL from July 2007 until January 2008 as Vice President of Business Development. Mr. Kaplan received a B.S. in environmental science from Western Washington University and an M.B.A. from the University of Washington.

Steven H. Gatoff has served as our Senior Vice President and Chief Financial Officer since June 2009. From August 2008 until joining iPass, Mr. Gatoff served as Senior Vice President, Finance at United Online, Inc., a consumer Internet and media company, where he was responsible for the company's corporate finance, financial planning and analysis, strategic planning, treasury and risk management functions. From June 2006 to July 2008, Mr. Gatoff served as Vice President and Controller of Sterling Commerce, Inc., an enterprise software and services company, where he was responsible for the company's accounting functions. From March 2002 to June 2006, Mr. Gatoff served as Vice President of Finance and Treasurer of VeriSign, Inc., a communications and Internet infrastructure services company, where he was responsible for corporate finance and treasury functions. From August 1995 to December 2001, Mr. Gatoff was a telecommunications and technology investment banker at Morgan Stanley, Credit Suisse First Boston and Bear Stearns where he executed numerous debt and equity capital markets financings, merger and acquisition transactions and strategic advisory engagements. Mr. Gatoff is a certified public accountant and received an M.B.A. in Finance (with honors) from Columbia University.

Steven G. Wastie has served as our Senior Vice President, Marketing and Product Management since June 2009. From February 2008 to May 2009, Mr. Wastie served as Vice President, Marketing at Rohati Systems, Inc, a venture backed provider of data center network security products, where he was responsible for the company's marketing activities. From July 2005 to February 2008, Mr. Wastie was employed at Juniper Networks Inc., a publicly-traded provider of networking and security solutions, where he held the roles of Vice President, Enterprise and Managed Services Marketing and Vice President, Emerging Technologies EMEA and was responsible for worldwide enterprise marketing. From February 2004 to July 2005, Mr. Wastie served as International Marketing Director for Peribit Networks, a provider of WAN optimization solutions that was acquired by Juniper Networks in 2005. From May 2003 to January 2004, Mr. Wastie served as Vice President of Marketing EMEA for Hummingbird, a provider of enterprise content management software. From September 1999 to April 2003, Mr. Wastie was employed at Inktomi Corporation where he held various management roles in the U.S. and EMEA. Wastie has also held marketing and product management positions with Netscape and AT&T Online services in Asia Pacific. Mr. Wastie holds a B.A. (Hons) in Business Studies and Marketing from London Guildhall University.

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Barbara M. Nelson has served as our Chief Technology Officer since 2008. Ms. Nelson joined iPass in 2002, and has held a variety of roles including Client Architect, Vice President, Information Systems and Vice President, Engineering. Prior to her employment at iPass, Ms. Nelson held a number of engineering and engineering management positions at Extricity, General Magic and Retix. Ms. Nelson holds a bachelor's degree with honors in computer science from University College Dublin, Ireland.

William P. Garvey has served as our Vice President, General Counsel and Secretary since June 2009. From April 2008 to April 2009, Mr. Garvey was Vice President, General Counsel and Secretary of ShoreTel, Inc. a publicly-traded provider of Internet Protocol unified communications systems for enterprises, where he was responsible for all company legal matters. From January 2005 to September 2007, Mr. Garvey served as General Counsel, Vice President of Corporate Development, and Secretary of Rackable Systems, Inc. (now Silicon Graphics International Corp.), a publicly-traded computer server manufacturer, where he held overall responsibility for all legal matters and assisted Rackable in completing its initial public offering. From September 1997 to December 2004, Mr. Garvey served as General Counsel, Vice President of Corporate Development and Secretary of Actuate Corporation, a publicly-traded software company and assisted Actuate in completing its initial public offering. Mr. Garvey holds a B.S. in applied sciences and engineering from the United States Military Academy and a J.D. from Stanford Law School.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of our common stock as of March 31, 2011, except as otherwise specified in the footnotes to the table, by: (a) each director and nominee for director; (b) each of the executive officers named in the Summary Compensation Table presented later in this proxy statement; (c) all current executive officers and directors of iPass as a group; and (d) all those known by us to be beneficial owners of more than five percent of our common stock. Unless otherwise provided, the stockholder referenced has sole voting and investment power with respect to the outstanding shares listed. All percentages in this table are based on a total of 58,118,048 shares of common stock outstanding on March 31, 2011.

<u>Name and Address of Beneficial Owner</u>	Shares Issuable Pursuant to Options Exercisable Within 60 Days of March 31, 2011	Beneficially Owned (Including the Number of Shares Shown in the First Column)	
		Shares	Percent
Evan L. Kaplan	494,306	557,626	*
Steven H. Gatoff	169,839	169,839	*
Nicholas W. Hulse(1)	—	—	*
Jayendra N. Patel(2)	—	89,267	*
Steven G. Wastie	169,839	169,839	*
William P. Garvey	127,379	132,379	*
John D. Beletic(3)	348,182	446,182	*
Peter C. Clapman	76,545	126,545	*
Gary A. Griffiths(4)	37,228	131,228	*
Robert J. Majteles	37,228	244,125	*
Samuel L. Schwerin(5)	13,438	6,958,893	12.0%
Allan R. Spies	245,122	276,789	*
Kenneth H. Traub	37,228	157,528	*
Entities affiliated with Millennium Technology Value Partners, L.P.(6)	—	6,925,455	11.9%
Entities affiliated with Artis Capital Management, L.P.(7)	—	3,773,152	6.5%
Austin W. Marxe and David M. Greenhouse and affiliated entities(8)	—	3,394,106	5.8%
All current directors and executive officers as a group (11 persons)	1,756,334	9,370,973	15.7%

* Less than one percent (1%).

(1) Mr. Hulse's employment with iPass ceased on February 15, 2011.

(2) Mr. Patel's employment with iPass ceased on November 18, 2010.

(3) Includes 67,000 shares held in the John and Anne Partnership, Ltd and 12,000 shares held in Drexel Investments Ltd.

(4) Includes 5,000 shares held in the Belle Griffiths inherited IRA, 5,000 shares held in the Belle Griffiths IRA, 5,000 shares held in the Gary Griffiths SEP IRA, 5,000 shares held in the Gary Griffiths IRA, 15,000 shares held in the Griffiths Family Trust and 34,000 shares held in a custodial account for Gary and Ryan Griffiths.

(5) Includes 6,925,455 shares held by funds affiliated with Millennium Technology Value Partners Management, L.P. ("Millennium Management"). Mr. Schwerin is the managing member of Millennium TVP (GP), LLC ("Millennium TVP"), which is the general partner of Millennium Management. Mr. Schwerin disclaims beneficial ownership of the shares held by Millennium Management and its affiliated entities except to the extent of his pecuniary interest therein. Mr. Schwerin's address is the same as Millennium Management's address, as set forth in footnote 6 below.

(6) Millennium Technology Value Partners, L.P. ("Millennium LP") has sole voting and dispositive power over 3,428,815 shares. Millennium Technology Value Partners (RCM), L.P. ("Millennium RCM") has sole

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- voting and dispositive power over 3,496,640 shares. Millennium Management is the general partner of Millennium LP and Millennium RCM. Millennium TVP is the general partner of Millennium Management and Mr. Schwerin is the managing member of Millennium TVP. Each of the entities affiliated with Millennium Management specifically disclaims beneficial ownership of the securities it does not directly own. The address for each of the entities affiliated with Millennium Management is 747 Third Avenue, 38th Floor, New York, NY 10017. The data regarding the stock ownership of the entities affiliated with Millennium Management is as of May 26, 2010 from the Schedule 13D/A filed by Millennium RCM on June 7, 2010.
- (7) Artis Capital Management, L.P. (“Artis”) is the investment advisor of investment funds that hold the relevant shares for the benefit of the investors in those funds. Artis Capital Management, Inc. (“Artis Inc.”) is the general partner of Artis. Stuart L. Peterson is the president of Artis Inc. and the controlling owner of Artis and Artis Inc. Each of Artis, Artis Inc. and Mr. Peterson have shared voting and dispositive power over such shares. Each of Artis, Artis Inc. and Mr. Peterson disclaims beneficial ownership of the stock, except to the extent of that person’s pecuniary interest therein. The address for Artis, Artis Inc. and Mr. Peterson is One Market Plaza, Steuart Street Tower, Suite 2700, San Francisco, CA 94105. The data regarding the stock ownership of Artis, Artis Inc. and Mr. Peterson is as of December 31, 2010 from the Schedule 13G filed by such persons on February 14, 2011.
- (8) Messrs. Marx and Greenhouse share sole voting and investment power over 891,387 shares owned by Special Situations Cayman Fund, L.P., 1,904,091 shares owned by Special Situations Fund III QP, L.P., 54,667 shares owned by Special Situations Technology Fund, L.P. and 543,961 shares owned by Special Situations Technology Fund II, L.P. Messrs. Marx and Greenhouse are the controlling principals of AWM Investment Company, Inc. (“AWM”), the general partner of and investment adviser to Special Situations Cayman Fund, L.P. (“Cayman”). AWM also serves as the general partner of MGP Advisers Limited Partnership (“MGP”), the general partner of Special Situations Fund III QP, L.P. (“SSFQP”). Messrs. Marx and Greenhouse are also members of SST Advisers, L.L.C. (“SSTA”), the general partner of Special Situations Technology Fund, L.P. (“Tech”) and Special Situations Technology Fund II, L.P. (“Tech II”). AWM serves as the investment adviser to SSFQP, Tech and Tech II. The address for Messrs. Marx and Greenhouse is 527 Madison Avenue, Suite 2600, New York, NY 10022. The data regarding the stock ownership of Messrs. Marx and Greenhouse is as of December 31, 2010 from the Schedule 13G filed by Messrs. Marx and Greenhouse on February 11, 2011.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, or the 1934 Act, requires iPass’ directors and executive officers, and persons who own more than ten percent of a registered class of iPass’ equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of iPass. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish iPass with copies of all Section 16(a) forms they file.

To iPass’ knowledge, based solely on a review of the copies of such reports furnished to iPass, during the fiscal year ended December 31, 2010, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with, except that Gary A. Griffiths filed one Form 4 late.

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SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Information with respect to securities authorized for issuance under equity compensation plans as of the end of the most recently completed fiscal year is aggregated as follows:

<u>Plan Category</u>	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)) (c)
Equity compensation plans approved by stockholders	9,923,801	\$ 1.87	11,208,131
Equity compensation plans not approved by stockholders	—	—	—
Total	9,923,801	\$ 1.87	11,208,131

EXECUTIVE COMPENSATION AND RELATED INFORMATION

COMPENSATION OF DIRECTORS

The following table shows for the fiscal year ended December 31, 2010, certain information with respect to the compensation of all our non-employee directors:

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)(1)</u>	<u>Stock Awards (\$)(2)(4)</u>	<u>Option Awards (\$)(3)(4)</u>	<u>All Other Compensation (\$)(5)</u>	<u>Total (\$)</u>
John D. Beletic	\$85,500	\$10,800	\$21,205	\$ 700	\$118,205
Peter C. Clapman	\$48,250	\$10,800	\$15,998	\$ 1,167	\$ 76,215
Gary A. Griffiths	\$53,250	\$10,800	\$15,902	\$ 1,167	\$ 81,119
Robert J. Majteles	\$50,500	\$10,800	\$15,902	\$ 1,167	\$ 78,369
Samuel L. Schwerin	\$17,849	\$22,000	\$30,430	\$ 1,400	\$ 71,679
Allan R. Spies	\$48,000	\$10,800	\$18,705	\$ 1,050	\$ 78,555
Kenneth H. Traub	\$55,500	\$10,800	\$15,926	\$ 1,167	\$ 83,393
A. Gary Ames(6)	\$34,500	\$10,800	\$ 6,033	\$ —	\$ 51,333
Peter G. Bodine(7)	\$23,500	\$ —	\$ 3,648	\$ —	\$ 27,148

- (1) This column reflects annual director and chairman of the Board retainer fees, annual committee chairman retainer fees, Board of Directors' meeting fees, and committee meeting fees.
- (2) The dollar amount in this column represents the aggregate grant date fair value computed in accordance with FASB Accounting Standard Certification Topic 718 – *Stock Compensation* for stock awards granted in 2010. Assumptions used in the calculation of these amounts are included in note 11 to our audited financial statements for the fiscal year ended December 31, 2010 included in our Annual Report on Form 10-K.
- (3) The dollar amount in this column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for stock options granted in 2010. Assumptions used in the calculation of these amounts are included in note 11 to our audited financial statements for the fiscal year ended December 31, 2010 included in our Annual Report on Form 10-K. The amounts include the incremental fair value resulting from the decrease in exercise price of options as a result of the adjustment of outstanding options following the payment of an extraordinary dividend to stockholders in December 2010. See "Compensation Discussion and Analysis" for a description of the option adjustments.
- (4) At December 31, 2010, the following directors held stock options and unvested shares of restricted stock as follows:

<u>Name</u>	<u>Number of Shares Underlying Options</u>	<u>Number of Shares Restricted Stock</u>
Mr. Beletic	414,125	10,000
Mr. Clapman	106,785	10,000
Mr. Griffiths	79,355	16,666
Mr. Majteles	79,355	16,666
Mr. Schwerin	60,480	20,000
Mr. Spies	275,362	10,000
Mr. Traub	79,355	16,666
Mr. Ames	298,360	—
Mr. Bodine	244,406	—

- (5) Represents dividends paid on unvested restricted stock awards in 2010.
- (6) Mr. Ames resigned from the Board of Directors effective June 30, 2010.
- (7) Mr. Bodine resigned from the Board of Directors effective June 8, 2010.

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See Appendix 2 for a list of options and stock awards that were issued in 2010 to our non-employee directors and the decrease to the exercise price of options held by our non-employee directors as a result of the adjustment of outstanding options following the payment of an extraordinary dividend to stockholders in 2010.

The members of our Board of Directors who are not employees of iPass are reimbursed for travel, lodging and other reasonable expenses incurred in attending Board of Directors' or committee meetings. The table below sets forth the cash compensation arrangements for our non-employee directors for services as a non-employee for the first quarter of 2010, and director cash compensation beginning on April 1, 2010:

	First Quarter of 2010	Beginning April 1, 2010
Annual cash retainer	\$ 20,000	\$ 20,000
Chairman of the Board annual retainer	\$ 60,000	\$ 20,000
Committee annual retainer	\$ —	\$ 5,000
Audit committee chairman annual retainer	\$ 5,000	\$ 10,000
Compensation committee chairman annual retainer	\$ 5,000	\$ 5,000
Corporate Governance and Nominating committee chairman annual retainer	\$ 5,000	\$ 5,000
Per meeting board meeting fees	\$ 1,000	\$ 1,000
Per meeting committee meeting fees	\$ 1,000	\$ 1,000

Under the terms of the iPass Inc. 2003 Non-Employee Directors Plan, as amended (the "Directors Plan"), we grant stock options and restricted stock to our non-employee directors as follows:

- grants of stock options of 30,000 shares for initial grants, and 15,000 shares for annual grants, and
- restricted stock awards of 10,000 shares for initial grants and 5,000 shares for annual grants.

Options granted under the Directors Plan vest as follows: (a) with respect to options that are awarded pursuant to initial grants, the 30,000 shares will vest with respect to 10,000 shares on the first anniversary of the date of grant, and thereafter in equal monthly installments over 24 months, and (b) with respect to options that are awarded pursuant to annual grants, the 15,000 shares will vest on the first anniversary of the date of grant or, if earlier, on the date of the next annual meeting following the date of grant. Options granted under the Directors Plan may permit exercise prior to vesting, but in such event the participant may be required to enter into an early exercise stock purchase agreement that allows iPass to repurchase unvested shares if the participant's service terminates before vesting. All outstanding options under the Directors Plan are early exercisable.

Shares of stock acquired under a restricted stock award are subject to forfeiture in favor of iPass in accordance with the following vesting schedule: (a) with respect to restricted stock awards that are awarded pursuant to initial grants, one third of the 10,000 shares will vest on each of the first, second and third anniversaries of the date of grant, and (b) with respect to restricted stock awards that are awarded pursuant to annual grants, the 5,000 shares will vest on the first anniversary of the date of grant or, if earlier, on the date of the next annual meeting following the date grant.

In addition, at each annual meeting, we will we make additional annual grants, from our 2003 Equity Incentive Plan, of stock options and restricted stock to our non-employee directors as follows:

- grant of a stock option of 15,000 shares, and
- restricted stock award of 5,000 shares.

The options will vest on the first anniversary of the date of grant or, if earlier, on the date of the next annual meeting following the date of grant. Shares of stock acquired under a restricted stock award are subject to forfeiture in favor of iPass in accordance with the following vesting schedule: such shares will vest on the first anniversary of the date of grant or, if earlier, on the date of the next annual meeting following the date grant.

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In March 2010, the Board of Directors approved modifications to equity awards for directors who either decline to stand for re-election or resign from the Board of Directors as recognition for the service provided to iPass by such directors, as follows:

- any director who declines to stand for reelection at the 2010 annual stockholders meeting (“2010 Meeting”) will have 27 months from the date of the 2010 Meeting to exercise his stock options, and
- any director who resigns from the Board of Directors after the 2010 Meeting but prior to January 1, 2011 will have (i) 27 months from the date of such resignation to exercise his stock options, (ii) the restricted stock awards granted on the date of the 2010 Meeting vest in full on the date of such resignation, and (iii) the stock options granted on the date of the 2010 Meeting vest in full on the date of the 2011 Annual Meeting.

Mr. Bodine declined to stand for reelection at the 2010 Meeting and has 27 months from the date of the 2010 Meeting to exercise his stock options. Mr. Ames resigned from the Board of Directors on June 30, 2010 and as such (i) has 27 months from the date of his resignation to exercise his stock options, (ii) the restricted stock awards granted to Mr. Ames on the date of the 2010 Meeting vested in full on the date of his resignation, and (iii) the stock options granted to Mr. Ames on the date of the 2010 Meeting vest in full on the date of the 2011 Annual Meeting.

COMPENSATION DISCUSSION AND ANALYSIS

Business Overview and Strategy

iPass is a leading provider of enterprise mobility services that assist the productivity of workers as they move between and among office sites, home and remote locations. Our services simplify mobility by providing the enterprise with a comprehensive platform that provides visibility, analytics management and control of the connectivity, devices and mobility costs across the enterprise. Our global enterprise mobility services consist of our new Open Mobile services, our legacy Mobile Office offering, and our Network Services. Our Open Mobile services are based on our new Open Mobile Platform, which is a cloud-based services delivery system that gives the enterprise insight and control over definition and management of their mobile communications needs.

Building on the changes to executive management and business strategy implemented in 2009, during 2010 we focused on the following three key business initiatives:

- Delivering the Open Mobile Platform, our new cloud-based platform;
- Migrating existing customers and adding new customers to our new Open Mobile Platform; and
- Increasing the use of our services.

Our compensation structure is designed to support our business strategy by providing incentives to executives to achieve the business objectives outlined above. In 2010, the compensation structure was also designed to incentivize management to operate the business in a financially efficient manner while retaining and motivating our executive talent during the continued transition of iPass from a network centric business to a cloud-based services business.

Executive Compensation Philosophy, Principles and Policies

We continue to compete for executive talent in the Silicon Valley which is among the most volatile and fast-moving labor markets in the world. In order to attract, motivate, and retain key executive officers with the ability to drive our success, the Compensation Committee (the “Committee”) has established our compensation program to be competitive with that of other companies with which we compete for talent, and provide our executives incentives to drive stockholder value over the long-term. As a result, the Committee has established the following principles and policies to guide the design and operation of our executive compensation program:

- Compensation programs must enable us to attract and retain talent from the internet software and services industry and technology industries in general;

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- Incentive awards will be based on both financial results and strategic goals that support our long-term business objectives;
- Incentive programs must motivate desired behaviors and reward executive officers based on results, not effort; and
- The compensation strategy should be straightforward and easy to understand to facilitate clear communication of expectations to executive officers and stockholders.

The Committee reviews these principles and policies periodically to ensure continued alignment with our business strategy. In addition, the Committee considers relevant business and external factors in determining how to implement these principles and policies from year-to-year. In 2010, the Committee:

- Made no increases to base salary levels from 2009 to 2010 in light of overall economic conditions, iPass' recent financial performance and the early stage of iPass developing a new business model;
- Maintained target annual incentive levels consistent with 2009 levels in light of overall economic conditions and the early stage of iPass developing a new business model (except for Evan Kaplan, our President and Chief Executive Officer, whose target bonus was increased from \$250,000 to \$350,000 as per the terms of his employment agreement);
- Tied quarterly incentive payouts to company performance against our most important operational, financial and strategic goals;
- Reduced maximum quarterly incentive payouts to limit the uncertainty related to the transition to Open Mobile related bonus metrics;
- Capped annual incentive payout to 100% of target in the event that annual Adjusted EBITDA did not meet iPass' 2010 operating plan to emphasize the need to maintain a certain level of financial discipline during the transition to a new business model;
- Granted executives equity that consisted primarily of stock options in order to best motivate executives to turn iPass around and drive longer term stockholder value; and
- Continued monitoring market practices via published survey and peer group data, but also expanded compensation market analysis to include a broader range of IT and Software & Services companies that reflect iPass' current size (measured in terms of revenue and enterprise value) in late 2010.

Market Positioning Philosophy

The Committee targets the 50th percentile, defined as the middle point of relevant peer group and survey market data (the "50th percentile"), for each element of compensation and with respect to total compensation. The Committee has determined this is an appropriate target market position as it has allowed us to attract and retain the level of talent we believe will improve operational performance and stockholder value.

The Committee determines peer group formation, with assistance from Mercer (US) Inc. ("Mercer") a consultant retained by the Committee. Peer companies are selected primarily based on industry similarity and company size, which is measured by revenue and enterprise value. The Committee chooses industry criteria to produce a set of peer companies that represent a sampling of executive labor for which we compete. The Committee considers company size criteria as a proxy for executive job complexity.

In 2010, the Committee made compensation decisions in light of the benchmarking previously performed by Mercer in 2008. The peer group used for benchmarking in 2010 was comprised of United Online Inc., RealNetworks Inc., Infospace Inc., Openwave Systems Inc., Digital River Inc., Ariba Inc., S1 Corp., Sonicwall Inc., Navisite Inc., Entrust Inc., Saba Software Inc., WedMediaBrands Inc. (formerly Jupitermedia Corp.), and Web.Com Inc.

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In addition, the Committee also developed a broader, supplemental group of companies within the IT and Software & Services industries to help inform compensation decisions. The group included companies with annual revenue between \$75 million and \$350 million and lower enterprise values than the previous comparables. While the Committee did not utilize the group for benchmarking in 2010, the Committee did utilize the group's overall compensation practices as one factor in determining 2011 compensation.

The program provides downside risk and upside potential that is aligned with performance. Compensation below the target is earned by executives if performance objectives are not met. Above target compensation may be paid when performance objectives are exceeded. Reflecting performance results, the actual compensation received in 2010 (including annualized base salary and incentives paid for 2010 performance and the Black-Scholes value of option award granted in 2010) as a whole was below the peer group 50th percentile for all executives, with Mr. Kaplan positioned at 85% of the market median relative to peer company chief executive officers, and other current executives positioned at 79% to 84% of the market median of the peers' other named executive officers.

Role of Chief Executive Officer and Management in Compensation

As President and Chief Executive Officer, Mr. Kaplan, in consultation with the Vice President of Human Resources, provided the Committee with the following:

- Input on the individual performance of executive officers;
- Input and advice on hiring and succession planning considerations;
- Recommendations on the design, structure and opportunities associated with quarterly incentive and long-term equity incentive compensation;
- Information on recruiting and hiring trends and key employment statistics; and
- Other information as requested by the Committee.

The Chief Executive Officer, Vice President of Human Resources, Chief Financial Officer and General Counsel generally attend Committee meetings. However, at each in-person meeting the Committee generally holds an executive session without management present. In addition, Mr. Kaplan was not present during the deliberations or voting with regards to his own individual compensation package.

Compensation Consultant Fee

The Committee has retained Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. ("MMC"), to assist the Committee with its responsibilities related to the company's executive and Board of Directors compensation programs. Mercer provides information, analyses, and advice regarding executive compensation, as described below. At the Committee's direction, Mercer provided the following services to the Committee during fiscal 2010:

- Advised the Committee on Chief Executive Officer and other executive officer target award levels within the long-term equity incentive program and, as needed, on actual compensation actions;
- Updated prior assessments of the alignment of our compensation levels relative to the performance of iPass against our primary peers and relative to our articulated compensation philosophy;
- Briefed the Committee on executive compensation trends among our peers and broader industry;
- Provided ongoing analysis regarding design and calibration of incentive plan goals;
- Evaluated the impact of dividend-related adjustments to stock options and other outstanding equity awards;

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- Evaluated the impact of our equity programs on annual share use, run rate and total dilution and provided input on the reasonableness of alternative actions related to outstanding and prospective equity grants;
- Assisted the Committee in reviewing and advising on the Compensation Discussion & Analysis; and
- Provided other ongoing advice as needed related to executive compensation arrangements.

Historically, Mercer has provided other services, such as assisting with executive talent assessments and succession planning, and advising on Board of Director compensation arrangements.

The Mercer consultant who performs these services reports directly to the Committee Chair, except when providing information regarding director compensation, in which case the Mercer consultant reports to the Chairperson of the Corporate Governance and Nominating Committee. Other Mercer or related entity consultants may report directly to iPass management when performing other services such as providing non-executive compensation market data.

During the fiscal year, the company decided to retain Mercer and its MMC affiliates to provide services, unrelated to executive compensation (inclusive of services related to director compensation). The fees for these services did not exceed \$120,000.

Because of the policies and procedures Mercer and the Committee have in place, the Committee is confident that the advice it receives from the individual executive compensation consultant is objective and not influenced by Mercer's or its affiliates' relationships with us. These policies and procedures include:

- The consultant receives no incentive or other compensation based on the fees charged to the company for other services provided by Mercer or any of its affiliates;
- The consultant is not responsible for selling other Mercer or affiliate services to us;
- Mercer's professional standards prohibit the individual consultant from considering any other relationships Mercer or any of its affiliates may have with us in rendering his or her advice and recommendations;
- The Committee has the sole authority to retain and terminate the executive compensation consultant;
- The consultant has direct access to the Committee without management intervention;
- The Committee evaluates the quality and objectivity of the services provided by the consultant each year and determines whether to continue to retain the consultant; and
- The protocols for the engagement (described below) limit how the consultant may interact with management.

While it is necessary for the consultant to interact with management to gather information, the Committee has adopted protocols governing if and when the consultant's advice and recommendations can be shared with management. These protocols are included in the consultant's engagement letter. The Committee also determines the appropriate forum for receiving consultant recommendations. Where appropriate, management invitees are present to provide context for the recommendations. Ultimately, the consultant provides recommendations and advice to the Committee in an executive session where management is not present, which is when critical compensation decisions are made. This approach protects the Committee's ability to receive objective advice from the consultant so that the Committee may make independent decisions about executive compensation.

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Competitive Market Assessments

In order to ensure alignment of executive compensation with the above internal objectives and external market practice, the Committee conducts, with assistance from Mercer, a regular assessment of executive compensation versus the market. This assessment typically includes an evaluation of base salary, annual incentive opportunities, and long-term incentives against (1) the compensation practices of the peer group of companies described above, and (2) broader industry published survey compensation data. The peer group data provides highly specific data on executive officer compensation for all elements of pay, whereas the broader industry published survey data provides market information on a job-by-job basis. The Committee takes the market assessment into consideration, in concert with other factors, when making decisions regarding executive compensation design and specific actions. For decisions regarding 2010 compensation, the company relied on the results of the 2008 assessment provided by Mercer.

As noted above, the Committee also developed a broader, supplemental group of companies in 2010 that consists of organizations within the IT and Software & Services industries. The group was developed in order to provide additional perspective regarding compensation practices at a broader range of technology companies – particularly those in a similar turn-around situation, as indicated by comparable enterprise values.

Compensation and Benefits Elements

The Committee uses four core compensation and benefits elements to provide a competitive overall compensation and benefits package to executive officers that is tied to creating stockholder value and supporting the execution of our business strategies, as follows:

<u>Compensation Elements and Benefits</u>	<u>Description and Key Objectives</u>
• Base Salary	• Fixed pay intended to directly compensate executives for the time and service they provide in their respective roles
• Quarterly Cash Incentives	• Variable pay component intended to reward executives for the achievement of our short-term objectives
• Long-term Equity Incentives (which has historically included Stock Options, Restricted Stock and Performance Share Awards)	• Variable compensation intended to retain, motivate and reward executives for the achievement of our long-term objectives, including the creation of stockholder value
• 401(k) and other benefits also provided to the broader employee population	• Benefit programs that are intended to provide executives with competitive retirement savings and health and welfare protections

The Committee determines the target value of each compensation element primarily based on data collected during the competitive market assessment. In addition to reviewing competitive market values, the Committee considers other factors in managing target compensation levels each year, including the impact of equity grants on dilution, the accounting costs associated with certain award vehicles, the tax implications of various compensation elements for iPass and executives and iPass' cash flow requirements.

The target opportunity for the Quarterly Cash Incentive (discussed below) is stated as a fixed dollar amount. Equity awards are not directly linked to other pay components, but in general the value of equity awards and the percentage of total compensation such awards represent increase at higher salary levels. Certain benefit values (such as the amount of life insurance we provide to employees) are linked to salary, but benefit contribution levels do not vary based on pay or level in the organization.

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In sum, the Committee establishes the total reward package with the intent to provide a competitive level of compensation and benefits to executives, while placing an increasing emphasis on variable pay for performance at more senior levels in the organization, as more senior executives are more likely to be able to impact company performance. The emphasis on long-term compensation versus short-term compensation (and the emphasis on equity rewards versus cash compensation), also increase at more senior levels. The specific purpose and mechanics of each compensation element is described in more detail below.

The Committee also takes into consideration factors specific to the individual executive officer, such as individual performance, past compensation, role of executive in executing our strategic plans and relative positioning to other executives within iPass when taking specific actions relating to compensation. For example, the Committee considers historical compensation outcomes (such as expected gain on unvested equity awards) in determining the level and timing of annual equity awards. The Committee reviews and considers each component for each executive officer before making compensation decisions.

Currently, we do not offer our executive officers any perquisites or supplemental retirement benefits.

Base Salary

We provide salaries to executive officers as compensation for defined job responsibilities and services to iPass. The Committee bases annual salary determinations on competitive assessment, experience and proficiency in the role, the need to retain key talent and individual and company performance.

The Committee, in arms' length negotiations with Mr. Kaplan, agreed to set Mr. Kaplan's base salary at \$350,000 per year at the time of his hire in November 2008. He received no change to his base salary in 2009 or 2010, and as such, his salary is approximately 22% below the peer group median base salary for the chief executive officer position.

The base salaries for Steven Gatoff, our Senior Vice President and Chief Financial Officer, Nicholas Hulse, our former Senior Vice President of Worldwide Sales, Steven Wastie, our Senior Vice President, Marketing and Product Management, Jayendra Patel, our former Senior Vice President of Product Development and William Garvey, our Vice President and General Counsel were set by the Committee in arms' length negotiation at the time of their respective hires. Although generally the Committee targets the 50th percentile for each element of compensation, the Committee determined to make no changes in base salary for our executive officers in 2010 in light of overall economic conditions and our 2009 performance. Based on the analysis of peer group compensation, 2010 salary levels for the executives employed at the end of the fiscal year were below the market 50th percentile for similar positions among the peer companies.

Quarterly Cash Incentives

The Committee pays cash bonuses as an incentive to executive officers to perform to their greatest potential. The Committee has determined that quarterly cash incentives are appropriate for the organization given the rapidly changing business environment in which iPass operates. These incentives are intended to focus management on the near-term strategic and operational objectives that are important to the longer-term success of the business. The Committee typically sets goals at the beginning of the fiscal year and reviews and approves payouts quarterly. In 2010, targets were set for the first two quarters in January 2010 and were approved for the last two quarters in August 2010.

The target metrics were designed to build the foundation for future performance under the new business model and reflected realistic expectations for the business during a challenging transition period. The intention of the incentive program was to retain and motivate executives during this critical time and to provide a bridge to future value creation. Consequently, it was expected that these metrics would be achieved at or near the 100% level if iPass performed in accordance with its operating plan. In the event the target metric was met, the target bonus was paid out at 100% of that component of the bonus. Lower and upper boundaries were also established for each corporate objective, as displayed below.

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Target Amounts: The Committee determines target annual bonus amounts for each executive officer at the beginning of the plan year. Effective January 1, 2010, Mr. Kaplan’s target annual bonus amount was increased from \$250,000 (71% of base salary) to \$350,000 (100% of current base salary) in accordance with his employment agreement and the Board of Directors’ confirmation that the performance requirement stated under his employment agreement was met. The target annual bonus amounts for the other executives were set at arms’ length negotiation upon hire taking into account competitive market practices for each position. The annual target bonus amount for the other executive officers ranged from \$80,000 to \$215,000 per executive (36% to 91% of base salary).

Performance Measures and Weightings: The metrics used to evaluate executive performance were chosen to motivate executives to achieve our near-term operational objectives. The Chief Executive Officers’ bonus was linked entirely to corporate performance results for all four quarters. For executives below the Chief Executive Officer, excluding the Senior Vice President of Worldwide Sales, the bonus plan included a personal achievement performance element weighted at 20%. For the Senior Vice President of Worldwide Sales, the bonus plan was weighted 80% on attainment of sales objectives and 20% on corporate performance results.

For the first and second quarter of 2010, the metrics were weighted to emphasize the importance of achieving iPass’ Adjusted EBITDA goals. For the third and fourth quarter of 2010, greater emphasis was placed on the achievement of critical strategic milestones related to growing the Open Mobile Platform business; however, a cap of 100% of target was applied to the total annual award to the extent that Adjusted EBITDA under iPass’ 2010 operating plan was not achieved to emphasize the need to maintain a certain level of financial discipline during the transition to a new business model. The specific weights and definition of each metric, as well as the rationale the Committee used for selecting each metric, is described below.

<i>Corporate Objectives Metrics</i>	<u>Q1 2010</u>	<u>Q2 2010</u>
	<i>Weighting</i>	<i>Weighting</i>
Adjusted EBITDA	100%	80%
Number of Net New Average Monthly Monetized Users	—	10%
Number of Targeted 200 Customers Signed to Open Mobile Platform	—	10%

<i>Corporate Objectives Metrics</i>	<u>Q3 2010</u>	<u>Q4 2010</u>
	<i>Weighting</i>	<i>Weighting</i>
Adjusted EBITDA	25%	25%
Number of Open Mobile Platform Users	25%	25%
Number of New Open Mobile Customers	25%	25%
Number of New Open Mobile Carrier Relationships	25%	25%

Performance Measure
Adjusted EBITDA

Definition and Rationale

Definition: Adjusted EBITDA as reported in iPass’ Form 10-Q or Form 10-K, as applicable to the quarter, adjusted to remove the impact of certain non-recurring and non-core items, as approved by the Committee for compensation purposes.

Rationale: This metric is intended to focus our executives on prudently managing the legacy business and operating efficiently while executing on the new strategy, which is expected to increase revenue and profits over time, and enhance shareholder value.

Number of Net New Average Monthly Monetized Users

Definition: Net increase in the average number of monthly users during the quarter, for which a fee was billed by iPass to a customer for such users, as compared to the prior quarter.

Rationale: This metric is designed to focus our executives on implementing initiatives to increase the number of users who pay for our services and is intended to measure how successfully iPass is executing its business.

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Performance Measure

Definition and Rationale

Number of Targeted 200 Customers Signed to Open Mobile Platform

Definition: Number of customers, from a pre-defined list of 200 strategic customers, that entered into an agreement to use the Open Mobile platform.

Rationale: This metric is intended to focus executives on the migration of our strategic customers to our new platform, which is a core measure of success in executing the new business model.

Number of Open Mobile Platform Users

Definition: Average monthly paying users on iPass' Open Mobile platform in the quarter, determined consistently with how the number of average monthly monetized platform users is reported in iPass' Form 10-Q or Form 10-K, as applicable to the quarter.

Rationale: This metric is intended to focus executives on increasing the number of customers using our Open Mobile services and is intended to measure how successfully iPass is executing its plan to migrate existing users, and add new users, to our new Open Mobile Platform.

Number of New Open Mobile Customers

Definition: Number of companies (whether new or existing enterprises) that executed a contract or placed an order with iPass or an iPass reseller during the quarter to adopt or migrate their use to the Open Mobile platform with plans for at least 100 anticipated paying users.

Rationale: This metric is designed to focus our executives on implementing initiatives to increase the number of customers who have the contractual right to deploy the Open Mobile Platform and to measure how successfully iPass is executing its plan to migrate existing enterprise customers, and add new enterprise customers, to the new Open Mobile Platform.

Number of New Open Mobile Carrier Relationships

Definition: Number of telecommunications carriers or providers (whether new or existing carriers) that executed a contract during the quarter to adopt or migrate to the Open Mobile platform.

Rationale: This metric is intended to focus executives on developing strategically significant relationships, which is a core measure of success in executing the new business model.

The individual goals focused on key strategic and operational priorities in each executive's area of responsibility and included specific objectives such as the continued re-engineering of iPass' service delivery platform, enhancing sales management tools and increasing customer support of our service offerings. Individual goals were established by the Committee for the Chief Executive Officer. Individual goal for the other executive officers were established by the Committee in consultation with the Chief Executive Officer. The individual goals were established to support quarterly and annual business goals established by the Chief Executive Officer for the company and approved by the Board of Directors.

Given his position as Senior Vice President of Worldwide Sales, Mr. Hulse's quarterly target bonuses were based 80% on a sales compensation plan (which included revenue and monthly order value targets) and 20% on corporate objectives.

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Given the uncertainties surrounding the new business model and the decline in financial performance targets year over year, the Committee decided to change the calibration between pay and performance in the event the upper boundary of a corporate objective was met. In 2009 and prior years, the plan was designed so that the bonus would be paid out at 150% of target for achieving the upper boundary and provided for unlimited bonuses if the upper boundary were exceeded. For 2010, the bonus for achieving the upper boundary was reduced to 110% of target for the first and second quarters of 2010 and 125% of target for the third and fourth quarters of 2010, except for Adjusted EBITDA which had an upper boundary equal to 100% of the target.

Corporate Objectives Metrics	Q1	Q1	Q1	Q2	Q2	Q2
	Lower	Target	Upper (max)	Lower	Target	Upper (max)
Adjusted EBITDA	0%	100%	110%	0%	100%	110%
# Net New Average Monthly Monetized Users	—	—	—	0%	100%	110%
# Targeted 200 Customers Signed to Open Mobile Platform	—	—	—	0%	100%	110%

Corporate Objectives Metrics	Q3	Q3	Q3	Q4	Q4	Q4
	Lower	Target	Upper (max)	Lower	Target	Upper (max)
Adjusted EBITDA	50%	100%	100%	50%	100%	100%
# Open Mobile Platform users	50%	100%	125%	50%	100%	125%
# New Open Mobile customers	50%	100%	125%	50%	100%	125%
# New Open Mobile Carrier Relationships	0%	100%	125%	0%	100%	125%

Performance Targets, Business Results and Bonus Payouts: The Committee sets the quarterly incentive plan goals in alignment with our near-term operating objectives, as described above. The Committee set target performance goals for 2010 at levels that were challenging, but realistic to achieve assuming strong performance given continued global economic challenges in 2010 and the need to continue building the foundation required to execute the new strategic vision for the business.

The table below shows the quarterly performance goals for each metric at the threshold, target and upper performance levels, as well as the actual 2010 results.

	Threshold	Target	Upper	Actual	Payout
Quarter 1					
Adjusted EBITDA	\$ 491,000	\$ 841,000	\$ 1,191,000	\$ 889,000	106%
Quarter 2					
Adjusted EBITDA	\$ 201,000	\$ 551,000	\$ 901,000	\$ 582,000	106%
# Net New Average Monthly Monetized Users	0	667	1,000	5,263	110%
# Targeted 200 Customers Signed to Open Mobile Platform	0	2	3	2	100%
Quarter 3					
Adjusted EBITDA	\$(1,700,000)	\$(1,500,000)	N/A (Capped at 100% of Target)	\$(332,000)	100%
# OM Platform Users	600	750	937	807	108%
# New OM Customers	3	6	7	8	125%
# New OM Carrier Relationships	0	1	2	3	125%
Quarter 4					
Adjusted EBITDA	\$(1,500,000)	\$(1,200,000)	N/A (Capped at 100% of Target)	\$ 514,000	100%
# OM Platform Users	3,000	8,000	10,000	1,791	0%
# New OM Customers	6	10	12	23	125%
# New OM Carrier Relationships	0	1	2	2	125%
Amount earned in aggregate for 2010					100%

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Corporate performance against the pre-established goals for each measure resulted in executives earning the following quarterly bonus amounts (based on corporate targets) (as a percent of target): first quarter: 106%; second quarter: 105%; third quarter: 114%; and fourth quarter: 88%.

Because Annual Adjusted EBITDA did not meet the company's 2010 Plan, executive bonuses for the full year, other than for Mr. Hulse, were capped at 100% of target. As a result, fourth quarter bonuses were reduced to ensure that the total 2010 payout did not exceed 100% of target.

The aggregate bonus amount earned by the Chief Executive Officer was 100% of his annual target. Including the individual component, for executives other than the Chief Executive Officer, the aggregate bonus amount earned by each executive ranged from 92% to 100% of their annual target. The Committee believes that target bonus awards are reasonable in light of overall corporate results.

Long-Term Equity Incentives ("LTEI")

In order to ensure a strong link to the long-term interests of stockholders, the Committee places significant emphasis on long-term equity incentives. The Committee based the amount of LTEI awarded on competitive LTEI levels in the peer group. The Committee generally targets the 50th percentile of the peer group (with option values measured by the Black-Scholes option pricing model), with the understanding that above target value will be realized only if stockholder value is created. The Committee also considers the impact of awards to executive officers on total stockholder dilution and the expenses accrued for stock-based compensation. The Committee targeted an overall share usage rate that is reasonably aligned with peer group and broader industry practices (excluding the impact of adjustments for the corporate dividends, as discussed below). When evaluated on a net basis (i.e., shares granted minus shares cancelled or expired), share usage is below peer companies and broader industry practice.

In 2010 (as in 2009), the Committee generally chose to grant stock options to executives rather than restricted stock awards ("RSAs") or performance share awards ("PSAs"). The Committee chose to do so because the Committee believed that stock options provide a greater incentive to executives to execute our long-term strategy to turnaround the business because stock options have value only to the extent the price of our common stock on the date of exercise exceeds the exercise price, which is equal to the fair market value of the stock on the date of grant.

In addition to granting an equity award of 475,000 stock options to Mr. Kaplan in 2010, the Committee also granted Mr. Kaplan 200,000 restricted stock units ("RSUs"). The Committee decided this additional award was necessary to retain and motivate Mr. Kaplan upon determining that the PSA that was granted in connection with his hire in November 2008 is not likely to vest in the near future due to factors that are largely outside of his control, including the trajectory of the business prior to his hire. The RSUs vested 50% on June 30, 2010 and will vest 50% on June 30, 2011.

The Committee generally grants annual equity awards at the first quarterly Committee meeting of the year, unless otherwise specified by our Board of Directors or the Committee. The Committee grants all stock option grants to named executive officers with an exercise price equal to the fair market value of the underlying stock on the last market trading day prior to the day of grant. The Committee does not grant equity compensation awards in anticipation of the release of material nonpublic information. Similarly, we do not time the release of material nonpublic information based on equity award grant dates.

The Committee intends to maintain a burn rate over the next three fiscal years of equal to or less than the industry mean, plus one standard deviation, as calculated by the Institutional Shareholder Services (ISS).

Adjustments to Outstanding Equity Awards

On August 18, 2009, our stockholders approved amendments to our outstanding equity compensation plans to enable our Board of Directors to approve the adjustment of outstanding equity awards in the event that an

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extraordinary dividend is paid, with the intent of preserving the economic value of the awards from before to after the dividend payment. The formula used by our Board of Directors to adjust outstanding equity awards in connection with the payment of an extraordinary dividend in 2010 is set forth in our proxy statement filed with the Securities and Exchange Commission on July 14, 2009 (“Proxy”).

In connection with the \$4 million extraordinary cash dividend distributed to stockholders in December 2010, the Board of Directors modified existing equity awards based on a formula specified in the Proxy with the intent of preserving the economic value of the awards from before to after the dividend payment. The terms of the adjustment were intended to meet the following goals: (a) to address the diminution in the value of the outstanding equity awards caused by the payment of the extraordinary dividend; (b) to preserve the tax status of existing options; and (c) to prevent the option holder from incurring negative tax consequences that could otherwise result from modifications of existing options.

In the case of stock options, such modification caused a reduction of the option’s exercise price and in certain circumstances the grant of additional option shares if the reduction in exercise price is less than the per share amount of the extraordinary dividend. In the case of RSAs, RSUs and PSAs, the adjustment resulted in an increase in the number of shares subject to the awards.

Other Benefits

We offer additional benefits designed to be competitive with overall market practices, and to attract and retain the talent we need. All salaried employees are eligible to participate in our Section 401(k) plan, health care coverage, life insurance, disability, paid time off and paid holidays.

Other Compensation

In connection with his employment offer, iPass is obligated to reimburse Mr. Kaplan for brokerage commissions on the sale of his residence in Seattle within 48 months from commencement of employment. In 2010, Mr. Kaplan sold his residence in Seattle and was reimbursed \$125,000 in January of 2011 for reasonable and customary brokerage fees in connection with the sale of his residence.

Clawback of Compensation Paid to Executives

Effective with the publishing of the relevant Securities and Exchange Commission regulations, the Committee intends to develop and implement a policy regarding the recovery, or “clawback,” of any excess incentive compensation paid to executives based on an accounting restatement due to material noncompliance with any financial reporting requirements.

Employment, Severance, and Change-in-Control Agreements

We provide severance benefits to our executive officers in the event of a termination without cause as a competitive benefit to recruit and retain qualified executives. These severance benefits include a lump sum cash payment based on the executive officer’s annual base salary plus an amount equal to one quarter of the annual target bonus and continued health benefits coverage for a period of time.

We also provide benefits in the event that an executive officer’s employment is involuntarily terminated following a corporate change-in-control. These benefits are triggered only to the extent that a qualifying change-in-control takes place, coupled with another qualifying event such as the executive is terminated without cause or constructively terminated (otherwise known as a “double-trigger”). The purpose of these benefits is to promote management continuity and cooperation during a potential transaction that is being pursued by the Board of Directors to maximize stockholder value (such as a merger with or acquisition by another company), despite the fact that such a transaction may jeopardize the future employment of our executives. These change-in-control benefits include a lump sum cash payment based on the executive officer’s annual salary plus annual bonus target, continued health benefits coverage for a period of time, and accelerated vesting of all equity awards in the case of a change in control of the company within 18 months of iPass being acquired.

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The full benefits and related terms and conditions are comprehensively explained in the “Supplementary Compensation Policies and Potential Payments Upon Termination or Change-in-Control” sections of this document

In connection with his hire, Mr. Kaplan was guaranteed certain severance benefits if the Board of Directors terminates him without cause or he resigns for good reason, including: (a) a lump sum cash severance payment equal to 12 months of base salary; (b) the prorated portion of the target annual bonus for the year less any payments already made for the year, calculated at the rate at which bonuses were paid earlier in the year (or in the prior year, if the first quarter bonus has not yet been determined); (c) the target bonus for the year multiplied by the rate at which bonuses were earned in the prior four quarters; (d) payment of COBRA premiums for up to 18 months and (e) accelerated vesting of the time-based component of any equity awards for 12 months and extended exercisability of option grants for up to 9 months. In addition, upon the close of a corporate transaction, vesting conditions of outstanding equity grants, whether determined by the passage of time or in reference to performance targets, shall be deemed satisfied.

In determining the value, terms and structure of severance and change-in-control benefits, the Committee, in consultation with Mercer, considered market practice, the value of such benefits to the executives and the aggregate potential cost of such a program assuming actual termination. Additionally, in determining the level of severance benefits the Committee considered our past experience and precedent for providing severance in the event of a company-initiated termination. The Committee introduced these benefits with a focus on retaining key executive officers by providing a market competitive level of protection and security.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS²

The Compensation Committee of the Board of Directors of iPass Inc. has reviewed and discussed with management the information contained in the Compensation Discussion and Analysis section of this Proxy Statement and, based upon the review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement (and incorporated by reference in our Annual Report on Form 10-K).

COMPENSATION COMMITTEE:

Gary A. Griffiths, Chairman
John D. Beletic
Kenneth H. Traub

RISK ASSOCIATED WITH COMPENSATION PLANS

In 2010, the Compensation Committee, in consultation with Mercer, determined that the company’s compensation policies and practices for its employees are not reasonably likely to cause employees to take risks that would have a material adverse effect on the company. Further, the Committee has determined that the changes to the compensation programs implemented for 2011 are not reasonably likely to cause employees to take risks that would have a material adverse effect on the company.

COMPENSATION OF EXECUTIVE OFFICERS

The following table shows for the fiscal years ended December 31, 2010, 2009 and 2008, compensation awarded or paid to, or earned by, our Chief Executive Officer, our Chief Financial Officer, our other three most highly compensated executive officers at December 31, 2010, and a former executive officer who left our company prior to December 31, 2010 (collectively, the “named executive officers”).

² The material in this report is not “soliciting material,” is not deemed “filed” with the SEC, and is not to be incorporated by reference into any filing of iPass under the 1933 Act or 1934 Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Stock Awards \$(1)</u>	<u>Option Awards \$(2)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>All Other Compensation (&)</u>	<u>Total (\$)</u>
Evan L. Kaplan President and Chief Executive Officer(3)	2010	\$350,000	\$228,959(4)	\$254,361	\$ 303,540	\$ 690(5)	\$1,137,550
	2009	\$350,000	\$ (4)	\$ 62,443	\$ 154,800	\$ 21,874(6)	\$ 589,117
	2008	\$ 58,334	\$ (4)	\$383,450	\$ 40,082	\$ 68,097(7)	\$ 549,963
Steven H. Gatoff Senior Vice President and Chief Financial Officer(8)	2010	\$250,000	\$ —	\$107,484	\$ 92,656	\$ 300(5)	\$ 450,440
	2009	\$135,417	\$ —	\$174,617	\$ 28,193	\$ 29,440(9)	\$ 367,667
William P. Garvey Vice President and General Counsel(10)	2010	\$225,000	\$ —	\$ 80,613	\$ 92,656	\$ 450(5)	\$ 398,719
	2009	\$129,807	\$ —	\$130,963	\$ 32,753	\$ 175(5)	\$ 293,699
Nicholas W. Hulse Senior Vice President, Worldwide Sales(11)	2010	\$235,000	\$ —	\$107,795	\$ 185,771	\$ 71,444(12)	\$ 600,009
	2009	\$102,436	\$ —	\$214,316	\$ 48,719	\$ 51,890(13)	\$ 417,361
Jayendra N. Patel Senior Vice President, Product Development(14)	2010	\$192,500	\$ —	\$ 98,230	\$ 67,325	\$ 130,604(15)	\$ 488,658
	2009	\$166,692	\$ —	\$122,675	\$ 38,786	\$ 546(5)	\$ 328,699
Steven G. Wastie Senior Vice President, Marketing and Product Management(16)	2010	\$200,000	\$ —	\$107,401	\$ 92,656	\$ 300(5)	\$ 400,357
	2009	\$116,667	\$ —	\$174,617	\$ 32,504	\$ 188(5)	\$ 323,976

- (1) The dollar amounts in this column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in note 11 to our audited financial statements for the fiscal year ended December 31, 2010 included in our Annual Report on Form 10-K.
- (2) The dollar amounts in this column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in note 11 to our audited financial statements for the fiscal year ended December 31, 2010 included in our Annual Report on Form 10-K. The amounts include the incremental fair value resulting from the decrease in exercise price of options as a result of the adjustment of outstanding options following the payment of an extraordinary dividend to stockholders in 2010. See "Compensation Discussion and Analysis" for a description of the option adjustments.
- (3) Mr. Kaplan's employment started on November 3, 2008.
- (4) Mr. Kaplan was granted a performance stock award with respect to 500,000 shares in 2008, which is subject to vesting in five installments upon the company achieving specified targets for earnings before interest, tax and amortization. In 2009, Mr. Kaplan was granted 211,596 additional shares related to the performance award as a result of adjustments made to the award as a result of two extraordinary dividends paid to stockholders in 2009. In 2010, Mr. Kaplan was granted 5,948 additional shares related to the performance award as a result of adjustments made to the award as a result of an extraordinary dividend paid to stockholders in 2010. The value of the awards, computed in accordance with FASB ASC Topic 718 excluding the effect of estimated forfeitures, was determined to be \$0 as it was determined improbable that the stock award would vest. The value of the awards assuming the highest level of performance conditions will be achieved was \$1,148,541. The amount reflected for 2010 is with respect to a stock award granted in January 2010 for 200,000 shares, the value of which was computed in accordance with FASB ASC Topic 718.
- (5) Consists of life insurance premiums paid by us.
- (6) Consists of \$690 for life insurance premiums paid by us, \$3,507 for relocation expenses and \$17,677 for living expenses.
- (7) Consists of \$45,331 for relocation assistance and temporary living expenses, \$21,378 for tax gross-up adjusted for relocation assistance and temporary living expenses, \$1,313 contributed by us on behalf of Mr. Kaplan to defined company benefit plan and \$75 for life insurance premiums paid by us.
- (8) Mr. Gatoff's employment started on June 22, 2009.
- (9) Consists of \$163 in life insurance premiums paid by us, \$9,277 for relocation expenses and a \$20,000 relocation bonus.
- (10) Mr. Garvey's employment started on June 1, 2009.
- (11) Mr. Hulse's employment started on July 27, 2009.
- (12) Consists of 450 in life insurance premiums paid by us and \$70,994 for commuting expenses.
- (13) Consists of \$138 in life insurance premiums paid by us, a \$20,000 relocation bonus and \$31,752 for commuting expenses.
- (14) Mr. Patel's employment started on March 18, 2009 and ceased on November 18 2010.
- (15) Consists of \$604 in life insurance premiums paid by us and \$130,000 in severance payments.
- (16) Mr. Wastie's employment started on June 1, 2009.

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GRANTS OF PLAN-BASED AWARDS

The following table sets forth information concerning plan-based grants to our Named Executive Officers during fiscal 2010. Stock awards were granted under our 2003 Equity Incentive Plan, and provide for vesting of the underlying common stock set forth below. Stock options were granted at an exercise price equal to the closing sale price of the common stock on The Nasdaq Global Select Market on the last market trading day prior to the grant date in accordance with the provisions of our 2003 Equity Incentive Plan.

In connection with the \$4 million extraordinary cash dividend distributed to stockholders in December 2010, the Board of Directors modified existing equity awards based on a formula with the intent of preserving the economic value of the awards from before to after the dividend payment. The terms of the adjustment were intended to meet the following goals: (a) to address the diminution in the value of the outstanding equity awards caused by the payment of the extraordinary dividend; (b) to preserve the tax status of existing options; and (c) to prevent the option holder from incurring negative tax consequences that could otherwise result from modifications of existing options. In the case of stock options, such modification caused a reduction of the option's exercise price and in certain circumstances the grant of additional option shares if the reduction in exercise price is less than the per share amount of the extraordinary dividend. In the case of RSAs, RSUs and PSAs, the adjustment resulted in an increase in the number of shares subject to the awards.

Equity awards granted during the year not as a result of the modification resulting from the extraordinary dividend are reflected in bold in the table. Grants of additional equity awards as a result of the extraordinary dividend are not in bold.

Grants of Plan Based Awards in Fiscal 2010

Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Stock and Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(3)
		Threshold (\$)	Target \$(2)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Evan L. Kaplan		65,625(4)	350,000	400,330(5)						
	01/28/10				—	200,000(6)	200,000			\$ 49,525
	12/21/10				8,466	42,329(7)	42,329			\$222,000
	12/21/10				—	5,948(8)	5,948			\$ 6,959
	12/21/10							(11)	\$ 1.26	\$ 9,500
	12/21/10							(11)	\$ 1.17	\$ 539
	12/21/10							(11)	\$ 0.90	\$ 164
	12/21/10							(11)	\$ 0.90	\$ 13
	12/21/10							475,000(10)	\$ 1.11	\$232,845
	12/21/10							(11)	\$ 1.05	\$ 9,453
	12/21/10							3,810(9)	\$ 1.17	\$ 1,779
	12/21/10							10(9)	\$ 1.17	\$ 5
12/21/10							137(9)	\$ 1.17	\$ 64	
Steven H. Gatoff		18,750(4)	100,000	114,380(5)						
	01/28/10							200,000(10)	\$ 1.11	\$ 98,040
	12/21/10							(11)	\$ 1.05	\$ 4,020
	12/21/10							1,604(9)	\$ 1.17	\$ 749
	12/21/10				—			54(9)	\$ 1.17	\$ 25
	12/21/10							(11)	\$ 1.26	\$ 4,360
	12/21/10							(11)	\$ 1.17	\$ 217
	12/21/10							(11)	\$ 0.90	\$ 67
12/21/10							(11)	\$ 0.09	\$ 5	

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Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Stock and Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(3)
		Threshold (\$)	Target \$(2)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
William P. Garvey	01/28/10	18,750(4)	100,000	114,380(5)				150,000(10)	\$ 1.11	\$73,530
	12/21/10							(11)	\$ 1.05	\$ 3,015
	12/21/10							41(9)	\$ 1.17	\$ 19
	12/21/10							1,203(9)	\$ 1.17	\$ 562
	12/21/10							(11)	\$ 1.26	\$ 3,270
	12/21/10							(11)	\$ 1.17	\$ 163
	12/21/10							(11)	\$ 0.90	\$ 50
	12/21/10							(11)	\$ 0.90	\$ 4
Nicholas W. Hulse	01/28/10	40,313(4)	215,000	245,917(5)				200,000(10)	\$ 1.11	\$98,040
	12/21/10				—			(11)	\$ 1.05	\$ 4,020
	12/21/10				—			65(9)	\$ 1.17	\$ 30
	12/21/10							1,604(9)	\$ 1.17	\$ 749
	12/21/10							(11)	\$ 1.26	\$ 4,608
	12/21/10							(11)	\$ 1.17	\$ 261
	12/21/10							(11)	\$ 0.90	\$ 6
	12/21/10							(11)	\$ 0.90	\$ 80
Jayendra N. Patel*	01/28/10	15,000(4)	80,000	91,504(5)				200,000(11)	\$ 1.11	\$98,040
	12/21/10				—			9,205(10)	\$ 1.17	\$ 190
Steven G. Wastie	01/28/10	18,750(4)	100,000	114,380(5)				200,000(10)	\$ 1.11	\$98,040
	12/21/10				—			(11)	\$ 1.05	\$ 3,980
	12/21/10				—			54(9)	\$ 1.17	\$ 25
	12/21/10							1,604(9)	\$ 1.17	\$ 749
	12/21/10							(11)	\$ 1.26	\$ 4,320
	12/21/10							(11)	\$ 1.17	\$ 216
	12/21/10							(11)	\$ 0.90	\$ 5
	12/21/10							(11)	\$ 0.90	\$ 66

* Mr. Patel ceased to be an employee of iPass on November 18, 2010.

- (1) Grant date of equity awards or, in the case of repriced equity awards, the date of repricing.
- (2) This column sets forth the aggregate annual target amount of each named executive officer's quarterly cash bonus award for the year ended December 31, 2010 for each of our named executive officers. The actual cash bonus award earned for the year ended December 31, 2010 for each named executive officer is set forth in the 2010 Summary Compensation Table above. As such, the amounts set forth in this column do not represent additional compensation earned by the named executive officers for the year ended December 31, 2010.
- (3) Represents the grant date fair value of such award determined in accordance with FASB ASC Topic 718 and with respect to previously outstanding options amended to reduce the exercise price, the incremental fair value, computed as of the repricing or modification date in accordance with FASB ASC Topic 718 with respect to the repriced award.
- (4) The lower boundary for each performance metric was 0% for the first and second quarters of 2010 and was 50% for each performance metric for the third and fourth quarters of 2010, except for the carrier customer metric which had a lower boundary equal to 0% of the target. This is described in the "Compensation Discussion and Analysis" section above.
- (5) The bonus for achieving the upper boundary was 110% of target for each bonus metric for the first and second quarters of 2010 and 125% of target for each performance metric for the third and fourth quarters of 2010, except for adjusted EBITDA which had an upper boundary equal to 100% of the target. Because Annual Adjusted EBITDA did not meet the company's 2010 plan, executive bonuses for the full year, other than Mr. Hulse, were capped at 100% of target. This is described in the "Compensation Discussion and Analysis" section above.
- (6) Represents a stock award for shares granted on January 28, 2010 vesting 50% on June 30, 2010 and June 30, 2011.
- (7) Represents a performance stock award for additional shares, vesting in five equal installments upon achievement of certain earnings before interest, taxes and amortization goals, granted in connection with the adjustments to outstanding equity awards in connection with the distribution of an extraordinary dividend to stockholders in December 2010.
- (8) Represents a stock award for additional shares, vesting on June 30, 2011, granted in connection with the adjustments to outstanding equity awards in connection with the distribution of an extraordinary dividend to shareholders in December 2010.
- (9) This option was granted in connection with the adjustments to outstanding equity awards in connection with the distribution of an extraordinary dividend to stockholders in December 2010.

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(10) The shares subject to the option vest in the following manner: 25% of the shares vest on January 28, 2011, with the remaining shares vesting in 36 equal monthly installments thereafter.

(11) Shows the reduction of exercise price of the options made pursuant to the adjustments to outstanding equity awards in connection with the distribution of an extraordinary dividend to stockholders in December 2010.

See “Compensation Discussion and Analysis” above for a discussion of our compensation philosophies and practices relating to our named executive officers as well as on the amendments to our options as a result of the extraordinary dividend we made to our stockholders.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows for the fiscal year ended December 31, 2010, certain information regarding outstanding equity awards at fiscal year-end for the Named Executive Officers.

Outstanding Equity Awards at December 31, 2010

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1)
Evan L. Kaplan	—	475,000(3)	\$ 1.05	01/28/20	150,785(4)	188,481
	260,416	239,584(2)	1.26	11/06/18	105,948(5)	132,435
	13,625	12,537(2)	1.17	11/06/18		
	4,451	4,096(2)	0.90	11/06/18		
	—	3,810(3)	1.17	01/28/20		
	349	321(2)	0.90	11/06/18		
	71	66(2)	1.17	11/06/18		
	5	5(2)	1.17	11/06/18		
Steven H. Gatoff	—	200,000(3)	\$ 1.05	01/28/20		
	75,000	125,000(6)	1.26	06/22/19		
	3,924	6,541(6)	1.17	06/22/19		
	1,282	2,136(6)	0.90	06/22/19		
	—	1,604(3)	1.17	01/28/20		
	100	168(6)	0.90	06/22/19		
	20	34(6)	1.17	06/22/19		
William P. Garvey	—	150,000(3)	\$ 1.05	01/28/20		
	56,250	93,750(8)	1.26	06/22/19		
	2,943	4,905(8)	1.17	06/22/19		
	961	1,603(8)	0.90	06/22/19		
	—	1,203(3)	1.17	01/28/20		
	75	126(8)	0.90	06/22/19		
	15	26(8)	1.17	06/22/19		

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Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1)
Nicholas W. Hulse	22	43(7)	\$ 1.17	08/14/19		
	—	1,604(3)	1.17	01/28/20		
	—	200,000(3)	1.05	01/28/20		
	4,447	8,111(7)	1.17	08/14/19		
	85,000	155,000(7)	1.26	08/14/19		
	113	208(7)	0.90	08/14/19		
	1,453	2,649(7)	0.90	08/14/19		
Jayendra N. Patel*	—	—	—	—		
Steven G. Wastie		200,000(3)	\$ 1.05	01/28/20		
	75,000	125,000(8)	1.26	06/22/19		
	3,924	6,541(8)	1.17	06/22/19		
	1,282	2,136(8)	0.90	06/22/19		
	—	1,604(3)	1.17	01/28/20		
	100	168(8)	0.90	06/22/19		
	20	34(8)	1.17	06/22/19		

* Mr. Patel ceased to be an employee of iPass on November 18, 2010.

- (1) Amount reflects the number of shares multiplied by the closing price of the company's common stock on December 31, 2010.
- (2) The shares subject to the option vest in the following manner: 25% of the shares vest on November 3, 2009 and the remaining 75% of the shares vest monthly over the following 36 months.
- (3) The shares subject to the option vest in the following manner: 25% of the shares vest on January 28, 2011 and the remaining 75% of the shares vest monthly over the following 36 months
- (4) Mr. Kaplan was granted performance stock awards for a total of 753,925 shares which shall vest in five installments upon the company achieving specified targets for earnings before interest, tax and amortization. The number of shares in the table represents achieving the first threshold performance target.
- (5) This stock award shall vest on June 30, 2011.
- (6) The shares subject to the option vest in the following manner: 25% of the shares vest on June 22, 2010, with the remaining shares vesting in 36 equal monthly installments thereafter.
- (7) The shares subject to the option vest in the following manner: 25% of the shares vest on July 27, 2010, with the remaining shares vesting in 36 equal monthly installments thereafter.
- (8) The shares subject to the option vest in the following manner: 25% of the shares vest on June 1, 2010, with the remaining shares vesting in 36 equal monthly installments thereafter.

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OPTION EXERCISES AND STOCK VESTED

The following table shows for the fiscal year ended December 31, 2010, certain information regarding option exercises and stock vested during the last fiscal year with respect to the Named Executive Officers.

Option Exercises and Stock Vested in Fiscal 2010

Name	Stock Options		Stock Awards	
	Number of Shares Exercised (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Evan L. Kaplan	—	\$ —	100,000	\$107,000
Jayendra N. Patel*	89,267	\$ 39,698	—	\$ —

* Mr. Patel ceased to be an employee of iPass on November 18, 2010.

- (1) Represents the difference between the market value on the day of exercise of the common stock acquired less the exercise price.
(2) Represents the market value on the day of vesting.

SUPPLEMENTARY COMPENSATION POLICIES

Director and Officer Indemnification

We have entered into indemnity agreements with certain employees, officers and directors that provide, among other things, that we will indemnify such employee, officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party to by reason of his or her position as an employee, officer, director or other agent of iPass, and otherwise to the full extent permitted under Delaware law and our Bylaws.

Employment, Severance, and Change-in-Control Agreements

Jayendra N. Patel Separation Agreement

Mr. Patel, our former Senior Vice President, Product Development, ceased to be an iPass employee and officer on November 18, 2010. On November 5, 2010, iPass entered into a severance agreement with Mr. Patel. The agreement confirmed Mr. Patel's right to payments through the date of termination of his employment, and the amounts payable to him pursuant to the iPass Inc. Executive Corporate Transaction and Severance Benefit Plan. These amounts consisted of: (i) six months base salary, (ii) one quarter of 2010 target bonus, and (iii) health insurance premiums for up to 12 months under the group health insurance policies. In addition, Mr. Patel received a bonus for the fourth quarter of 2010, pro-rated for the amount of months employed during the quarter.

Evan L. Kaplan Employment Agreement

Mr. Kaplan, our President and Chief Executive Officer, accepted employment with us as President and Chief Executive Officer pursuant to the terms of an employment agreement dated November 1, 2008 (the "Kaplan Employment Agreement"). The Kaplan Employment Agreement provides that Mr. Kaplan is an at will employee, which means we can terminate his employment at any time, with or without cause. Under the Kaplan Employment Agreement, Mr. Kaplan will receive (i) an initial annual salary of \$350,000, potentially adjusted beginning calendar year 2010 and (ii) an annual bonus, with an initial target amount of \$250,000, if he achieves the performance goals established each year as part of the management incentive plan. In accordance with the Kaplan Employment Agreement, Mr. Kaplan's target annual bonus was increased to \$350,000 by the

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Compensation Committee for 2010. Additionally, pursuant to the Kaplan Employment Agreement, Mr. Kaplan (i) received a 2008 annual performance bonus based on the target amount of \$250,000 and prorated to reflect his mid-year hire, (ii) was granted an option to purchase 500,000 shares of company common stock, vesting with respect to 25% of the shares after one year, and thereafter in a series of thirty-six successive equal monthly installments over a three-year period, and (iii) was granted performance shares covering 500,000 shares of company common stock pursuant to the company's 2003 Equity Incentive Plan. The performance shares will vest in five installments of 100,000 shares each upon the company achieving specified targets for earnings before interest, tax and amortization. The Kaplan Employment Agreement also provided Mr. Kaplan with temporary living expenses of up to \$10,000 per month for the first six months of employment to assist in his relocation to California, and reasonable and customary relocation expenses (including brokers fees for the sale of his house in Seattle), in each case plus a tax gross-up for any amounts recognized as income, plus an additional \$12,000 for ancillary relocation expenses without a tax gross up. In the event that the company terminates Mr. Kaplan's employment other than for "cause" or he resigns for "good reason" prior to November 2012, and no "corporate transaction" has occurred, and Mr. Kaplan relocates back to Seattle within six months after such termination, the company will either pay directly to third parties or reimburse his reasonable expenses incurred for relocating back to the Seattle Metropolitan Area.

The Kaplan Employment Agreement also provides that if the company terminates his employment without "cause" or if Mr. Kaplan resigns for "good reason", and provided Mr. Kaplan signs a release of claims and resigns from the Board of Directors, the Mr. Kaplan will receive, as severance: (a) cash severance equal to twelve months base salary; (b) an additional lump sum cash severance payment equal to the pro rata portion of the annual bonus for the year served to the termination date, less any amounts already paid for that year, based on percentage of achievement of target bonus in prior periods; (c) COBRA premiums for Mr. Kaplan and his dependents for up to eighteen months, which will terminate earlier if he becomes eligible for group health insurance coverage through another employer; (d) except in the event of a "corporate transaction" (which is covered in (e) below), accelerated vesting of the time-based component of any equity awards which are not fully vested as of the termination date in the amount of twelve (12) months of vesting acceleration, plus nine months extended vesting for stock options; and (e) in the event of the closing of a "corporate transaction", any specified performance target or other vesting condition, whether determined by passage of time or by reference to performance targets or operations of the company or its affiliate, in any equity awards issued shall immediately be deemed satisfied.

The following definitions apply in the Kaplan Employment Agreement:

"Cause" means the occurrence of any of the following (and only the following): (i) conviction of any felony involving fraud or act of dishonesty against the company or its affiliates; (ii) conduct which, based upon good faith and reasonable factual investigation and determination of the Board of Directors, demonstrates gross unfitness to serve; or (iii) intentional, material violation of any contractual, statutory or fiduciary duty owed to the company or its affiliates;

"Good reason" means any of the following actions or events: (i) the company requires him to relocate to a worksite that is more than sixty (60) miles from its principal executive office; (ii) the company materially reduces his base salary and bonus potential below its then-existing gross rate; or (iii) following a "corporate transaction", he is not the Chief Executive Officer of the surviving entity (unless he agrees in writing not to be the Chief Executive Officer of the surviving entity), or otherwise have his duties/responsibilities materially reduced as a result of the corporate transaction. A corporate transaction which results in the company being private in which he remains as Chief Executive Officer does not constitute a material reduction in responsibilities.

"Corporate transaction" means the occurrence of either of the following events: (i) the sale of all or substantially all of the assets of the company; or (ii) a merger of the company with or into another entity in which the stockholders of the company immediately prior to the closing of the transaction own less than a majority of

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the ownership interest of the Company immediately following such closing; *provided, however*, for purposes of determining whether the stockholders of the company prior to the occurrence of a transaction described above own less than fifty percent (50%) of the voting securities of the relevant entity afterwards, only the lesser of the voting power held by a person either before or after the transaction shall be counted in determining that person's ownership afterwards.

Executive Officer Employment Agreements

Each of our other named executive officers has a signed offer letter with us. These offer letters provide that the executive officer is an at-will employee. These offer letters provide for salary, an annual bonus paid quarterly based upon the successful completion of specified performance objectives and equity, as well as other customary benefits and terms. Information for 2010, 2009 and 2008 regarding the compensation earned by our named executive officers is described in the "Compensation of Executive Officers—Summary Compensation Table." These offer letters also provide that each of our named executive officers will be a participant in the iPass Inc. Executive Corporate Transaction and Severance Benefit Plan as described below.

Executive Corporate Transaction and Severance Benefit Plan

On August 9, 2007, our Board of Directors adopted the iPass Inc. Executive Corporate Transaction and Severance Benefit Plan (the "Plan"), and each of our executive officers is designated as a participant in the Plan. Pursuant to the terms of the Plan, each executive officer will be entitled to receive severance benefits in the event that the termination of the executive officer's employment with iPass is an "Involuntarily Termination Without Cause," or the executive officer resigns as a result of a "Constructive Termination." If one of these events occur, iPass shall make a lump sum cash severance payment to the executive officer in an amount equal to six (6) months of the executive officer's monthly base salary, as in effect on the date of the employment termination, or nine (9) months of the executive officer's monthly base salary if the employment termination is within eighteen (18) months of an acquisition of iPass or all or substantially all of its assets (a "Corporate Transaction Termination").

In addition, if the executive officer is entitled to the cash severance described above and provided that the executive officer received an overall performance rating equivalent to or greater than "meets expectations" in the most recent performance evaluation cycle preceding termination of the executive officer's employment, iPass will make an additional cash severance payment to the executive officer as follows: (i) in the case of a termination that is not a Corporate Transaction Termination, in an amount equal to one quarter of the executive officer's target bonus amount under iPass' annual bonus plan, and (ii) in the case of a Corporate Transaction Termination, in an amount to be determined by the plan administrator but no greater than nine-twelfths (9/12th) of the executive officer's target bonus amount under iPass' annual bonus plan.

Further, if the executive officer is entitled to the cash severance described above, (i) the executive officer will also be entitled to COBRA coverage paid by iPass for a period of eighteen (18) months in the case of a Corporate Transaction Termination, or for a period of twelve (12) months otherwise, and (ii) in the case of a Corporate Transaction Termination, all outstanding options to purchase iPass' common stock and all restricted stock issued pursuant to any equity incentive plan of iPass that are held by the executive officer on the date of the employment termination shall be accelerated in full. The Plan provides no accelerated vesting of outstanding options or restricted stock in the event of a termination not occurring within eighteen (18) months after a Corporate Transaction.

The Plan also provides that, upon the consummation of a Corporate Transaction, any specified performance target or vesting condition contained in any restricted stock awards shall be deemed satisfied provided that the executive officer continues to render services for iPass or an affiliate following the Corporate Transaction for any required period of time contained in such restricted stock awards, if any.

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In addition, if within eighteen (18) months following the closing of a Corporate Transaction, (i) the employment of the executive by iPass, or an affiliate of iPass, is terminated by iPass without “Cause” or (ii) if the executive officer resigns his or her employment for “Good Reason,” then all of the executive officer’s then outstanding equity incentive awards shall vest in full upon the date of such termination.

The executive officers will only be entitled to the benefits described above if they execute a release of claims against iPass. Further, certain of the benefits described above may be reduced in the event that the benefits would have an adverse tax effect on the executive officer.

For the purposes of the Plan:

- “*Involuntary Termination Without Cause*” means a termination by iPass of a participant’s employment relationship with iPass or an affiliate of iPass for any reason other than for “Cause.”;
- “*Cause*” means the occurrence of any of the following (and only the following): (i) conviction of the participant of any felony involving fraud or act of dishonesty against iPass or its affiliates; (ii) conduct by the participant which, based upon good faith and reasonable factual investigation and determination of the Board of Directors, demonstrates gross unfitness to serve; or (iii) intentional, material violation by the participant of any contractual, statutory, or fiduciary duty of the participant to iPass or its affiliates;
- “*Corporate Transaction*” means (i) the sale of all or substantially all of iPass’ assets or (ii) a merger of iPass with or into another entity in which iPass’ stockholders immediately prior to the closing of the transaction own less than a majority of the ownership interest of iPass immediately following such closing. For purposes of determining whether iPass stockholders prior to the occurrence of a transaction described above own less than fifty percent (50%) of the voting securities of the relevant entity afterwards, only the lesser of the voting power held by a person either before or after the transaction shall be counted in determining that person’s ownership afterwards;
- “*Constructive Termination*” means a resignation of employment by a participant no later than twelve (12) months after an action or event which constitutes “Good Reason” is undertaken by iPass or occurs;
- “*Good Reason*” means mean either of the following actions or events: (i) iPass requires that the participant relocate to a worksite that is more than sixty (60) miles from its principal executive office; or (ii) iPass materially reduces the participant’s base salary below its then-existing gross rate; *provided however that*, in order to qualify as “Good Reason,” the participant must submit to iPass a written notice, within ninety (90) days after the occurrence of either of the actions or events described in (i) and (ii) above, describing the applicable actions or events, and provide iPass with at least thirty (30) days from its receipt of the participant’s written notice in which to cure such actions or events prior to termination of the participant’s employment, and *provided further that*, the participant’s employment must terminate no later than twelve (12) months after the applicable actions or events described in (i) and (ii) above.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

Summary of Benefits—Named Executive Officers

The following table describes the potential payments and benefits for each of our named executive officers under their employment agreements and the Plan, upon employment termination without cause or resignation as a result of a constructive termination reason and if he signs a general release of all claims against us, as if his employment had terminated as of December 31, 2010:

Name	Compensation and Benefits	Termination Without Cause or Constructive Termination; Corporate Transaction within 18 Months	Termination Without Cause or Constructive Termination; no Corporate Transaction within 18 Months
Evan L. Kaplan	Base Salary	\$ 350,000	\$ 350,000
	Bonus	\$ 350,000(1)	\$ 350,000
	COBRA Payments	\$ 28,370(2)	\$ 28,370
	Accelerated Vesting	\$1,175,477(3)	\$ 157,594
	Total	\$1,903,847	\$ 885,964
Steven H. Gatoff	Base Salary	\$ 187,500	\$ 125,000
	Bonus	\$ 75,000(1)	\$ 25,000
	COBRA Payments	\$ 28,370(2)	\$ 18,913
	Accelerated Vesting	\$ 42,260(3)	\$ 0
	Total	\$ 333,130	\$ 168,913
William P. Garvey	Base Salary	\$ 168,750	\$ 112,500
	Bonus	\$ 75,000(1)	\$ 25,000
	COBRA Payments	\$ 28,370(2)	\$ 18,913
	Accelerated Vesting	\$ 31,695(3)	\$ 0
	Total	\$ 303,815	\$ 156,413
Nicholas W. Hulse	Base Salary	\$ 176,250	\$ 117,500
	Bonus	\$ 161,250(1)	\$ 53,750
	COBRA Payments	\$ 28,370(2)	\$ 18,913
	Accelerated Vesting	\$ 42,686(3)	\$ 0
	Total	\$ 408,556	\$ 190,163
Steven G. Wastie	Base Salary	\$ 150,000	\$ 100,000
	Bonus	\$ 75,000(1)	\$ 25,000
	COBRA Payments	\$ 28,751(2)	\$ 19,167
	Accelerated Vesting	\$ 42,260(3)	\$ 0
	Total	\$ 296,011	\$ 144,167
Jayendra N. Patel*	Base Salary	\$ —	\$ —
	Bonus	\$ —	\$ —
	COBRA Payments	\$ —	\$ —
	Accelerated Vesting	\$ —	\$ —
	Total	\$ —	\$ —

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* Mr. Patel ceased to be an employee of iPass on November 18, 2010.

- (1) Assumes that the executive officer received an overall performance rating equivalent to or greater than “meets expectations” in the most recent performance evaluation cycle preceding termination of the executive officer’s employment.
- (2) Assumes the executive officer would receive the full COBRA reimbursement at iPass’ expense for eighteen (18) months.
- (3) With respect to stock options, calculated as the difference between the closing sales price per share on December 31, 2010, and the exercise price, multiplied by the number of shares subject to the accelerated vesting. With respect to restricted stock, calculated as the value, based on the closing sales price per share on December 31, 2010, of the number of shares of restricted stock subject to the accelerated vesting.

In addition, if the named executive officers’ employment was not terminated within eighteen (18) months of a Corporate Transaction, and a Corporate Transaction occurred on December 31, 2010, then any specified performance target or vesting condition determined by reference to performance targets or operations of iPass or an affiliate contained in any restricted stock awards issued to them would be deemed satisfied. However, such restricted stock awards would still be subject to time-based vesting.

See the table above entitled “Outstanding Equity Awards at December 31, 2010” for total stock options held by our named executive officers as of December 31, 2010.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As previous noted, our compensation committee consists of Messrs. Beletic, Griffiths and Traub. In addition, Peter G. Bodine served on the Compensation Committee until June 8, 2010, when he resigned from the Board of Directors. None of our executive officers serve as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers who serve on our Board of Directors or compensation committee.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There were no transactions in 2010 to which we have been a party, in which the amount involved in the transaction exceeds \$120,000, and in which any of our directors, former or current executive officers or, to our knowledge, holders of more than 5% of our capital stock had or will have a direct or indirect material interest.

Policies and Procedures for Review of Related Person Transactions

Pursuant to the charter of our Audit Committee, unless previously approved by another independent committee of our Board of Directors, our Audit Committee reviews and, if determined appropriate, approves all related person transactions. It is management’s responsibility to bring related person transactions to the attention of the members of the Audit Committee.

Our Code of Conduct and Ethics provides that our employees, which for the purposes of the Code of Conduct and Ethics, includes our officers and directors, should avoid conflicts of interest that occur when their personal interests may interfere in any way with the performance of their duties or the best interests of iPass. Our Code of Conduct and Ethics also addresses specific types of related person transactions and how they should be addressed. All of our employees, including our officers and directors, are expected and required to adhere to the Code of Conduct and Ethics. If an officer or director has any questions regarding whether a potential transaction would be in violation of the Code of Conduct and Ethics, they are required to bring this to the attention of our Compliance Officer or General Counsel. If the potential transaction is a related person transaction, it would be recognized as such and brought to the Audit Committee for pre-approval.

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Further, each of our officers and directors is knowledgeable regarding the requirements of obtaining approval of related person transactions and is responsible for identifying any related-person transaction involving such officer or director or his or her affiliates and immediate family members and seeking approval from our Audit Committee before he or she or, with respect to immediate family members, any of their affiliates, may engage in the transaction.

Our Audit Committee will take into account all relevant factors when determining whether to approve or disapprove of any related person transaction.

Director and Officer Indemnification

We have entered into indemnity agreements with certain employees, officers and directors that provide, among other things, that we will indemnify such employee, officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as an employee, officer, director or other agent of iPass, and otherwise to the full extent permitted under Delaware law and our Bylaws.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are iPass Inc. stockholders will be “householding” our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate proxy statement and annual report, please notify your broker, direct your written request to iPass Inc., attention Corporate Secretary, 3800 Bridge Parkway, Redwood Shores, California 94065 or contact Investor Relations at 650-232-4100. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request “householding” of their communications should contact their broker. In addition, iPass will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the annual report and proxy statement to a stockholder at a shared address to which a single copy of the documents were delivered.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ Evan L. Kaplan

Evan L. Kaplan
President and Chief Executive Officer

April __, 2011

A copy of our Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2010 is available without charge upon written request to: Corporate Secretary, iPass Inc., 3800 Bridge Parkway, Redwood Shores, California 94065. Alternatively, our Form 10-K is also available free of charge on our website at investor.ipass.com.

**APPENDIX 1
AMENDMENTS OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
iPASS INC.
APPENDIX 1-A**

Text of the Amendment for the 1:5 Reverse Stock Split, which would amend Section A of Article IV of the Corporation's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

"This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Fifty Five Million (55,000,000) shares. Fifty Million (50,000,000) shares shall be Common Stock, each having a par value of one tenth of one cent (\$.001). Five Million (5,000,000) shares shall be Preferred Stock, each having a par value of one tenth of one cent (\$.001). Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each five (5) shares of the Corporation's Common Stock, par value \$.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$.001 per share, of the Corporation; provided, however, that the Corporation shall issue no fractional shares as a result of the actions set forth herein but shall instead pay to the holder of such fractional share a sum in cash equal to such fraction multiplied by the closing sales price of the Corporation's Common Stock as reported on the Nasdaq Global Market on the last business day before the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware."

APPENDIX 1-B

Text of the Amendment for the 1:6 Reverse Stock Split, which would amend Section A of Article IV of the Corporation's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

"This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Forty Five Million Eight Hundred Thirty Three Thousand Three Hundred Thirty Two (45,833,332) shares. Forty One Million Six Hundred Sixty Six Thousand Six Hundred Sixty Six (41,666,666) shares shall be Common Stock, each having a par value of one tenth of one cent (\$.001). Four Million One Hundred Sixty Six Thousand Six Hundred Sixty Six (4,166,666) shares shall be Preferred Stock, each having a par value of one tenth of one cent (\$.001). Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each six (6) shares of the Corporation's Common Stock, par value \$.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$.001 per share, of the Corporation; provided, however, that the Corporation shall issue no fractional shares as a result of the actions set forth herein but shall instead pay to the holder of such fractional share a sum in cash equal to such fraction multiplied by the closing sales price of the Corporation's Common Stock as reported on the Nasdaq Global Market on the last business day before the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware."

APPENDIX 1-C

Text of the Amendment for the 1:8 Reverse Stock Split, which would amend Section A of Article IV of the Corporation's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

"This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is

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Thirty Four Million Three Hundred Seventy Five Thousand (34,375,000) shares. Thirty One Million Two Hundred Fifty Thousand (31,250,000) shares shall be Common Stock, each having a par value of one tenth of one cent (\$.001). Three Million One Hundred Twenty Five Thousand (3,125,000) shares shall be Preferred Stock, each having a par value of one tenth of one cent (\$.001). Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each eight (8) shares of the Corporation's Common Stock, par value \$.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$.001 per share, of the Corporation; provided, however, that the Corporation shall issue no fractional shares as a result of the actions set forth herein but shall instead pay to the holder of such fractional share a sum in cash equal to such fraction multiplied by the closing sales price of the Corporation's Common Stock as reported on the Nasdaq Global Market on the last business day before the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware."

APPENDIX 1-D

Text of the Amendment for the 1:10 Reverse Stock Split, which would amend Section A of Article IV of the Corporation's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

"This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Twenty Seven Million Five Hundred Thousand (27,500,000) shares. Twenty Five Million (25,000,000) shares shall be Common Stock, each having a par value of one tenth of one cent (\$.001). Two Million Five Hundred Thousand (2,500,000) shares shall be Preferred Stock, each having a par value of one tenth of one cent (\$.001). Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each nine (9) shares of the Corporation's Common Stock, par value \$.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$.001 per share, of the Corporation; provided, however, that the Corporation shall issue no fractional shares as a result of the actions set forth herein but shall instead pay to the holder of such fractional share a sum in cash equal to such fraction multiplied by the closing sales price of the Corporation's Common Stock as reported on the Nasdaq Global Market on the last business day before the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware."

APPENDIX 1-E

Text of the Amendment for the 1:12 Reverse Stock Split, which would amend Section A of Article IV of the Corporation's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

"This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Twenty Two Million Nine Hundred Sixteen Thousand Six Hundred Sixty Six (22,916,666) shares. Twenty Million Eight Hundred Thirty Three Thousand Three Hundred Thirty Three (20,833,333) shares shall be Common Stock, each having a par value of one tenth of one cent (\$.001). Two Million Eighty Three Thousand Three Hundred Thirty Three (2,083,333) shares shall be Preferred Stock, each having a par value of one tenth of one cent (\$.001). Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, each ten (10) shares of the Corporation's Common Stock, par value \$.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$.001 per share, of the Corporation; provided, however, that the Corporation shall issue no fractional shares as a result of the actions set forth herein but shall instead pay to the holder of such fractional share a sum in cash equal to

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such fraction multiplied by the closing sales price of the Corporation's Common Stock as reported on the Nasdaq Global Market on the last business day before the date this Certificate of Amendment of Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware."

APPENDIX 2

The table below sets forth the options and stock awards that were issued in 2010 to our non-employee directors as well as the adjustments to the exercise price of all options held by our non-employee directors resulting from the extraordinary dividend paid to stockholders in 2010. All stock options granted and stock option exercise price adjustments made on 12/21/2010 were made in connection with an extraordinary dividend distributed to stockholders in December 2010 and are based on a formula with the intent of preserving the value of the stock options from before to after the dividend payment.

Name	Grant Date	Option Price Adjustment Date	Number of Shares of Stock (#)(1)	Number of Shares Underlying Options (#)(2)	Exercise or Base Price of Option Awards (\$/Sh)(3)	Grant Date Fair Value of Stock and Option Awards (\$)(4)
Mr. Beletic	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			54	\$ 1.17	\$ 26
		12/21/2010		10,465	\$ 1.17	\$ 216
		12/21/2010		200,000	\$ 1.26	\$ 3,800
		12/21/2010		268	\$ 0.90	\$ 5
		12/21/2010		3,418	\$ 0.90	\$ 66
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		37	\$ 0.90	\$ 1
		12/21/2010		30,000	\$ 4.60	\$ 264
		12/21/2010		174	\$ 1.17	\$ 4
		12/21/2010		15,000	\$ 1.63	\$ 294
		12/21/2010		4	\$ 0.90	\$ 0
		12/21/2010		15,000	\$ 4.00	\$ 156
		12/21/2010		30,000	\$ 7.69	\$ 135
	12/21/2010		15,000	\$ 4.69	\$ 132	
	12/21/2010		1,465	\$ 1.17	\$ 30	
	12/21/2010		63,000	\$ 1.55	\$ 1,191	
Mr. Clapman	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.17	\$ 309
		12/21/2010		959	\$ 1.17	\$ 20
		12/21/2010		384	\$ 0.90	\$ 7
		12/21/2010		24	\$ 0.90	\$ 0
		12/21/2010		30,000	\$ 3.78	\$ 321
		12/21/2010		174	\$ 1.17	\$ 4
		12/21/2010		15,000	\$ 1.63	\$ 294
		12/21/2010		4	\$ 0.90	\$ 0
	12/21/2010		15,000	\$ 4.00	\$ 156	
Mr. Griffiths	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			12	\$ 1.17	\$ 6
		12/21/2010		30,000	\$ 1.17	\$ 618
		12/21/2010		1,918	\$ 1.17	\$ 40
		12/21/2010		769	\$ 0.90	\$ 15
		12/21/2010		49	\$ 0.90	\$ 1
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		24	\$ 0.90	\$ 0
		12/21/2010		15,000	\$ 1.17	\$ 309
	12/21/2010		959	\$ 1.17	\$ 20	
	12/21/2010		384	\$ 0.90	\$ 7	

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Name	Grant Date	Option Price Adjustment Date	Number of Shares of Stock (#)(1)	Number of Shares Underlying Options (#)(2)	Exercise or Base Price of Option Awards (\$/Sh)(3)	Grant Date Fair Value of Stock and Option Awards \$(4)
Mr. Majteles	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			12	\$ 1.17	\$ 6
		12/21/2010		1,918	\$ 1.17	\$ 40
		12/21/2010		30,000	\$ 1.17	\$ 619
		12/21/2010		49	\$ 0.90	\$ 1
		12/21/2010		769	\$ 0.90	\$ 15
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.17	\$ 309
		12/21/2010		959	\$ 1.17	\$ 20
	12/21/2010		384	\$ 0.90	\$ 7	
	12/21/2010		24	\$ 0.90	\$ 0	
Mr. Schwerin	1/22/2010		10,000			\$ 11,200
	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	1/22/2010			30,000	\$ 1.12	\$ 14,838
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			240	\$ 1.17	\$ 115
		12/21/2010		30,000	\$ 1.06	\$ 591
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.20	\$ 306
	12/21/2010		15,000	\$ 1.02	\$ 306	
Mr. Spies	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		24	\$ 0.90	\$ 0
		12/21/2010		15,000	\$ 1.17	\$ 309
		12/21/2010		959	\$ 1.17	\$ 20
		12/21/2010		384	\$ 0.90	\$ 7
		12/21/2010		89	\$ 0.90	\$ 2
		12/21/2010		30,000	\$ 4.60	\$ 264
		12/21/2010		174	\$ 1.17	\$ 4
		12/21/2010		15,000	\$ 1.63	\$ 294
		12/21/2010		4	\$ 0.90	\$ 0
		12/21/2010		15,000	\$ 4.00	\$ 156
		12/21/2010		30,000	\$ 7.69	\$ 135
		12/21/2010		15,000	\$ 4.69	\$ 132
	12/21/2010		3,488	\$ 1.17	\$ 72	
	12/21/2010		120,000	\$ 1.47	\$ 2,424	
Mr. Traub	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	6/8/2010			15,000	\$ 1.08	\$ 7,080
	12/21/2010			12	\$ 1.17	\$ 6
		12/21/2010		30,000	\$ 1.13	\$ 642
		12/21/2010		1,918	\$ 1.17	\$ 40
		12/21/2010		769	\$ 0.90	\$ 15
		12/21/2010		49	\$ 0.90	\$ 1
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		959	\$ 1.17	\$ 20
		12/21/2010		15,000	\$ 1.17	\$ 309
	12/21/2010		384	\$ 0.90	\$ 7	
	12/21/2010		24	\$ 0.90	\$ 0	

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<u>Name</u>	<u>Grant Date</u>	<u>Option Price Adjustment Date</u>	<u>Number of Shares of Stock (#)(1)</u>	<u>Number of Shares Underlying Options (#)(2)</u>	<u>Exercise or Base Price of Option Awards (\$/Sh)(3)</u>	<u>Grant Date Fair Value of Stock and Option Awards \$(4)</u>
Mr. Ames(5)	6/8/2010		5,000			\$ 5,400
	6/8/2010		5,000			\$ 5,400
	12/21/2010			120	\$ 1.17	\$ 57
	12/21/2010			120	\$ 1.17	\$ 57
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		15,000	\$ 1.02	\$ 306
		12/21/2010		24	\$ 0.90	\$ 0
		12/21/2010		384	\$ 0.90	\$ 7
		12/21/2010		959	\$ 1.17	\$ 20
		12/21/2010		15,000	\$ 1.17	\$ 309
		12/21/2010		148	\$ 1.17	\$ 50
		12/21/2010		9,230	\$ 0.90	\$ 177
		12/21/2010		357	\$ 0.90	\$ 7
		12/21/2010		30,000	\$ 4.60	\$ 264
		12/21/2010		4	\$ 0.90	\$ 0
		12/21/2010		174	\$ 1.17	\$ 4
		12/21/2010		15,000	\$ 1.63	\$ 294
		12/21/2010		15,000	\$ 4.00	\$ 156
		12/21/2010		30,000	\$ 7.69	\$ 135
		12/21/2010		15,000	\$ 4.69	\$ 132
	12/21/2010		2,887	\$ 1.17	\$ 968	
	12/21/2010		120,000	\$.62	\$ 2,496	
	12/21/2010		13,953	\$ 1.17	\$ 287	
Mr. Bodine(6)		12/21/2010		384	\$ 0.90	\$ 7
		12/21/2010		24	\$ 0.90	\$ 0
		12/21/2010		959	\$ 1.17	\$ 20
		12/21/2010		15,000	\$ 1.17	\$ 309
		12/21/2010		71	\$ 0.90	\$ 1
		12/21/2010		30,000	\$ 4.60	\$ 264
		12/21/2010		4	\$ 0.90	\$ 0
		12/21/2010		174	\$ 1.17	\$ 4
		12/21/2010		15,000	\$ 1.63	\$ 294
		12/21/2010		15,000	\$ 4.00	\$ 156
		12/21/2010		30,000	\$ 7.69	\$ 135
		12/21/2010		15,000	\$ 4.69	\$ 132
		12/21/2010		2,790	\$ 1.17	\$ 57
	12/21/2010		120,000	\$ 1.55	\$ 2,268	

- (1) Grants for 5,000 shares vest upon the earlier of one year from the date of grant or the date of 2011 annual meeting of stockholders. Grants for 10,000 shares vest one-third on each of the first, second and third anniversary of the date of grant.
- (2) Other than with respect to options granted on 12/21/10, all shares subject to the options vest on the first anniversary of the date of grant or, if earlier, on the date of the next annual meeting following the date grant. Options granted on 12/21/10 reflect additional shares subject to options as a result of the amendment of outstanding options following an extraordinary dividend that was paid in December 2010. The portions of the options relating to these options were vested or unvested in proportion to the number of options to which they relate immediately before the adjustment, and the additional unvested shares will vest on the remaining vesting dates applicable to such option, in proportion to the number of options that vest on each of those dates. See "Compensation Discussion and Analysis" for a description of the option amendments.
- (3) The exercise prices for all options granted on 6/8/10 reflect the original option exercise price of the option granted on such date. Each line for which a number of shares is reflected as being granted on 12/21/10 reflects additional shares subject to a previously granted option as a result of the extraordinary dividend that was paid in December 2010. Each line for which the option price adjustment date is 12/21/10 reflects the decrease in the exercise price of the option set forth immediately above if no shares are reflected in the number of shares column, or with respect to an outstanding option for the number of shares set forth in the number of shares column if shares are reflected in the number of shares column.
- (4) These amounts have been calculated in accordance with FASB ASC Topic 718 using the Black-Scholes pricing model for the grants of options, as well as the decrease in the exercise price of options. See footnote 3 immediately above.
- (5) Mr. Ames resigned from the Board of Directors effective June 30, 2010.
- (6) Mr. Bodine resigned from the Board of Directors effective June 8, 2010.

IPASS INC.

PROXY SOLICITED BY THE BOARD OF DIRECTORS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 7, 2011

The undersigned hereby appoints Evan L. Kaplan and Steven H. Gatoff, and each of them, as proxies for the undersigned, with full power of substitution and revocation, to vote all of the shares of stock of iPass Inc. that the undersigned may be entitled to vote at the Annual Meeting of Stockholders of iPass Inc. to be held at the executive offices of iPass, located at 3800 Bridge Parkway, Redwood Shores, California 94065, on Tuesday, June 7, 2011, at 9:00 a.m. (local time), and at any and all postponements and adjournments thereof, with all powers that the undersigned would possess if personally present, on the following matters and in accordance with the following instructions, with discretionary authority as to any other business that may properly come before the meeting.

GRANT A PROXY TO VOTE BY TELEPHONE

It's fast, convenient, and immediate! Call Toll-Free on a Touch-Tone Phone **1-800-652-8683**.

Follow these four easy steps:

1. Read the accompanying Proxy Statement/Prospectus and Proxy Card.
2. Call the toll-free number **1-800-652-8683**.
3. Enter your 15-digit Voter Control Number located on your Proxy Card above your name.
4. Follow the recorded instructions.

GRANT A PROXY TO VOTE BY INTERNET

It's fast, convenient, and your vote is immediately confirmed and posted.

Follow these four easy steps:

1. Read the accompanying Proxy Statement/Prospectus and Proxy Card.
2. Go to the Website: **www.investorvote.com**
3. Enter your 15-digit Voter Control Number located on your Proxy Card above your name.
4. Follow the instructions provided.

VOTES BY TELEPHONE OR INTERNET MUST BE RECEIVED BY 8:59 P.M., PACIFIC DAYLIGHT TIME (11:59 P.M., EASTERN DAYLIGHT TIME) ON JUNE 6, 2011 TO BE COUNTED.

DO NOT RETURN YOUR PROXY CARD IF YOU ARE VOTING BY TELEPHONE OR INTERNET.

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The Board of Directors recommends a vote "FOR" the nominees for director listed below.

PROPOSAL 1: To elect the directors named below, to hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified.

FOR all nominees listed below (except as marked to the contrary below).

WITHHOLD AUTHORITY to vote for all nominees listed below.

Nominees: John D. Beletic, Peter C. Clapman, Gary A. Griffiths, Evan L. Kaplan and Samuel L. Schwerin

To withhold authority to vote for any nominee(s), write the name(s) of such nominee(s) below:

The Board of Directors recommends a vote FOR Proposals 2, 3, and 5 and a vote for ONE YEAR on Proposal 4.

PROPOSAL 2: To ratify the selection by the Audit Committee of the Board of Directors of KPMG LLP as the independent registered public accounting firm of iPass for its fiscal year ending December 31, 2011.

FOR

AGAINST

ABSTAIN

PROPOSAL 3: To approve, on an advisory basis, the compensation of iPass Inc.'s named executive officers, as disclosed in the proxy statement.

FOR

AGAINST

ABSTAIN

PROPOSAL 4: To indicate, on an advisory basis, the preferred frequency of stockholder advisory votes on the compensation of iPass Inc.'s named executive officers.

ONE YEAR

TWO YEARS

THREE YEARS

ABSTAIN

PROPOSAL 5: To approve amendments to iPass' Amended and Restated Certificate of Incorporation, as amended, to authorize the Board of Directors to effect a reverse stock split, if, and when determined by the Board of Directors, which reverse stock split will also reduce the authorized number of shares of iPass' common and preferred stock in the same ratio.

FOR

AGAINST

ABSTAIN

Dated _____

SIGNATURE(S)

Please sign exactly as your name appears hereon. If the stock is registered in the names of two or more persons, each should sign. Executors, administrators, trustees, guardians and attorneys-in-fact should add their titles. If signer is a corporation, please give full corporate name and have a duly authorized officer sign, stating title. If signer is a partnership, please sign in partnership name by authorized person.

Please vote, date and promptly return this proxy card in the enclosed return envelope which is postage prepaid if mailed in the United States.