

Agreement in accordance with its terms and applicable legal requirements, except to the extent that any such effect directly results from (1) changes in general economic conditions (provided that such changes do not affect such entity disproportionately as compared to such entity's competitors), (2) changes affecting the industry generally in which such entity operates (provided that such changes do not affect such entity disproportionately as compared to such entity's competitors), (3) acts of God, acts of war or acts of terrorism (provided that such acts do not affect such entity disproportionately as compared to such entity's competitors), (4) employee attrition directly resulting from announcement of the execution of the Merger Agreement and the transactions contemplated thereby, (5) actions taken by such entity in accordance with the terms of the Merger Agreement (or in the case of IronPort, at the written request of Cisco), or (6) changes in generally accepted accounting principles.

- Other than IronPort Preferred Stock, and the IronPort Options and IronPort Warrants issued and outstanding as of immediately prior to the First Effective Time which are being assumed by Cisco at the First Effective Time, there shall be no outstanding securities, warrants, options, commitments or agreements of IronPort immediately prior to the First Effective Time that purport to obligate IronPort to issue any shares of IronPort capital stock, IronPort Options, IronPort Warrants or other securities under any circumstances.
- Each of the employees who signed employment agreements concurrently with the execution of the Merger Agreement shall have remained continuously employed with IronPort or a subsidiary from the date of the Merger Agreement through the closing and shall have signed a benefits waiver, and a proprietary information and inventions agreement, arbitration agreement and conflicts of interest agreement, and no action shall have been taken by any such individual to rescind any such document.
- Each of the employees who signed non-competition agreements concurrently with the execution of the Merger Agreement shall have remained continuously employed with IronPort or a subsidiary from the date of the Merger Agreement through the closing, and no action shall have been taken by any such individual to rescind such agreement.
- Scott Weiss, who signed an equity agreement concurrently with the execution of the Merger Agreement shall have remained continuously employed with IronPort from the date of the Merger Agreement through the closing, and no action shall have been taken by Scott Weiss to rescind such agreement.
- No fewer than 80% of certain employees of IronPort shall have remained continuously employed with IronPort or a subsidiary from the date of the Merger Agreement through the closing and shall have signed Cisco's standard employee documents, and no action shall have been taken by any such individual to rescind any such document.
- The employment of certain employees designated by Cisco and each other employee who has declined Cisco's offer of continued employment shall have been terminated effective no later than immediately prior to the closing.
- No fewer than 80% of the independent contractors and consultants to be agreed upon by Cisco and IronPort prior to the closing shall have entered into a consulting or employment agreement. The relationships of any other independent contractors and consultants with IronPort and each subsidiary shall have been terminated at or prior to the closing and all IronPort Options held by such persons shall have been terminated in accordance with their terms at the time of such termination.

- Any agreements, contracts or arrangements that may result, separately or in the aggregate, in the payment of any amount or the provision of any benefit that would not be deductible by reason of Section 280G of the Code shall have submitted for approval by such number of IronPort Stockholders as is required by the terms of Section 280G in order for such payments and benefits not to be deemed parachute payments under Section 280G of the Code, with such approval to be obtained in a manner which satisfies all applicable requirements of Section 280G(b)(5)(B) of the Code and the Treasury Regulations thereunder, including Q-7 of Section 1.280G-1 of such Treasury Regulations, and, in the absence of such stockholder approval, none of those payments or benefits shall be paid or provided, pursuant to parachute payment waivers to be executed by certain IronPort securityholders.
- Either (i) the PostX Permit shall have issued and the PostX Merger shall have been consummated or (ii) the PostX Agreement shall have been terminated (or IronPort shall have delivered to Cisco a copy of its irrevocable written notice to PostX that the PostX Agreement will automatically be terminated).

**The foregoing is only a summary listing of the conditions to the obligations of Cisco and the Merger Subs to consummate the Merger as set forth in the Merger Agreement. For a more complete description please see Article VI of the Merger Agreement, which is attached hereto as Exhibit 1.**

**g. Conduct of IronPort's Business Prior to the Merger.**

Until the earlier of the termination of the Merger Agreement and the First Effective Time, except to the extent expressly provided otherwise in the Merger Agreement or as consented to in writing by Cisco, IronPort shall (and where applicable, shall cause each subsidiary to):

- conduct its business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and in material compliance all applicable legal requirements;
- (A) pay all of its debts and taxes when due and payable, subject to good faith disputes over such debts or taxes, (B) pay or perform its other obligations when due, (C) use commercially reasonable efforts consistent with past practice and policies to collect accounts receivable when due and not extend credit outside of the ordinary course of business consistent with past practices, (D) sell IronPort products consistent with past practices as to license, service and maintenance terms, incentive programs, and in accordance with generally accepted accounting principles requirements as to revenue recognition, and (E) use its commercially reasonable efforts consistent with past practice and policies to preserve intact its present business organizations, keep available the services of its present officers and key employees and preserve its relationships with customers, suppliers, distributors, licensors, licensees, and others having business dealings with it, to the end that its goodwill and ongoing businesses shall be unimpaired at the closing;
- promptly notify Cisco of any change, occurrence or event not in the ordinary course of its or any subsidiary's business, or of any change, occurrence or event which, individually or in the aggregate with any other changes, occurrences and events, would reasonably be expected to be materially adverse to IronPort and its subsidiaries taken together or cause any of the conditions to closing not to be satisfied;
- assure that each of its contracts (other than with Cisco) entered into after the date of the Merger Agreement will not require the procurement of any consent, waiver or novation or provide for any change in the obligations of any party in connection with, or terminate as a

result of the consummation of, the Merger, and shall give reasonable advance notice to Cisco prior to allowing any material contract or right thereunder to lapse or terminate by its terms; and

- maintain each of its leased premises in accordance with the terms of the applicable lease.

IronPort has further agreed that until the earlier of the termination of the Merger Agreement and the First Effective Time, IronPort will not, and shall cause each subsidiary not to, do, cause or permit any of the following (except to the extent expressly provided otherwise in the Merger Agreement or as consented to in writing by Cisco):

- cause or permit any amendments to its certificate of incorporation or bylaws or equivalent organizational or governing documents, except for such amendments to the certificate of incorporation as are required in connection with the PostX Merger and the New Options;
- declare or pay any dividends on or make any other distributions in respect of any of its capital stock, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or repurchase or otherwise acquire, directly or indirectly, any shares of its capital stock except from former employees, non-employee directors and consultants in accordance with agreements providing for the repurchase of shares in connection with any termination of service;
- enter into any material contract or a contract requiring a novation or consent in connection with the Merger, or violate, terminate, amend, or otherwise modify (including by entering into a new contract with such party or otherwise) or waive any of the terms of any of its material contracts in any material respect (other than any amendment to the PostX Merger Agreement reasonably necessary to provide for the filing of the PostX permit);
- issue, deliver or sell or authorize or propose the issuance, delivery or sale of, or purchase or propose the purchase of, any IronPort voting debt or any shares of IronPort capital stock or securities convertible into, or subscriptions, rights, warrants or options to acquire, or other contracts of any character obligating it to issue any such shares or other convertible securities, other than: (i) the issuance of shares of IronPort capital stock pursuant to the exercise of IronPort Warrants that are outstanding as of the date of the Merger Agreement or pursuant to IronPort Options; (ii) the issuance of IronPort Common Stock upon conversion of IronPort preferred stock outstanding on the date of the Merger Agreement; (iii) the repurchase of any shares of IronPort capital stock from former employees, non-employee directors and consultants in accordance with contracts providing for the repurchase of shares in connection with any termination of service; and (iv) the issuance of IronPort capital stock, IronPort Warrants and IronPort Options in connection with the PostX Merger.
- (i) hire any additional officers or other employees, or hire any consultants or independent contractors (except the hiring of employees in the ordinary course of business following consultation with Cisco and not to exceed 20 employees in the aggregate), (ii) terminate the employment, change the title, office or position, or materially reduce the responsibilities of any management or supervisory personnel of IronPort or any subsidiary, (iii) enter into, amend or extend the term of any employment or consulting agreement with any officer, employee, consultant or independent contractor (other than entry into standard offer letters or consulting agreements that are terminable by IronPort upon no more than 30 days notice

- without cost or liability), or (iv) enter into any contract with a labor union or collective bargaining agreement (unless required by applicable legal requirements);
- make any loans or advances (other than routine expense advances to employees of IronPort or any subsidiary consistent with past practice) to, or any investments in or capital contributions to, any person or form any subsidiary (other than ordinary course funding to its existing subsidiaries in order to fund operations in amounts consistent with past practice), or forgive or discharge in whole or in part any outstanding loans or advances, or except as permitted by the Merger Agreement, prepay any indebtedness for borrowed money;
  - transfer or license from any person any rights to any intellectual property (other than “shrink wrap” and similar generally available commercial end-user licenses to software that is not redistributed with IronPort’s products that have an individual acquisition cost of \$5,000 or less), or transfer or license to any person any rights to any IronPort intellectual property rights (other than non-exclusive end-user licenses in connection with the sale of IronPort products in the ordinary course of business consistent with past practice), or transfer or provide a copy of any IronPort source code to any person (including any current or former employee or consultant of IronPort or any contractor or commercial partner of IronPort) (other than providing access to IronPort source code to current employees and consultants of IronPort or its subsidiaries involved in the development of IronPort products on a need to know basis, consistent with past practices);
  - enter into or amend any agreement pursuant to which any other party is granted exclusive rights or “most favored party” rights of any type or scope with respect to any of its products, technology, intellectual property or business, or containing any non-competition covenants or other restrictions relating to its or Cisco’s business activities;
  - sell, lease, license or otherwise dispose of or encumber (other than permitted encumbrances) any of its properties or assets, other than sales and nonexclusive licenses of IronPort products in the ordinary course of business consistent with its past practice or enter into any contract with respect to the foregoing;
  - incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or guarantee any debt securities of others, except as permitted by the Merger Agreement;
  - enter into any operating lease in excess of \$40,000 or any leasing transaction of the type required to be capitalized in accordance with generally accepted accounting principles;
  - pay, discharge or satisfy, (i) any amounts due under any promissory note issued by IronPort to any person who is an officer or director of IronPort as of the date of the Merger Agreement, or (ii) any amount in excess of \$100,000 in any one case or \$250,000 in the aggregate, any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise) arising otherwise than in the ordinary course of business pursuant to contracts made available to Cisco, other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the financial statements and Transaction Expenses or defer payment of any accounts payable other than in the ordinary course of business consistent with past practice, or in an amount in excess of \$50,000, or give any discount, accommodation or other concession other than in the ordinary course of business consistent with past practice, in order to accelerate or induce the collection of any receivable;

- make any capital expenditures, capital additions or capital improvements in excess of \$250,000 individually or \$750,000 in the aggregate;
- materially change the amount of any insurance coverage;
- terminate or waive any material right under any material contract;
- adopt or amend any employee or compensation benefit plan, including any stock issuance or stock option plan (other than the 2007 Stock Option Plan), or amend any compensation, benefit, entitlement, grant or award provided or made under any such plan, except in each case as required under ERISA, applicable legal requirements or as necessary to maintain the qualified status of such plan under the Code, materially amend any deferred compensation plan within the meaning of Section 409A of the Code and Internal Revenue Service Notice 2005-1 except to the extent necessary to meet the requirements of such Section or Notice, pay any special bonus or special remuneration to any employee or non-employee director or consultant or increase the salaries, wage rates or fees of its employees or consultants, or add any new members to the board of directors of IronPort or any subsidiary;
- grant or pay, or enter into or amend any contract providing for the granting of any severance, retention or termination pay, or the acceleration of vesting or other benefits, to any person, except as permitted by the Merger Agreement;
- commence a lawsuit other than (i) for the routine collection of bills, (ii) in such cases where it in good faith determines that failure to commence suit would result in the material impairment of a valuable aspect of its business (provided that it consults with Cisco prior to the filing of such a suit), or (iii) for a breach of the Merger Agreement, or settle or agree to settle any pending or threatened lawsuit or other dispute;
- acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to its and its subsidiaries' business, or enter into any contract with respect to a joint venture, strategic alliance or partnership (provided that IronPort may consummate the PostX Merger contemplated by the PostX Merger Agreement);
- make or change any election in respect of taxes, adopt or change any accounting method in respect of taxes, file or amend any federal, state or foreign tax return, file any other tax return involving taxes payable in excess of \$20,000 (provided that Cisco will not unreasonably withhold its consent to the filing of any tax return), enter into any tax sharing or similar agreement or closing agreement, settle any claim or assessment in respect of taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of taxes, or enter into intercompany transactions giving rise to deferred gain or loss of any kind;
- change accounting methods or practices (including any change in depreciation or amortization policies) or revalue any of its assets (including writing down the value of inventory or writing off notes or accounts receivable otherwise than in the ordinary course of business), except in each case as required by changes in generally accepted accounting principles as concurred with its independent accountants and after notice to Cisco;

- enter into any agreement for the purchase, sale or lease of any real property;
- place or allow the creation of any encumbrance on any of its properties;
- materially change the manner in which it provides warranties, discounts or credits to customers;
- enter into any contract in which any officer, director, employee, agent or stockholder of IronPort (or any member of their immediate families) has an interest (subject to certain exceptions); or
- take or agree in writing or otherwise to take, any of the actions described above, or any action which would reasonably be expected to make any of IronPort's representations or warranties contained in the Merger Agreement untrue or incorrect in any material respect (subject to certain exceptions) or prevent IronPort from performing or cause IronPort not to perform in any material respect one or more covenants required hereunder to be performed by IronPort (subject to certain conditions).

**The foregoing is only a summary of the provisions related to the conduct of IronPort's business that apply until the earlier to occur of the closing or the termination of the Merger Agreement. For a more complete description of these restrictions and the additional agreements of IronPort, please see Article IV of the Merger Agreement, which is attached hereto as Exhibit 1.**

**h. Election Form.**

Attached as Exhibit 4 to this Information Statement is a form of the Election Form. Promptly following the issuance of the Permit, IronPort will provide the Election Form to each IronPort Stockholder who is a record holder of IronPort capital stock. Provided the requisite approval of adoption of the Merger Agreement and approval of the principal terms of the Merger is obtained from IronPort Stockholders, IronPort shall provide an Election Form to each other person who becomes a record holder of IronPort capital stock prior to the business day immediately preceding the closing date. Each IronPort Stockholder shall be provided the Election Form by overnight mail or hand delivery, along with a prepaid return overnight envelope, a fax cover sheet, and instructions for e-mailing a PDF version of a completed Election Form. Each IronPort Stockholder shall have 6 business days from the date of mailing or hand delivery, to return a properly completed Election Form, by one of the three delivery methods. Each IronPort Stockholder who does not otherwise return an Election Form to IronPort on a timely basis or fails to properly complete or execute such document, shall be notified by overnight mail, e-mail or phone call of such failure. Each such IronPort Stockholder shall have 3 business days from the date the notice to submit a properly completed and executed Election Form by one of the three return methods: overnight delivery, fax or PDF by e-mail. An Election Form shall be effective only if it has been properly completed and executed and is received by IronPort prior to the close of business on the business day immediately preceding the closing date. If an IronPort Stockholder does not otherwise return an Election Form to IronPort on a timely basis or fails to properly complete or execute such document, such Election Form shall be disregarded and (unless such holder has properly perfected appraisal or dissenters' rights in accordance with California Law and/or Delaware Law in connection with the First Merger) all of such holder's shares of IronPort capital stock shall be treated as Stock Election Shares.

**i. Surrender and Exchange of Certificates; Uncertificated Shares.**

On February 5, 2007, the board of directors of IronPort adopted a resolution that causes all shares of issued, authorized and subsequently designated classes and series of IronPort capital stock to become

uncertificated shares (i.e., book-entry shares or shares not required to be represented by a physical stock certificate) as permitted under Section 158 of Delaware Law. Prior to the completion of the Merger IronPort will cause a letter to be mailed to IronPort Stockholders requesting that all certificates or instruments representing IronPort securities held by such IronPort Stockholders be surrendered and returned to IronPort. The surrender of stock certificates will not affect the rights, preferences or privileges of the shares held by IronPort Stockholders. Shares of IronPort capital stock will not become book-entry shares until the certificates or instruments representing such shares are surrendered.

Prior to the completion of the Merger, IronPort will cause an Election Form and instructions for use of the Election Form to be mailed to IronPort Stockholders, which Election Form will allow each IronPort Stockholder to make an election to treat such holder's shares of IronPort capital stock as Cash Election Shares or Stock Election Shares. In addition to an Election Form, those IronPort Stockholders who have not yet surrendered their stock certificates will be sent a letter of transmittal and instructions for use of the letter of transmittal in effecting the surrender of certificates or instruments representing IronPort securities. Upon receipt of the signed Election Form and/or letter of transmittal (and surrender of certificates or instruments representing IronPort securities, if applicable), Cisco's transfer agent, who will also act as the exchange agent in the Merger, will deliver to each such IronPort Stockholder cash and/or a certificate representing the shares of Cisco Common Stock to which the holder is entitled pursuant to the provisions of the Merger Agreement, and cash in lieu of fractional shares, less the amount of the Escrow Cash to be deposited into the escrow fund. Cisco will make available to Cisco's transfer agent cash to be issued pursuant to the Cash Election Shares, certificates for the shares of Cisco Common Stock issuable in the Merger pursuant to the Stock Election Shares, and cash to be paid in lieu of fractional shares.

**j. Termination of the Merger Agreement.**

At any time prior to the closing, the Merger Agreement may be terminated and the Merger abandoned by authorized action taken by the terminating party, whether before or after IronPort Stockholder approval of the Merger and adoption of the Merger Agreement has been obtained:

- by mutual written consent duly authorized by IronPort's board of directors and the board of directors of Cisco (or a duly authorized committee thereof);
- by either Cisco or IronPort, if the closing shall not have occurred on or before July 31, 2007 (unless the failure to consummate the Merger results from the terminating party's breach of the Merger Agreement) except that either Cisco or IronPort may extend the date of termination by an additional 90 days if, on July 31, 2007, all of the conditions to the closing are then satisfied (other than conditions with respect to actions the respective parties will take at the closing itself) except that (i) the waiting period under the HSR Act has not expired or been terminated or (ii) the Commissioner has not issued the PostX Permit (and the PostX Agreement has not been terminated in accordance with its terms);
- by either Cisco or IronPort, if any permanent injunction or other order of a governmental entity of competent authority preventing the consummation of the Merger shall have become final and nonappealable;
- by either Cisco or IronPort, if IronPort Stockholder approval shall not have been obtained by reason of the failure to obtain the required vote upon a vote held at a duly noticed and held meeting of IronPort Stockholders (or at any adjournment thereof) or by written consent of IronPort Stockholders following the date the Commissioner issues the Permit (or, in the event that Cisco elects to proceed with the issuance of cash in lieu of Cisco Common Stock and following the date Cisco notifies IronPort of such fact); provided, that the right to terminate

the Merger Agreement under these circumstances shall not be available to IronPort or Cisco where a breach by IronPort or Cisco, as applicable, of the Merger Agreement has resulted in the failure to obtain IronPort Stockholder approval;

- by Cisco, if (i) IronPort shall have breached any representation, warranty, covenant or agreement contained in the Merger Agreement and (A) such breach shall not have been cured within 20 business days after receipt by IronPort of written notice of such breach (subject to certain exceptions) and (B) if not cured within the timeframe in clause (A) above and at or prior to the closing, such breach would result in the failure of specified closing conditions to be satisfied, (ii) IronPort shall have breached the no solicitation or IronPort Stockholder approval and board recommendation provisions of the Merger Agreement, or (iii) there shall have been a Material Adverse Effect with respect to IronPort; or
- by IronPort, if Cisco shall have breached any representation, warranty, covenant or agreement contained in the Merger Agreement and (i) such breach shall not have been cured within 20 business days after receipt by Cisco of written notice of such breach (subject to certain exceptions) and (ii) if not cured within the timeframe in clause (i) above and at or prior to the closing, such breach would result in the failure of certain closing conditions to be satisfied.

**The foregoing is only a summary of the termination provisions set forth in the Merger Agreement. For a more complete description of the termination provisions, please see Article VII of the Merger Agreement, which is attached hereto as Exhibit 1.**

**7. Related Agreements.**

**a. Voting Agreements and Irrevocable Proxies.**

In connection with the execution of the Merger Agreement, Cisco has entered into voting agreements and irrevocable proxies with the following IronPort Stockholders which require such stockholders, among other things, to vote all of the shares of capital stock of IronPort held of record by such stockholders in favor of the Merger:

**Officers**

Scott Weiss  
Scott Banister  
Kelly Battles  
Shrey Bhatia  
Thomas Gillis  
Keith Valory

**Venture Capital Investors**

Funds affiliated with Allegis Capital  
Funds affiliated with Menlo Ventures  
Funds affiliated with New Enterprise Associates

**Additional Entity**

TTEE FBO Scott Banister Roth IRA H45-5004523-085 Delaware Charter



Scott Banister, as trustee of TTEE FBO Scott Banister Roth IRA H45-5004523-085 Delaware Charter (“**Banister Roth IRA**”), entered into the voting agreement with Cisco on behalf of the Banister Roth IRA. Mr. Banister was authorized to execute such voting agreement and bind the IronPort capital stock held by the Banister Roth IRA pursuant to an Irrevocable Proxy dated February 14, 2001, which states that the Banister Roth IRA “irrevocably appoints Scott Banister, as the sole and exclusive attorney and proxy of the Banister Roth IRA, with full power of substitution and resubstitution, to the full extent of voting rights with respect to the shares own and any and all other shares or securities issued or issuable in respect thereof.”

As of December 29, 2006, IronPort Stockholders who entered into the voting agreements and irrevocable proxies collectively owned of record, and were entitled to vote, approximately 5,386,676 shares of IronPort Series A Stock, 30,195,679 shares of IronPort Series B Stock, 21,674,372 shares of IronPort Series C Stock, 18,131,728 shares of IronPort Series D Stock and 22,761,366 shares of IronPort common stock, which represented approximately 75.53% of IronPort Series A Stock, approximately 66.23% of IronPort Series B Stock, approximately 48.05% of IronPort Series C Stock, approximately 76.93% of IronPort Series D Stock and approximately 59.99% of IronPort common stock, respectively, outstanding as of December 29, 2006. In addition, such IronPort Stockholders owned of record, and were entitled to vote, approximately 62,658,137 shares of IronPort common stock (assuming the conversion of all IronPort preferred stock into IronPort common stock), which represented approximately 63.36% of IronPort common stock (assuming the conversion of all IronPort preferred stock into IronPort common stock) outstanding as of December 29, 2006. Such IronPort Stockholders hold enough shares of IronPort common stock and IronPort preferred stock to cause stockholder approval of the Merger and adoption of the Merger Agreement to be obtained under Delaware Law and IronPort’s certificate of incorporation.

The voting agreements and irrevocable proxies will terminate on the earlier to occur of (i) the termination of the Merger Agreement or (ii) the consummation of the Merger.

**b. Employment Agreements.**

In connection with the execution of the Merger Agreement, on December 29, 2006, Cisco entered into Employment Agreements with the following employees of Ironport who currently have the following positions with Ironport:

<u>Name</u>	<u>Title</u>
Kelly Battles	Vice President, Finance
Shrey Bhatia	Vice President, International Sales
Nawaf Bitar	Senior Vice President, Engineering
Thomas Gillis	Senior Vice President, Worldwide Marketing
Danielle Murcra	Vice President, Corporate Controller
Peter Schlampp	General Manager, Offshore Engineering
Keith Valory	Vice President, Corporate Development and General Counsel
Scott Weiss	Chief Executive Officer
Jeffrey Williams	Vice President, North American Sales

Subsequent to the execution of the Merger Agreement, Cisco entered into offer letters with the following officers of IronPort who currently have the following positions with IronPort:

<u>Name</u>	<u>Position</u>
Scott Banister	Vice President, Corporate Strategy

Anna Binder  
Mark Peek  
Patrick Peterson  
Steven Shray

Vice President, People  
Vice President, Engineering  
Vice President, Technology  
Senior Vice President, Operations

The description of terms set forth in this paragraph applies to the employment agreements for each of Kelly Battles, Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Peter Schlampp, Keith Valory, Scott Weiss and Jeffrey Williams. Such employment agreements will become effective upon the closing date of the Merger. The term of each of these employment agreements is for two years after the closing date of the Merger unless terminated earlier as provided for therein. Each employment agreement sets forth the title, base salary, grade and employee benefits of each such employee upon the closing date of the Merger. The employment agreements for Shrey Bhatia and Jeffrey Williams provide for payment of cash incentive bonuses during the first two years of their employment. Pursuant to the employment agreements, should Cisco terminate the employee's employment without cause (as defined therein) or the employee terminates his employment for good reason (as defined therein) prior to the second anniversary of the closing date of the Merger and the employee executes a general release of claims in favor of Cisco in the form attached to the employment agreement, Cisco will continue to pay such employee's base salary for a period of twelve months following the termination date, provided that if such termination occurs more than thirteen months following the closing date of the Merger, then such severance payment will be reduced by one month for each full month that the employee was employed by Cisco following the first anniversary of the closing date of the Merger, down to a minimum of six months. In connection with the employment agreements, each employee also executed a proprietary information and inventions agreement, an arbitration agreement, a conflict of interest agreement, a non-competition agreement and a benefits waiver, each in the form attached as an exhibit to the employment agreement. Scott Weiss also executed equity agreements which provide for the revesting of certain of his Ironport Options and his IronPort common stock, in the forms attached as exhibits to his employment agreement. Each of these employees (other than Scott Weiss) also received a bonus letter which sets forth their entitlement to a cash retention bonus under the Cash Bonus Program and/or a grant of New Options.

The description of terms set forth in this paragraph applies to the employment agreement for Danielle Murcay. Such employment agreement will become effective upon the closing date of the Merger. The term of the employment agreement for Ms. Murcay is open-ended. The employment agreement sets forth the title, base salary, grade and employee benefits of for Ms. Murcay upon the closing date of the Merger. The employment agreement provides for payment of a cash incentive bonus prior to the closing date of the Merger. In connection with the employment agreement, Ms. Murcay also executed a proprietary information and inventions agreement, an arbitration agreement, a conflict of interest agreement, and a benefits waiver, each in the form attached as an exhibit to the employment agreement. Ms. Murcay also received a bonus letter which sets forth her entitlement to a cash retention bonus under the Cash Bonus Program and a grant of New Options.

The description of terms set forth in this paragraph applies to the offer letters for Scott Banister, Anna Binder, Mark Peek, Patrick Peterson and Steven Shray. Such offer letters will become effective upon the closing date of the Merger. The term of each of the offer letters is open-ended (and in the case of Scott Banister, is for part-time employment). The offer letters set forth the title, base salary, grade and employee benefits for each of these individuals upon the closing date of the Merger. In connection with the offer letter, ~~each~~ of each of these individuals also executed a proprietary information and inventions agreement, an arbitration agreement, a conflict of interest agreement, and, in the case of Ms. Binder and Messrs. Banister and Shray, a benefits waiver, each in the form attached as an exhibit to the offer letters. Messrs. Peek, Peterson and Shray each also received a letter which sets forth his entitlement to a grant of

New Options. Ms. Binder also received a bonus letter which sets forth her entitlement to a cash retention bonus under the Cash Bonus Program and a grant of New Options.

**c. Non-Competition Agreements.**

In connection with the execution of the Merger Agreement and their employment agreements with Cisco, each of Kelly Battles, Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Peter Schlampp, Keith Valory, Scott Weiss and Jeffrey Williams entered into non-competition agreements with Cisco. Each of these non-competition agreements requires that during the Restrictive Period (as defined below) the employee will not as an employee, agent, consultant, advisor, independent contractor, general partner, officer, director, stockholder, investor, lender or guarantor of any corporation, partnership or other entity, or in any other capacity directly or indirectly:

- Participate or engage in any Restricted Business (as defined below);
- Render any service to any person or entity that engages in a Restricted Business; or
- Permit his name to be used in connection with a business, which is competitive or substantially similar to a Restricted Business.

For purposes of the non-competition agreement, "**Restricted Business**" means the design, development, manufacture, production, marketing, sale or servicing of any product, or the provision of any service, that directly relates to any content security solutions, products, or services that manage, monitor, filter and block threats (such as viruses, spyware, and spam) from messaging and web traffic (including, without limitation, the following companies: SecureComputing, ProofPoint, Barracuda, SonicWALL, Juniper, Symantec, McAfee, Trend Micro, Microsoft, Google and Postini).

For purposes of the non-competition agreement, the "**Restrictive Period**" commences on the closing date of the Merger and continues until the second anniversary of the Merger's closing date; provided that if the employee's employment terminates after the first anniversary of the closing date of the Merger and prior to the second anniversary of the closing date of the Merger, the Restrictive Period continues for one year following the termination of the employee's employment, except if (i) the employee's employment is terminated by Cisco without cause (as defined in the employee's employment agreement) or (ii) the employee terminates his employment with Cisco for good reason (as defined in the employee's employment agreement).

**d. Benefits Waivers.**

In connection with the execution of the Merger Agreement and their employment agreements with Cisco, each of Kelly Battles, Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Danielle Murcay, Peter Schlampp, Keith Valory, Scott Weiss and Jeffrey Williams, executed a benefits waiver pursuant to which each agreed to (1) waive any acceleration of vesting or lapse of IronPort's repurchase rights with respect to unvested IronPort Options or unvested IronPort common stock, granted to them prior to execution of the Merger Agreement, to which they might otherwise be entitled to in connection with the Merger and (2) waive any and all right or entitlement to any severance benefits pursuant to any agreement with IronPort or IronPort policy. Pursuant to the benefits waiver, in the event of the employee's termination by Cisco without cause (as defined in the employment agreement or, with respect to Danielle Murcay, as set forth in such benefits waiver) or termination by the employee for good reason (as defined in the employment agreement or, with respect to Danielle Murcay, as set forth in such benefits waiver) within twenty four months following the closing date of the Merger, the vesting and exercisability applicable to

the employee's outstanding unvested Ironport Options and unvested IronPort common stock, granted prior to execution of the Merger Agreement, shall accelerate, vest and/or become exercisable, with respect to 100% of the shares subject thereto (for Kelly Battles, Danielle Murcra y and Keith Valory), 50% of the shares subject thereto (for Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Scott Weiss and Jeffrey Williams) and 25% of the shares subject thereto (for Peter Schlamp p). In addition, in the event of Danielle Murcra y's voluntary termination upon the twelve month anniversary of the closing date of the Merger, the vesting and exercisability applicable to her outstanding unvested Ironport Options and unvested IronPort common stock, granted prior to execution of the Merger Agreement, shall accelerate, vest and/or become exercisable with respect to 100% of the shares subject thereto.

Subsequent to execution of the Merger Agreement and in connection with their Cisco offer letters, Anna Binder entered into a benefits waiver consistent with the terms set forth above for Kelly Battles, Danielle Murcra y and Keith Valory and each of Messrs. Banister and Shray has entered into a benefits waiver consistent with the terms set forth above for Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Scott Weiss and Jeffrey Williams.

~~Subsequent to execution of the Merger Agreement and in connection with their Cisco offer letters, each of Scott Banister, Anna Binder and Steven Shray executed a benefits waiver pursuant to which each agreed to (1) waive any acceleration of vesting or lapse of IronPort's repurchase rights with respect to unvested IronPort Options or unvested IronPort common stock granted to them prior to execution of the Merger Agreement, to which they might otherwise be entitled to in connection with the Merger and (2) waive any and all right or entitlement to any severance benefits pursuant to any agreement with IronPort or IronPort policy. Pursuant to the benefits waiver, in the event of the employee's termination by Cisco without cause (as defined in the benefits waiver) or termination by the employee for good reason (as defined in the benefits waiver) within twenty four months following the closing date of the Merger, the vesting and exercisability applicable to the employee's outstanding unvested Ironport Options and unvested IronPort common stock, granted prior to execution of the Merger Agreement, shall accelerate, vest and/or become exercisable, with respect to 100% of the shares subject thereto (for Anna Binder) and 50% of the shares subject thereto (for Scott Banister and Steven Shray).~~

**e. Equity Agreements.**

In connection with the execution of the Merger Agreement and his employment agreement with Cisco, Scott Weiss executed equity agreements with regard to both his Ironport Options and IronPort common stock pursuant to which he agreed to have vesting restrictions placed upon some of his vested Ironport Options and vested IronPort common stock (the "**Revested Shares**"). The Revested Shares will vest in equal monthly installments at the end of each of the twenty-four months following the closing date of the Merger, such that the Revested Shares will be fully vested on the second anniversary of the closing date of the Merger. If, prior to the second anniversary of the closing date of the Merger, Mr. Weiss is terminated without cause (as defined in his employment agreement with Cisco), resigns for good reason (as defined in his employment agreement with Cisco), dies, becomes terminally ill (as determined pursuant to Cisco's Option Vesting Acceleration Policy for Death and Terminal Illness as in effect on the closing date of the Merger) or is permanently disabled (as defined in the Equity Agreements), the Revested Shares held by Mr. Weiss will immediately vest in full.

**f. Bonus Letters.**

In connection with the execution of the Merger Agreement, each of Kelly Battles, Shrey Bhatia, Nawaf Bitar, Thomas Gillis, Danielle Murcra y, Peter Schlamp p, Keith Valory, and Jeffrey Williams received a bonus letter which sets forth their respective entitlement to a cash retention bonus under the Cash Bonus Program and/or a grant of New Options. Subsequent to execution of the Merger Agreement,

each of Anna Binder, Mark Peek, Patrick Peterson and Steven Shray received a bonus letter which sets forth their respective entitlement to a cash retention bonus under the Cash Bonus Program and/or a grant of New Options. See “The Merger and Related Transactions – Material Features of the Merger – Total Merger Consideration” and “The Merger and Related Transactions – Information About IronPort – Interests of Certain Persons” for more information.

**g. Escrow Agreement.**

(1) Escrow Agreement; Deposit of Escrow Cash.

Prior to the First Effective Time, Cisco, U.S. Bank, N.A. (as escrow agent) and the Stockholders’ Agent shall have executed an Escrow Agreement. The Escrow Cash is to be delivered to and deposited with the escrow agent to constitute an escrow fund to be governed by the provisions set forth in the Escrow Agreement and in the Merger Agreement. The escrow fund shall be available to compensate Cisco (on behalf of itself or any other Indemnified Person) for Indemnifiable Damages pursuant to the indemnification obligations of IronPort Stockholders.

As soon as reasonably practicable (but in no event later than 20 business days) after the closing date, Cisco shall cause to be deposited with the escrow agent the Escrow Cash. The Escrow Cash shall be withheld from the cash payable to IronPort Stockholders on a pro rata basis (based upon the relative amounts of the Escrow Cash they are otherwise entitled to receive) for deposit in the escrow fund. The Escrow Cash will, to the maximum extent possible, be vested cash not subject to any repurchase rights or other restrictions, and any unvested cash so placed in escrow shall vest prior to any unvested cash not placed in escrow. The Escrow Cash shall be held in the escrow fund to constitute partial security for the indemnification obligations of such IronPort Stockholder.

(2) Release of Escrow Cash.

The period during which claims for Indemnifiable Damages under the Merger Agreement may be initiated against the escrow fund shall commence at the closing and terminate on the date that is 12 months following the closing date (the “**Escrow Period**”). The claims period for Indemnifiable Damages arising out of, resulting from or in connection with fraud, willful breach or intentional misrepresentation by IronPort shall commence at the closing and terminate upon the expiration of the applicable statute of limitations. However, all or a portion of the escrow fund may be retained beyond the Escrow Period to the extent any claims on the escrow fund are unresolved at such time. The remainder of the escrow fund, if any, shall be paid to the applicable former IronPort Stockholders promptly (and in any event within 10 business days) after the expiration of the Escrow Period in accordance with each such former IronPort Stockholder’s pro rata share.

On or before the termination of the Escrow Period, Cisco may deliver to the escrow agent a certificate signed by any officer of Cisco (an “**Officer’s Certificate**”): (i) stating that an Indemnified Person has incurred, paid, reserved or accrued, or reasonably anticipates that it may incur, pay, reserve or accrue, Indemnifiable Damages (or that with respect to any tax matters, that any tax authority may reasonably be anticipated to raise such matter in an audit of Cisco or its subsidiaries, which could give rise to Indemnifiable Damages); (ii) stating the amount of such Indemnifiable Damages (which, in the case of Indemnifiable Damages not yet incurred, paid, reserved or accrued, may be the maximum amount reasonably anticipated to be incurred, paid, reserved, accrued or demanded by a third party); and (iii) specifying in reasonable detail (based upon information then possessed by Cisco) the individual items of such Indemnifiable Damages included in the amount so stated and the nature of the claim to which such Indemnifiable Damages are related. No delay in providing such Officer’s Certificate within the Escrow Period shall affect an Indemnified Person’s rights, unless (and then only to the extent that) the

Stockholders' Agent or the IronPort Stockholders are materially prejudiced thereby. At the time of delivery of any Officer's Certificate to the escrow agent, a duplicate copy of such Officer's Certificate shall be delivered to the Stockholders' Agent by or on behalf of Cisco (on behalf of itself or any other Indemnified Person) and for a period of 30 days after such delivery to the escrow agent of such Officer's Certificate, the escrow agent shall make no payment unless the escrow agent shall have received written authorization from the Stockholders' Agent to make such delivery. After the expiration of such 30-day period, the escrow agent shall make delivery of cash held in the escrow fund having a value equal to such Indemnifiable Damages to Cisco unless Stockholders' Agent objects in writing to any claim or claims made in the Officer's Certificate, and such statement shall have been delivered to the escrow agent and to Cisco prior to the expiration of such 30-day period.

Such portion of the escrow fund at the conclusion of the Escrow Period that may be necessary to satisfy any unresolved or unsatisfied claims for Indemnifiable Damages specified in any Officer's Certificate delivered to the Stockholders' Agent and escrow agent prior to expiration of the Escrow Period (the "**Reserved Amount**") shall remain in the escrow fund until such claims for Indemnifiable Damages have been resolved or satisfied pursuant to Article VIII of the Merger Agreement and setting forth the particulars of such resolution or satisfaction and, prior to such resolution or satisfaction, none of the Reserved Amount shall be delivered or distributed to any person. For purposes of determining at any particular time the amount of Escrow Cash in the escrow fund that is necessary or sufficient to satisfy and/or provide for all such claims, Cisco shall be assumed to be entitled to the full amount of Indemnifiable Damages stated in such Officer Certificate(s). The amount retained in the escrow fund after the expiration of the Escrow Period with respect to a particular pending claim shall be available to Cisco only with respect to such pending claim and shall not be available to Cisco for any other pending claim.

**h. Indemnification of IronPort's Directors, Officers and Employees.**

From and after the closing date for a period of six years, Cisco shall, fulfill the obligations of IronPort to indemnify each person who is or was a director or officer of IronPort as of or prior to the closing date of the Merger against any losses such person may incur based upon matters existing or occurring prior to the closing pursuant to any applicable indemnification agreements and any indemnification provisions set forth in the certificate of incorporation or bylaws of IronPort, each as in effect on December 29, 2006.

**8. IronPort Stockholder Approval.**

**a. General.**

This Information Statement is being provided to IronPort Stockholders with respect to the public hearing to be held by the Commissioner in connection with the proposed issuance of shares of Cisco Common Stock in connection with the Merger. IronPort will, promptly after the issuance of the Permit or receipt of notice from the Commissioner that no permit will be issued, solicit your approval of certain resolutions related to the Merger, as more fully described below.

**b. Purposes; Recommendation of the Board of Directors of IronPort.**

IronPort will deliver to you a written consent of the stockholders of IronPort so that each IronPort Stockholder may consent to certain actions necessary to complete the Merger. These actions will include the approval of:

- the Merger Agreement and the Escrow Agreement described in this Information Statement, and the other agreements required to be executed and delivered in connection with the transactions contemplated by the Merger Agreement; and
- the appointment of Doug Carlisle as Stockholders' Agent for and on behalf of the stockholders of IronPort for the purposes of administering claims for damages pursuant to the terms of the Merger Agreement and the Escrow Agreement.

The board of directors of IronPort has unanimously approved the Merger Agreement and the transactions contemplated by the Merger Agreement. The board of directors believes the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to, and in the best interests of, IronPort and its stockholders. The board of directors of IronPort unanimously recommends that IronPort Stockholders adopt the Merger Agreement and the transactions contemplated thereby.

**c. IronPort Voting Agreement.** Scott Weiss, Scott Banister, and each holder of IronPort Preferred Stock are parties to an Amended and Restated Voting Agreement dated as of October 15, 2004 (as amended, the "IronPort Voting Agreement"). In addition, it is anticipated that all holders of preferred stock of PostX will become parties to the IronPort Voting Agreement in connection with, and assuming the closing of, the PostX Merger. Under the IronPort Voting Agreement, each party has agreed to vote all shares of IronPort capital stock then owned or controlled by such party, as recommended by IronPort's Board of Directors in connection with a change of control transaction in which the value of the per share consideration for IronPort's Series D Preferred Stock is equal to or greater than \$4.50. IronPort and Cisco currently anticipate that the per share consideration for the Series D Preferred Stock will be greater than \$4.50 in the Cisco Merger.

**ed. Required Consent.**

Under Delaware Law and the General Corporation Law of the State of California ("California Law"), and pursuant to IronPort's certificate of incorporation, as amended, the written consent of (i) the holders of not less than a majority of all shares of IronPort Common Stock issued and outstanding, voting as a separate class; (ii) the holders of not less than a majority of all shares of IronPort preferred stock issued and outstanding, voting as a separate class; and (iii) the holders of not less than a majority of all shares of IronPort Common Stock and IronPort preferred stock issued and outstanding, voting together as a single class (on an as converted basis), is required to approve and adopt the Merger Agreement and the transactions contemplated thereby.

**ee. Consent Procedure; Duration of Consents.**

Section 228 of Delaware Law states that, unless otherwise provided in the certificate of incorporation, any action required to be taken or which may be taken at any annual or special meeting of stockholders of a corporation may be taken without a meeting, without prior notice and without a vote, if the consent or consents of the stockholders is in writing, setting forth the action taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted. Those written consents must be delivered to the corporation for inclusion in the minutes or filing with the corporate records. IronPort's certificate of incorporation, as amended, and bylaws do not limit the applicability of Section 228 of the Delaware Law.

Delaware Law requires that a written consent must bear the date the stockholder signed the written consent. To be effective, written consents signed by holders of the requisite number of outstanding shares of capital stock of IronPort sufficient to approve the Merger must be delivered to

IronPort in the manner provided in Section 228 of Delaware Law within 60 days after the earliest dated consent is delivered to IronPort.

If the Merger Agreement and the transactions contemplated by the Merger Agreement and the appointment of Doug Carlisle are approved and adopted, prompt notice of the approval and adoption will be given to stockholders of IronPort who have not consented.

You should also review, "The Merger and Related Transactions – Related Agreements – Voting Agreement and Irrevocable Proxies" for a description of the agreements officers, directors and certain other IronPort Stockholders signed at the time the Merger Agreement agreeing to vote all of their shares of capital stock of IronPort in favor of the Merger.

**ef. Revocation of Consents.**

IronPort Stockholders may revoke a signed written consent by giving written notice of revocation to IronPort. A revocation must be in writing and signed by the record holder and must clearly state that the written consent of the stockholder previously given is no longer effective. To prevent confusion, a notice of revocation must be dated. To be effective, written notice of revocation must be delivered prior to the time that the requisite number of the outstanding shares of capital stock of IronPort on the record date for such action have delivered unrevoked written consents to IronPort as described above.

**fg. Appraisal and Dissenter's Rights.**

Under applicable state laws regarding dissenting stockholders' appraisal rights, stockholders of IronPort who do not provide written consent in favor of the adoption and approval of the Merger Agreement and the Merger may, under certain conditions, become entitled to be paid cash for the fair market value of their stock in lieu of the consideration set forth in the Merger Agreement.

The Merger Agreement provides that shares of capital stock of IronPort that are outstanding immediately prior to the First Effective Time of the Merger and have not been voted in favor of the Merger will not be converted into the consideration set forth in the Merger Agreement if the holder of the shares validly exercises and perfects statutory appraisal rights with respect to the shares, although the shares will be automatically converted into the consideration set forth in the Merger Agreement on the same basis that all other shares of capital stock of IronPort are converted in the Merger when and if the holder of those shares withdraws his, her or its demand for appraisal or otherwise becomes legally ineligible to exercise appraisal rights. We advise any stockholders of IronPort considering exercising appraisal rights to consult legal counsel.

Because IronPort is a Delaware corporation, the availability of dissenting stockholders' appraisal rights for stockholders of IronPort is determined by the Delaware Law, which is summarized below. However, due to the location of a majority of the stockholders of IronPort in California and IronPort's other contacts with the State of California, Section 2115 of the California Law provides that California Law regarding dissenting stockholders' appraisal rights may also apply to stockholders of IronPort in the Merger. Because of the potential applicability of California Law, summaries of both Delaware Law and California Law regarding dissenting stockholders' appraisal rights are provided below. Because neither Delaware Law nor California Law regarding appraisal rights expressly addresses the question of which law supersedes in this situation, stockholders of IronPort will be permitted to exercise dissenters' appraisal rights under either Delaware Law or California Law, except to the extent that a court or applicable legal authority rules otherwise.



(1) Appraisal Rights under Delaware Law.

The following is a summary of the procedures to be followed under Section 262 of Delaware Law, the full text of which is attached hereto as Exhibit 5 and is incorporated herein by reference. The summary does not purport to be a complete statement of, and is qualified in its entirety by reference to, Section 262 of the Delaware Law and to any amendments to such section after the date of this Information Statement. Failure to follow any of the procedures of Section 262 of the Delaware Law may result in termination or waiver of appraisal rights under Section 262 of the Delaware Law. Stockholders of IronPort should assume that IronPort will take no action to perfect any appraisal rights of any stockholder. Any stockholder of IronPort who desires to exercise his, her or its appraisal rights should review carefully Section 262 of the Delaware Law and is urged to consult his, her or its legal advisor before electing or attempting to exercise such rights.

Only a holder of record of shares of capital stock of IronPort who has not consented to the Merger will be entitled to seek appraisal. The demand for appraisal must be executed by or for the holder of record, fully and correctly, as such holder's name appears on the holder's certificates evidencing shares of capital stock of IronPort. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, the demand should be made in that capacity, and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be made by or for all owners of record. An authorized agent, including one or more joint owners, may execute the demand for appraisal for a holder of record; however, such agent must identify the record owner or owners and expressly disclose in such demand that the agent is acting as agent for the record owner or owners of such shares.

A record holder, such as a broker who holds shares of capital stock of IronPort as a nominee for beneficial owners, some or all of whom desire to demand appraisal, must exercise rights on behalf of such beneficial owners with respect to the shares held for such beneficial owners. In such case, the written demand for appraisal should set forth the number of shares covered by such demand. Unless a demand for appraisal specifies a number of shares, such demand will be presumed to cover all shares held in the name of such record owner.

Under Sections 228(e) and 262(d)(2) of the Delaware Law, IronPort is required to mail to each holder of capital stock of IronPort who has not consented in writing to the adoption and approval of the Merger Agreement and the Merger and the transactions contemplated thereby a notice of corporate action taken without a meeting and notice of availability of appraisal rights. The notice of corporate action taken without a meeting, notice of availability of appraisal rights and a copy of Section 262 of the Delaware Law must be delivered to the applicable stockholders of IronPort by either IronPort following receipt of the requisite approval of the adoption and approval of the Merger Agreement, the Merger and the transactions contemplated thereby, or by IronPort or Cisco within 10 days following the effective date of the Merger. Such notice, if given on or after the effective date of the Merger, must also notify the stockholders of the effective date of the Merger. Any stockholder entitled to appraisal rights may, on or before 20 days after the date of mailing of the notice of corporate action taken without a meeting and notice of availability of appraisal rights, demand in writing from IronPort an appraisal of his, her or its shares of capital stock of IronPort. Such demand will be sufficient if it reasonably informs IronPort of the identity of the stockholder and that the stockholder intends to demand an appraisal of the stockholder's shares. Failure to make such a demand on or before the expiration of such 20-day period will foreclose a stockholder's rights to appraisal. If the notice of corporate action taken without a meeting did not notify the stockholders of the effective date of the Merger, either (i) IronPort must send a second notice before the effective date of the Merger notifying each stockholder entitled to appraisal rights of the effective date of the Merger or (ii) IronPort will send such second notice to each stockholder entitled to appraisal rights on or within ten days after the effective date of the Merger, provided, however, that if such second notice

is sent more than twenty days following the sending of the first notice, such second notice need only be sent to each of those stockholders entitled to appraisal rights and who has demanded appraisal rights of his, her or its shares in accordance with Section 262(d).

An IronPort Stockholder who elects to exercise appraisal rights must mail or deliver the written demand for appraisal to:

IronPort Systems, Inc.  
950 Elm Avenue  
San Bruno, California 94066  
Attention: General Counsel  
Fax No.: (650) 989-6500

A stockholder may withdraw a demand for appraisal within 60 days after the effective time of the Merger. Thereafter, the approval of IronPort will be needed for such a withdrawal. Upon withdrawal of a demand for appraisal, a stockholder of IronPort will be entitled to receive the consideration set forth in the Merger Agreement in exchange for his, her or its shares of capital stock of IronPort.

Within 120 days after the effective time of the Merger, in compliance with Section 262 of the Delaware Law, any stockholder of IronPort who is a "dissenting stockholder," which means that such stockholder has properly demanded an appraisal and who has not withdrawn the stockholder's demand as provided above, and IronPort each have the right to file in the Delaware Court of Chancery a petition demanding a determination of the value of the shares held by all of the dissenting stockholders. If, within 120 days after the effective time of the Merger, no petition shall have been filed as provided above, all rights to appraisal will cease and all of the dissenting stockholders who owned shares of capital stock of IronPort will become entitled to receive the consideration set forth in the Merger Agreement in exchange for his, her or its shares of capital stock of IronPort. IronPort is not obligated and does not currently intend to file a petition. Any dissenting stockholder is entitled, within 120 days after the effective time of the Merger and upon written request to IronPort, to receive from IronPort a statement setting forth the aggregate number of shares not voted in favor of the Merger and with respect to which demands for appraisal have been received and the aggregate number of dissenting stockholders.

Upon the filing of a petition by a dissenting stockholder, the Delaware Court of Chancery may order a hearing and that notice of the time and place fixed for the hearing on the petition be mailed to IronPort and all the dissenting stockholders. Notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication deemed advisable by the Delaware Court of Chancery. The costs relating to these notices will be borne by IronPort.

If a hearing on the petition is held, the Delaware Court of Chancery is empowered to determine which dissenting stockholders have complied with the provisions of Section 262 of the Delaware Law and are entitled to an appraisal of their shares. The Delaware Court of Chancery may require that dissenting stockholders submit their share certificates for notation thereon of the pendency of the appraisal proceedings. The Delaware Court of Chancery is empowered to dismiss the proceedings as to any dissenting stockholder who does not comply with such requirement. Accordingly, dissenting stockholders are cautioned to retain their share certificates pending resolution of the appraisal proceedings.

The shares will be appraised by the Delaware Court of Chancery at the fair value thereof as of the effective time of the Merger exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a fair rate of interest, if any, to be paid upon the amount

determined to be the fair value. In determining the value, the court is to take into account all relevant factors. In *Weinberger v. UOP, Inc. et al.*, decided February 1, 1983, the Delaware Supreme Court expanded the considerations that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "fair price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated, in making this determination of fair value, that the court must consider market value, asset value, dividends, earnings, prospects, the nature of the enterprise and any other factors which could be ascertained as of the date of the Merger which "throw any light on future prospects of the merged corporation." The Delaware Supreme Court noted that Section 262 of the Delaware Law provides that fair value is to be determined "exclusive of any element of value arising from the accomplishment or expectation of the Merger." In *Weinberger*, the Delaware Supreme Court held that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the Merger and not the product of speculation, may be considered."

The Delaware Court of Chancery may also (i) determine a fair rate of interest (simple or compound), if any, to be paid to dissenting stockholders in addition to the fair value of the shares for the period from the effective time of the Merger to the date of payment, (ii) assess costs of the proceeding among the parties as the Delaware Court of Chancery deems equitable and (iii) order all or a portion of the expenses incurred by any dissenting stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Determinations by the Delaware Court of Chancery are subject to appellate review by the Delaware Supreme Court.

Dissenting stockholders are generally permitted to participate in the appraisal proceedings. No appraisal proceedings in the Delaware Court of Chancery shall be dismissed as to any dissenting stockholder without the approval of the Delaware Court of Chancery, and this approval may be conditioned upon terms which the Delaware Court of Chancery deems just. From and after the effective time of the Merger, dissenting stockholders will not be entitled to vote their shares for any purpose and will not be entitled to receive payment of dividends or other distributions in respect of such shares payable to stockholders of record thereafter.

## (2) Appraisal Rights Under California Law.

Although IronPort is incorporated in the State of Delaware, as noted above, due to the location of a majority of its stockholders and IronPort's other contacts with the State of California, the provisions of the California Law relating to the rights of dissenting stockholders in a Merger may apply to the Merger.

If the Merger is completed, when the Merger becomes effective, stockholders of IronPort who do not vote in favor of the Merger and comply with the procedures prescribed in Chapter 13 of the California Law will be entitled to a judicial appraisal of the fair market value of their shares, which, for purposes of the exercise of appraisal rights under California Law, is determined as of the day before the first announcement of the terms of the Merger, excluding any appreciation or depreciation in consequence of the Merger, and to require IronPort to purchase the stockholder's shares for cash at such fair market value.

The following is a brief summary of the statutory procedures that must be followed by a stockholder of IronPort in order to dissent from the Merger and perfect appraisal rights under the California Law. This summary is not intended to be complete and is qualified in its entirety by reference to Chapter 13 of the California Law, the full text of which is attached to this Information Statement as **Exhibit 5** and is incorporated herein by reference.

In order to exercise appraisal rights under California Law, a stockholder of IronPort must be entitled to vote on the proposal to approve the Merger, or be a transferee of record of shares held by such a stockholder. Under Chapter 13 of the California Law, appraisal rights can only be exercised with respect to shares of capital stock of IronPort that are outstanding on the record date for the determination of stockholders of IronPort entitled to vote on the Merger.

Under Sections 603(b) and 1301(a) of the California Law, IronPort is required to mail within ten days after the date of adoption and approval of the Merger Agreement, the Merger and the transactions contemplated thereby by at least a majority of the stockholders of IronPort to each holder of stock of IronPort who has not consented in writing to the approval and adoption of the Merger Agreement, the Merger and the transactions contemplated thereby. The notice of corporate action taken without a meeting and notice of availability of appraisal rights contains a statement of the price determined by IronPort to represent the fair market value of dissenting shares. The statement of the fair market value of the stock of IronPort constitutes an offer by IronPort to purchase at that price any shares of stock of IronPort for which appraisal rights are perfected. As required by California Law, attached to this Information Statement as **Exhibit 6** is a copy of Sections 1300, 1301, 1302, 1303 and 1304 of the California Law.

A stockholder of IronPort wishing to require IronPort to purchase his, her or its shares of capital stock of IronPort pursuant to Chapter 13 of the California Law must:

- not vote in favor of approval of the Merger;
- make written demand upon IronPort to have IronPort purchase those shares for cash at their fair market value. The demand must be made by a person who was a stockholder of record on the record date, must state the number and class of shares held of record by the dissenting stockholder and must contain a statement of what the stockholder claims to be the fair market value of the shares as of the last day before the Merger was first announced. The statement of fair market value by the stockholder will constitute an offer by the stockholder to sell the shares of capital stock to IronPort at the specified price. The written demand must be received by IronPort within thirty days after the date on which the notice of the approval of the Merger by the stockholders of IronPort is mailed to the stockholder. If the stockholder's demand is not received by IronPort within this thirty-day period, then the stockholder will forfeit his, her or its appraisal rights; and
- submit to IronPort, within thirty days after the date on which the notice of approval of the Merger by the stockholders of IronPort is mailed to the stockholder, at IronPort's principal office or the office of its transfer agent, the certificates representing any shares of capital stock of IronPort with respect to which demand for purchase is being made, to be stamped or endorsed with a statement that the shares are dissenting shares or to be exchanged for certificates of appropriate denomination so stamped or endorsed.

Written demands, notices or other communications concerning the exercise of appraisal rights should be addressed to:

IronPort Systems, Inc.  
950 Elm Avenue  
San Bruno, California 94066  
Attention: General Counsel  
Fax No.: (650) 989-6500

Under California Law, a dissenting stockholder may not withdraw his, her or its demand for payment of the fair market value of the stockholder's dissenting shares in cash unless IronPort consents.

If the stockholder and IronPort agree that the shares of capital stock of IronPort as to which the stockholder is seeking appraisal rights are dissenting shares, and also agree upon the price to be paid to purchase the shares, then the dissenting stockholder is entitled to the agreed price with interest thereon at the legal rate on judgments under California Law from the date of the Merger Agreement. Any agreements fixing the fair market value of any dissenting shares as between IronPort and any dissenting stockholder must be filed with the secretary of IronPort.

However, if IronPort denies that the stockholder's shares qualify as dissenting shares eligible for purchase under Chapter 13 of the California Law, or IronPort and the stockholder fail to agree upon the fair market value of the shares, then the stockholder may, within six months after the date on which IronPort mailed to the stockholder the notice of approval of the Merger by the stockholders of IronPort, but not thereafter, file a complaint in the California Superior Court of the proper county requesting the Court to determine whether the stockholder's shares qualify as dissenting shares that are eligible to be repurchased pursuant to the exercise of appraisal rights, the fair market value of such shares, or both, or may intervene in any action pending on such a complaint.

If the Court is requested to determine the fair market value of the shares, it shall appoint one or more impartial appraisers to determine the fair market value of the shares. Within ten days of their appointment, the appraisers, or a majority of them, will make and file a report with the Court. If the Court finds the report reasonable, the Court may confirm it. However, if the appraisers cannot determine the fair market value within ten days of their appointment, or within a longer time determined by the Court or the report is not confirmed by the Court, then the Court will determine the fair market value. If the Court determines that the stockholder's shares qualify as dissenting shares, then, following determination of their fair market value, IronPort will be obligated to pay the dissenting stockholder the fair market value of the shares, as so determined, together with interest thereon at the legal rate from the date on which judgment is entered. Payment on this judgment will be due upon the endorsement and delivery to IronPort of the certificates for the shares as to which the appraisal rights are being exercised.

The costs of the appraisal action, including reasonable compensation to the appraisers appointed by the court, will be allocated among IronPort and dissenting stockholders as the Court deems equitable. However, if the appraisal of the fair market value of the shares exceeds the price offered by IronPort, then IronPort shall pay such costs. If the fair market value of the shares awarded by the Court exceeds 125% of the price offered by IronPort for the shares in the notice of approval of the Merger by the stockholders of IronPort, then the Court may in its discretion include attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments in the costs payable by IronPort.

(3) Certain Differences Between Delaware and California Law on Appraisal

Rights.

As noted above, there are several differences between the laws of Delaware and California with respect to dissenting stockholders' appraisal rights. These differences include, but are not limited to the following:

- under Delaware Law, in order to exercise dissenters' rights, a stockholder must deliver a written appraisal demand within twenty days following the notice by IronPort of the effective time of the Merger. By comparison, under California Law a stockholder who has not voted in favor of the Merger is not required to deliver a written appraisal demand until thirty days after the date on which the notice of the approval of the Merger by the stockholders of IronPort is mailed to the stockholder; and
- under Delaware Law, IronPort or a dissenting stockholder must file a petition for an appraisal of dissenting shares within 120 days after the effective time of the Merger to exercise appraisal rights. By comparison, under California Law, if the parties do not agree on the status of shares as dissenting shares or their fair market value, the stockholder has until six months after the date on which the notice of approval of the Merger by the stockholders of IronPort was mailed to the stockholder to file a complaint in the California Superior Court requesting a determination of these matters.

Stockholders of IronPort considering whether to seek appraisal should bear in mind that the fair value of their capital stock of IronPort determined under Section 262 of the Delaware Law or Chapter 13 of the California Law could be more than, the same as or less than the value of consideration to be issued and paid in the Merger as set forth in the Merger Agreement. Also, IronPort reserves the right to assert in any appraisal proceeding that, for purposes thereof, the "fair value" or "fair market value" of the capital stock of IronPort is less than the value of the consideration to be issued and paid in the Merger as set forth in the Merger Agreement.

The process of dissenting and exercising appraisal rights requires strict compliance with technical prerequisites. Stockholders wishing to dissent should consult with their own legal counsel in connection with compliance with Section 262 of the Delaware Law or Chapter 13 of the California Law.

Any stockholder who fails to comply with the requirements of Section 262 of the Delaware Law, attached as **Exhibit 5** to this Information Statement, or Chapter 13 of the California Law, attached as **Exhibit 6** to this Information Statement, will forfeit his, her or its rights to dissent from the Merger and exercise appraisal rights and will receive the consideration to be issued and paid in the Merger as set forth in the Merger Agreement.

**gh. Comparison of Stockholder Rights.**

Upon consummation of the Merger, those IronPort Stockholders who have elected to receive Cisco Common Stock will become stockholders of Cisco and the rights of such IronPort Stockholders will no longer be defined and governed by IronPort's certificate of incorporation and bylaws. Instead, each IronPort Stockholder's rights as a stockholder of Cisco will be defined and governed by Cisco's articles of incorporation and bylaws.

IronPort is incorporated under the laws of the State of Delaware and Cisco is incorporated under the laws of the State of California. Certain differences in the rights of holders of IronPort Common Stock and Cisco Common Stock arise from differences between Delaware Law and California Law.

Differences between Delaware Law and California Law include, but are not limited to, differences in the consent required to amend the corporation's bylaws, the extent to which directors and officers of a corporation are indemnified, who may call special meetings of stockholders, permissible payments of dividends and rights of stockholders to inspect stockholder lists.

In addition, certain differences in the rights of holders of IronPort Common Stock and Cisco Common Stock arise primarily from differences in their respective certificates or articles of incorporation and bylaws. The holders of IronPort Preferred Stock will hold shares of Cisco Common Stock, which does not have any liquidation preferences or preferred dividends rights. Further, such holders of IronPort Preferred Stock will no longer have the contractual stockholder rights they negotiated with IronPort in past financings.

In addition, IronPort Stockholders will generally have more liquidity with respect to their investment in Cisco Common Stock following the Merger. Generally, subject to the volume limitations applicable to IronPort affiliates under SEC Rule 145(d), an IronPort Stockholder will have more liquidity as a result of the Merger, because shares of Cisco Common Stock are traded on the Nasdaq Global Select Market whereas no established trading market exists for any class of capital stock of IronPort.

This section does not include a complete description of all differences among the rights of these stockholders, nor does it include a complete description of the specific rights of these stockholders. In addition, the identification of some differences in the rights of these stockholders as material is not intended to indicate that other differences that are equally important or that you deem important do not exist. The summary set forth in this section, therefore, is qualified by reference to Delaware Law and California Law, IronPort's certificate of incorporation, as amended, and bylaws, and Cisco's articles of incorporation and bylaws.

## **9. Information About Cisco.**

### **a. Description of Business.**

Cisco manufactures and sells networking and communications products and provides services associated with that equipment and its use. Cisco products are installed at corporations, public institutions, telecommunication companies, and commercial businesses, and are also found in personal residences. Cisco provides a broad line of products for transporting data, voice, and video within buildings, across campuses, and around the world.

Cisco was incorporated in the state of California in December 1984. Cisco's principal corporate office is located at 170 West Tasman Drive, San Jose, California 95134. IronPort securityholders may contact Cisco's Investor Relations department at 408-526-4000 for additional information regarding ~~investment~~investments in Cisco securities, and may contact Mark Gorman, Senior Director, Mergers & Acquisitions, Legal Services at 408-526-4000 for additional information regarding the Merger.

### **b. Market Price Information.**

#### **Cisco**

Shares of Cisco Common Stock are traded on the Nasdaq Global Select Market under the symbol "CSCO." The following table sets forth the range of high and low closing prices reported on the Nasdaq Global Select Market (or its predecessor, the Nasdaq National Market) for shares of Cisco Common Stock for the periods indicated.

	<u>High</u>	<u>Low</u>
<b>Fiscal Year 2005</b>		
First Fiscal Quarter (ended October 30, 2004).....	\$21.24	\$17.79
Second Fiscal Quarter (ended January 29, 2005).....	\$19.97	\$17.51
Third Fiscal Quarter (ended April 30, 2005).....	\$18.71	\$17.02
Fourth Fiscal Quarter (ended July 30, 2005).....	\$20.17	\$17.26
<b>Fiscal Year 2006</b>		
First Fiscal Quarter (ended October 29, 2005).....	\$19.61	\$16.93
Second Fiscal Quarter (ended January 28, 2006).....	\$19.40	\$17.02
Third Fiscal Quarter (ended April 29, 2006).....	\$21.97	\$17.83
Fourth Fiscal Quarter (ended July 29, 2006).....	\$21.86	\$17.46
<b>Fiscal Year 2007</b>		
First Quarter (ended October 28, 2006).....	\$24.59	\$17.24
Second Quarter (ended January 27, 2007).....	\$28.92	\$23.77
Third Quarter (through April 9, 2007) .....	\$28.85	\$24.82

Because the market price of Cisco Common Stock is subject to fluctuation, the market value of the shares of Cisco Common Stock that holders of IronPort capital stock will receive in connection with the Merger may increase or decrease following the time such shares are distributed by Cisco. IronPort Stockholders are urged to obtain current market quotations for Cisco Common Stock. No assurance can be given as to the future prices or markets for Cisco Common Stock.

**Ibiza Sub**

There is no established public market for any class of Ibiza Sub capital stock.

**Eivissa Sub**

There is no established public market for any class of Eivissa Sub capital stock.



**c. Directors and Executive Officers.**

**Cisco**

The directors and executive officers of Cisco are as follows:

<b><u>Name</u></b>	<b><u>Position</u></b>
Carol A. Bartz	Director
M. Michele Burns	Director
Larry R. Carter	Senior Vice President, Office of the President and Director
John T. Chambers	Chairman, Chief Executive Officer and Director
Michael D. Capellas	Director
Brian L. Halla	Director
Dr. John L. Hennessy	Director
Richard Kovacevich	Director
Roderick C. McGeary	Director
Michael K. Powell	Director
Steven M. West	Director
Jerry Yang	Director
Susan L. Bostrom	Senior Vice President, Chief Marketing Officer
Jonathan Chadwick	Vice President, Corporate Controller and Principal Accounting Officer
Mark Chandler	Senior Vice President, Legal Services, General Counsel and Secretary
Charlie Giancarlo	Senior Vice President and Chief Development Officer and President, Cisco-Linksys LLC
Richard J. Justice	Senior Vice President, Worldwide Field Operations and Business Development
Randy Pond	Senior Vice President, Operations, Processes, and Systems
Dennis Powell	Senior Vice President and Chief Financial Officer

**Ibiza Sub**

The directors and executive officers of Ibiza Sub are as follows:

<b><u>Name</u></b>	<b><u>Position</u></b>
Ned Hooper	Chief Executive Officer, President and Director
Dennis Powell	Vice President and Chief Financial Officer
David Holland	Vice President
Mark Chandler	Vice President and Secretary
Mark Gorman	Vice President and Assistant Secretary

### Eivissa Sub

The directors and executive officers of Eivissa Sub are as follows:

<u>Name</u>	<u>Position</u>
Ned Hooper	Chief Executive Officer, President and Director
Dennis Powell	Vice President and Chief Financial Officer
David Holland	Vice President
Mark Chandler	Vice President and Secretary
Mark Gorman	Vice President and Assistant Secretary

#### **d. Where You Can Find More Information About Cisco.**

Cisco files annual, quarterly and special reports, proxy statements and other information with the SEC. These materials can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the SEC's regional offices at 175 W. Jackson Boulevard Suite 900, Chicago, IL 60604 and 233 Broadway, New York, New York 10279. Copies of these materials can also be obtained from the SEC at prescribed rates by writing to the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC maintains a World Wide Web site at <http://www.sec.gov> that contains reports, proxy and other information regarding entities, including Cisco, that file electronically with the SEC. The Cisco recommends that you download and read the following documents and all reports filed by Cisco pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act:

- Cisco's Quarterly Report on Form 10-Q for the fiscal quarter ended January 27, 2007;
- Cisco's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2006;
- Cisco's Definitive Proxy Statement on Schedule 14A filed on September 25, 2006; and
- Cisco's Annual Report on Form 10-K for the fiscal year ended July 29, 2006.

Each document filed by Cisco pursuant to the Exchange Act subsequent to the date of this Information Statement and prior to the Effective Time shall be deemed to be incorporated into this Information Statement by reference and to be a part hereof from the date of filing of such document. Any document contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modified or supersedes such statement. A copy of any or all SEC filings will be provided without charge to any holder of any IronPort capital stock upon the oral or written request of any such holder. Requests should be directed to Cisco at its Office of Investor Relations at (408) 526-8890.

## 10. Information About IronPort.

### a. Description of Business.

IronPort is an email and web security products provider for organizations ranging from small businesses to the Global 2000. IronPort provides products for managing and protecting networks from Internet threats, including by means of routing inbound and outbound email traffic, blocking inbound threats such as spam and viruses and enforcing corporate email policies such as restrictions on sending confidential information. IronPort's principal executive offices are located at 950 Elm Avenue, San Bruno, California 94066 and its website address is [www.ironport.com](http://www.ironport.com). IronPort securityholders may contact Keith Valory, VP, Corporate Development and General Counsel of IronPort at (650) 989-6580 for additional information regarding IronPort or the Merger.

**b. Market Price Information.** There is not now, and there has not been since IronPort's inception, any public market for its capital stock.

### c. Directors and Executive Officers.

The directors and executive officers of IronPort are as follows:

<u>Name</u>	<u>Position</u>
Scott Weiss	Chief Executive Officer and Director
Scott Banister	Vice President Corporate Strategy and Director
Robert Kavner	Chairman of the Board of Directors
Robert R. Ackerman, Jr.	Director
Douglas Carlisle	Director
Audrey MacLean	Director
Robert Thomas	Director
Craig Collins	Chief Financial Officer
Nawaf Bitar	Senior Vice President, Engineering
Tom Gillis	Senior Vice President, Worldwide Marketing
Steve Shray	Senior Vice President, Operations
Kelly Battles	Vice President, Finance
Shrey Bhatia	Vice President, International Sales and Worldwide Channels
Anna Binder	Vice President, People
Danielle Murcay	Vice President, Corporate Controller
Mark Peek	Vice President, Engineering
Patrick R. Peterson	Vice President, Technology
Keith Valory	Vice President, Corporate Development and General Counsel
Jeff Williams	Vice President, North American Sales

### d. Financial Information.

For financial information regarding IronPort, reference is hereby made to IronPort's (i) audited financial statements for the fiscal years ended December 31, 2004 and December 31, 2005, and (ii) unaudited financial statements for the fiscal year ended December 31, 2006, copies of which are attached hereto as **Exhibit 7** and incorporated herein by reference.

**e. Interests of Certain Persons in the Merger.**

IronPort Stockholders should be aware that certain officers, directors, employees and significant stockholders of IronPort have interests in the Merger that are in addition to their interests as IronPort Stockholders generally, including the following:

***Acceleration of IronPort Options and Shares.***

IronPort's Change of Control Policy provides for 100% acceleration of vesting as to the unvested equity awards of Kelly Battles, Keith Valory, Anna Binder, Danielle Murcay and Craig Collins (each a "**Level 1 Participant**") in the event (A) a successor corporation does not assume equity awards of such Level 1 Participant under the Company's 2001 Stock Plan in connection with a change in control, or (B) a successor corporation does assume equity awards granted to a Level 1 Participant under the Company's 2001 Stock Plan in connection with a change in control, and within 12 months following such change in control, such Level 1 Participant (i) is terminated without cause, or (ii) voluntarily terminates his or her employment relationship within thirty (30) days following a constructive termination. For purposes of this section, the Merger will constitute a "change of control." Of these Level 1 Participants, Kelly Battles, Anna Binder, Keith Valory, and Danielle Murcay have entered into benefits waivers with respect to these acceleration benefits. See "Material Features of the Merger – Assumption of IronPort Options," "Material Features of the Merger – Unvested Shares Subject to Repurchase Rights" and "The Merger and Related Transactions – Related Agreements – Benefits Waivers" for additional information.

IronPort's Change of Control Policy also provides for 50% acceleration of vesting as to the unvested equity awards of Scott Weiss, Scott Banister, Tom Gillis, Steve Shray, Shrey Bhatia, Jeff Williams, Nawaf Bitar, Peter Mallari, Jason Somer, Maureen Bruckner, Renee Loth Cali and Kim Morton (each a "**Level 2 Participant**") in the event (A) a successor corporation does not assume equity awards of such Level 2 Participant under the Company's 2001 Stock Plan in connection with a change in control, or (B) a successor corporation does assume equity awards granted to a Level 2 Participant under the Company's 2001 Stock Plan in connection with a change in control, and within 12 months following such change in control, such Level 2 Participant (i) is terminated without cause, or (ii) voluntarily terminates his or her employment relationship within thirty (30) days following a constructive termination. For purposes of this section, the Merger will constitute a "change of control." Of these Level 2 Participants, Scott Weiss, Scott Banister, Tom Gillis, Steven Shray, Jeff Williams and Nawaf Bitar have entered into benefits waivers with respect to these acceleration benefits. See "Material Features of the Merger – Assumption of IronPort Options," "Material Features of the Merger – Unvested Shares Subject to Repurchase Rights" and "The Merger and Related Transactions – Related Agreements – Benefits Waivers" for additional information.

IronPort Options held by individuals who will not continue as employees of Cisco following the closing of the Merger will not be assumed and, per the terms of the IronPort 2001 Stock Plan, such IronPort Options will accelerate as to twenty-five percent (25%) of the then-unvested shares subject thereto upon the closing of the Merger. In addition, per the terms of the IronPort 2001 Stock Plan, if within 12 months following the closing, a person who becomes an employee of Cisco, is terminated by Cisco other than for cause, then twenty-five percent (25%) of the then unvested IronPort Options (converted into Cisco options), or then Unvested IronPort Shares issued upon the exercise of IronPort Options under the IronPort 2001 Stock Plan (converted into Cisco Common Stock), as the case may be, shall accelerate at the time of termination, provided such person is not entitled to additional acceleration pursuant to any other agreement with IronPort.

***Severance Payments.***

Pursuant to a letter agreement dated June 13, 2005 between IronPort and Craig Collins, the Chief Financial Officer of IronPort and a Level 1 Participant, if the Company terminates Mr. Collins' employment without cause or if he resigns for good reason then he is entitled to twelve months of his then-current base salary, medical insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") for eighteen months and acceleration of the outstanding unvested options that would have vested had his employment continued for twelve additional months.

Pursuant to a letter agreement dated August 12, 2005 between IronPort and Danielle Murcay, Vice President, Corporate Controller of IronPort, if Ms. Murcay's employment is terminated without cause or if she resigns following a constructive termination in connection with or within twelve months of a change of control, then she is entitled to receive six months of her then-current base salary and medical insurance pursuant to COBRA for twelve months. Ms. Murcay has entered into a benefits waiver with respect to these benefits.

Pursuant to a letter agreement dated April 12, 2001 between IronPort and Scott Weiss, Chief Executive Officer and a Director of IronPort, if Mr. Weiss's employment is terminated without cause or if he resigns following constructive termination, then he is entitled to receive six months of his then current salary as a severance benefit. Mr. Weiss has entered into a benefits waiver with respect to these benefits.

Pursuant to a letter agreement dated April 12, 2001 between IronPort and Scott Banister, Vice President Corporate Strategy and a Director of IronPort, if Mr. Banister's employment is terminated without cause or if he resigns following constructive termination, then he is entitled to receive six months of his then current salary as a severance benefit. Mr. Banister has entered into a benefits waiver with respect to these benefits.

Robert Kavner, Robert Thomas and Audrey MacLean, each of whom is a member of the board of directors of IronPort, are entitled to accelerated vesting of 100% of his or her outstanding unvested equity awards if his or her position as a member of our board of directors is terminated within twelve months of a change of control, which termination is contemplated pursuant to the terms of the Merger Agreement. Accordingly, Mr. Kavner's, Mr. Thomas' and Ms. MacLean's equity holdings will fully accelerate in connection with the Merger. As of March 9, 2007, Mr. Kavner held 93,750 Unvested IronPort Shares, Mr. Thomas held 123,958 unvested IronPort Options, and Ms. MacLean held 313,542 Unvested IronPort Shares.

***New IronPort Options and Cash Bonus Program.*** Pursuant to the terms of the Merger Agreement, IronPort has granted New Options to certain employees of IronPort, including certain of its officers, pursuant to the IronPort 2007 Stock Option Plan, and intends to grant New Options to certain PostX employees who become IronPort employees following the closing of the PostX Merger. In addition, IronPort has delivered to certain of its officers, bonus letters setting forth their entitlement to cash bonus payments under the Cash Bonus Program. The following chart, sets forth the number of New Options granted, and the amount of cash allocable, to the IronPort officers:

<u>Name</u>	<u>New Options</u>	<u>Cash Bonus Allocation</u>
Nawaf Bitar	500,000	-
Kelly Battles	400,000	-
Thomas Gillis	500,000	-
Steve Shray	200,000	-
Shrey Bhatia	100,000	\$630,000
Anna Binder	75,000	\$250,000
Danielle Murcraay	75,000	\$280,000
Mark Peek	130,000	-
Patrick Peterson	150,000	-
Keith Valory	400,000	-
Jeff Williams	-	\$650,000

Shray Bhatia is entitled to a total bonus payment of \$630,000, with fifty percent (50%) of such bonus payable on the twelve month anniversary of his employment term with Cisco and fifty percent (50%) of such bonus payable on December 1, 2008, subject to his being actively employed on such dates, provided further that if Mr. Bhatia's employment is terminated without "Cause" (as such term is defined in his employment agreement with Cisco) before December 1, 2008, any unpaid portion of his \$630,000 bonus will be payable to him.

Jeff Williams is entitled to a total bonus payment of \$650,000, with \$250,000 payable at the six month anniversary of his employment term with Cisco, and \$200,000 payable at the twelve and eighteen month anniversaries of his employment term with Cisco; provided, however, that if Mr. Williams' employment is terminated without "Cause" (as such term is defined in his employment agreement with Cisco) before the eighteenth month of his employment term as set forth in his employment agreement with Cisco, any then unpaid portion of his \$650,000 will be payable to him.

Danielle Murcraay is entitled to a total bonus payment of \$280,000, payable on the twelve (12) month anniversary of her employment with Cisco; provided, however, that if Ms. Murcraay's employment is terminated without "Cause" (as such term is defined in her employment agreement) before the twelve month anniversary of her employment with Cisco, then the cash bonus will be payable to her.

Anna Binder is entitled to a total bonus payment of \$250,000, payable on the twelve (12) month anniversary of her employment with Cisco.

Pursuant to the terms of the Merger Agreement, IronPort has delivered to certain employees of IronPort, other than its officers, bonus letters setting forth their entitlement to cash bonus payments under the Cash Bonus Program. See "The Merger and Related Transactions – Material Features of the Merger – Total Merger Consideration" for more information.