VERISIGN INC/CA
Form DEF 14A
April 10, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

x Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to §240.14a-12.

VeriSign, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

VeriSign, Inc.

12061 Bluemont Way

Reston, Virginia 20190

April 10, 2012

To Our Stockholders:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of VeriSign, Inc. (Verisign) to be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 24, 2012, at 10:00 a.m., Eastern Time (the Meeting).

The matters expected to be acted upon at the Meeting are described in detail in the following *Notice of the 2012 Annual Meeting of Stockholders* and *Proxy Statement*.

We have implemented a U.S. Securities and Exchange Commission rule that requires companies to furnish their proxy materials over the Internet. As a result, we are mailing to our stockholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of our annual report to security holders, which includes our Annual Report on Form 10-K for the year ended December 31, 2011 (collectively, the Annual Report), and this proxy statement. The Notice of Internet Availability of Proxy Materials contains instructions on how to access those documents over the Internet. The Notice of Internet Availability of Proxy Materials also contains instructions on how each stockholder can receive a paper copy of our proxy soliciting materials, including this notice and proxy statement, our Annual Report and a form of proxy card or voting instruction card. We believe that this process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

It is important that you use this opportunity to take part in the affairs of Verisign by voting on the business to come before this meeting. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE THE PROXY ELECTRONICALLY OR BY PHONE AS DESCRIBED ON THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS AND UNDER INTERNET AND TELEPHONE VOTING IN THE PROXY STATEMENT, OR ALTERNATIVELY, IF RECEIVING PAPER COPIES OF PROXY MATERIALS, DATE, SIGN AND PROMPTLY RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR SHARES MAY BE REPRESENTED AT THE MEETING. Returning or completing the proxy does not deprive you of your right to attend the Meeting and to vote your shares in person.

We look forward to seeing you at our 2012 Annual Meeting of Stockholders.

Sincerely,

/s/ D. James Bidzos
D. James Bidzos
Chairman of the Board of Directors and Executive Chairman, President and Chief Executive Officer

Table of Contents

VERISIGN, INC.

12061 Bluemont Way

Reston, Virginia 20190

Notice of the 2012 Annual Meeting of Stockholders

TO OUR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Stockholders of VeriSign, Inc. will be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 24, 2012, at 10:00 a.m., Eastern Time. The 2012 Annual Meeting of Stockholders is being held for the following purposes:

1. To elect seven directors of VeriSign, Inc., each to serve until the next annual meeting, or until a successor has been elected and qualified or until the director s earlier resignation or removal.

2. To approve, on a non-binding, advisory basis, VeriSign, Inc. s executive compensation.

3. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012.

4. To transact such other business as may properly come before the 2012 Annual Meeting of Stockholders or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this Notice.

Only stockholders of record at the close of business on March 30, 2012, are entitled to notice of and to vote at the 2012 Annual Meeting of Stockholders or any adjournment thereof.

By Order of the Board of Directors,

/s/ Richard H. Goshorn
Richard H. Goshorn
Secretary

Reston, Virginia

April 10, 2012

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE THE PROXY ELECTRONICALLY OR BY PHONE AS DESCRIBED ON THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS AND UNDER

INTERNET AND TELEPHONE VOTING IN THE PROXY STATEMENT, OR ALTERNATIVELY, IF RECEIVING PAPER COPIES OF PROXY MATERIALS, COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR SHARES MAY BE REPRESENTED AT THE MEETING.

Table of Contents

TABLE OF CONTENTS

Table of Contents

VERISIGN, INC.

12061 Bluemont Way

Reston, Virginia 20190

PROXY STATEMENT

FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS

April 10, 2012

The accompanying proxy is solicited on behalf of the Board of Directors (the Board) of VeriSign, Inc. (Verisign or the Company) for use at the 2012 Annual Meeting of Stockholders (the Meeting) to be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 24, 2012 at 10:00 a.m., Eastern Time. Only holders of record of our common stock at the close of business on March 30, 2012, which is the record date, will be entitled to vote at the Meeting. At the close of business on the record date, we had 158,352,243 shares of common stock outstanding and entitled to vote. This proxy statement and the accompanying form of proxy (collectively, the Proxy Statement) were first made available to stockholders on or about April 10, 2012. Our annual report to security holders, which includes our Annual Report on Form 10-K for the year ended December 31, 2011 (collectively, the Annual Report), is enclosed with this Proxy Statement for stockholders receiving a paper copy of proxy soliciting materials. The Annual Report and Proxy Statement can both be accessed on the Investor Relations section of our website at *http://investor.verisign.com*, or at *http://www.proxyvoting.com/vrsn*.

All proxies will be voted in accordance with the instructions contained therein. Unless contrary instructions are specified, if the accompanying proxy is executed and returned (and not revoked) prior to the Meeting, the shares of Verisign common stock represented by the proxy will be voted: (1) **FOR** the election of each of the seven director candidates nominated by the Board; (2) **FOR** the non-binding, advisory resolution to approve Verisign s executive compensation; (3) **FOR** the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012 (fiscal 2012); and (4) in accordance with the best judgment of the named proxies on any other matters properly brought before the Meeting.

Adoption of Majority Vote Standard in Uncontested Director Elections

Verisign s Fifth Amended and Restated Bylaws (the Bylaws) provide for a majority of votes cast standard in uncontested elections. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast withheld for that director. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard will continue to be a plurality of votes cast. In addition, if a nominee who already serves as a director is not re-elected, the director shall tender his or her resignation, subject to acceptance by the Board. The Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Corporate Governance and Nominating Committee s recommendation and publicly disclose its decision and the rationale behind it within ninety days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board s decision. If the failure of a nominee to be elected at the annual meeting results in a vacancy on the Board, that vacancy can be filled by action of the Board.

Table of Contents

Voting Rights

Holders of our common stock are entitled to one vote for each share held as of the record date.

Quorum, Effect of Abstentions and Broker Non-Votes, Vote Required to Approve the Proposals

A majority of the outstanding shares of common stock must be present or represented by proxy at the Meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Meeting. A broker non-vote occurs when a bank, broker or other stockholder of record holding shares for a beneficial owner submits a proxy for the meeting, but does not vote on a particular proposal because that record holder does not have discretionary voting power with respect to that non-routine proposal and has not received voting instructions from the beneficial owner. Each of the election of directors and the non-binding, advisory vote to approve executive compensation is a non-routine proposal and so shares for which record holders do not receive voting instructions will not be voted on such matters.

If a quorum is present, a nominee for election to a position on the Board in an uncontested election will be elected as a director if the votes cast for the election of the nominee exceed the votes cast as withheld for that nominee. The following will not be votes cast and will have no effect on the election of any director nominee: (i) a share whose ballot is marked as abstain; (ii) a share otherwise present at the meeting but for which there is an abstention; (iii) a share otherwise present at the meeting as to which a stockholder gives no authority or direction; and (iv) a share subject to a broker non-vote. Stockholders may not cumulate votes in the election of directors.

If a quorum is present, approvals of the proposals for:

- the non-binding, advisory resolution to approve Verisign s executive compensation;
- the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal 2012; and
- all other matters that properly come before the Meeting

require the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote on the subject matter.

Under this voting standard, abstentions will have the effect of votes cast against the proposal, and broker non-votes will not affect the voting outcome.

The inspector of elections appointed for the Meeting will separately tabulate affirmative and withheld votes, abstentions and broker non-votes.

Adjournment of Meeting

In the event that a quorum shall fail to attend the Meeting, either in person or represented by proxy, the chairman may adjourn the Meeting, or alternatively, a stockholder or a person named as a proxy may propose the adjournment of the Meeting. Any such adjournment proposed by a stockholder or person named as a proxy would require the affirmative vote of the majority of the outstanding shares present in person or represented by proxy at the Meeting.

Expenses of Soliciting Proxies

Verisign will pay the expenses of soliciting proxies to be voted at the Meeting. Verisign intends to retain Alliance Advisors, L.L.C. for various services related to the solicitation of proxies, which we anticipate will cost between $3,000 and $6,500, plus reimbursement of expenses. Following the original mailing of the Notice of Internet Availability of Proxy Materials and paper copies of proxies and other proxy soliciting materials, we and/or our agents may also solicit proxies by mail, telephone, electronic transmission, including

2

Table of Contents

email, or in person. Following the original mailing of the Notice of Internet Availability of Proxy Materials and paper copies of the proxies and other proxy soliciting materials, we will request that brokers, custodians, nominees and other record holders of our shares forward copies of the proxy and other proxy soliciting materials to persons for whom they hold shares and request authority for the exercise of proxies. In such cases, we will reimburse the record holders for their reasonable expenses if they ask us to do so.

Revocability of Proxies

A stockholder may revoke any proxy that is not irrevocable by attending the Meeting and voting in person or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the Company.

Internet and Telephone Voting

If you hold shares of record as a registered stockholder, you can simplify your voting process and save the Company expense by voting your shares by telephone at 1-866-540-5760 or on the Internet at *http://www.proxyvoting.com/vrsn* twenty-four hours a day, seven days a week. Telephone and Internet voting are available through 11:59 p.m. Eastern Time the day prior to the Meeting. More information regarding Internet voting is given on the Notice of Internet Availability of Proxy Materials. If you hold shares through a bank or brokerage firm, the bank or brokerage firm will provide you with separate instructions on a form you will receive from them. Many such firms make telephone or Internet voting available, but the specific processes available will depend on those firms individual arrangements.

Householding

Verisign has adopted a procedure called householding, which has been approved by the Securities and Exchange Commission (the SEC). Under this procedure, Verisign is delivering only one copy of the Notice of Internet Availability of Proxy Materials or paper copies of the Annual Report and Proxy Statement, as the case may be, to multiple stockholders who share the same address and have the same last name, unless Verisign has received contrary instructions from an affected stockholder. This procedure reduces Verisign s printing costs, mailing costs and fees. Stockholders who participate in householding will continue to receive separate voter control numbers or proxy cards, in accordance with their preferred method of delivery.

Verisign will deliver promptly upon written or oral request a separate copy of the Notice of Internet Availability of Proxy Materials or Annual Report and the Proxy Statement to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of any of these documents, you may write or call Verisign s Investor Relations Department at VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190, Attention: Investor Relations, telephone 1-800-922-4917, or via email at ir@verisign.com. You may also access Verisign s Annual Report and Proxy Statement on the Investor Relations section of Verisign s website at *http://investor.verisign.com*.

If you are a holder of record and would like to revoke your householding consent and receive a separate copy of the Notice of Internet Availability of Proxy Materials, Annual Report or Proxy Statement in the future, please contact Computershare Shareowner Services, either by calling toll free at 1-877-255-1918 or by writing to Computershare Shareowner Services, Householding Department, P.O. Box 358015, Pittsburgh, PA 15252-8015. You will be removed from the householding program within thirty days of receipt of the revocation of your consent.

Any stockholders of record who share the same address and currently receive multiple copies of Verisign s Notice of Internet Availability of Proxy Materials, Annual Report or Proxy Statement who wish to receive only one copy of these materials per household in the future, please contact Verisign s Investor Relations Department at the email address, physical address or telephone number listed above to participate in the householding program.

A number of brokerage firms have instituted householding. If your shares are held in street name, please contact your bank, broker or other holder of record to request information about householding.

Table of Contents

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Bylaws authorize eleven directors or such number of directors determined from time to time by a resolution of the Board; there are currently seven directors, as determined by a written resolution of the Board. The terms of the current directors, who are identified below, expire upon the election and qualification of the directors to be elected at the Meeting. The Board has nominated each of the seven current directors for re-election at the Meeting to serve until the 2013 Annual Meeting of Stockholders and until their respective successors have been elected and qualified. There are currently no vacancies on the Board. Proxies cannot be voted for more than seven persons, which is the number of nominees.

Unless otherwise directed, the persons named in the proxy intend to vote all proxies **FOR** the re-election of the nominees, as listed below, each of whom has consented to serve as a director if elected. If, at the time of the Meeting, any of the nominees is unable or declines to serve as a director, the discretionary authority provided in the enclosed proxy will be exercised to vote for a substitute candidate designated by the Board, unless the Board chooses to reduce its own size. The Board has no reason to believe any of the nominees will be unable or will decline to serve if elected.

Nominees/Directors

Set forth below is certain information relating to our directors, including details on each director/nominee s specific experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a director of the Company.

Name	Age	Position
Nominees for election as directors		
for a term expiring in 2013:		
D. James Bidzos	57	Chairman of the Board, Executive Chairman, President and Chief Executive Officer
William L. Chenevich(1)(2)	68	Lead Independent Director
Kathleen A. Cote(1)(2)	63	Director
Roger H. Moore	70	Director
John D. Roach(1)(3)	68	Director
Louis A. Simpson(2)(3)	75	Director
Timothy Tomlinson(2)(3)	62	Director

(1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Compensation Committee.

D. James Bidzos has served as Executive Chairman since August 2009 and President and Chief Executive Officer since August 2011. He served as Executive Chairman and Chief Executive Officer on an interim basis from June 2008 to August 2009 and served as President from June 2008 to January 2009. He served as Chairman of the Board since August 2007 and from April 1995 to December 2001. He served as Vice Chairman of the Board from December 2001 to August 2007. Mr. Bidzos served as a director of VeriSign Japan K.K. (VeriSign Japan) from March 2008 to August 2010 and served as Representative Director of VeriSign Japan from March 2008 to September 2008. Mr. Bidzos served as Vice Chairman of RSA Security Inc., an Internet identity and access management solution provider, from March 1999 to May 2002, and Executive Vice President from July 1996 to February 1999. Prior thereto, he served as President and Chief Executive Officer of RSA Data Security, Inc. from 1986 to February 1999.

Mr. Bidzos is a business executive with significant expertise in the technology that is central to the Company s businesses. Mr. Bidzos is an Internet and security industry pioneer who understands the strategic technology trends in markets that are important to the Company. Mr. Bidzos was a founder of the Company and has been either Chairman or Vice Chairman of the Company s Board of Directors since the Company s founding in April 1995, providing him with valuable insight and institutional knowledge of the Company s history and development. Mr. Bidzos has prior experience on our Compensation Committee and our Corporate Governance and Nominating Committee and as a member of several other public-company boards. Mr. Bidzos s years of board-level experience contribute important knowledge and insight to the Board. Additionally, Mr. Bidzos s executive-level experience includes many years as a Chief Executive Officer, providing him with a perspective that the Board values. Mr. Bidzos also has international business experience from his service as a director of VeriSign Japan.

William L. Chenevich has served as Lead Independent Director since February 2009 and as a director since the Company s founding in April 1995. Mr. Chenevich served as Vice Chairman of Technology and Operations for U.S. Bancorp, a financial holding company, from February 2001 to July 2010. He served as Vice Chairman of Technology and Operations Services of Firstar Corporation, a financial services company, from 1999 until its merger with U.S. Bancorp in February 2001. Prior thereto, he was Group Executive Vice President of VISA International, a financial services company, from 1994 to 1999. Mr. Chenevich holds a B.B.A. degree in Business from the City College of New York and an M.B.A. degree in Management from the City University of New York.

Mr. Chenevich is a business executive with significant expertise in technology and operations developed over more than twenty years in the financial services industry. Mr. Chenevich s expertise in technology and operations is directly relevant to the products and services of the Company s businesses. Mr. Chenevich s experience in the financial services industry is also relevant as that industry is an important target industry for the Company s products and services. Mr. Chenevich s service on several other boards of directors over his career, and his service on our Board since the Company s founding, have provided him with significant board-level experience, as well as valuable insight and institutional knowledge of the Company s history and development. Mr. Chenevich s financial and accounting skills qualify him as an audit committee financial expert. His experience on our Audit Committee and the audit committee of another company are also valuable to the Company. In addition, Mr. Chenevich has significant executive-level experience as a management committee member at leading financial institutions for more than twenty years, including experience in mergers and acquisitions transactions. Mr. Chenevich also has significant international business experience from his time as Group Executive Vice President of VISA International.

Kathleen A. Cote has served as a director since February 2008. From May 2001 to June 2003, Ms. Cote served as Chief Executive Officer of Worldport Communications Company, a provider of Internet managed services. From September 1998 to May 2001, she served as Founder and President of Seagrass Partners, a consulting firm specializing in providing strategic planning, business, operational and management support for startup and mid-sized technology companies. Prior thereto, she served as President and Chief Executive Officer of Computervision Corporation, a supplier of desktop and enterprise, client server and web-based product development and data management software and services. During the past five years, Ms. Cote has held directorships at Asure Software Corporation, GT Advanced Technologies Inc., 3Com Corporation and Western Digital Corporation. Ms. Cote holds an Honorary Doctorate from the University of Massachusetts, an M.B.A. degree from Babson College, and a B.A. degree from the University of Massachusetts, Amherst.

Ms. Cote is a business executive with significant expertise overseeing global companies in technology and operations in the areas of systems integration, networks, hardware and software, including web-based applications and Internet services. Ms. Cote s expertise in technology and operations is directly relevant to the Company s businesses. Ms. Cote s expertise as a business executive also includes sales and marketing, product development, strategic planning and international experience, which contributes important expertise to the Board in those areas of business administration. Ms. Cote s financial and accounting skills qualify her as an audit committee financial expert. In addition to Ms. Cote s tenure as a director of the Company, Ms. Cote has served on several other boards of directors, including service on the audit and corporate governance committees of those boards, providing her with valuable board-level experience. Ms. Cote s executive-level experience includes experience as a Chief Executive Officer, providing her with a perspective that the Board values.

Roger H. Moore has served as a director since February 2002. From December 2007 to May 2009, he served as a consultant assisting Verisign in the divestiture of its Communications Services business. From June 2007 through November 2007, Mr. Moore served as interim Chief Executive Officer of Arbinet Corporation, a provider of online trading services. He was President and Chief Executive Officer of Illuminet Holdings, Inc. from December 1995 until December 2001 when Verisign acquired Illuminet Holdings. Prior to Illuminet Holdings, Mr. Moore spent ten years with Nortel Networks in a variety of senior management positions including President of Nortel Japan. During the past five years, Mr. Moore has held directorships at Western Digital Corporation, Consolidated Communications Illinois Holdings, Inc. and Arbinet Corporation. Mr. Moore holds a B.S. degree in General Science from Virginia Polytechnic Institute and State University.

Mr. Moore is a business executive with significant expertise in general management, sales, technology and strategic planning in the telecommunications industry. Mr. Moore s expertise contributes operational knowledge of important inputs to the Company s businesses and provides valuable experience in areas of business administration. Mr. Moore also has significant experience, both as a senior executive and as a board member, in joint venture and mergers and acquisition transactions, which is experience that is valuable to the Board. Mr. Moore also serves on several other boards of directors, including service on the audit, compensation and corporate governance committees of certain of those boards, providing him with valuable board-level experience. In addition to the several years of business management experience mentioned above, Mr. Moore has international business experience from his time as President of Nortel Japan and as President of AT&T Canada.

John D. Roach has served as a director since July 2007. Mr. Roach has served as Chairman of the Board of Directors and Chief Executive Officer of Stonegate International, a private investment and advisory services company, since September 2001. From November 2002 to January 2006, he served as Executive Chairman of Unidare U.S., a subsidiary of Unidare plc, a public Irish financial holding company and supplier of products to the welding, safety and industrial markets. From 1998 to 2001, he served as Founder and Chairman, President and Chief Executive Officer of Builders FirstSource, Inc., a distributor of building products. Prior to that, he was Chairman, President and Chief Executive Officer of Fibreboard Corporation, a building products company, from July 1991 to July 1997 when it was acquired by Owens Corning. Mr. Roach also held various executive level roles at Johns Manville Corp. from 1987 to 1991, including serving as its Chief Financial Officer and President of two of its affiliated entities. During the past five years, Mr. Roach has held directorships at Kaiser Aluminum Corporation, Material Sciences Corporation, PMI Group, Inc. and URS Corporation. Mr. Roach holds a B.S. degree in Industrial Management from M.I.T. and an M.B.A. degree from Stanford University.

Mr. Roach is a business executive with significant expertise in private investment and seventeen years of strategy consulting experience, including serving in senior officer roles at The Boston Consulting Group, Booz Allen Hamilton Inc. and Braxton International. Mr. Roach s expertise contributes business operational knowledge and strategic planning skills, along with knowledge important to mergers and acquisitions activity. Mr. Roach s financial and accounting skills qualify him as an audit committee financial expert. Throughout his career, Mr. Roach has served on ten other boards of directors, providing him with valuable board-level experience. His experience on our Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, and the audit committees, compensation committees and corporate governance and nominating committees of several other companies, is also valuable to the Company. Mr. Roach has years of executive experience as a Chief Executive Officer at several other companies, two of which were publicly-traded, and as a Chief Financial Officer. Mr. Roach has international experience as the former Managing Director of the Worldwide Strategy Practice for Booz Allen Hamilton and was responsible for managing all of Johns Manville Corp. s European business activities.

Louis A. Simpson has served as a director since May 2005. Mr. Simpson is Chairman of SQ Advisors, LLC, an investment firm. From May 1993 to December 2010, he served as President and Chief Executive Officer, Capital Operations, of GEICO Corporation, a passenger auto insurer. Mr. Simpson previously served as Vice Chairman of the Board of GEICO from 1985 to 1993. During the past five years, Mr. Simpson has held directorships at Science Applications International Corporation and Chesapeake Energy Corporation. Mr. Simpson holds a B.A. degree from Ohio Wesleyan University and an M.A. degree in Economics from Princeton University.

Mr. Simpson is a business executive with significant expertise in insurance, finance and private investment. Mr. Simpson s expertise contributes all around business acumen, skills in strategic planning and finance, along with knowledge important to mergers and acquisitions activity. Throughout his career, Mr. Simpson has served on the board of directors of more than fifteen publicly traded companies, providing him with extensive and valuable board-level experience. Mr. Simpson s board-level experience also includes previous audit committee, finance committee, nominating and corporate governance committee and compensation committee experience on certain of those public-company boards. Mr. Simpson is a recognized expert in corporate governance matters, having lectured and presented numerous times on corporate governance topics at seminars and continuing education courses. As indicated above, Mr. Simpson s career includes executive-level experience as a Chief Executive Officer, providing him with a perspective that the Board values.

Timothy Tomlinson is a practicing corporate lawyer employed as General Counsel of Portola Minerals Company, a producer and seller of limestone products. Mr. Tomlinson was employed as Of Counsel by the law firm Greenberg Traurig, LLP from May 2007 through May 2011. Mr. Tomlinson was the founder and a named partner of Tomlinson Zisko LLP and practiced with this Silicon Valley law firm from 1983 until its acquisition by Greenberg Traurig, LLP in May 2007. He served as managing partner of his firm for multiple terms. Mr. Tomlinson is a long-tenured member of the Board, having served from the Company s founding in 1995 until 2002, and again since his reappointment in November 2007. Mr. Tomlinson holds a B.A. degree in Economics, an M.A. degree in History, an M.B.A. and a J.D. degree from Stanford University.

Mr. Tomlinson has significant expertise in corporate matters including finance and mergers and acquisitions and has represented clients in the technology industry for more than thirty years. Mr. Tomlinson s long-term service on our Board has provided him with valuable insight and institutional knowledge of the Company s history and development. He has extensive experience in corporate governance, both as a lawyer advising clients, and through serving on our Audit, Compensation and Corporate Governance and Nominating Committees, as well as the audit, compensation, and governance committees of other public companies.

Compensation of Directors

This section provides information regarding the compensation policies for non-employee directors and amounts earned and securities awarded to these directors in fiscal 2011. Employee directors are not compensated for their services as a director. D. James Bidzos, a director, is the Company s Executive Chairman, President and Chief Executive Officer. As an employee of the Company, Mr. Bidzos does not participate in the compensation program for non-employee directors, and he is compensated as an executive officer of the Company. Mark McLaughlin, the Company s former President and Chief Executive Officer, also served as a director until his resignation from the Board effective July 27, 2011. Mr. McLaughlin did not participate in the compensation program for non-employee directors and was compensated as an executive officer of the Company. Messrs. Bidzos and McLaughlin s compensation are described in Executive Compensation elsewhere in this Proxy Statement.

Non-Employee Director Retainer Fees and Equity Compensation Information

On July 26, 2011, the Compensation Committee met to consider the cash and equity-based compensation to be paid to non-employee directors. The Compensation Committee reviewed competitive market data prepared by Frederic W. Cook & Co. (FW Cook), its independent compensation consultant, for the same comparator group used to benchmark executive compensation and certain available information for other boards and reviewed the board compensation practices of these companies. For information about the comparator group, see Executive Compensation Compensation Discussion and Analysis. Following this review and consideration of the recommendations made by FW Cook, the Compensation Committee determined that it was in the best interests of Verisign and its stockholders that the annual $200,000 equity award grant to each director be made solely in the form of restricted stock units (RSUs). New directors are granted an equity award equal to the pro rata amount of such annual equity award, the amount of which is determined based on the date of such new director s appointment or election to the Board.

During fiscal 2011, annual cash retainer fees were as follows:

Annual retainer for non-employee directors	$ 40,000
Additional annual retainer for Non-Executive Chairman of the Board(1)	$ 100,000
Additional annual retainer for Lead Independent Director	$ 25,000
Additional annual retainer for Audit Committee members	$ 25,000
Additional annual retainer for Compensation Committee members	$ 20,000
Additional annual retainer for Corporate Governance and Nominating Committee members	$ 10,000
Additional annual retainer for Audit Committee Chairperson	$ 15,000
Additional annual retainer for Compensation Committee Chairperson	$ 10,000
Additional annual retainer for Corporate Governance and Nominating Committee Chairperson	$ 5,000

(1) The position of Non-Executive Chairman of the Board was not held during 2011, and as such no annual retainer fees were paid during this period.

Non-employee directors are reimbursed for their expenses in attending meetings.

Non-Employee Director Compensation Table for Fiscal 2011

The following table sets forth a summary of compensation information for our non-employee directors for fiscal 2011. As executive officers of the Company during fiscal 2011, Messrs. Bidzos and McLaughlin received no additional compensation for services provided as a director. Information regarding Messrs. Bidzos and McLaughlin s compensation may be found under Executive Compensation.

DIRECTOR COMPENSATION FOR FISCAL 2011

Non-Employee Director Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
William L. Chenevich(4)	115,000	250,460	28.30	365,488.30
Kathleen A. Cote(5)	80,000	270,634	28.30	350,662.30
Roger H. Moore(6)	40,000	607,087	28.30	647,115.30
John D. Roach(7)	85,000	310,426	28.30	395,454.30
Louis A. Simpson(8)	80,000	694,671	28.30	774,699.30
Timothy Tomlinson(9)	70,000	310,426	28.30	380,454.30

(1) Amounts shown represent retainer fees earned by each director.

(2) Stock Awards consist solely of RSUs. Amounts shown represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for the applicable awards granted in fiscal 2011. The grant date fair value of each Stock Award granted to each non-employee director on July 26, 2011 was $199,977.60 (5,920 RSUs at $33.78 per share closing price on the grant date). In addition to the Stock Awards granted on July 26, 2011, awards of RSUs were granted on January 21, 2011 at $32.21 per share closing price and May 18, 2011 at $37.29 per share closing price, in connection with outstanding vested and unvested options as a result of the special dividends declared by the Board on December 9, 2010 and April 27, 2011, respectively, to non-employee directors as follows: Mr. Chenevich, $50,483 (809 RSUs granted on January 21, 2011 and 655 RSUs granted on May 18, 2011); Ms. Cote, $70,657 (1,132 RSUs granted on January 21, 2011 and 917 RSUs granted on May 18, 2011); Mr. Moore, $407,109 (6,523 RSUs granted on January 21, 2011 and 5,283 RSUs granted on May 18, 2011); Mr. Roach, $110,448 (1,770 RSUs granted on January 21, 2011 and

Table of Contents

1,433 RSUs granted on May 18, 2011); Mr. Simpson, $494,693 (7,927 RSUs granted on January 21, 2011and 6,419 RSUs granted on May 18, 2011); and Mr. Tomlinson, $110,448 (1,770 RSUs granted on January 21, 2011and 1,433 RSUs granted on May 18, 2011).

(3) Amounts shown represent cash-in-lieu payments for fractional shares held by the director.

(4) As of December 31, 2011, Mr. Chenevich held 4,440 outstanding RSUs and outstanding options to purchase 8,884 shares of the Company s common stock.

(5) As of December 31, 2011, Ms. Cote held 4,440 outstanding RSUs and outstanding options to purchase 12,430 shares of the Company s common stock.

(6) As of December 31, 2011, Mr. Moore held 4,440 outstanding RSUs and outstanding options to purchase 46,632 shares of the Company s common stock.

(7) As of December 31, 2011, Mr. Roach held 4,440 outstanding RSUs and outstanding options to purchase 19,432 shares of the Company s common stock.

(8) As of December 31, 2011, Mr. Simpson held 4,440 outstanding RSUs and outstanding options to purchase 87,032 shares of the Company s common stock.

(9) As of December 31, 2011, Mr. Tomlinson held 4,440 outstanding RSUs and outstanding options to purchase 19,432 shares of the Company s common stock.

Stock options are granted at an exercise price not less than 100% of the fair market value of Verisign s common stock on the date of grant and have a term of not greater than seven years from the date of grant. Directors are permitted to exercise vested stock options for up to three years following the termination of their Board service. RSUs granted to non-employee directors (including those granted during fiscal 2011) vest in quarterly installments over one year from the date of grant. The Compensation Committee may authorize grants with different vesting schedules in the future. The vesting of equity awards for all non-employee directors accelerates as to 100% of any unvested equity awards upon certain changes-in-control as set forth in the Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan (the 2006 Plan) and the 1998 Directors Stock Option Plan, as applicable.

The Board Recommends a Vote FOR the Election of Each of the Nominated Directors.

Table of Contents

CORPORATE GOVERNANCE

Independence of Directors

As required under The NASDAQ Stock Market s listing standards, a majority of the members of our Board must qualify as independent, as determined by the Board. The Board consults with our legal counsel to ensure that the Board s determinations are consistent with all relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent listing standards of The NASDAQ Stock Market.

Consistent with these considerations, after review of all relevant transactions and relationships between each director, or any of his or her family members, and Verisign, our executive officers or our independent registered public accounting firm, the Board affirmatively determined on February 22, 2012 that the majority of our Board is comprised of independent directors. Our independent directors are: Mr. Chenevich, Ms. Cote, Mr. Roach, Mr. Simpson, and Mr. Tomlinson. Each director who serves on the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee is an independent director. Mr. Bidzos serves as Executive Chairman, President and Chief Executive Officer. During 2009, Mr. Moore served as a consultant assisting Verisign in the divestiture of its Communications Services business.

Board Leadership Structure

The Board regularly considers the appropriate leadership structure for the Company and has concluded that the Company and its shareholders are best served by not having a formal policy on whether the same individual should serve as both Chief Executive Officer and Chairman of the Board. This flexibility allows the Board to utilize its considerable experience and knowledge to elect the most appropriate director as Chairman, while maintaining the ability to separate the Chairman of the Board and Chief Executive Officer roles when necessary. This determination is made according to what the Board believes is best to provide appropriate leadership for the Company at such time. Currently, the Company s seven-member Board is led by Chairman D. James Bidzos. Mr. Bidzos is also an officer of the Company, serving as its Executive Chairman, President and Chief Executive Officer. The Board has appointed a Lead Independent Director, who is currently William L. Chenevich. The Lead Independent Director presides at all meetings of the Board at which the Chairman of the Board is not present. Five of the seven directors are independent.

The Board has determined that its current leadership represents an appropriate structure for the Company. In particular, this structure capitalizes on the expertise and experience of Messrs. Bidzos and Chenevich due to their long-tenured service to the Board. The structure permits Mr. Bidzos to engage in the operations of the Company in a more in-depth way as Executive Chairman, President and Chief Executive Officer. Lastly, the structure ensures Board independence from management by permitting the Lead Independent Director to call and chair meetings of the independent directors separate and apart from the Chairman of the Board.

Mr. Bidzos was a founder of the Company and its initial Chief Executive Officer, and he has been either Chairman or Vice Chairman of the Company s Board of Directors since the Company s founding in 1995. Mr. Bidzos s current tenure as Chairman of the Board dates to August 2007. Mr. Bidzos was appointed Executive Chairman, President and Chief Executive Officer on an interim basis of Verisign on June 30, 2008. On January 14, 2009, Mr. Bidzos resigned as President on an interim basis, and on August 17, 2009, Mr. Bidzos resigned as Executive Chairman and Chief Executive Officer on an interim basis and was appointed Executive Chairman of Verisign. On August 1, 2011, Mr. Bidzos was appointed President and Chief Executive Officer, following the resignation of Mark McLaughlin. Mr. Chenevich has also been a member of the Board since the Company s founding in 1995 and has been the Lead Independent Director since February 2009.

Board Role in Risk Oversight

The Board s role in the Company s risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and

Table of Contents

regulatory, and strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate member of senior management responsible for mitigating these risks within the organization to enable it to understand our risk identification, risk management and risk mitigation strategies. When a committee receives a report on risks under its purview, the Chairperson of the relevant committee reports on the discussion to the full Board during the committee reports portion of the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Board and Committee Meetings

The Board met five times and its committees collectively met fifteen times during 2011. During his or her tenure on the Board, in fiscal 2011, no director attended fewer than 75% of the aggregate of (i) the total number of meetings held by the Board and (ii) the total number of meetings held by all committees on which he or she served. As the Lead Independent Director, Mr. Chenevich may schedule and conduct separate meetings of the independent directors and perform other similar duties.

Board Members Attendance at the Annual Meeting

Although we do not have a formal policy regarding attendance by members of the Board at our annual meeting of stockholders, we encourage directors to attend. Two members of the Board attended our 2011 Annual Meeting of Stockholders.

Corporate Governance and Nominating Committee

The Board has established a Corporate Governance and Nominating Committee to recruit, evaluate, and nominate candidates for appointment or election to serve as members of the Board, recommend nominees for committees of the Board, recommend corporate governance principles and periodically review and assess the adequacy of these principles, and review annually the performance of the Board. The Corporate Governance and Nominating Committee is currently composed of Ms. Cote (Chairperson) and Messrs. Chenevich, Simpson and Tomlinson, each of whom has been determined by the Board to be an independent director under the rules of The NASDAQ Stock Market. The Corporate Governance and Nominating Committee operates pursuant to a written charter. The Corporate Governance and Nominating Committee s charter is located on our website at *https://investor.verisign.com/documents.cfm*. The Corporate Governance and Nominating Committee met four times during fiscal 2011.

In nominating candidates for election to the Board, the Corporate Governance and Nominating Committee considers the performance and qualifications of each potential nominee or candidate, not only for his or her individual strengths but also for his or her potential contribution to the Board as a group. While it has no express policy, in carrying out this responsibility the Corporate Governance and Nominating Committee also considers additional factors, such as diversity of business administration specialty, expertise within industries and markets tangential or complementary to the Company s industry, and business contacts among the various market segments relevant to the Company s sales, human resource and development strategies. Additionally, pursuant to its charter, the Corporate Governance and Nominating Committee evaluates and reviews with the Board the criteria for selecting new directors, including skills and characteristics, in the context of the current composition of the Board and its committees.

The Corporate Governance and Nominating Committee considers candidates for director nominees proposed by directors and stockholders. The Corporate Governance and Nominating Committee may also from time to time retain one or more third-party search firms to identify suitable candidates. The Corporate Governance and Nominating Committee has an agreement in place with an executive search firm to conduct searches for new independent directors for the Board from time to time, at the Corporate Governance and Nominating Committee s request.

Table of Contents

The Corporate Governance and Nominating Committee will consider all candidates identified by the directors, chief executive officer, stockholders, or third-party search firms through the processes described above, and will evaluate each of them, including incumbents and candidates nominated by stockholders, based on the same criteria.

If you would like the Corporate Governance and Nominating Committee to consider a prospective candidate, in accordance with our Bylaws, please submit the candidate s name and qualifications to: Richard H. Goshorn, Secretary, VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190.

Audit Committee

The Board has established an Audit Committee that oversees the accounting and financial reporting processes at the Company, internal control over financial reporting, audits of the Company s financial statements, the qualifications of the Company s independent auditor, and the performance of the Company s internal audit department and the independent auditor. The independent auditor reports directly to the Audit Committee, and the Audit Committee is responsible for the appointment (subject to stockholder ratification), compensation and retention of the independent auditor. The Audit Committee also oversees the Company s processes to manage business and financial risk, and compliance with significant applicable legal and regulatory requirements, and oversees the Company s ethics and compliance programs. The Audit Committee is currently composed of Messrs. Chenevich (Chairperson) and Roach and Ms. Cote. Each member of the Audit Committee meets the independence criteria of The NASDAQ Stock Market and the SEC. Each Audit Committee member meets The NASDAQ Stock Market s financial knowledge requirements, and the Board has determined that the Audit Committee has at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities as required by Rule 5605(c)(2) of The NASDAQ Stock Market. The Audit Committee operates pursuant to a written charter, which complies with the applicable provisions of the Sarbanes-Oxley Act of 2002 and related rules of the SEC and The NASDAQ Stock Market. The Audit Committee s charter is located on our website at *https://investor.verisign.com/documents.cfm*. The Audit Committee met five times during fiscal 2011.

Audit Committee Financial Expert

Our Board has determined that William L. Chenevich, Kathleen A. Cote and John D. Roach are audit committee financial experts as such term is defined in Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the Exchange Act). Messrs. Chenevich and Roach and Ms. Cote meet the independence requirements for audit committee members as defined in the applicable listing standards of The NASDAQ Stock Market.

Report of the Audit Committee

The information contained in this report shall not be deemed to be soliciting material or filed with the Securities and Exchange Commission (SEC) or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act) except to the extent that Verisign specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended (the Securities Act) or the Exchange Act.

The Audit Committee is composed of three directors who meet the independence and experience requirements of The NASDAQ Stock Market Rules. The Audit Committee operates under a written charter adopted by the board of directors (the Board) of VeriSign, Inc. (Verisign). The members of the Audit Committee are Messrs. Chenevich (Chairperson) and Roach, and Ms. Cote. The Audit Committee met five times during fiscal 2011.

Table of Contents

Management is responsible for the preparation, presentation and integrity of Verisign s financial statements, accounting and financial reporting principles and internal controls and processes designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting standards and applicable laws and regulations (the Internal Controls). The independent registered public accounting firm, KPMG LLP (KPMG), is responsible for performing an independent audit of Verisign s consolidated financial statements and the effectiveness of the Company s internal control over financial reporting in accordance with standards of the Public Company Accounting Oversight Board (United States) and for issuing reports thereon.

The Audit Committee is responsible for oversight of Verisign s financial, accounting and reporting processes and its compliance with legal and regulatory requirements. The Audit Committee is also responsible for the appointment, compensation and oversight of Verisign s independent registered public accounting firm, including (i) evaluating the independent registered public accounting firm s qualifications and performance, (ii) reviewing and confirming the independent registered public accounting firm s independence, (iii) reviewing and approving the planned scope of the annual audit, (iv) overseeing the audit work of the independent registered public accounting firm, (v) reviewing and pre-approving any non-audit services that may be performed by the independent registered public accounting firm, (vi) reviewing with management and the independent registered public accounting firm the adequacy of Verisign s Internal Controls, and (vii) reviewing Verisign s critical accounting policies, the application of accounting principles and conduct of the audit, including the oversight of the resolution of any issues identified by the independent registered public accounting firm.

We have adopted a policy regarding rotation of the audit partners (as defined under SEC rules) responsible for the audit of Verisign s financial statements. The registered public accounting firm shall not provide audit services to Verisign if the lead or coordinating audit partner (having primary responsibility for the audit) or the audit partner responsible for reviewing the audit has performed audit services for Verisign in each of the five previous fiscal years.

During fiscal 2011, the Audit Committee met privately with KPMG to discuss the results of the audit, evaluations by the independent registered public accounting firm of Verisign s Internal Controls and quality of Verisign s financial reporting.

The Audit Committee has reviewed and discussed the audited consolidated financial statements contained in Verisign s Annual Report on Form 10-K for the year ended December 31, 2011 with management. This review included a discussion of the accounting principles, reasonableness of significant judgments, and clarity of disclosures in the consolidated financial statements. Management represented to the Audit Committee that Verisign s consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and the Audit Committee has reviewed and discussed the consolidated financial statements with management and KPMG.

The Audit Committee has discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the Audit Committee has received from KPMG the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the firm s communications with the Audit Committee concerning independence, and the Audit Committee has discussed the firm s independence with the firm.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in Verisign s Annual Report on Form 10-K for the year ended December 31, 2011, for filing with the SEC.

This report is submitted by the Audit Committee

William L. Chenevich (Chairperson)

Kathleen A. Cote

John D. Roach

Compensation Committee

The Board has established a Compensation Committee to discharge the Board s responsibilities with respect to all forms of compensation of the Company s directors and executive officers, to administer the Company s equity incentive plans, and to produce an annual report on executive compensation for use in the Company s proxy statement. The Compensation Committee is also responsible for approving and evaluating executive officer compensation arrangements, plans, policies and programs of the Company. The Compensation Committee operates pursuant to a written charter. The Compensation Committee s charter is located on our website at *https://investor.verisign.com/documents.cfm*. The Compensation Committee is currently composed of Messrs. Simpson (Chairperson), Roach and Tomlinson, each of whom is an independent director under the rules of The NASDAQ Stock Market, a non-employee director pursuant to Rule 16b-3 promulgated under Section 16 of the Exchange Act and an outside director pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). The Compensation Committee met six times during fiscal 2011. For further information regarding the role of compensation consultants and management in setting executive compensation, see Executive Compensation Compensation Discussion and Analysis.

Communicating with the Board

Any stockholder who desires to contact the Board may do so electronically by sending an e-mail to the following address: bod@verisign.com. Alternatively, a stockholder may contact the Board by writing to: Board of Directors, VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190, Attention: Secretary. Communications received electronically or in writing are distributed to the Chairman of the Board or other members of the Board, as appropriate, depending on the facts and circumstances outlined in the communication received.

Legal Proceedings

On March 5, 2012, a complaint entitled *Warhanek v. Bidzos, et al.* was filed in the United States District Court for the District of Delaware. The complaint asserts derivative claims on behalf of Verisign against current directors D. James Bidzos, William L. Chenevich, Roger H. Moore, Kathleen A. Cote, John D. Roach, Louis A. Simpson, Timothy Tomlinson and a former director, President and Chief Executive Officer Mark D. McLaughlin (the Director Defendants). The complaint also asserts one derivative claim against officers and certain former officers Richard H. Goshorn, Christine C. Brennan, and Kevin A. Werner (the Executive Defendants, and together with the Director Defendants and nominal defendant Verisign, the Defendants).

The complaint alleges that the Director Defendants fraudulently obtained shareholder approval of certain incentive-based compensation plans by misrepresenting the tax deductibility of certain compensation paid to Verisign s executive officers, including the Executive Defendants. Verisign adopted and obtained shareholder approval of several incentive-based compensation plans, including a 2010 Annual Incentive Compensation Plan (AICP), and an Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan (2006 Plan) and these plans were submitted to shareholders for approval in the 2010 and 2011 Proxy Statements (the Proxy Statements), respectively. The complaint alleges that the Proxy Statements falsely disclosed, or failed to adequately disclose, the material terms under which performance-based compensation would be paid under the AICP and the 2006 Plan. The complaint further alleges that the Proxy Statements falsely represented that certain compensation paid to certain employees in excess of $1 million would be tax deductible.

The complaint asserts derivative claims against the Director Defendants for (1) violations of Section 14(a) of the Exchange Act for making false statements in and omitting material facts from the Proxy Statements; (2) breach of fiduciary duty; and (3) waste of corporate assets. The complaint asserts an additional derivative claim against the Director Defendants and Executive Defendants for unjust enrichment based on compensation payments they received under the AICP or the 2006 Plan, as disclosed in the Proxy Statements. No demand was made on the Board to institute this action, and the complaint alleges that any such demand would be futile because each director is either interested or lacks independence with respect to the challenges to the AICP and

2006 Plan. The relief sought by the complaint includes, among other things, an order nullifying the shareholder approval of the AICP and the 2006 Plan, an injunction requiring correction of the alleged misrepresentations in the Company s Proxy Statements, and an order requiring equitable accounting, with disgorgement, in favor of the Company for the purported losses it has and will sustain.

The Defendants intend to defend this action vigorously.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer and other senior accounting officers. This code of ethics, titled Code of Ethics for the Chief Executive Officer and Senior Financial Officers, is posted on our website along with the Verisign Code of Conduct that applies to all officers and employees, including the aforementioned officers. The Internet address for our website is *www.verisigninc.com*, and the Code of Ethics for the Chief Executive Officer and Senior Financial Officers may be found from our main Web page by clicking first on company info, next on investor information, next on Corporate Governance, next on Ethics and Business Conduct, and finally on Code of Ethics for the Chief Executive Officer and Senior Financial Officers. The Verisign Code of Conduct applicable to all officers and employees can similarly be found on the Web page for Ethics and Business Conduct under the link entitled Verisign Code of Conduct 2012.

We intend to satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Ethics for the Chief Executive Officer and Senior Financial Officers or, to the extent also applicable to the principal executive officer, principal financial officer, or other senior accounting officers, the Verisign Code of Conduct by posting such information on our website, on the Web page found by clicking through to Ethics and Business Conduct as specified above.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 29, 2012, except as otherwise indicated, by:

- each current stockholder who is known to own beneficially more than 5% of our common stock;
- each current director;
- each of the Named Executive Officers (see Executive Compensation Summary Compensation Table elsewhere in this Proxy Statement); and
- all current directors and executive officers as a group.

The percentage ownership is based on 159,521,225 shares of common stock outstanding at February 29, 2012. Shares of common stock that are (i) covered by RSUs vesting or (ii) subject to options currently exercisable or exercisable, each within 60 days of February 29, 2012, are deemed outstanding for the purpose of computing the percentage ownership of the person holding such options but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated in the footnotes following the table, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

Table of Contents

BENEFICIAL OWNERSHIP TABLE

Name and Address of Beneficial Owner	Shares Beneficially Owned Number(1)	Shares Beneficially Owned Percent(1)
Greater Than 5% Stockholders		
Macquarie Group Limited(2) No. 1 Martin Place Sydney, New South Wales Australia	16,697,957	10.47%
FMR LLC(3) 82 Devonshire Street Boston, Massachusetts 02109	15,448,470	9.68%
ValueAct Capital(4) 435 Pacific Avenue, 4th Floor San Francisco, California 94133	8,551,600	5.36%
Wellington Management Company, LLP(5) 280 Congress Street Boston, Massachusetts 02210	9,356,793	5.87%
Winslow Capital Management, Inc.(6) 4720 IDS Tower 80 South Eighth Street Minneapolis, Minnesota 55402	9,022,378	5.66%
BlackRock, Inc.(7) 40 East 52nd Street New York, New York 10022	8,742,590	5.48%
The Vanguard Group, Inc.(8) 100 Vanguard Boulevard Malvern, Pennsylvania 19355	8,509,382	5.33%
Directors and Named Executive Officers		
D. James Bidzos	321,873	*
William L. Chenevich	21,987	*
Kathleen A. Cote(9)	26,051	*

Roger H. Moore(10)	74,039	*
John D. Roach(11)	29,037	*
Louis A. Simpson(12)	186,614	*
Timothy Tomlinson(13)	18,246	*
John D. Calys	2,107	*
Richard H. Goshorn(14)	65,219	*
Patrick S. Kane(15)	54,923	*
Mark D. McLaughlin	0	*
Brian G. Robins	27,510	*
Christine C. Brennan	6,119	*
Kevin A. Werner	6,457	*
All current directors and executive officers as a group (10 persons)(16)	800,096	*

* Less than 1% of Verisign s outstanding common stock.

(1) The percentages are calculated using 159,521,225 outstanding shares of the Company s common stock on February 29, 2012 as adjusted pursuant to Rule 13d-3(d)(1)(i). Pursuant to Rule 13d-3(d)(1) of the Exchange Act, beneficial ownership information for each person also includes shares subject to options exercisable, or RSUs vesting, within 60 days of February 29, 2012, as applicable.

(2) Based on Schedule 13G/A filed on February 10, 2012 with the SEC by Macquarie Group Limited with respect to beneficial ownership of 16,697,957 shares due to Macquarie Group Limited s ownership of Macquarie Bank Limited, Macquarie Investment Management Limited, Delaware Management Holdings Inc and Delaware Management Business Trust. Macquarie Group Limited has sole voting power over 16,697,957 of these shares and sole dispositive power over of 16,697,957 of these shares.

(3) Based on Schedule 13G filed on February 14, 2012 with the SEC by FMR LLC with respect to beneficial ownership of 15,448,470 shares. FMR LLC has sole voting power over 128,498 of these shares and sole dispositive power over 15,448,470 of these shares.

(4) Based on Schedule 13D/A filed on March 2, 2012 with the SEC by ValueAct Capital Master Fund, L.P. with respect to beneficial ownership of 8,551,600 shares. ValueAct Capital Master Fund, L.P. has shared voting power over 8,551,600 of these shares and shared dispositive power over 8,551,600 of these shares. Subsequent to February 29, 2012, the percentage of shares beneficially owned by ValueAct Capital Master Fund, L.P. decreased to 4.5% according to a Schedule 13D/A filed with the SEC on March 23, 2012.

Table of Contents

(5) Based on Schedule 13G/A filed on February 14, 2012 with the SEC by Wellington Management Company, LLP, with respect to beneficial ownership of 9,356,793 shares. Wellington Management has shared voting power over 7,145,070 of these shares and shared dispositive power over 9,297,613 of these shares. The securities are owned of record by clients of Wellington Management.

(6) Based on Schedule 13G filed on February 8, 2012 with the SEC by Winslow Capital Management, Inc. with respect to beneficial ownership of 9,022,378 shares. Winslow Capital Management, Inc. reported that it has sole voting power over 7,860,486 of these shares and sole dispositive power over 9,022,378 of these shares.

(7) Based on Schedule 13G filed on February 9, 2012 with the SEC by BlackRock, Inc., with respect to beneficial ownership of 8,742,590 shares. BlackRock, Inc. has sole voting power over 8,742,590 of these shares and sole dispositive power over 8,742,590 of these shares.

(8) Based on Schedule 13G filed on February 10, 2012 with the SEC by The Vanguard Group, Inc. with respect to beneficial ownership of 8,509,382 shares. Vanguard has sole voting power over 223,031 of these shares and sole dispositive power over 8,286,351 of these shares.

(9) Includes 12,430 shares subject to options held directly by Ms. Cote.

(10) Includes 46,632 shares subject to options held directly by Mr. Moore.

(11) Includes 19,432 shares subject to options held directly by Mr. Roach.

(12) Includes 87,032 shares subject to options held directly by Mr. Simpson.

(13) Includes 6,334 shares held indirectly by the Tomlinson Family Trust, under which Mr. Tomlinson and his spouse are co-trustees. Includes 10,432 shares subject to options held directly by Mr. Tomlinson.

(14) Includes 31,703 shares subject to options held directly by Mr. Goshorn.

(15) Includes 37,296 shares subject to options held directly by Mr. Kane.

(16) Includes the shares described in footnotes (9)-(15).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and officers, and persons who own more than 10% of Verisign s common stock to file initial reports of ownership and reports of changes in ownership with the SEC and The NASDAQ Stock Market. These persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. We file Section 16(a) reports on behalf of our directors and executive officers to report their initial and subsequent changes in beneficial ownership of our common stock.

Based solely on a review of the reports we filed on behalf of our directors and executive officers, or written representations from reporting persons that all reportable transactions were reported, the Company believes that all Section 16(a) filing requirements applicable to our directors and executive officers were complied with for fiscal 2011.

Table of Contents

PROPOSAL NO. 2

TO APPROVE, ON AN ADVISORY BASIS, VERISIGN S EXECUTIVE COMPENSATION

In accordance with Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) as codified under Schedule 14A of the Exchange Act and the corresponding SEC rules, Verisign is seeking an advisory stockholder vote with respect to compensation awarded to our Named Executive Officers for 2011 as disclosed in the Compensation Discussion and Analysis section and accompanying compensation tables contained in this Proxy Statement. Pursuant to the Dodd-Frank Act, the stockholder vote on executive compensation is advisory only, and the result of the vote is not binding upon the Company or its Board. Although the resolution is non-binding, the Board and the Compensation Committee will consider the outcome of the advisory vote on executive compensation when making future compensation decisions. On May 26, 2011, the majority of the Company s stockholders voted in favor of an annual non-binding stockholder advisory vote on executive compensation and, in consideration of the outcome of the frequency vote, the Board determined to hold such advisory vote each year. Following the Meeting, the next such non-binding advisory vote to approve Verisign s executive compensation is scheduled to occur at the 2013 Annual Meeting of Stockholders.

Verisign s executive compensation program and compensation paid to the Named Executive Officers are described elsewhere in this Proxy Statement. The Compensation Committee oversees the program and compensation awarded, adopting changes to the program and awarding compensation as appropriate to reflect the Company s circumstances and to promote the main objectives of the program: to provide competitive overall pay relative to peers, taking into account company and individual performance, to effectively tie pay to performance, and to align the Named Executive Officers interests with stockholders.

This proposal allows our stockholders to express their opinions regarding the decisions of the Compensation Committee on the prior fiscal year s annual compensation to the Named Executive Officers. You may vote *for* or *against* the following resolution, or you may abstain. This vote is advisory and non-binding.

Resolved, that the stockholders approve the compensation of VeriSign, Inc. s Named Executive Officers, as disclosed under Securities and Exchange Commission rules, including the Compensation Discussion and Analysis section, the compensation tables and related material included in this Proxy Statement.

The Board Recommends a Vote FOR the foregoing resolution.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) provides comprehensive information about our executive compensation program for our fiscal 2011 Named Executive Officers (NEOs), who are listed below, and provides context for the decisions underlying the compensation reported in the executive compensation tables in the Proxy Statement. Our NEOs are:

- D. James Bidzos, Executive Chairman, President and Chief Executive Officer (throughout the CD&A the person occupying the position of President and Chief Executive Officer will be referred to from time to time as the CEO);
- John D. Calys, Vice President, Interim Chief Financial Officer and Controller;
- Richard H. Goshorn, Senior Vice President, General Counsel and Secretary; and
- Patrick S. Kane, Senior Vice President and General Manager, Naming Services.

Pursuant to SEC Rules, four executive officers who departed during 2011 are also included as NEOs:

- Mark D. McLaughlin, former President and Chief Executive Officer;
- Brian G. Robins, former Executive Vice President and Chief Financial Officer;
- Christine C. Brennan, former Senior Vice President, Human Resources; and
- Kevin A. Werner, former Senior Vice President, Corporate Development and Strategy.

In the sections below, we will describe the material elements of our executive compensation program for 2011, including how we set compensation, how we tie pay to performance and our executive compensation governance practices.

Executive Summary

Verisign s 2011 fiscal year was a year of transition. During the year, we completed the divestiture and winding-down of our non-core businesses and finalized activities related to the 2010 move of our headquarters from California to Virginia. It was also a year of continued focus on our core operations, strong financial results, and continued returns of capital to our stockholders.

2011 Company Performance Highlights: The table below illustrates the results of our strategy to focus our attention and efforts on our core operations in 2011:

Key Financial Measure	Result	2011 vs. 2010 Performance
Revenues	$ 772.0 million	13% increase
Operating Income	$ 329.4 million	42% increase

Cash Flows from Operating Activities	$ 335.9 million	56% increase

In addition to achieving an 18% Total Shareholder Return in 2011 which was comprised of share price appreciation and a special dividend described below, we also took the following actions that returned cash to our stockholders and had significant strategic impact:

Action	**Result**
Paid a special dividend of $2.75 per share of our common stock	Total returned to stockholders: $463.5 million
Repurchased 16.3 million shares of our common stock	Total cost: $534.6 million
Renewed agreement to serve as authoritative registry operator for *.net* registry	Renewal preserved material terms of existing agreement including a term of 6 years

20

Table of Contents

2011 Executive Compensation Program Highlights: In 2011, we continued to add performance features to our program and enhance our executive compensation governance practices. The following table provides highlights of our 2011 program and changes made in 2011:

Item	**Action or Change**	**Rationale**
Annual base salary increases	No annual base salary increases except the following NEOs received an increase when promoted to a new position: 1) our Executive Chairman from $40,000 to $750,000 when he assumed the role of President and Chief Executive Officer, and 2) our Senior Vice President and General Manager, Naming Services from $248,500 to $310,000 when he was promoted to Senior Vice President.	Base salaries were already at the median of our peer group (described below).
Annual incentive bonus	Bonus pool was funded at 109.0% of target.	Financial results were above target and the Company met all of its strategic goals.
Long-term incentive compensation	Equity awards to be comprised solely of 50% time-vesting Restricted Stock Units (RSUs) and 50% performance-based RSUs. Performance-based RSUs were new for 2011.	To provide immediate retentive value, link increases in value to increases in stockholder value, and tie long-term incentive compensation to Company performance.
Stock retention policy	Amended definition of Officer to include all Senior Vice Presidents and above, not just Section 16 Officers.	To ensure alignment of all senior-level executives with interests of stockholders.
Peer group	Included companies in our Global Industry Classification (GIC) Industry Group Software & Services that are within 1/3 to 3x our annual revenue and market capitalization with very limited exceptions. (Two companies were included that are in the GIC Industry Group IT Services and one company had a slightly higher market capitalization.)	To ensure our peer group reflects competitive market for talent and companies similar to us in industry, size and complexity.

Compensation Philosophy and Objectives

Verisign s reputation as an industry leader in the secure and reliable operation of the Internet is built on the executive talent we are able to attract and retain. Our executive compensation program is designed to ensure we have the talent we need to maintain our current high performance standards and grow our business for the future. Our philosophy is to provide a mix of compensation that motivates our executives to achieve our short and long-term performance goals and ultimately creates value for our stockholders.

Table of Contents

Our executive compensation program is designed with the following objectives in mind:

Objective	Program Design Element
Attract and retain talented executives	Provide a competitive level of total direct compensation (base salary, bonus and long-term incentive) by benchmarking against our competitors in our peer group.
	Provide a significant amount of executive compensation in the form of RSUs that have retentive value as they vest over a four-year period.
Tie a significant portion of executives compensation to achievement of the Company s performance objectives	Program is weighted in favor of annual and long-term incentives. Performance objectives are tied to stockholder value creation in the form of stock price appreciation and other financial and strategic goals.
	Under the annual incentive program, awards based on Company performance are further modified up or down based on individual performance to closely align executives actions with their compensation.
Align the interests of our executives with our stockholders	Provide annual equity grants that vest over a four-year period and are comprised of 50% time-vesting RSUs and 50% performance-based RSUs.
	Require executives to retain 50% of net shares acquired under equity awards until six months after termination of employment.

Pay and Performance Relationship: Attracting and retaining the level of executive talent we need to be successful is a key objective of our executive compensation program. However, it is equally important that our executives are motivated and rewarded to achieve objectives that provide long-term benefits to our stockholders. We have designed our executive compensation program so that a significant amount of our NEOs compensation is performance-based to ensure the actual compensation paid to our executives is appropriately aligned with our Company s performance and stockholders long-term interests. The charts below illustrate our emphasis on performance-based compensation elements annual incentive bonus and long-term incentive compensation.

22

Table of Contents

Note that the President and CEO Pay Mix at Target chart represents the fiscal 2011 target total direct compensation of our former CEO, Mark McLaughlin, and does not reflect fiscal 2011 compensation for D. James Bidzos, our current President and CEO. Mr. Bidzos was primarily compensated based on a role other than that of permanent CEO so it is not representative of our ongoing compensation philosophy for the CEO position. The NEOs Excluding CEO Pay Mix at Target chart does not reflect fiscal 2011 compensation for Messrs. Calys and Werner. Mr. Calys 2011 compensation was primarily based on his role as Controller and not representative of our executive compensation program. Mr. Werner did not receive an annual bonus or equity grant in 2011 because of his anticipated departure.

Our Process for Setting Compensation

Role of the Compensation Committee: The Compensation Committee of our Board of Directors oversees our compensation and benefit programs and sets the policies that govern compensation of our executive officers, including NEOs, and other employees. As part of its role in determining executive compensation, the Compensation Committee annually:

- Reviews and makes changes as appropriate to the peer group used to benchmark competitive compensation levels for our executive officers;
- Reviews and approves design elements of executive officer compensation for market competitiveness, and alignment with Company performance;
- Sets performance goals for our annual and long-term incentive compensation programs;
- Reviews the Board s assessment of the individual performance of the CEO achieved during the fiscal year and approves any adjustments to base salary, and annual incentive and equity awards based on this assessment; and
- Reviews the CEO s assessment of individual performance of each executive officer in conjunction with performance achieved during the fiscal year and approves any adjustments to base salary, and annual incentive and equity awards based on this assessment.

Role of Management: The CEO annually reviews the performance of each executive officer, other than the CEO (whose performance is reviewed by the Board), and makes recommendations for base salary adjustments, incentive bonus payouts and equity awards based on this assessment. The CEO also reviews each Senior Vice President level employee s performance and compensation recommendations with the Compensation Committee.

Table of Contents

Role of External Compensation Consultant: The Compensation Committee has engaged Frederic W. Cook & Co. (FW Cook) as its external consultant to assist it in evaluating and analyzing the Company s executive compensation program, principles and objectives, specific compensation design recommendations by the Company s management, and provide recommendations to the Compensation Committee for any changes to the CEO s compensation. The external consultant provides the following services to the Compensation Committee:

- Analyzes the NEOs annual compensation based on comparisons to the Company s peer group, including comparisons against target and actual total compensation and advises the Compensation Committee on the appropriateness of management s recommendations for any changes to the NEOs compensation;
- Reviews the Company s peer group annually and provides recommendations for changes as appropriate;
- Advises the Compensation Committee on best practices related to governance and design of executive compensation programs; and
- Reviews the draft CD&A.

FW Cook performs no other services for the Company.

Competitive Market Assessment: Each year, we assess the competitiveness of our NEOs base salary, annual incentive bonus targets and long-term incentive compensation targets (element by element and in the aggregate) by comparing our program to certain publicly-traded high technology companies that we view as our competitors for executive talent. We examine the compensation data of our peer group and also reference broader publicly-available survey data for high technology companies that are comparable to us in revenue scope.

Although the Compensation Committee carefully considers market data of our peer group and survey data for our industry and size, the Compensation Committee does not target a specific percentile when determining total compensation for its NEOs. The Compensation Committee also considers an executive s individual performance, future potential, and scope of responsibilities and experience. Generally, the Compensation Committee targets median of the peer group, and actual total direct compensation may be above or below median depending on the described considerations.

Each year, the Compensation Committee reviews the peer group with the assistance of its external consultant and makes changes as appropriate in order to ensure it continues to appropriately reflect the competitive market for executive talent.

For 2011, our peer group was made up of the following 18 companies:

Akamai Technologies	FactSet Research Systems	Rackspace Hosting
ANSYS	Informatica	Red Hat
Autodesk	Jack Henry and Associates	Rovi
BMC Software	MICROS Systems	Salesforce.com
Citrix Systems	Neustar	Solera Holdings
Equinix	Nuance Communications	TIBCO Software

For 2012, the Compensation Committee modified our peer group to include companies in our Global Industry Classification (GICS) Industry Group Software & Services only and those with revenue and market cap 1/3x to 3x that of Verisign, in order to ensure the peer group was even more closely aligned to the Company s industry and size. This resulted in the elimination of three companies Jack Henry and Associates and Neustar (which are both in the GICS Industry Group IT Services) and Salesforce.com (which has a market cap that is 3.3x that of Verisign).

Table of Contents

The chart below illustrates that Verisign s revenue is below median and just above the 25th percentile as compared to its 2011 peer group, but its market cap is above median (as of 8/31/2011).

Elements of Our Executive Compensation Program

Our executive compensation program is made up of three main elements: base salary, annual incentive bonus and long-term incentive compensation. The chart below shows what we are trying to achieve with each element of compensation, what factors we use to determine actual awards, and how awards are positioned compared to relevant market data.

Element	Objective	Factors Used to Determine Awards	Market Positioning
Base Salary	Provide a guaranteed level of annual income in order to attract and retain our executive talent.	Job responsibilities Experience Individual contributions Future potential Effect on other elements of compensation and benefits including target bonus amounts and potential change-in-control payments	Peer group and relevant survey median (or above and below median if foregoing factors warrant).
Annual Incentive Bonus	Provide a reward for achieving financial and strategic operational goals.	Company performance measures Individual performance	Below to above median of peer group and relevant survey data depending on Company and individual performance.
Long-Term Incentive Compensation	Provide a reward that incents executives to manage Verisign from the perspective of a stockholder. Also, to retain our executive talent.	Job responsibilities Experience Individual contributions Future potential Value of vested and unvested outstanding equity awards Internal pay equity	Below to above median of peer group and relevant survey data depending on foregoing factors.

Table of Contents

Base Salary: For 2011, the Compensation Committee reviewed competitive benchmark data provided by FW Cook and recommendations from our Executive Chairman and former CEO regarding each executive s individual performance. Based on that review, the Compensation Committee adjusted NEOs salaries only if they were promoted to a new position in 2011. The chart below includes detailed information about each NEO s 2010 and 2011 base salary and the rationale for any adjustments.

Name	Position	2010 Base Salary	2011 Base Salary	Rationale for Adjustment
D. James Bidzos	Executive Chairman, President and CEO	$ 40,000	$ 750,000	Mr. Bidzos 2010 base salary was appropriate for his role as Executive Chairman. When he assumed the CEO role, his salary was increased to $750,000.
John D. Calys	Vice President, Interim CFO and Controller	$ 250,000	$ 250,000	