

VERISIGN INC/CA  
Form DEF 14A  
April 29, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

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

Check the appropriate box:

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

VeriSign, Inc.

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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VeriSign, Inc.  
12061 Bluemont Way  
Reston, Virginia 20190  
April 29, 2016

To Our Stockholders:

You are cordially invited to attend the 2016 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, June 9, 2016, 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 2016 Annual Meeting of Stockholders and Proxy Statement.

We have implemented a U.S. Securities and Exchange Commission rule that allows 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, 2015 (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 2016 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

VERISIGN, INC.  
12061 Bluemont Way  
Reston, Virginia 20190

Notice of the 2016 Annual Meeting of Stockholders

TO OUR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders of VeriSign, Inc. (the “Company”) will be held at the Company’s corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, June 9, 2016, at 10:00 a.m., Eastern Time. The 2016 Annual Meeting of Stockholders is being held for the following purposes:

1. To elect the seven directors of the Company named in the Proxy Statement, 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, the Company’s executive compensation.
3. To approve the Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan.
4. To approve an amendment to the Company’s Fifth Amended and Restated Certificate of Incorporation to permit the Board of Directors to amend the Company’s bylaws.
5. To ratify the selection of KPMG LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2016.
6. To vote on a stockholder proposal, if properly presented at the meeting, requesting that the Board of Directors take steps to amend the bylaws to adopt proxy access.
7. To transact such other business as may properly come before the 2016 Annual Meeting of Stockholders or any adjournment or postponement 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 April 15, 2016, are entitled to notice of and to vote at the 2016 Annual Meeting of Stockholders or any adjournment or postponement thereof.

By Order of the Board of Directors,

/s/ Thomas C. Indelicarto  
Thomas C. Indelicarto  
Secretary

Reston, Virginia  
April 29, 2016

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.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 9, 2016: The Proxy Statement and Annual Report are available at [www.edocumentview.com/vrsn](http://www.edocumentview.com/vrsn).

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VERISIGN, INC.  
12061 Bluemont Way  
Reston, Virginia 20190

PROXY STATEMENT  
FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS

April 29, 2016

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 2016 Annual Meeting of Stockholders (the “Meeting”) to be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, June 9, 2016 at 10:00 a.m., Eastern Time. Only holders of record of our common stock at the close of business on April 15, 2016, which is the record date, will be entitled to vote at the Meeting. This Proxy Statement and the accompanying form of proxy (collectively, the “Proxy Statement”) were first made available to stockholders on or about April 29, 2016. Our annual report to security holders, which includes our Annual Report on Form 10-K for the year ended December 31, 2015 (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 <https://investor.verisign.com>, or at [www.edocumentview.com/vrsn](http://www.edocumentview.com/vrsn).

All proxies will be voted in accordance with the instructions as submitted. Unless contrary instructions are specified, if the applicable proxy is submitted (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 approval of the Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan; (4) FOR the approval of an amendment to the Company’s Fifth Amended and Restated Certificate of Incorporation to permit the Board to amend the bylaws; (5) FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016 (“fiscal 2016”); (6) AGAINST the stockholder proposal, if properly presented at the meeting, requesting that the Board of Directors take steps to amend the bylaws to adopt proxy access and (7) in accordance with the best judgment of the named proxies on any other matters properly brought before the Meeting.

Voting Rights

At the close of business on the record date, we had 108,591,750 shares of common stock outstanding and entitled to vote. 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 shares of common stock outstanding and entitled to vote 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 has not received voting instructions from the beneficial owner and does not vote on a particular proposal because that record holder does not have discretionary voting power with respect to that “non-routine” proposal. Each of the election of directors, the non-binding, advisory vote to approve executive compensation, the approval of the Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan, the amendment of the Fifth Amended and Restated Certificate of Incorporation and the stockholder proposal, if properly presented at the meeting, requesting that the Board take steps to amend the bylaws to adopt proxy access 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 will be elected by a plurality of the votes validly cast at the Meeting. Stockholders may not cumulate votes in the election of directors.

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

- the non-binding, advisory resolution to approve Verisign's executive compensation;
- the approval of the Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan;
- the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2016; and
- the stockholder proposal, if properly presented at the meeting, requesting that the Board take steps to amend the bylaws to adopt proxy access

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. If a nominee for director in an uncontested election is not elected and the nominee is an incumbent director, the director must promptly tender his or her resignation to the Board, subject to acceptance by the Board. The Corporate Governance and Nominating Committee will make a recommendation to the Board as to whether to accept or reject the tendered resignation and the Board must act on the Corporate Governance and Nominating Committee's recommendation and publicly disclose its decision and the rationale therefor within 90 days following the date of the certification of the relevant election results.

If a quorum is present, approval of the amendment to the Company's Fifth Amended and Restated Certificate of Incorporation requires the affirmative vote of the holders of a majority of the voting power of the outstanding capital stock of Verisign outstanding and entitled to vote thereon. Abstentions and broker non-votes will have the same effect as votes "against" the approval of the amendment.

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, the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn 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 Morrow & Co., LLC for various services related to the solicitation of proxies, which we anticipate will cost approximately \$30,000 to \$35,000, 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 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 who holds shares of record as a registered 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. If your shares are held through a bank or brokerage firm, you must follow the instructions provided by that institution to change or revoke your voting instructions.

#### 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 1-800-652-VOTE (8683) or on the Internet at [www.envisionreports.com/vrsn](http://www.envisionreports.com/vrsn) twenty-four hours a day, seven days a week. Telephone and Internet voting are available through 12:00 a.m. Eastern Time the day of 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.

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### Householding

A number of brokerage firms have instituted a procedure called “householding,” which has been approved by the Securities and Exchange Commission (the “SEC”). Under this procedure, the firm delivers 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 it has received contrary instructions from an affected stockholder. If your shares are held in “street name” and you would like to receive only one copy of these materials (instead of separate copies) in the future, please contact your bank, broker or other holder of record to request information about householding. If you would like to receive an individual 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, now or in the future, we will promptly deliver these materials to you upon request to VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190, Attention: Secretary or (703) 948-3200.

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PROPOSAL NO. 1  
ELECTION OF DIRECTORS

There are currently eight directors, as determined by a written resolution of the Board. With the resignation of Mr. Chenevich, as described below, the Board has decreased the size of the Board to seven directors effective as of the Meeting. 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 D. James Bidzos, Kathleen A. Cote, Thomas F. Frist III, Jamie S. Gorelick, Roger H. Moore, Louis A. Simpson and Timothy Tomlinson, each of whom are current directors, for re-election at the Meeting to serve until the 2017 Annual Meeting of Stockholders and until their respective successors have been elected and qualified. Proxies cannot be voted for more than seven persons, which is the number of nominees. Mr. Frist, who joined the Board in December 2015, was recommended by Mr. Bidzos. William L. Chenevich, 72, announced his retirement from the Board and will serve the remainder of his term ending at the Meeting. The Board extends its sincere appreciation to Mr. Chenevich for his years of service on the Board. Mr. Chenevich, a current member of both the Audit Committee and Corporate Governance and Nominating Committee, has given generously of his time and has consistently provided the Board with independent insight and advice. His expertise in corporate governance, as well as his significant operational and financial expertise has been invaluable to the Board and to the Company.

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.

Director Nominees

Set forth below is certain information relating to our director nominees, 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 Position

Nominees

for

election

as

directors

for

a term expiring in 2017:

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

Kathleen

67 Director

Cote(1)(2)

Thomas

F.

48 Director III

(2)

6 Director Jamie S. Gorelick(2)(3)

Roger

74 Director

Moore(1)(2)

Louis

~~A9~~ Lead Independent Director

Simpson(2)(3)

Timothy

~~66~~ Director  
Tomlinson(1)(2)(3)

(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.

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.

Thomas F. Frist III has served as a director since December 2015. Mr. Frist is the Founder and Managing Principal of Frist Capital, LLC, an investment firm based in Nashville, TN that makes long-term equity investments in public and private companies, and he has held this position since 1994. Mr. Frist previously was the managing member of FS Partners, L.L.C. and worked in principal investments at Rainwater, Inc. Mr. Frist holds a B.A. degree from Princeton University and an M.B.A. degree from Harvard Business School.

Mr. Frist's extensive directorship experience provides valuable expertise and perspective to the Board. Mr. Frist was on the Audit Committee and Board of Directors of Triad Hospitals, Inc. from 1998-2007. He joined the board of HCA Holdings, Inc., one of the largest non-governmental operators of health care facilities in the United States, in 2008, serving on the Executive and Audit Committees, and chairing the Nominating and Governance Committee. Mr. Frist has also served as a director for SAIC, Inc. since 2009, serving as Chair of the Nominating and Governance Committee and a member of the Audit Committee since its separation from Leidos in 2013. He also chaired the Finance Committee at legacy SAIC. In addition to the significant experience as a board member mentioned above, Mr. Frist provides valuable experience in areas of business administration, finance and operations.

Jamie S. Gorelick has served as a director since January 2015. Ms. Gorelick has been a partner at Wilmer Cutler Pickering Hale and Dorr LLP, an international law firm, since 2003. She served as Deputy Attorney General of the United States from 1994 to 1997 and as General Counsel of the Department of Defense from 1993 to 1994. She has been a director of Amazon.com, Inc. since 2012 and serves as Chair of its Nominating and Governance Committee. She previously served as a director of United Technologies Corp. and of Schlumberger, Ltd. She holds B.A. and J.D. degrees from Harvard University.

Ms. Gorelick is an experienced attorney with significant expertise in legal, policy and corporate matters. Ms. Gorelick's regulatory and policy experience is directly relevant to the Company's business. She is well-versed in critical infrastructure and national security issues and brings a valuable skill-set and wealth of government experience to the Board. Ms. Gorelick has served on several other corporate boards, a compensation committee, and a nominating and governance committee, and served on numerous government boards and commissions. Ms. Gorelick's experience in both the public and private sectors, combined with her experience in the corporate boardroom, provides her valuable board experience, and she offers a perspective 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 and Consolidated Communications Holdings, Inc. 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's financial and accounting skills qualify him as an audit committee financial expert. 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.

Louis A. Simpson has served as a director since May 2005. Mr. Simpson has served as Chairman of SQ Advisors, LLC, an investment firm, since January 2011. 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 SAIC, Inc. 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 boards 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 was a corporate lawyer employed as General Counsel of Portola Minerals Company, a producer and seller of limestone products, from May 2011 through December 2013. 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 Tomlinson Zisko LLP 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, a Ph.D. 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 2015. Employee directors are not compensated for their services as directors. Mr. Bidzos 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. Mr. Bidzos' compensation is described in "Executive Compensation" elsewhere in this Proxy Statement.

#### Non-Employee Director Retainer Fees and Equity Compensation Information

On July 21, 2015, 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 peer 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 peer 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 to maintain the amount of the annual cash retainer fees at current levels and maintain the value of the annual equity award grant to each director at \$240,000 (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. Directors are subject to the Company’s Stock Retention Policy as described in “Executive Compensation—Compensation Discussion and Analysis.”

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Directors received annual cash retainer fees for fiscal 2015 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 2015, 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 2015

The following table sets forth a summary of compensation information for our non-employee directors for fiscal 2015. As an executive officer of the Company during fiscal 2015, Mr. Bidzos received no additional compensation for services provided as a director. Information regarding Mr. Bidzos’ compensation may be found under “Executive Compensation.”

#### DIRECTOR COMPENSATION FOR FISCAL 2015

Non-Employee Director Name	Fees Earned or Stock		
	Paid in Cash (\$)(1)	Awards (\$)(2)	Total (\$)
William L. Chenevich	105,000	239,950	344,950
Kathleen A. Cote	80,000	239,950	319,950
Thomas F. Frist(3)	3,940	153,247	157,187
Jamie S. Gorelick(4)	63,361	352,996	416,357
Roger H. Moore	75,000	239,950	314,950
John D. Roach(5)	32,910	0	32,910
Louis A. Simpson	91,073	239,950	331,023
Timothy Tomlinson	90,490	239,950	330,440

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

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 2015. The grant date fair value of each Stock Award granted to each non-employee director (excluding Mr. Frist who was appointed on December 3, 2015) on July 21, 2015 was \$ 239,950 (3,687 RSUs at \$65.08 per share closing price on the grant date).

Mr. Frist was appointed to the Board of Directors on December 3, 2015 and received a grant of 1,665 RSUs at (3) \$92.04 per share, which represents the pro rata amount of annual equity awards given to members of the Board of Directors.

In addition to the grant on July 21, 2015, Ms. Gorelick received a grant on the date of her appointment to the Board (4) of Directors, January 30, 2015, for 2,075 RSUs at \$54.48 per share, which represents the pro rata amount of annual equity awards given to members of the Board of Directors.

(5) Mr. Roach served as a director until the 2015 Annual Meeting of Stockholders.

RSUs granted to non-employee directors in 2015 vested immediately upon 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”).

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

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## 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 18, 2016 that the majority of our Board is comprised of independent directors. Our independent directors are: Mr. Chenevich (who will not stand for re-election), Ms. Cote, Mr. Frist, Ms. Gorelick, Mr. Moore, 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 and thus is not considered independent. John D. Roach, who served as a director until the 2015 Annual Meeting of Stockholders, was determined to be independent pursuant to these same standards.

### Board Leadership Structure

The Board regularly considers the appropriate leadership structure for the Company and has concluded that the Company and its stockholders 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 eight-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 Louis A. Simpson as Lead Independent Director. The Lead Independent Director presides at all meetings of the Board at which the Chairman of the Board is not present.

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 Simpson 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 of Verisign on an interim basis 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. Mr. Simpson has been the Lead Independent Director since July 2015. Prior to Mr. Simpson, Mr. Chenevich served as the Lead Independent Director.

### 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 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. All of our Board members have experience with enterprise risk management. In addition, the Board discusses cyber risks regularly during its regularly scheduled board meetings.

#### Board and Committee Meetings

The Board met five times and its committees collectively met fifteen times during 2015. During 2015, Mr. Chenevich was the only director who 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. Simpson 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. One member of the Board attended our 2015 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), Mr. Chenevich, Mr. Frist, Ms. Gorelick, Mr. Moore, Mr. Simpson and Mr. 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 five times during fiscal 2015.

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.

If you would like to recommend to the Corporate Governance and Nominating Committee a prospective candidate, please submit the candidate's name and qualifications to: Thomas C. Indelicarto, Secretary, VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190.

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.

#### 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 registered public accounting firm, and the performance of the Company's internal audit department and the independent registered public accounting firm. The independent registered public accounting firm 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 registered public accounting firm. 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 Mr. Tomlinson (Chairperson), Mr. Chenevich, Ms. Cote and Mr. Moore. 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 2015.

**Audit Committee Financial Expert**

Our Board has determined that Mr. Chenevich, Ms. Cote, Mr. Moore and Mr. Tomlinson 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"). Mr. Chenevich, Ms. Cote, Mr. Moore and Mr. Tomlinson 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 Audit Committee is composed of four 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. Tomlinson (Chairperson), Moore and Chenevich, and Ms. Cote. The Audit Committee met five times during fiscal 2015. 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 significant applicable 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.

To ensure the independence of Verisign's independent registered public accountant, we follow the applicable laws, rules and regulations regarding the rotation of audit partners, including Rule 2-01 of Regulation S-X.

During fiscal 2015, 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. In addition, during its regularly scheduled meetings, the Audit Committee met privately with each of Verisign's Chief Financial Officer, General Counsel and Compliance Officer and Vice President of Internal Audit to discuss various legal, accounting, auditing and internal control matters.

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, 2015 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 KPMG. The Audit Committee has discussed with KPMG the matters required to be discussed under the applicable rules adopted by the Public Company Accounting Oversight Board. 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 KPMG's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with KPMG their independence.

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, 2015, for filing with the SEC.

This report is submitted by the Audit Committee

Timothy Tomlinson (Chairperson) Kathleen A. Cote

William L. Chenevich      Roger H.  
Moore





#### 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 employees, including 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, and for administering the Company's equity incentive plans for employees. 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 Mr. Simpson (Chairperson), Ms. Gorelick, and Mr. Tomlinson, each of whom is an "independent director" under the rules of The NASDAQ Stock Market for compensation committee members, 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 five times during fiscal 2015. 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](mailto: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.

#### 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 under "Ethics and Business Conduct" at <https://investor.verisign.com/corporate-governance.cfm> along with the "Verisign Code of Conduct" that applies to all officers and employees, including the aforementioned officers.

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—2012" by posting such information on our website, on the Web page found by clicking through to "Ethics and Business Conduct" as specified above.

**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 March 31, 2016, 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 108,879,250 shares of common stock outstanding at March 31, 2016. Shares of common stock that are covered by RSUs vesting within 60 days of March 31, 2016, are deemed outstanding for the purpose of computing the percentage ownership of the person holding such RSUs 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.

## BENEFICIAL OWNERSHIP TABLE

Name and Address of Beneficial Owner Greater Than 5% Stockholders	Shares	
	Beneficially Owned Number(1)	Percent(1)
T. Rowe Price Associates, Inc.(2) 100 E. Pratt Street Baltimore, MD 21202	18,002,288	16.53 %
Capital World Investors(3) 333 South Hope Street Los Angeles, CA 90071	15,462,044	14.20 %
Warren Buffett(4) Berkshire Hathaway, Inc. 3555 Farnam Street Omaha, NE 68131	12,985,000	11.93 %
The Vanguard Group(5) 100 Vanguard Boulevard Malvern, PA 19355	8,247,543	7.57 %
BlackRock, Inc. (6) 55 East 52 <sup>nd</sup> Street New York, NY 10022	6,433,266	5.91 %
New Perspective Fund(7) 333 South Hope Street Los Angeles, CA 90071	5,733,444	5.27 %
Directors and Named Executive Officers		
D. James Bidzos	522,081	*
William L. Chenevich	30,034	*
Kathleen A. Cote	39,332	*
Thomas F. Frist III	1,665	*
Jamie S. Gorelick	6,762	*
Roger H. Moore	29,991	*
Louis A. Simpson(8)	207,661	*
Timothy Tomlinson(9)	16,477	*
Todd B. Strubbe(10)	29,135	*
George E. Kilguss, III(11)	77,964	*
Thomas C. Indelicarto(12)	13,773	*
All current directors and executive officers as a group (11 persons)(13)	1,004,875	*

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

(1)The percentages are calculated using 108,879,250 outstanding shares of the Company's common stock on March 31, 2016 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 March 31, 2016, as applicable.

Based on Schedule 13G/A filed on February 11, 2016 with the SEC by T. Rowe Price Associates, Inc. with respect to beneficial ownership of 18,002,288 shares. T. Rowe Price Associates, Inc. has sole voting power over 5,169,371 of these shares and sole dispositive power over 18,002,288 of these shares.

Based on Schedule 13G/A filed on February 16, 2016 with the SEC by Capital World Investors, with respect to beneficial ownership of 15,462,044 shares. Capital World Investors has sole voting power over 15,462,044 of these shares and sole dispositive power over 15,462,044 of these shares.

Based on Schedule 13G filed on August 4, 2014 with the SEC by Berkshire Hathaway, Inc., with respect to beneficial ownership of 12,985,000 shares. Berkshire Hathaway, Inc., is a diversified holding company which Mr. Buffett may be deemed to control. Mr. Buffett and Berkshire Hathaway share voting and dispositive power over 12,985,000 of these shares, which include shares beneficially owned by certain subsidiaries of Berkshire Hathaway.

(5)