UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-23593

VERISIGN, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**94-3221585** **(I.R.S. Employer Identification No.)**
21355 Ridgetop Circle, Dulles, Virginia **(Address of principal executive offices)**	**20166** **(Zip Code)**

Registrant's telephone number, including area code: (703) 948-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): YES ☐ NO ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares Outstanding July 22, 2011
Common stock, $.001 par value	166,399,334

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As required under Item 1—Financial Statements included in this section are as follows:

VERISIGN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,220,165	$ 1,559,628
Marketable securities	174,585	501,238
Accounts receivable, net	14,516	14,874
Prepaid expenses and other current assets	115,874	102,217
Total current assets	1,525,140	2,177,957
Property and equipment, net	194,771	190,319
Goodwill and other intangible assets, net	54,495	55,146
Other assets	21,195	20,584
Total long-term assets	270,461	266,049
Total assets	$ 1,795,601	$ 2,444,006
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 156,995	$ 195,235
Deferred revenues	494,769	457,478
Total current liabilities	651,764	652,713
Long-term deferred revenues	219,083	205,560
Convertible debentures, including contingent interest derivative	584,965	581,626
Long-term deferred tax liabilities	326,112	309,696
Other long-term liabilities	17,880	17,981
Total long-term liabilities	1,148,040	1,114,863
Total liabilities	1,799,804	1,767,576
Commitments and contingencies		
Stockholders' (deficit) equity:		
Preferred stock—par value $.001 per share; Authorized shares: 5,000; Issued and outstanding shares: none	—	—
Common stock—par value $.001 per share; Authorized shares: 1,000,000; Issued shares: 315,643 at June 30, 2011 and 313,313 at December 31, 2010; Outstanding shares: 166,348 at June 30, 2011 and 172,736 at December 31, 2010	316	313
Additional paid-in capital	20,330,852	21,040,919
Accumulated deficit	(20,333,307)	(20,363,468)
Accumulated other comprehensive loss	(2,064)	(1,334)
Total stockholders' (deficit) equity	(4,203)	676,430
Total liabilities and stockholders' (deficit) equity	$ 1,795,601	$ 2,444,006

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues	$ 189,844	$ 167,881	$ 371,367	$ 329,463
Costs and expenses:				
Cost of revenues	40,667	39,846	81,536	78,660
Sales and marketing	22,179	23,139	44,570	44,449
Research and development	13,074	13,738	26,668	26,015
General and administrative	28,206	32,797	61,835	67,641
Restructuring charges	3,659	7,539	9,189	7,773
Total costs and expenses	107,785	117,059	223,798	224,538
Operating income	82,059	50,822	147,569	104,925
Interest expense (2011 amounts include $100,020 contingent interest)	(111,856)	(11,966)	(123,676)	(23,964)
Non-operating income, net	6,149	3,850	11,627	8,678
(Loss) income from continuing operations before income taxes	(23,648)	42,706	35,520	89,639
Income tax benefit (expense)	15,967	(16,121)	(908)	(33,045)
(Loss) income from continuing operations, net of tax	(7,681)	26,585	34,612	56,594
(Loss) income from discontinued operations, net of tax	(2,929)	9,789	(4,451)	32,220
Net (loss) income	(10,610)	36,374	30,161	88,814
Less: Net income from discontinued operations, net of tax, attributable to noncontrolling interest in subsidiary	—	(1,161)	—	(2,245)
Net (loss) income attributable to Verisign stockholders	$ (10,610)	$ 35,213	$ 30,161	$ 86,569
Basic (loss) income per share attributable to Verisign stockholders from:				
Continuing operations	$ (0.05)	$ 0.15	$ 0.20	$ 0.31
Discontinued operations	(0.01)	0.04	(0.02)	0.17
Net (loss) income	$ (0.06)	$ 0.19	$ 0.18	$ 0.48
Diluted (loss) income per share attributable to Verisign stockholders from:				
Continuing operations	$ (0.05)	$ 0.15	$ 0.20	$ 0.31
Discontinued operations	(0.01)	0.04	(0.02)	0.16
Net (loss) income	$ (0.06)	$ 0.19	$ 0.18	$ 0.47
Shares used to compute net (loss) income per share attributable to Verisign stockholders:				
Basic	167,471	181,120	169,751	182,121
Diluted	167,471	182,753	171,850	183,480
Amounts attributable to Verisign stockholders:				
(Loss) income from continuing operations, net of tax	$ (7,681)	$ 26,585	$ 34,612	$ 56,594
(Loss) income from discontinued operations, net of tax	(2,929)	8,628	(4,451)	29,975
Net (loss) income attributable to Verisign stockholders	$ (10,610)	$ 35,213	$ 30,161	$ 86,569

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Cash flows from operating activities:		
Net income	$ 30,161	$ 88,814
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment and amortization of other intangible assets	27,642	39,806
Stock-based compensation	29,014	25,310
Excess tax benefit associated with stock-based compensation	(854)	(12,453)
Other, net	1,627	12,949
Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures:		
Accounts receivable	354	10,084
Prepaid expenses and other assets	(12,786)	27,397
Accounts payable and accrued liabilities	(22,736)	(2,867)
Deferred revenues	50,814	61,280
Net cash provided by operating activities	103,236	250,320
Cash flows from investing activities:		
Proceeds from maturities and sales of marketable securities and investments	369,586	196,045
Proceeds received from divestiture of businesses, net of cash contributed	—	15,583
Purchases of marketable securities and investments	(44,038)	(662,275)
Purchases of property and equipment	(29,481)	(42,772)
Other investing activities	(1,181)	(3,773)
Net cash provided by (used in) investing activities	294,886	(497,192)
Cash flows from financing activities:		
Proceeds from issuance of common stock from option exercises and employee stock purchase plans	32,445	28,002
Repurchases of common stock	(310,671)	(281,943)
Payment of dividends to stockholders	(463,498)	—
Excess tax benefit associated with stock-based compensation	854	12,453
Other financing activities	—	(736)
Net cash used in financing activities	(740,870)	(242,224)
Effect of exchange rate changes on cash and cash equivalents	3,285	(1,791)
Cash and cash equivalents included in assets held for sale	—	(123,356)
Net decrease in cash and cash equivalents	(339,463)	(614,243)
Cash and cash equivalents at beginning of period	1,559,628	1,477,166
Cash and cash equivalents at end of period	$1,220,165	$ 862,923
Supplemental cash flow disclosures:		
Cash paid for interest, net of capitalized interest	$ 120,082	$ 19,811

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

Interim Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by VeriSign, Inc. ("Verisign" or the "Company") in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, therefore, do not include all information and notes normally provided in audited financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and other adjustments) considered necessary for a fair presentation have been included. The results of operations for any interim period are not necessarily indicative of, nor comparable to, the results of operations for any other interim period or for a full fiscal year. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes contained in Verisign's fiscal 2010 Annual Report on Form 10-K (the "2010 Form 10-K") filed with the SEC on February 24, 2011.

Reclassifications

Certain reclassifications have been made to prior period amounts to conform to current period presentation. Such reclassifications have no effect on net income as previously reported.

Note 2. Cash, Cash Equivalents, and Marketable Securities

The following table summarizes the Company's cash, cash equivalents, and marketable securities:

	June 30, 2011	December 31, 2010
	(In thousands)	
Cash	$ 81,166	$ 106,270
Money market funds	241,084	648,054
Time deposits	901,889	803,797
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	81,808	359,160
Corporate debt securities	92,777	141,338
Debt securities issued by foreign governments	—	5,040
Total	$1,398,724	$2,063,659
Included in Cash and cash equivalents	$1,220,165	$1,559,628
Included in Marketable securities	$ 174,585	$ 501,238
Included in Other assets (Restricted cash)	$ 3,974	$ 2,793

The following tables summarize the Company's unrealized gains and losses, and fair value of fixed income securities designated as available-for-sale investments. There were no investments classified as either held-to-maturity or trading.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
As of June 30, 2011:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	$ 80,809	$ 1,003	$ (4)	$ 81,808
Corporate debt securities	91,761	1,016	—	92,777
Total fixed income securities	$172,570	$ 2,019	$ (4)	$174,585
Included in Marketable securities				$174,585
As of December 31, 2010:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	$357,135	$ 2,524	$ (499)	$359,160
Corporate debt securities	140,009	1,329	—	141,338
Debt securities issued by foreign governments	5,038	2	—	5,040
Total fixed income securities	$502,182	$ 3,855	$ (499)	$505,538
Included in Cash and cash equivalents				$ 4,300
Included in Marketable securities				$501,238

The following table presents the contractual maturities of the fixed income securities as of June 30, 2011:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Due within one year	$ 42,132	$ 247	$ —	$ 42,379
Due after one year through three years	130,438	1,772	(4)	132,206
Total	$172,570	$ 2,019	$ (4)	$174,585

The Company recognized pre-tax net gains of $2.3 million during the three and six months ended June 30, 2011 related to the sale of $369.6 million of marketable securities, primarily to fund a special dividend paid in May 2011 (the "May 2011 Dividend") discussed further in Note 6. Net gains or losses recognized during the three and six months ended June 30, 2010 related to sales of marketable securities were not material.

Note 3. Fair Value of Financial Instruments

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2011 and December 31, 2010:

	Total Fair Value	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
As of June 30, 2011:				
Assets:				
Investments in money market funds	$ 241,084	$ 241,084	$ —	$ —
Investments in fixed income securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	81,808	—	81,808	—
Corporate debt securities	92,777	—	92,777	—
Foreign currency forward contracts (1)	394	—	394	—
Total	$ 416,063	$ 241,084	$ 174,979	$ —
Liabilities:				
Contingent interest derivative on Convertible Debentures	$ 10,250	$ —	$ —	$ 10,250
Foreign currency forward contracts (2)	74	—	74	—
Total	$ 10,324	$ —	$ 74	$ 10,250
As of December 31, 2010:				
Assets:				
Investments in money market funds	$ 648,054	$ 648,054	$ —	$ —
Investments in fixed income securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	359,160	2,700	356,460	—
Corporate debt securities	141,338	—	141,338	—
Debt securities issued by foreign governments	5,040	—	5,040	—
Total	$ 1,153,592	$ 650,754	$ 502,838	$ —
Liabilities:				
Contingent interest derivative on Convertible Debentures	$ 10,500	$ —	$ —	$ 10,500
Foreign currency forward contracts (2)	282	—	282	—
Total	$ 10,782	$ —	$ 282	$ 10,500

(1) Included in Prepaid expenses and other current assets
(2) Included in Accounts payable and accrued liabilities

The fair value of the Company's investments in certain money market funds approximates their face value. Such instruments are classified as Level 1 and are included in Cash and cash equivalents.

The fair value of the Company's investments in fixed income securities are obtained using the weighted-average price of available market prices for the underlying securities from various industry standard data providers, large financial institutions and other third-party sources. Such instruments are included in either Cash and cash equivalents or Marketable securities. The $2.7 million fair value of U.S. Treasury bills held by the Company at December 31, 2010 was based on their quoted market prices and included in Cash and cash equivalents.

The fair value of the Company's foreign currency forward contracts is based on foreign currency rates quoted by banks or foreign currency dealers and other public data sources.

The Company utilizes a valuation model to estimate the value of the contingent interest derivative on the Convertible Debentures. The inputs to the model include stock price, bond price, risk adjusted interest rates, volatility, and credit spread observations. As several significant inputs are not observable, the overall fair value measurement of the derivative is classified as Level 3.

The following table summarizes the change in the fair value of the Company's Level 3 contingent interest derivative on Convertible Debentures during the three and six months ended June 30, 2011 and 2010:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Beginning balance	$10,950	$ 9,531	$10,500	$10,000
Unrealized gain on contingent interest derivative on Convertible Debentures	(700)	(1,281)	(250)	(1,750)
Ending balance	$10,250	$ 8,250	$10,250	$ 8,250

Other

The Company's other financial instruments include accounts receivable, restricted cash, and accounts payable. As of June 30, 2011, the carrying value of these financial instruments approximated their fair value. The fair value of the Company's Convertible Debentures as of June 30, 2011, is $1.4 billion, and is based on quoted market prices.

Note 4. Other Balance Sheet Items

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	June 30, 2011	December 31, 2010
	(In thousands)	
Prepaid expenses	$ 16,452	$ 9,939
Deferred tax assets	82,344	69,807
Non-trade receivables	12,810	14,158
Receivables from buyers	818	8,198
Other	3,450	115
Total prepaid expenses and other current assets	$115,874	$ 102,217

The Company recognized additional deferred tax assets, due to net operating losses, during the six months ended June 30, 2011. Non-trade receivables primarily consist of income tax receivables and value added tax receivables. As of December 31, 2010, Receivables from buyers primarily represents amounts due from Symantec for services performed on its behalf under transition services agreements. During the six months ended June 30, 2011, the Company received substantially the entire amount included in Receivables from buyers as of December 31, 2010.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	June 30, 2011	December 31, 2010
	(In thousands)	
Accounts payable	$ 13,076	$ 16,727
Accrued employee compensation	36,784	52,628
Customer deposits, net	19,964	18,681
Payables to buyers	1,308	11,337
Taxes payable, deferred and other tax liabilities	33,873	38,168
Accrued restructuring costs	11,376	17,460
Other accrued liabilities	40,614	40,234
Total accounts payable and accrued liabilities	$156,995	$ 195,235

Accrued employee compensation primarily consists of liabilities for employee leave, salaries, payroll taxes, employee contributions to the employee stock purchase plan, and incentive compensation. As of December 31, 2010, Payables to buyers primarily consists of amounts due to Symantec for certain post-closing purchase price adjustments related to the sale of the Authentication Services business and accrued bonus for employees associated with the Authentication Services business, substantially the entire amount of which was paid during the six months ended June 30, 2011. Accrued bonus as of December 31, 2010, included in Accrued employee compensation was paid during the six months ended June 30, 2011. As of June 30, 2011, Accrued restructuring costs primarily represents restructuring costs related to the sale of the Authentication Services business. Other accrued liabilities include miscellaneous vendor payables and interest on the Convertible Debentures which is paid semi-annually in arrears on August 15 and February 15.

Note 5. Restructuring Charges

2010 Restructuring Plan

In connection with the sale of the Authentication Services business and the migration of its corporate functions from California to Virginia, the Company initiated a restructuring plan in 2010, including workforce reductions, abandonment of excess facilities and other exit costs (the “2010 Restructuring Plan”).

Under the 2010 Restructuring Plan, the Company expects to incur total estimated pre-tax cash charges for severance costs and other related employee termination costs of $22.9 million, and excess facility exit costs of $10.6 million, of which the Company has recorded a total of $22.7 million, and $1.5 million, respectively, through June 30, 2011. Additionally, the Company recognized stock-based compensation expenses of $15.4 million, inclusive of amounts reported in discontinued operations, through June 30, 2011, upon acceleration of stock-based awards for employees notified of termination.

The following table presents the nature of the restructuring charges:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Workforce reduction	$ 3,147	$ 11,840	$ 7,870	$ 13,551
Excess facilities	512	(9)	1,319	108
Total consolidated restructuring charges	$ 3,659	$ 11,831	$ 9,189	$ 13,659
Amounts classified as continuing operations	$ 3,659	$ 7,539	$ 9,189	$ 7,773
Amounts classified as discontinued operations	$ —	$ 4,292	$ —	$ 5,886

The following table presents a rollforward of the accrued restructuring costs:

	Accrued Restructuring Costs at December 31, 2010	Costs Incurred	Costs Paid or Settled	Stock-Based Compensation	Accrued Restructuring Costs at June 30, 2011
			(In thousands)		
Workforce reduction	$ 15,120	$ 7,870	$ (7,895)	$ (4,978)	$ 10,117
Excess facilities	3,098	1,319	(2,639)	—	1,778
Total accrued restructuring costs	$ 18,218	$ 9,189	$ (10,534)	$ (4,978)	$ 11,895
Current portion of accrued restructuring costs					$ 11,376
Long-term portion of accrued restructuring costs					$ 519

Amounts included in the tables above relate primarily to the 2010 Restructuring Plan.

Note 6. Stockholders' (Deficit) Equity

Comprehensive (Loss) Income

Comprehensive (loss) income consists of Net (loss) income adjusted for realized and unrealized gains on marketable securities classified as available-for-sale and foreign currency translation adjustments. The following table presents the components of comprehensive (loss) income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Net (loss) income	$(10,610)	$36,374	$30,161	$88,814
Foreign currency translation adjustments	48	4,617	76	4,091
Change in unrealized gain on investments, net of tax	1,077	2,982	609	2,742
Realized gain on investments, net of tax, included in net (loss) income	(1,398)	(106)	(1,415)	(152)
Comprehensive (loss) income	(10,883)	43,867	29,431	95,495
Less: Comprehensive income attributable to noncontrolling interest in subsidiary	—	3,288	—	4,181
Comprehensive (loss) income attributable to Verisign stockholders	$(10,883)	$40,579	$29,431	$91,314

Repurchase of Common Stock

On July 27, 2010, the Company's Board of Directors ("Board") authorized the repurchase of up to approximately $1.1 billion of common stock, in addition to the $393.6 million of its common stock remaining available for repurchase under the previous 2008 Share Buyback Program, for a total repurchase authorization of up to $1.5 billion of its common stock (collectively, the "2010 Share Buyback Program"). The 2010 Share Buyback Program has no expiration date. During the three and six months ended June 30, 2011, the Company repurchased 2.8 million and 8.4 million shares of its common stock, respectively, at an average stock price of $35.90 and $35.66, respectively. The aggregate cost of the repurchases under the 2010 Share Buyback Program in the three and six months ended June 30, 2011 was $100.0 million and $299.6 million, respectively. As of June 30, 2011, $1.1 billion remained available for further repurchases under the 2010 Share Buyback Program.

During the three and six months ended June 30, 2011, the Company placed 0.1 million and 0.3 million shares, respectively, at an average stock price of $36.36 and $35.00, respectively, for an aggregate cost of $3.2 million and $11.1 million, respectively, into treasury stock to cover tax withholdings upon vesting of Restricted Stock Units ("RSUs").

Since inception the Company has repurchased 149.3 million shares of its common stock for an aggregate cost of $4.4 billion, which is recorded as a reduction of Additional paid-in capital.

Special Dividend

On April 27, 2011, the Board declared a special dividend of $2.75 per share of the Company's common stock, totaling approximately $463.5 million, which was paid on May 18, 2011. The special dividend was accounted for as a reduction of Additional paid-in capital.

Note 7. Calculation of Net (Loss) Income per Share Attributable to Verisign Stockholders

The Company computes basic net (loss) income per share attributable to Verisign stockholders by dividing net (loss) income attributable to Verisign stockholders by the weighted-average number of common shares outstanding during the period. Diluted net (loss) income per share attributable to Verisign stockholders gives effect to dilutive potential common shares, including outstanding stock options, unvested RSUs, conversion spread relating to the Convertible Debentures, and employee stock purchases using the treasury stock method. The following table presents the computation of weighted-average shares used in the calculation of basic and diluted net (loss) income per share attributable to Verisign stockholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Weighted-average number of common shares outstanding	167,471	181,120	169,751	182,121
Weighted-average potential shares of common stock outstanding:				
Stock options	—	431	436	384
Unvested restricted stock units	—	954	802	851
Conversion spread related to Convertible Debentures	—	—	833	—
Employee stock purchase plan	—	248	28	124
Shares used to compute diluted net (loss) income per share attributable to Verisign stockholders	167,471	182,753	171,850	183,480

The following table presents the weighted-average potential shares of common stock that were excluded from the above calculation because their effect was anti-dilutive, and the respective weighted-average exercise prices of the weighted-average stock options outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands, except per share data)			
Weighted-average stock options outstanding	2,443	3,558	270	3,997
Weighted-average exercise price	$ 27.14	$ 31.37	$ 38.43	$ 30.96
Weighted-average restricted stock units outstanding	2,856	120	17	88
Employee stock purchase plan	653	—	255	693

Note 8. Stock-based Compensation

Stock-based compensation is classified in the Condensed Consolidated Statements of Operations in the same expense line items as cash compensation. The following table presents the classification of stock-based compensation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Stock-based compensation:				
Cost of revenues	$ 1,846	$ 1,348	$ 3,836	$ 2,269
Sales and marketing	1,697	1,484	3,551	2,604
Research and development	1,353	1,234	2,871	2,304
General and administrative	7,179	5,256	13,778	10,485
Restructuring charges	1,989	—	4,978	112
Stock-based compensation for continuing operations	14,064	9,322	29,014	17,774
Discontinued operations	—	3,903	—	7,536
Total stock-based compensation expense	$14,064	$13,225	$29,014	$25,310

The following table presents the nature of the Company's total stock-based compensation, inclusive of amounts for discontinued operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Stock-based compensation:				
Stock options	$ 1,031	$ 2,329	$ 2,494	$ 4,645
Employee stock purchase plan	798	2,998	1,978	5,727
Restricted stock units	11,141	8,483	21,356	15,432
RSUs/Stock options acceleration	1,989	—	4,978	570
Capitalization (Included in Property and equipment, net)	(895)	(585)	(1,792)	(1,064)
Total stock-based compensation expense	$14,064	$13,225	$29,014	$25,310

Note 9. Interest Expense

The following table presents the components of interest expense:

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(In thousands)			
Contractual interest	$ 10,156	$ 10,156	$ 20,313	$ 20,313
Amortization of debt discount on the Convertible Debentures	1,819	1,676	3,602	3,318
Contingent interest to holders of Convertible Debentures	100,020	—	100,020	—
Interest capitalized to Property and equipment, net	(166)	(280)	(310)	(467)
Other interest expense	27	414	51	800
Total interest expense	$ 111,856	$ 11,966	$ 123,676	$ 23,964

Interest expense in the three and six months ended June 30, 2011 includes $100.0 million of interest paid to holders of the Convertible Debentures as a result of the May 2011 Dividend. The Indenture governing the Convertible Debentures requires the payment of contingent interest to the holders of the Convertible Debentures if the Board declares a dividend to its stockholders that is designated by the Board as an extraordinary dividend. The contingent interest is calculated as the amount derived by multiplying the per share declared dividend with the if-converted number of shares applicable to the Convertible Debentures.

Note 10. Non-operating Income, Net

The following table presents the components of Non-operating income, net:

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(In thousands)			
Interest and dividend income	$ 1,579	$ 2,046	$ 3,670	$ 3,139
Unrealized gain on contingent interest derivative on Convertible Debentures	700	1,281	250	1,750
Income from transition services agreements	2,271	858	5,733	3,878
Other, net	1,599	(335)	1,974	(89)
Total non-operating income, net	$ 6,149	$ 3,850	$ 11,627	$ 8,678

Interest and dividend income is earned principally from Verisign's surplus cash balances and marketable securities. Income from transition services agreements includes fees generated from services provided to the purchasers of divested businesses for a certain period of time to ensure and facilitate the transfer of business operations.

Note 11. Discontinued Operations

The Company will continue to generate cash flows and will report income statement activity in continuing operations associated with providing transition related services to Symantec for the divested Authentication Services business for a remaining term of 25 months.

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The following table presents the revenues and the components of discontinued operations, net of tax, attributable to Verisign stockholders:

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(In thousands)			
Revenues	$ —	$102,584	$ 44	$205,405
(Loss) income from discontinued operations before income taxes	$(4,799)	$ 24,924	$(1,594)	$ 57,584
Income tax benefit (expense)	1,870	(15,135)	(2,857)	(25,364)
(Loss) income from discontinued operations	(2,929)	9,789	(4,451)	32,220
Less: Income from discontinued operations, net of tax, attributable to noncontrolling interest in subsidiary	—	(1,161)	—	(2,245)
Total (loss) income from discontinued operations, net of tax, attributable to Verisign stockholders	$(2,929)	$ 8,628	$(4,451)	$ 29,975

Losses from discontinued operations before income taxes for the three and six months ended June 30, 2011 primarily represent the effects of certain retained litigation of the divested businesses. Income tax expense for discontinued operations for the six months ended June 30, 2011 includes a $2.9 million discrete charge attributable to a change in the purchase price allocation prepared for income tax purposes related to the divestiture of the Authentication Services business. Income from discontinued operations before income taxes for the three and six months ended June 30, 2010 represents the results of operations of the Authentication Services business, and adjustments to gains and losses on divestitures completed in 2009, as a result of certain one-time employee termination costs and settlement of certain retained litigation of the divested businesses.

Note 12. Income Taxes

The following table presents the income tax benefit (expense) from continuing operations and the effective tax rate:

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	(Dollars in thousands)			
Income tax benefit (expense) from continuing operations	$15,967	$(16,121)	$(908)	$(33,045)
Effective tax rate	68%	38%	3%	37%

The effective tax rate for the three and six months ended June 30, 2011 differs from the statutory federal rate of 35% due to state taxes, non-deductible stock-based compensation, the effect of non-US operations, and tax benefits from foreign income taxed at lower rates. In the three months ended June 30, 2011, the Company also recognized a discrete income tax benefit of $39.7 million relating to the contingent interest paid to the holders of the Company's Convertible Debentures (see Note 9). Had the income tax benefit relating to the contingent interest payment not been recorded on a discrete basis, the effective tax rates for the three and six months ended June 30, 2011 would have been 34% and 25%, respectively. The effective tax rate for the three and six months ended June 30, 2010 differs from the statutory federal rate of 35% due to state taxes, non-deductible stock-based compensation, the effect of non-US operations, and tax benefits from foreign income taxed at lower rates.

The Company applies a valuation allowance to certain deferred tax assets when management does not believe that it is more likely than not that they will be realized. Deferred tax assets offset by a valuation allowance relate primarily to investments with differing book and tax bases and net operating losses in certain foreign jurisdictions.

As of June 30, 2011 and December 31, 2010, the Company had gross unrecognized tax benefits for income taxes associated with uncertain tax positions of $43.5 million and $28.8 million, respectively. During the three and six months ended June 30, 2011, the Company recorded an increase in unrecognized tax benefits of $7.3 million and $14.7 million, respectively, related to current period activities. As of June 30, 2011 and December 31, 2010, $36.4 million and $24.9 million, respectively, of unrecognized tax benefits, including penalties and interest, would affect the Company's effective tax rate if realized. The balance of the gross unrecognized tax benefits is expected to increase in the next 12 months.

In accordance with its accounting policy, the Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of tax expense. Interest and penalties related to income tax liabilities, recognized through income tax benefit (expense) during the three and six months ended June 30, 2011 and 2010, were not material.

The Company's major taxing jurisdictions are the U.S., the states of California and Virginia, and Switzerland. The Company's tax returns are not currently under examination by these taxing jurisdictions. Because the Company uses historic net operating loss carryforwards and other tax attributes to offset its taxable income in current and future years' income tax returns for the U.S., California and Virginia, such attributes can be adjusted by these taxing authorities until the statute closes on the year in which such attributes were utilized. The open years in Switzerland are the 2006 tax year and forward.

Note 13. Contingencies

Legal Proceedings

On May 31, 2007, plaintiffs Karen Herbert, et al., on behalf of themselves and a nationwide class of consumers, filed a complaint against Verisign, m-Qube, Inc., and other defendants alleging that defendants collectively operated an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show "Deal or No Deal" to incur premium text message charges in order to participate in an interactive television promotion called "Lucky Case Game." The lawsuit is pending in the U.S. District Court for the Central District of California, Western Division. The defendants' motion to dismiss the *Herbert* matter was denied by the district court on December 3, 2007 and that ruling was appealed. On July 8, 2010, the Court of Appeals for the Ninth Circuit dismissed the appeal for lack of jurisdiction and remanded the case to the district court. A hearing is scheduled for consideration of the motion for class certification on August 8, 2011. Certain defendants have asserted indemnity claims against Verisign in connection with these matters.

On July 13, 2011, the parties reached an agreement in principle to settle this matter and the defendants, including Verisign, previously reached an agreement in principle to resolve the indemnity claims noted above. The parties anticipate entering into fully documented settlement agreements promptly. Under the agreement in principle to resolve the *Herbert* case, class members will be able to claim a full refund for premium text message charges incurred entering the Lucky Case Game. Verisign will pay sixty percent of the settlement costs. The Company has accrued for the expected settlement costs. See Note 11, "Discontinued Operations," of Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. This estimate of the expected settlement costs, by its nature, is based on judgment and currently available information and involves a variety of factors, including, but not limited to, the type and nature of the lawsuit, the progress of the lawsuit, and the Company's experience in similar matters. Given the inherent uncertainties involved in litigation, the Company cannot assure you that the ultimate resolution of this matter will not exceed the amount accrued for the settlement costs. The final settlement agreement in *Herbert* will be terminable upon certain contingencies, including the number of class members who opt out of the settlement and the cost of notice to the class.

The *Herbert* settlement is subject to the approval of the Court and from the Boards of Directors of Verisign and the other defendants. Verisign's Board of Directors has approved the settlement. The agreement in principle in the *Herbert* case anticipates that there will be two notice periods — the first notice period to allow class members and the court to consider fairness of the settlement, and the second notice period to allow class members to make claims. The parties expect to promptly seek preliminary approval from the court for the *Herbert* settlement and to thereafter seek final approval later this year. Although the parties do not anticipate that the court would reject or would require material changes to the settlement terms, these outcomes are possible.

On June 5, 2007, plaintiffs Cheryl Bentley, et al., on behalf of themselves and a nationwide class of consumers, filed a complaint against Verisign, m-Qube, Inc., and other defendants alleging that defendants collectively operated an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show "The Apprentice" to incur premium text message charges in order to participate in an interactive television promotion called "Get Rich With Trump." The lawsuit was filed in the U.S. District Court for the Central District of California, Western Division. On May 17, 2011, the plaintiffs voluntarily dismissed this case without prejudice.

Verisign was as a defendant in litigation in the United States District Court for the Northern District of California (San Jose Division) in a case entitled *Coalition for ICANN Transparency, Inc. (*"CFIT"*) v. VeriSign, Inc*. On May 11, 2011, Verisign entered into a Settlement Agreement and Mutual Release (the "Agreement") with CFIT, CFIT's members, iRegistry Corp., Name Administration, Inc., Linkz Internet Services Corp., World Association for Domain Name Developers, Inc., Targeted Traffic Domains, Inc., Bret Fausett, Howard Neu and Frank Schilling (collectively "the CFIT Parties"), that fully resolves the litigation initiated by CFIT against Verisign. Under the terms of the Agreement, Verisign did not make any payment. On May 12, 2011, the CFIT Parties filed a dismissal with prejudice of all claims in the litigation, which was entered on May 31, 2011. The Agreement includes mutual releases pursuant to which the CFIT Parties have released Verisign from any and all claims that were or could have been asserted in the litigation, or that the CFIT Parties may hereafter have or assert, that are related to the facts giving rise to the litigation, the *.com* or *.net* Registry Agreements or any renewal of those agreements, or conduct pursuant to those agreements, including any past or future price increases by Verisign or any services or potential services thereunder. Under the release provisions, Verisign has conditionally released the CFIT Parties from claims related to the facts giving rise to the litigation or conduct by the CFIT Parties or their representatives in connection with the litigation, including for malicious prosecution or abuse of process relating to the commencement or prosecution of the litigation against Verisign. Further, the CFIT Parties have agreed to mutual covenants not to sue and mutual non-disparagement provisions. Under the Agreement, CFIT issued a press release on May 11, 2011 stating that CFIT dismissed its claims in their entirety with prejudice in view of the Amended Opinion of the United States Court of Appeals for the Ninth Circuit in *Coal. for ICANN Transparency, Inc. v. Verisign, Inc*. 611 F.3d 495 (9th Cir., 2010), the subsequent orders of the United States District Court for the Northern District of California, San Jose Division dismissing CFIT's claims with respect to the 2005 *.net* Registry Agreement and for disgorgement, and Verisign's motion for summary judgment. For a description of these proceedings prior to the settlement, see Verisign's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on April 29, 2011.

Indemnifications

In connection with the sale of the Authentication Services business to Symantec, the Company has agreed to indemnify Symantec for certain potential legal claims arising from the operation of the Authentication Services business for a period of sixty months after the closing of the sale transaction. The Company's indemnification obligations in this regard are triggered only when indemnifiable claims exceed in the aggregate $4 million. Thereafter, the Company is obligated to indemnify Symantec for 50% of all indemnifiable claims. The Company's maximum indemnification obligation with respect to these claims is capped at $125 million.

While certain legal proceedings and related indemnification obligations to which the Company is a party specify the amounts claimed, such claims may not represent reasonably possible losses. Given the inherent uncertainties of the litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. The Company does not believe that any such matter currently being reviewed will have a material adverse effect on its financial condition or results of operations.

Verisign is involved in various other investigations, claims and lawsuits arising in the normal conduct of its business, none of which, in its opinion, will have a material adverse effect on its financial condition or results of operations. The Company cannot assure you that it will prevail in any litigation. Regardless of the outcome, any litigation may require the Company to incur significant litigation expense and may result in significant diversion of management attention.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the interim unaudited Condensed Consolidated Financial Statements and related notes.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our anticipated costs and expenses and revenue mix. Forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. You should also carefully review the risks described in other documents we file from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-Q or Current Reports on Form 8-K that we file in 2011 and our 2010 Form 10-K, which was filed on February 24, 2011, which discuss our business in greater detail. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

Overview

We are a provider of Internet infrastructure services. By leveraging our global infrastructure, we provide network confidence and availability for mission-critical Internet services, such as domain name registry services and infrastructure assurance services. Our service capabilities enable domain name registration through our registrar partners and provide network availability for registrars and Internet users alike.

Our business consists of one reportable segment, namely Naming Services, which consists of Registry Services and Network Intelligence and Availability ("NIA") Services. Registry Services operates the authoritative directory of all *.com*, *.net*, *.cc*, *.tv*, and *.name* domain names and the back-end systems for all *.gov*, *.jobs* and *.edu* domain names. As of June 30, 2011, we had approximately 109.9 million domain names registered under the *.com* and *.net* registries, our principal registries. The number of domain names registered is largely driven by continued growth in online advertising, e-commerce, and the number of Internet users, which is partially driven by greater availability of broadband, as well as advertising and promotional activities carried out by us and third-party registrars. Although growth in absolute number of registrations remains greatest in mature markets such as the U.S., growth on an annual percentage basis is expected to be greatest in markets outside of the U.S. over the long-term. NIA Services provides infrastructure assurance to organizations and is comprised of Verisign iDefense Security Intelligence Services, Managed Domain Name System Services, and Distributed Denial of Service mitigation. Revenues from NIA Services are not significant in relation to our consolidated revenue.

Business Highlights and Trends—Three and six months ended June 30, 2011

- We recorded revenues of $189.8 million and $371.4 million during the three and six months ended June 30, 2011, respectively. This represents an increase of 13% in both the three and six months ended June 30, 2011 as compared to the same periods in 2010. The increase was primarily due to an 8% year-over-year increase in active domain names ending in *.com* and *.net* and increases in our *.com* and *.net* registry fees in July 2010.
- We recorded operating income of $82.1 million and $147.6 million during the three and six months ended June 30, 2011, respectively, an increase of 61% and 41%, respectively, as compared to the same periods last year. The increase was primarily due to an increase in our revenues as well as a reduction in general and administrative expenses.
- In May 2011, we declared and paid a special dividend of $2.75 per share of our common stock totaling $463.5 million. We also paid $100.0 million in contingent interest to holders of our Convertible Debentures. We sold $369.6 million of marketable securities during the six months ended June 30, 2011 to partially fund the dividend and contingent interest payments.
- We repurchased 2.8 million and 8.4 million shares, respectively, of our common stock under the 2010 Share Buyback Program for an aggregate cost of $100.0 million and $299.6 million, respectively, during the three and six months ended June 30, 2011.
- We generated cash flows from operating activities of $103.2 million during the six months ended June 30, 2011, a decrease of 59% as compared to the same period last year. The decrease was primarily due to the contingent interest payment related to the Convertible Debentures as well as the elimination of cash flows from the divested Authentication Services business.

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- During the second quarter, we renewed our agreement with the Internet Corporation for Assigned Names and Numbers ("ICANN") to serve as the authoritative registry operator for the *.net* registry for another six years, effective July 1, 2011.

Recent Events

On July 25, 2011, Mark McLaughlin tendered his resignation as President and Chief Executive Officer of the Company and as a member of the Company's Board of Directors (the "Board"). Mr. McLaughlin resigned as a member of the Board at the regularly scheduled Board meeting on July 27, 2011 and resigned his positions as President and Chief Executive Officer effective August 1, 2011. Mr. McLaughlin will remain with the Company until August 25, 2011 and will then become the Chief Executive Officer of a private company. On July 27, 2011, the Board elected Jim Bidzos as the Company's President and Chief Executive Officer effective August 1, 2011.

Results of Operations

The following table presents information regarding our results of operations as a percentage of revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues	100%	100%	100%	100%
Costs and expenses				
Cost of revenues	21	24	22	24
Sales and marketing	12	14	12	13
Research and development	7	8	7	8
General and administrative	15	20	17	21
Restructuring charges	2	4	2	2
Total costs and expenses	57	70	60	68
Operating income	43	30	40	32
Interest expense	(59)	(7)	(33)	(7)
Non-operating income, net	3	2	3	3
(Loss) income from continuing operations before income taxes	(13)	25	10	28
Income tax benefit (expense)	8	(10)	—	(10)
(Loss) income from continuing operations, net of tax	(5)	15	10	18
(Loss) income from discontinued operations, net of tax	(1)	7	(2)	9
Net (loss) income	(6)	22	8	27
Less: Net income from discontinued operations attributable to noncontrolling interest in subsidiary	—	(1)	—	(1)
Net (loss) income attributable to Verisign stockholders	(6%)	21%	8%	26%

Revenues

Revenues related to our Registry Services are primarily derived from registrations for domain names in the *.com*, *.net*, *.cc*, *.tv*, *.name*, *.gov*, and *.jobs* domain name registries. Revenues from *.cc*, *.tv*, *.name*, *.gov*, and *.jobs* are not significant in relation to our consolidated revenue. For domain names registered with the *.com* and *.net* registries, we receive a fee from third-party registrars per annual registration that is fixed pursuant to our agreements with ICANN. Individual customers, called registrants, contract directly with third-party registrars or their resellers, and the third-party registrars in turn register the *.com*, *.net*, *.cc*, *.tv*, *.name* and *.jobs* domain names with Verisign. Changes in revenues are driven largely by increases in the number of new domain name registrations and the renewal rate for existing registrations, in each case as impacted by continued growth in online advertising, e-commerce, and the number of Internet users, which is partially driven by greater availability of broadband, as well as advertising and promotional activities carried out by us and third-party registrars. On July 1, 2010, we increased our *.com* domain name registration fees by 7% from $6.86 to $7.34 and our *.net* domain name registration fees by 10% from $4.23 to $4.65. In July 2011, we announced another fee increase for *.com* domain name registrations of 7% from $7.34 to $7.85 and for *.net* domain name registrations of 10% from $4.65 to $5.11. The fee increases announced in July 2011 will be effective January 15, 2012. We have the contractual right to increase the fees for *.net* domain name registrations by up to 10% each year during the term of our renewed agreement with ICANN through June 30, 2017. We offer promotional marketing programs for our registrars based upon market conditions and the business environment in which the registrars operate. We are largely insulated from the risk posed by fluctuations in exchange rates due to the fact that all revenues paid to us for *.com* and *.net* registrations are in U.S. dollars. Revenues from NIA Services are not significant in relation to our total consolidated revenue.

A comparison of revenues is presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
Revenues	$189,844	13%	$167,881	$371,367	13%	$329,463

The following table compares domain names ending in *.com* and *.net* managed by our Registry Services business:

	June 30, 2011	% Change	June 30, 2010
Active domain names ending in *.com* and *.net*	109.9 million	8%	101.5 million

Our revenues increased by $22.0 million and $41.9 million during the three and six months ended June 30, 2011, respectively, as compared to the same periods last year, primarily due to an 8% year-over-year increase in the number of domain names ending in *.com* and *.net* and increases in our *.com* and *.net* registry fees in July 2010 as per our agreements with ICANN.

The growth in the number of active domain names was primarily driven by continued Internet growth and domain name promotional programs. We expect to see continued growth in the number of active domain names in 2011 as a result of further Internet growth. In addition, we expect to see continued growth internationally in both *.com* and *.net* domain name bases, especially in markets that we have targeted through our marketing programs. We expect revenues will continue to increase in fiscal 2011 as compared to fiscal 2010 as a result of continued growth in the number of active domain names ending in *.com* and *.net* and implementation of the fee increase which became effective in July 2010 as domain names are renewed at the increased price.

New TLDs may be introduced by ICANN, including new IDN TLDs and ccTLDs in 2011 and new gTLDs in 2012. We cannot assess the impact, if any, the introduction of these new TLDs will have on our revenues and results of operations. See Item 1A. “Risk Factors - The business environment is highly competitive and, if we do not compete effectively, we may suffer price reductions, reduced gross margins and loss of market share,” of this Form 10-Q.

Geographic revenues

We generate revenue in the U.S.; Australia, China, India and other Asia Pacific countries (“APAC”); Europe, the Middle East and Africa (“EMEA”); and certain other countries including Canada and Latin American countries.

The following table presents a comparison of our geographic revenues:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
U.S.	$115,800	12%	$102,981	$227,183	12%	$203,570
APAC	29,171	12%	25,956	56,771	14%	49,859
EMEA	26,625	17%	22,829	51,684	16%	44,727
Other	18,248	13%	16,115	35,729	14%	31,307
Total revenues	$189,844		$167,881	$371,367		$329,463

Revenues are generally attributed to the country of domicile and the respective regions in which our customers are located.

Revenues from each of the respective regions increased during the three and six months ended June 30, 2011, as compared to the same period last year, primarily driven by an increase in the number of domain names ending in *.com* and *.net* and increases in our *.com* and *.net* registry fees in July 2010. The increase in the number of domain names ending in *.com* and *.net* was driven by continued Internet growth and domain name promotional programs.

We expect to continue to see strong growth in certain international regions, resulting from greater broadband and Internet penetration and expanding e-commerce as electronic means of payments are increasingly adopted.

Cost of revenues

Cost of revenues consist primarily of salaries and employee benefits expenses for our personnel that manage the operational systems, depreciation expenses, operational costs associated with the delivery of our services, fees paid to ICANN, customer support and training, consulting and development services, costs of facilities and computer equipment used in these activities, telecommunications expense, and allocations of indirect costs such as corporate overhead.

A comparison of cost of revenues is presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
Cost of revenues	$40,667	2%	$39,846	$81,536	4%	$78,660

Cost of revenues increased during the three months ended June 30, 2011, as compared to the same period last year, primarily due to increases in salary and employee benefits expenses and telecommunication expenses, partially offset by a decrease in allocated overhead expenses. Salary and employee benefits expenses increased by $1.6 million, primarily due to an increase in average headcount to support Registry Services. Telecommunication expenses increased by $1.0 million, primarily due to an increase in colocation expenses and additional circuits required to support the increase in our network infrastructure. Allocated overhead expenses decreased by $2.6 million, primarily due to a decrease in allocable indirect costs and a decrease in proportional headcount within the cost of revenues function as a result of the divestiture of the Authentication Services business.

Cost of revenues increased during the six months ended June 30, 2011, as compared to the same period last year, primarily due to increases in salary and employee benefits expenses, depreciation expenses, and telecommunication expenses, partially offset by a decrease in allocated overhead expenses. Salary and employee benefits expenses increased by $3.6 million, primarily due to an increase in average headcount to support Registry Services, and an increase in stock-based compensation expenses due to additional vested RSUs granted during the six months ended June 30, 2011 to option holders as they did not participate in the December 2010 and May 2011 special cash dividends. Depreciation expenses increased by $2.1 million, primarily due to an increase in capitalized hardware and software purchased to support investments in infrastructure projects. Telecommunication expenses increased by $1.9 million, primarily due to additional circuits required to support the increase in our network infrastructure. Allocated overhead expenses decreased by $4.8 million, primarily due to a decrease in allocable indirect costs and a decrease in proportional headcount within the cost of revenues function as a result of the divestiture of the Authentication Services business.

We expect cost of revenues as a percentage of revenues to remain consistent during the remainder of 2011 as compared to the six months ended June 30, 2011.

Sales and marketing

Sales and marketing expenses consist primarily of salaries and employee benefits expenses, sales commissions, sales operations, travel and related expenses, trade shows, costs of lead generation, costs of computer and communications equipment and support services, facilities costs, consulting fees, costs of marketing programs, such as the Internet, television, radio, print and direct mail advertising costs, and allocations of indirect costs such as corporate overhead.

A comparison of sales and marketing expenses is presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
Sales and marketing	$22,179	(4%)	$23,139	$44,570	0%	$44,449

Sales and marketing expenses decreased during the three months ended June 30, 2011, as compared to the same period last year, primarily due to decreases in allocated overhead expenses and advertising and consulting expenses, partially offset by an increase in salary and employee benefits expenses. Allocated overhead expenses decreased by $1.9 million, primarily due to a decrease in allocable indirect costs and a decrease in proportional headcount within the sales and marketing function as a result of the divestiture of the Authentication Services business. Advertising and consulting expenses also decreased by $1.1 million from the same period of last year due to lower spending on corporate marketing events and campaigns. Salary and employee benefits expenses increased by $1.3 million primarily due to an increase in average headcount of our sales force.

Sales and marketing expenses remained consistent during the six months ended June 30, 2011 as compared to the same period last year primarily due to an increase in salary and employee benefits expenses offset by a decrease in allocated overhead expenses and advertising and consulting expenses. Salary and employee benefits expenses increased by $3.9 million, primarily due to an increase in average headcount of our sales force and an increase in stock-based compensation expenses due to additional vested RSUs granted during the six months ended June 30, 2011 to option holders as they did not participate in the December 2010 and May 2011 special cash dividends. Allocated overhead expenses decreased by $3.6 million, primarily due to a decrease in allocable indirect costs and a decrease in proportional headcount within the sales and marketing function as a result of the divestiture of the Authentication Services business. Advertising and consulting expenses decreased by $1.5 million, primarily due to lower spending on corporate marketing campaigns and events.

We expect sales and marketing expenses as a percentage of revenues to remain consistent during the remainder of 2011 as compared to the six months ended June 30, 2011.

Research and development

Research and development expenses consist primarily of costs related to research and development personnel, including salaries and employee benefits expenses, consulting fees, the cost of facilities, computer and communications equipment, support services used in our service and technology development, and allocations of indirect costs such as corporate overhead.

A comparison of research and development expenses is presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
Research and development	$13,074	(5%)	$13,738	$26,668	3%	$26,015

Research and development expenses decreased during the three months ended June 30, 2011, as compared to the same period last year, primarily due to a $1.5 million decrease in allocated overhead expenses, resulting from a decrease in allocable indirect costs.

Research and development expenses increased during the six months ended June 30, 2011, as compared to the same period last year, primarily due to an increase in salary and employee benefits expenses, partially offset by a decrease in allocated overhead expenses. Salary and employee benefits expenses increased by $2.4 million, primarily due to an increase in average headcount to support the development of our DNS infrastructure and new services and an increase in stock-based compensation expenses due to additional vested RSUs granted during the six months ended June 30, 2011 to option holders as they did not participate in the December 2010 and May 2011 special cash dividends. Allocated overhead expenses decreased by $2.2 million, primarily due to a decrease in allocable indirect costs.

We expect research and development expenses as a percentage of revenues to remain consistent during the remainder of 2011 as compared to the six months ended June 30, 2011.

General and administrative

General and administrative expenses consist primarily of salaries and employee benefits expenses for our executive, administrative, legal, finance, information technology and human resources personnel, facilities, computer and communications equipment, management information systems, support services, professional services fees, certain tax and license fees, and bad debt expense, offset by allocations of indirect costs such as facilities and shared services expenses to other cost types. All allocations of indirect costs are included in continuing operations.

A comparison of general and administrative expenses is presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	% Change	2010	2011	% Change	2010
	(Dollars in thousands)					
General and administrative	$28,206	(14%)	$32,797	$61,835	(9%)	$67,641

General and administrative expenses decreased during the three months ended June 30, 2011, as compared to the same period last year primarily due to decreases in miscellaneous expenses, occupancy expenses, and salary and employee benefits expenses, partially offset by a decrease in corporate overhead expenses allocated to other cost types. Miscellaneous expenses decreased by $4.6 million primarily due to the release of $5.9 million of liabilities, which is non-recurring in nature, related to non-income tax expenses as a result of the lapse of the statutes of limitations. Occupancy expenses decreased by $2.7 million, primarily due to lower rent expenses as the lease for certain office buildings expired in 2010. Salary and employee benefits expenses decreased by $2.2 million, primarily due to a decrease in average headcount due to the divestiture of the Authentication Services business, offset by an increase in stock-based compensation expenses due to additional vested RSUs granted during the three months ended June 30, 2011, to option holders, as they did not participate in the May 2011 special cash dividend. Corporate overhead expenses allocated to other cost types decreased by $6.0 million, primarily due to a decrease in allocable indirect costs and proportionately higher headcount in the general and administrative function as a result of the divestiture of the Authentication Services business.

General and administrative expenses decreased during the six months ended June 30, 2011, as compared to the same period last year, primarily due to decreases in miscellaneous expenses, occupancy expenses, depreciation expenses, salary and employee benefits expenses, and telecommunication expenses, partially offset by a decrease in corporate overhead expenses allocated to other cost types. Miscellaneous expenses decreased by $5.3 million, primarily due to the release of $5.9 million of liabilities, which is non-recurring in nature, related to non-income tax expenses as a result of the lapse of the statutes of limitations. Occupancy expenses decreased by $4.7 million, primarily due to lower rent expenses as the lease for certain office buildings expired in 2010. Depreciation expenses decreased by $2.5 million, primarily due to ceasing further depreciation on corporate assets held for sale in May 2010, the expenses of which were classified as continuing operations until the third quarter of 2010. Salary and employee benefits expenses decreased by $2.3 million, primarily due to a decrease in average headcount due to the divestiture of the Authentication Services business, offset by an increase in stock-based compensation expenses due to additional vested RSUs granted during the six months ended June 30, 2011 to option holders as they did not participate in the December 2010 and May 2011 special cash dividends. Corporate overhead expenses allocated to other cost types decreased by $10.6 million, primarily due to a decrease in allocable indirect costs and proportionately higher headcount in the general and administrative function as a result of the divestiture of the Authentication Services business.

We expect general and administrative expenses as a percentage of revenue to decrease during the remainder of 2011 as compared to the six months ended June 30, 2011, as we continue to realize post-divestiture cost reductions in our general and administrative function.

Restructuring charges

2010 Restructuring Plan

In connection with the sale of the Authentication Services business and the migration of our corporate functions from California to Virginia, we initiated a restructuring plan in 2010, including workforce reductions, abandonment of excess facilities and other exit costs (the “2010 Restructuring Plan”).

Under the 2010 Restructuring Plan, we expect to incur total estimated pre-tax cash charges for severance costs and other related employee termination costs of $22.9 million, and excess facility exit costs of $10.6 million, of which we have recorded a total of $22.7 million, and $1.5 million, respectively, through June 30, 2011. Additionally, we recognized stock-based compensation expenses of $15.4 million, inclusive of amounts reported in discontinued operations, through June 30, 2011, upon acceleration of stock-based awards for employees notified of termination and expect to recognize further expenses for employees to be terminated in the future. However, at this time, we are not able, in good faith, to make a determination of the estimated amount or range of amounts thereon. We expect to recognize all remaining cash and stock-based restructuring charges during the remainder of fiscal 2011.

The following table presents the nature of the restructuring charges:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Workforce reduction	$3,147	$11,840	$7,870	$13,551
Excess facilities	512	(9)	1,319	108
Total consolidated restructuring charges	$3,659	$11,831	$9,189	$13,659
Amounts classified as continuing operations	$3,659	$ 7,539	$9,189	$ 7,773
Amounts classified as discontinued operations	$ —	$ 4,292	$ —	$ 5,886

Amounts included in the table above relate primarily to the 2010 Restructuring Plan.

Interest expense

The following table presents the components of interest expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Contractual interest	$ 10,156	$10,156	$ 20,313	$20,313
Amortization of debt discount on the Convertible Debentures	1,819	1,676	3,602	3,318
Contingent interest to holders of Convertible Debentures	100,020	—	100,020	—
Interest capitalized to Property and equipment, net	(166)	(280)	(310)	(467)
Other interest expense	27	414	51	800
Total interest expense	$ 111,856	$11,966	$123,676	$23,964

Interest expense in the three and six months ended June 30, 2011 includes $100.0 million payment of contingent interest to holders of our Convertible Debentures. The Indenture governing our Convertible Debentures requires the payment of contingent interest to the holders of the Convertible Debentures if the Board declares a dividend to our stockholders that is designated by the Board as an extraordinary dividend. The contingent interest is calculated as the amount derived by multiplying the per share declared dividend with the if-converted number of shares applicable to the Convertible Debentures.

Non-operating income, net

Non-operating income, net, consists primarily of interest earned on our cash, cash equivalents, and marketable securities, net gains or losses on the sale and impairment of investments, realized and unrealized gains and losses on the contingent interest derivative on the Convertible Debentures, income from transition services agreements, and the net effect of foreign currency gains and losses.

A comparison of non-operating income, net, is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Interest and dividend income	$ 1,579	$ 2,046	$ 3,670	$3,139
Unrealized gain on contingent interest derivative on Convertible Debentures	700	1,281	250	1,750
Income from transition services agreements	2,271	858	5,733	3,878
Other, net	1,599	(335)	1,974	(89)
Total non-operating income, net	$ 6,149	$ 3,850	$11,627	$8,678

Non-operating income, net, increased during the three and six months ended June 30, 2011, as compared to the same periods last year, primarily due to net gains of $2.3 million recognized on the sale of marketable securities in the second quarter of 2011 as well as greater income from transition services agreements in the three and six months ended June 30, 2011 to support the sale of the Authentication Services business.

Income taxes

The following table presents the income tax benefit (expense) from continuing operations and the effective tax rates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(Dollars in thousands)			
Income tax benefit (expense) from continuing operations	$15,967	$(16,121)	$(908)	$(33,045)
Effective tax rate	68%	38%	3%	37%

The effective tax rate for the three and six months ended June 30, 2011 differs from the statutory federal rate of 35% due to state taxes, non-deductible stock-based compensation, the effect of non-US operations, and tax benefits from foreign income taxed at lower rates. In the three months ended June 30, 2011, we also recognized a discrete income tax benefit of $39.7 million relating to the contingent interest paid to the holders of our Convertible Debentures (see Note 9 to our Condensed Consolidated Financial Statements in Part I, Item 1, of this Form 10-Q). The effective tax rate for the three and six months ended June 30, 2010 differs from the statutory federal rate of 35% due to state taxes, non-deductible stock-based compensation, the effect of non-US operations, and tax benefits from foreign income taxed at lower rates. As of June 30, 2011, we plan to continue with our policy of permanently reinvesting all foreign earnings. The difference in effective tax rates for the three and six months ended June 30, 2011 and the three and six months ended June 30, 2010 primarily relates to the $39.7 million discrete income tax benefit on the $100.0 million contingent interest expense paid in the second quarter 2011 and the ratio of foreign income, taxed at lower rates, to domestic income. Had the income tax benefit relating to the contingent interest payment not been recorded on a discrete basis, the effective tax rates for the three and six months ended June 30, 2011 would have been 34% and 25%, respectively.

Income from discontinued operations, net of tax

We will continue to generate cash flows and will report income statement activity in continuing operations associated with providing transition related services to Symantec for the divested Authentication Services business for a remaining term of 25 months.

The following table presents the revenues and the components of discontinued operations, net of tax, attributable to Verisign stockholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Revenues	$ —	$102,584	$ 44	$205,405
(Loss) income from discontinued operations before income taxes	$(4,799)	$ 24,924	$(1,594)	$ 57,584
Income tax benefit (expense)	1,870	(15,135)	(2,857)	(25,364)
(Loss) income from discontinued operations	(2,929)	9,789	(4,451)	32,220
Less: Income from discontinued operations, net of tax, attributable to noncontrolling interest in subsidiary	—	(1,161)	—	(2,245)
Total (loss) income from discontinued operations, net of tax, attributable to Verisign stockholders	$(2,929)	$ 8,628	$(4,451)	$ 29,975

Losses from discontinued operations before income taxes for the three and six months ended June 30, 2011 primarily represent the effects of certain retained litigation of the divested businesses. Income tax expense for discontinued operations for the six months ended June 30, 2011 includes a $2.9 million discrete charge attributable to a change in the purchase price allocation prepared for income tax purposes related to the divestiture of the Authentication Services business. Income from discontinued operations before income taxes for the three and six months ended June 30, 2010 represents the results of operations of the Authentication Services business, and adjustments to gains and losses on divestitures completed in 2009, as a result of certain one-time employee termination costs and settlement of certain retained litigation of the divested businesses.

Liquidity and Capital Resources

In summary, our cash flows for the six months ended June 30, 2011 and 2010 are as follows:

	Six Months Ended June 30, 2011	2010
	(In thousands)	
Net cash provided by operating activities	$ 103,236	$ 250,320
Net cash provided by (used in) investing activities	294,886	(497,192)
Net cash used in financing activities	(740,870)	(242,224)
Effect of exchange rate changes on cash and cash equivalents	3,285	(1,791)
Cash and cash equivalents included in assets held for sale	—	(123,356)
Net decrease in cash and cash equivalents	$(339,463)	$(614,243)

Cash flows from operating activities

Our largest source of operating cash flows is cash collections from our customers. Our primary uses of cash from operating activities are for personnel-related expenditures and other general operating expenses, including payments related to taxes and facilities.

Net cash provided by operating activities decreased primarily due to the payment of $100.0 million of contingent interest to holders of our Convertible Debentures and a decrease in cash received from customers resulting from a decrease in consolidated revenues due to the divestiture of the Authentication Services business in 2010. The decrease is partially offset by a decrease in cash payments to suppliers and employees, primarily resulting from the divestiture of the Authentication Services business as well as lower income taxes payable before consideration of excess tax benefits from exercises of stock options and other employee stock purchases.

Cash flows from investing activities

The changes in cash flows from investing activities primarily relate to the divestiture of businesses, timing of purchases, maturities and sales of investments, and purchases of property and equipment.

The change in cash provided by (used in) investing activities in the six months ended June 30, 2011 from the same period in the prior year was primarily due to increased sales and maturities of marketable securities and investments in 2011 to fund the May 2011 special cash dividend as well as decreases in purchases of marketable securities and purchases of property and equipment, offset by proceeds received from the divestiture of businesses in the six months ended June 30, 2010.

Cash flows from financing activities

The changes in cash flows from financing activities primarily relate to dividends, share repurchases and stock option exercise activities.

Net cash used in financing activities increased primarily due to payment of $463.5 million for the special cash dividend in May 2011 and an increase in share repurchases offset by a decrease in realized excess tax benefits from exercises of stock options and the employee stock purchase plan.

Other Liquidity and Capital Resources Information

	June 30, 2011	December 31, 2010
	(In thousands)	
Cash and cash equivalents	$1,220,165	$1,559,628
Marketable securities	174,585	501,238
Total	$1,394,750	$2,060,866

As of June 30, 2011, our principal source of liquidity was $1.2 billion of cash and cash equivalents and $174.6 million of marketable securities. The marketable securities consist of debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies, and corporate debt securities meeting the criteria of our investment policy, which is focused on the preservation of our capital through investment in investment grade securities. The cash equivalents consist mainly of time deposits and amounts deposited in money market funds. As of June 30, 2011, $174.6 million of marketable securities were invested in fixed income securities, of which $42.4 million had maturities within one year and $132.2 million had maturities between one and three years. Our cash and cash equivalents are readily accessible. For additional information on our investment portfolio, see Note 2, "Cash, Cash Equivalents, and Marketable Securities," of our Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

As of June 30, 2011, the amount of cash, cash equivalents and marketable securities held by foreign subsidiaries was $1.1 billion. Our intent is to permanently reinvest these funds outside the U.S., and current plans do not anticipate that we will need funds generated from foreign operations to fund our domestic operations. In the event funds from foreign operations are needed to fund operations in the U.S. and if U.S. tax has not already been previously provided, we would be required to accrue and pay additional U.S. taxes in order to repatriate these funds.

We believe existing cash, cash equivalents and marketable securities, together with funds generated from operations should be sufficient to meet our working capital, capital expenditure requirements, and to service our debt for the next 12 months. We regularly assess our cash management approach and activities in view of our current and potential future needs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes in our market risk exposures since December 31, 2010.

ITEM 4. CONTROLS AND PROCEDURES

Based on our management's evaluation, with the participation of our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), as of the end of the period covered by this Quarterly Report on Form 10-Q, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Internal Control over Financial Reporting

Because of its inherent limitations, our internal control over financial reporting may not prevent material errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The continued effectiveness of our internal control over financial reporting is subject to risks, including that the control may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under "Legal Proceedings" in Note 13, "Contingencies," of our Notes to Condensed Consolidated Financial Statements in Part I, Item 1, of this Quarterly Report on Form 10-Q is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to other information in this Form 10-Q, the following risk factors should be carefully considered in evaluating us and our business because these factors currently have a significant impact or may have a significant impact on our business, operating results or financial condition. Actual results could differ materially from those projected in the forward-looking statements contained in this Form 10-Q as a result of the risk factors discussed below and elsewhere in this Form 10-Q and in other filings we make with the SEC.

Risks relating to our business

Our operating results may fluctuate and our future revenues and profitability are uncertain.

Our operating results have varied in the past and may fluctuate significantly in the future as a result of a variety of factors, many of which are outside our control. These factors include the following:

- the slow economic recovery as well as its impact on e-commerce, financial services, and the communications and Internet industries;
- volume of new domain name registrations and customer renewals in our Naming Services businesses;
- the long sales and implementation cycles for, and potentially large order sizes of, some of our services and the timing and execution of individual customer contracts;
- our success in direct marketing and promotional campaigns;
- in the case of our Registry Services business, any changes to the scope and success of marketing efforts by third-party registrars;
- market acceptance of our services by our existing customers and by new customers;
- customer renewal rates and turnover of customers of our services, and in the case of our Registry Services business, the customers of the distributors of our services;
- continued development of our distribution channels for our products and services, both in the U.S. and abroad;
- the impact of price changes in our products and services or our competitors' products and services;
- the impact of decisions by distributors to offer competing products or modify or cease their marketing practices;
- the availability of alternatives to our products;
- seasonal fluctuations in business activity;
- changes in marketing expenses related to promoting and distributing our services or changes in marketing expenses related to promoting and distributing services provided by third-party registrars or their resellers;
- potential attacks by nefarious actors, which could threaten the perceived reliability of our products and services;
- potential attacks on the service offerings of our distributors, such as distributed denial-of-service ("DDoS") attacks, which could limit the availability of their service offerings and their ability to offer our products and services;
- potential disruptions in regional registration behaviors due to catastrophic natural events or armed conflict;
- changes in the level of spending for information technology-related products and services by our customers; and
- the uncertainties, costs and risks as a result of the sale of our Authentication Services business, including any income statement charges we incur in connection therewith and costs related to our transition services agreements and any retained liability related to existing and future claims or retained litigation.

Our operating expenses may increase. If an increase in our expenses is not accompanied by a corresponding increase in our revenues, our operating results will suffer, particularly as revenues from some of our services are recognized ratably over the term of the service, rather than immediately when the customer pays for them, unlike our sales and marketing expenditures, which are expensed in full when incurred.

Due to all of the above factors, our revenues and operating results are difficult to forecast. Therefore, we believe that period-to-period comparisons of our operating results will not necessarily be meaningful, and you should not rely upon them as an indication of future performance. Also, operating results may fall below our expectations and the expectations of securities analysts or investors in one or more future periods. If this were to occur, the market price of our common stock would likely decline.

Our operating results may continue to be adversely affected as a result of the sluggish economic recovery, unfavorable market, economic, social and political conditions.

An unstable global economic, social and political environment may have a negative impact on demand for our services, our business and our foreign operations, including the recent hostilities in the Middle East, natural disasters in Japan and elsewhere and the eurozone crisis. The economic, social and political environment has or may negatively impact, among other things:

- our customers' continued growth and development of their businesses and our customers' ability to continue as going concerns or maintain their businesses, which could affect demand for our products and services;
- current and future demand for our services, including decreases as a result of reduced spending on information technology and communications by our customers;
- price competition for our products and services;
- the price of our common stock;
- our liquidity;
- our ability to service our debt, to obtain financing or assume new debt obligations;
- our ability to obtain payment for outstanding debts owed to us by our customers or other parties with whom we do business; and
- our ability to execute on any share repurchase plans.

In addition, to the extent that the economic, social and political environment impacts specific industry and geographic sectors in which many of our customers are concentrated, that may further negatively impact our business. If the market, economic, social and political conditions in the U.S. and globally do not improve, or if they further deteriorate, we may experience material adverse impacts on our business, operating results and financial position as a consequence of the above factors or otherwise.

We may experience significant fluctuations in our financial results.

The successful operation of our business depends on numerous factors, many of which are not entirely under our control, including, but not limited to, the following:

- the use of the Internet and other Internet Protocol ("IP") networks, and the extent to which domain names are used for e-commerce and communications;
- changes in customer behavior, Internet platforms, mobile devices and web-browsing patterns;
- growth in demand for our services;
- the competition for any of our services;
- the perceived security of e-commerce and communications over the Internet and other IP networks;
- the perceived security of our services, technology, infrastructure and practices;
- the loss of customers through industry consolidation or customer decisions to deploy in-house or competitor technology and services;
- our continued ability to maintain our current, and enter into additional, strategic relationships;
- our ability to successfully market our services to new and existing distributors and customers;

- our success in attracting, integrating, training, retaining and motivating qualified personnel;
- our response to competitive developments;
- the successful introduction, and acceptance by our customers, of new products and services, including our NIA Services;
- potential disruptions in regional registration behaviors due to catastrophic natural events and armed conflict;
- seasonal fluctuations in business activity; and
- the successful introduction of enhancements to our services to address new technologies and standards, alternatives to our products and services and changing market conditions.

Issues arising from our agreements with the Internet Corporation for Assigned Names and Numbers ("ICANN"), the U.S. Department of Commerce ("DOC") and the U.S. General Services Administration ("GSA") could harm our Registry Services business.

We are parties to agreements (i) with the DOC with respect to certain aspects of the DNS, (ii) with ICANN and the DOC as the exclusive registry of domain names within the *.com* gTLD and (iii) with ICANN with respect to being the exclusive registry for the *.net* and *.name* gTLDs.

We face risks arising from our agreements with ICANN and the DOC, including the following:

- the *.com* Registry Agreement may not renew when it expires in 2012, which could have a material adverse effect on our business;
- ICANN could adopt or promote policies, procedures or programs that are unfavorable to us as the registry operator of the *.com*, *.net* and *.name* gTLDs, that are inconsistent with our current or future plans, or that affect our competitive position;
- under certain circumstances, ICANN could terminate one or more of our agreements to be the registry for the *.com*, *.net* or *.name* gTLDs and the DOC could refuse to grant its approval to the renewal of the *.com* Registry Agreement, which, in the case of the *.com* and *.net* Registry Agreements, could have a material adverse impact on our business;
- the DOC's or ICANN's interpretation of provisions of our Registry Agreements with either of them could differ from ours;
- under certain circumstances, the GSA could terminate our agreement to be the registry for the *.gov* gTLD, which could have a material adverse impact on how the Registry Services business is perceived; and
- our Registry Services business faces, and could continue to face, legal or other challenges resulting from our activities or the activities of registrars and registrants, and any adverse outcome from such matters could have a material adverse effect on our business.

In addition, under the *.com*, *.net* and *.name* Registry Agreements, as well as the Cooperative Agreement with the DOC, we are prohibited from holding a greater than 15% ownership interest in any ICANN accredited registrar. This prohibition on cross-ownership currently applies to all eighteen ICANN gTLDs, but does not apply to ccTLDs. ICANN has adopted a proposal to allow the operators of new gTLDs to also own, be owned 100% by, or otherwise be affiliated with, a registrar. The impact of these changes to the distribution channel is uncertain but could have a material adverse effect on our business. In addition, ICANN has also adopted a procedure pursuant to which an operator of one of the existing eighteen ICANN gTLDs can apply to remove the cross-ownership restrictions with respect to new, but not existing gTLDs. If Verisign were to seek removal of the cross-ownership restriction with respect to new gTLDs, it is uncertain whether ICANN and/or the DOC approval would be obtained.

Challenges to Internet administration could harm our Registry Services business.

Risks we face from challenges by third parties, including governmental authorities in the U.S. and other countries, to our role in the ongoing operation of the Internet include:

- legal, regulatory or other challenges could be brought, including challenges to the agreements governing our relationship with the DOC or ICANN, or to the legal authority underlying the roles and actions of the DOC, ICANN or us;
- the U.S. Congress could take action that is unfavorable to us;
- ICANN could fail to maintain its role, potentially resulting in instability in DNS administration; and

- some governments and governmental authorities outside the U.S. have in the past disagreed, and may in the future disagree, with the actions, policies or programs of ICANN, the U.S. Government and us relating to the DNS. The Affirmation of Commitments established several multi-party review panels and contemplates a greater involvement by foreign governments and governmental authorities in the oversight and review of ICANN. These periodic review panels may take positions that are unfavorable to Verisign.

As a result of these and other risks, it may be difficult for us to introduce new services in our Registry Services business and we could also be subject to additional restrictions on how this business is conducted, which may not also apply to our competitors.

Our international operations subject our business to additional economic risks that could have an adverse impact on our revenues and business.

As of June 30, 2011, we had 123, or 12% of our employees outside the U.S. Expansion into international markets has required and will continue to require significant management attention and resources. We may also need to tailor some of our services for a particular market and to enter into international distribution and operating relationships. We have limited experience in localizing our services and in developing international distribution or operating relationships. We may not succeed in expanding our services into new international markets or expand our presence in existing markets. Failure to do so could harm our business. Moreover, local laws and customs in many countries differ significantly from those in the U.S. In many foreign countries, particularly in those with developing economies, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. law or regulations applicable to us. There can be no assurance that all of our employees, contractors and agents will not take actions in violation of such policies, procedures, laws and/or regulations. Violations of laws, regulations or key control policies by our employees, contractors or agents could result in financial reporting problems, fines, penalties, or prohibition on the importation or exportation of our products and services and could have a material adverse effect on our business. In addition, we face risks inherent in doing business on an international basis, including, among others:

- competition with foreign companies or other domestic companies entering the foreign markets in which we operate;
- differing and uncertain regulatory requirements;
- legal uncertainty regarding liability, enforcing our contracts and compliance with foreign laws;
- tariffs and other trade barriers and restrictions;
- difficulties in staffing and managing foreign operations;
- longer sales and payment cycles;
- problems in collecting accounts receivable;
- currency fluctuations, as a small portion of our international revenues are not always denominated in U.S. dollars and some of our costs are denominated in foreign currencies;
- high costs associated with repatriating profits to the U.S.;
- potential problems associated with adapting our services to technical conditions existing in different countries;
- difficulty of verifying customer information;
- political instability;
- failure of foreign laws to protect our U.S. proprietary rights adequately;
- more stringent privacy policies in some foreign countries;
- export and import restrictions on cryptographic technology and products incorporating that technology;
- additional vulnerability from terrorist groups targeting U.S. interests abroad;
- seasonal reductions in business activity; and
- potentially adverse tax consequences.

We are exposed to risks faced by financial institutions.

The hedging transactions we have entered into expose us to credit risk in the event of default by one of our counterparties. Despite the risk control measures we have in place, a default by one of our counterparties, or liquidity problems in the financial services industry in general, could have a material adverse effect on our business, financial condition and results of operations.

Our marketable securities portfolio could experience a decline in market value, which could materially and adversely affect our financial results.

As of June 30, 2011, we had $1.4 billion in cash, cash equivalents, marketable securities and restricted cash, of which $174.6 million was invested in marketable securities. The marketable securities consist of debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies, corporate debt securities, and debt securities issued by foreign governments meeting the criteria of our investment policy, which is focused on the preservation of our capital through the investment in investment grade securities. We currently do not use derivative financial instruments to adjust our investment portfolio risk or income profile.

These investments, as well as any cash deposited in bank accounts, are subject to general credit, liquidity, market and interest rate risks, which may be exacerbated by unusual events, such as the eurozone crisis, which has affected various sectors of the financial markets and led to global credit and liquidity issues. Over the past several years, the volatility and disruption in the global credit market reached unprecedented levels. If the global credit market deteriorates further, our investment portfolio may be impacted and we could determine that some of our investments have experienced an other-than-temporary decline in fair value, requiring an impairment charge which could adversely impact our financial results.

Governmental regulation and the application of existing laws may slow business growth, increase our costs of doing business, create potential liability and have an adverse effect on our business.

Application of new and existing laws and regulations to the Internet and communications industry can be unclear. The costs of complying or failing to comply with these laws and regulations could limit our ability to operate in our current markets, expose us to compliance costs and substantial liability and result in costly and time-consuming litigation.

Foreign, federal or state laws could have an adverse impact on our business, financial condition, results of operations, and our ability to conduct business in certain foreign countries. For example, laws designed to restrict who can register domain names, the on-line distribution of certain materials deemed harmful to children, on-line gambling, counterfeit goods, and cybersquatting; laws designed to require registrants to provide additional documentation or information in connection with domain name registrations; and laws designed to promote cyber security may impose significant additional costs on our business or subject us to additional liabilities. We have a number of contracts pursuant to which we provide services to the U.S. government and even though these contracts are immaterial, they impose compliance costs, including compliance with the Federal Acquisition Regulation, which could be significant to the Company.

Due to the nature of the Internet, it is possible that state or foreign governments might attempt to regulate Internet transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws, such laws may be modified and new laws may be enacted in the future. Any such developments could increase the costs of regulatory compliance for us, affect our reputation, force us to change our business practices or otherwise materially harm our business. In addition, any such new laws could impede growth of or result in a decline in domain name registrations, as well as impact the demand for our services.

We may be exposed to potential risks if we were to determine we do not have an effective system of disclosure controls or internal controls over financial reporting.

As a public company, the Company is subject to the rules and regulations of the SEC, including those that require the Company to report on and receive an attestation from its independent registered public accounting firm regarding the Company's internal control over financial reporting.

As a result of the transitioning of key corporate functions to our Dulles, Virginia office and potential voluntary employee attrition, there is an increased risk of our failing to maintain an effective system of disclosure controls or internal controls over financial reporting, including satisfaction of the requirements of the Sarbanes-Oxley Act of 2002. Although we believe that we have adequately planned to address this risk, despite our efforts, if we were to fail to maintain an effective system of disclosure controls or internal control over financial reporting, we may not be able to accurately or timely report on our financial results or adequately identify and reduce fraud. As a result, the financial position of the Company could be harmed and current and potential future stockholders could lose confidence in us and/or our reported financial results, which may cause a negative effect on our stock price, and we could be exposed to litigation or regulatory proceedings, which may be costly or divert management attention.

We rely on third parties who maintain and control root zone servers and route Internet communications.

We currently administer and operate only two of the thirteen root zone servers. The others are administered and operated by independent operators on a non-regulated basis. Root zone servers are name servers that contain authoritative data for the very top of the DNS hierarchy. These servers have the software and data needed to locate name servers that contain authoritative data for the top-level domains. These root zone servers are critical to the functioning of the Internet. Consequently, our Registry Services business could be harmed if these independent operators fail to maintain these servers properly or abandon these servers, which would place additional capacity demands on the two root zone servers we operate.

Further, our Registry Services business could be harmed if any of the independent operators fails to include or provide accessibility to the data that it maintains in the root zone servers that it controls, or presents inconsistent data for the top-level domains.

Changes in customer behavior, either as a result of evolving technologies or user practices, may impact the demand for domain names.

Currently, Internet users navigate to a website either by directly typing its domain name into a web browser or through the use of a search engine. If (i) web browser or Internet search technologies were to change significantly; (ii) Internet search engines changed the value of their algorithms on the use of a domain for finding a website; (iii) Internet users' preferences or practices were to shift away from direct navigation; (iv) Internet users were to increase the use of web and phone applications to locate and access content; or (v) Internet users were to increase the use of second or third level domains or alternate identifiers, such as social networking sites, in each case the demand for domain names could decrease.

Changes in the level of spending on on-line advertising and/or the way that on-line networks compensate owners of websites, could impact the demand for domain names.

Some domain name registrars and registrants seek to generate revenue through advertising on their websites; changes in the way these registrars and registrants are compensated (including changes in methodologies and metrics) by advertisers and advertisement placement networks, such as Google and Yahoo!, could adversely affect the market for those domain names favored by such registrars and registrants resulting in a decrease in demand and/or the renewal rate for those domain names. In addition, as a result of the general economic environment, spending on on-line advertising and marketing may not increase as projected or may be reduced, which in turn, may result in a further decline in the demand for those domain names.

Consolidation or changes in ownership or management among third-party registrars could result in reduced marketing efforts or other operational changes that could harm our Registry Services business.

Third-party registrars utilize substantial marketing efforts to increase the demand and/or renewal rates for domain names. Consolidation in the registrar industry or changes in ownership or management among individual registrars could result in significant changes to their business, operating model and cost structure. Such changes could include reduced marketing efforts or other operational changes that could adversely impact the demand and/or the renewal rates for domain names. For example, the recent strategic investment in The Go Daddy Group, Inc. ("GoDaddy") by a consortium of private equity firms could lead to changes or reductions in GoDaddy's marketing campaigns, which could, in turn, result in decreased demand for domain names. Our Registry Services business, which generates substantially all of our revenue, derives most of its revenues from registrations and renewals of domain names, and decreased demand for and/or renewals of domain names could cause a material adverse effect on our business and results of operations.

Undetected or unknown defects in our services could harm our business and future operating results.

Services as complex as those we offer or develop could contain undetected defects or errors. Despite testing, defects or errors may occur in our existing or new services, which could result in compromised customer data, loss of or delay in revenues, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to our reputation, tort or warranty claims, increased insurance costs or increased service and warranty costs, any of which could harm our business. The performance of our services could have unforeseen or unknown adverse effects on the networks over which they are delivered as well as on third-party applications and services that utilize our services, which could result in legal claims against us, harming our business. Furthermore, we often provide implementation, customization, consulting and other technical services in connection with the implementation and ongoing maintenance of our services, which typically involves working with sophisticated software, computing and communications systems. Our failure or inability to meet customer expectations in a timely manner could also result in loss of or delay in revenues, loss of market share, failure to achieve market acceptance, injury to our reputation and increased costs.

If we encounter system interruptions or failures, we could be exposed to liability and our reputation and business could suffer.

We depend on the uninterrupted operation of our various systems, secure data centers and other computer and communication networks. Our systems and operations are vulnerable to damage or interruption from:

- power loss, transmission cable cuts and other telecommunications failures;
- damage or interruption caused by fire, earthquake, and other natural disasters;

- attacks by hackers or nefarious actors;
- computer viruses or software defects; and
- physical or electronic break-ins, sabotage, intentional acts of vandalism, terrorist attacks and other events beyond our control.

Most of our systems are located at, and most of our customer information is stored in, our facilities in New Castle, Delaware; Dulles, Virginia; and Fribourg, Switzerland. To the extent we are unable to partially or completely switch over to secondary or tertiary sites, any damage or failure that causes interruptions in any of these facilities or our other computer and communications systems could materially harm our business. Although we carry insurance for property damage, we do not carry insurance or financial reserves for interruptions or potential losses arising from terrorism.

In addition, our Registry Services business and certain of our other services depend on the efficient operation of the Internet connections from customers to our secure data centers and from our customers to the Shared Registration System. These connections depend upon the efficient operation of Internet service providers and Internet backbone service providers, all of which have had periodic operational problems or experienced outages in the past.

A failure in the operation of our top-level domain name zone servers, the domain name root zone servers, or other events could result in the deletion of one or more domain names from the Internet for a period of time. In the event that a registrar has not implemented back up services recommended by us in conformance with industry best practices, a failure in the operation of our Shared Registration System could result in the inability of one or more other registrars to register and maintain domain names for a period of time. A failure in the operation or update of the master database that we maintain could also result in the deletion of one or more top-level domains from the Internet and the discontinuation of second-level domain names in those top-level domains for a period of time. Any of these problems or outages could decrease customer satisfaction, harming our business or resulting in adverse publicity that could adversely affect the market's perception of the security of e-commerce and communications over IP networks as well as of the security or reliability of our services.

A failure in our NIA Services could have a negative impact on our reputation and our business could suffer.

If we experience security breaches, we could be exposed to liability and our reputation and business could suffer.

We retain certain customer information in our secure data centers and various registration systems. It is critical to our business strategy that our facilities and infrastructure remain secure and are perceived by the marketplace to be secure. The Shared Registration System, the domain name root zone servers and top-level domain name zone servers that we operate are critical hardware and software to our Registry Services operations. Therefore, we may have to expend significant time and money to maintain or increase the security of our facilities and infrastructure. Despite our security measures, our infrastructure may be vulnerable to physical break-ins, computer viruses, attacks by hackers or nefarious actors or similar disruptive problems. It is possible that we may have to expend additional financial and other resources to address such problems. Any physical or electronic break-in or other security breach or compromise of the information stored at our secure data centers and domain name registration systems may jeopardize the security of information stored on our premises or in the computer systems and networks of our customers. In such an event, we could face significant liability, customers could be reluctant to use our services and we could be at risk for loss of various security and standards-based compliance certifications needed for certain of our businesses. Such an occurrence could also result in adverse publicity and therefore adversely affect the market's perception of the security of e-commerce and communications over IP networks as well as of the security or reliability of our services.

We rely on our intellectual property, and any failure by us to protect, or any misappropriation of, our intellectual property could harm our business.

Our success depends in part on our internally developed technologies and intellectual property. Despite our precautions, it may be possible for a third party to copy or otherwise obtain and use our trade secrets or other forms of our intellectual property without authorization. Furthermore, the laws of foreign countries may not protect our proprietary rights in those countries to the same extent U.S. law protects these rights in the U.S. In addition, it is possible that others may independently develop substantially equivalent intellectual property. If we do not effectively protect our intellectual property, our business could suffer. Additionally, we have filed patent applications with respect to certain of our technology in the U.S. Patent and Trademark Office and patent offices outside the U.S. Patents may not be awarded with respect to these applications and even if such patents are awarded, such patents may not provide us with sufficient protection of our intellectual property. In the future, we may have to resort to litigation to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. This type of litigation, regardless of its outcome, could result in substantial costs and diversion of management attention and technical resources.

We also license third-party technology that is used in our products and services to perform key functions. These third-party technology licenses may not continue to be available to us on commercially reasonable terms or at all. Our business would suffer if we lost the rights to use certain of these technologies. Additionally, another party could claim that the licensed software infringes a patent or other proprietary right. Litigation between the licensor and a third-party or between us and a third-party could lead to royalty obligations for which we are not indemnified or for which indemnification is insufficient, or we may not be able to obtain any additional license on commercially reasonable terms or at all. The loss of or our inability to obtain or maintain any of these technology licenses could harm our business.

We rely on the strength of our Verisign brand to differentiate ourselves in the marketing of our products. Dilution of the strength of our brand could harm our business. We are at risk that we will be unable to register, build equity in, or enforce the new logo for the Company.

We could become subject to claims of infringement of intellectual property of others, which could be costly to defend and could harm our business.

Claims relating to infringement of intellectual property of others or other similar claims have been made against us in the past and could be made against us in the future. It is possible that we could become subject to additional claims for infringement of the intellectual property of third parties. The international launch of the new logo for the Company could present additional potential risks for third party claims of infringement. Any claims, with or without merit, could be time consuming, result in costly litigation and diversion of technical and management personnel attention, cause delays in our business activities generally, or require us to develop a non-infringing logo or technology or enter into royalty or licensing agreements. Royalty or licensing agreements, if required, may not be available on acceptable terms or at all. If a successful claim of infringement was made against us, we could be required to pay damages or have portions of our business enjoined. If we could not identify and adopt an alternative non-infringing logo, develop non-infringing technology or license the infringed or similar technology on a timely and cost-effective basis, our business could be harmed.

In addition, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights in Internet-related businesses are uncertain and still evolving. Because of the growth of the Internet and Internet-related businesses, patent applications are continuously being filed in connection with Internet-related technology. There are a significant number of U.S. and foreign patents and patent applications in our areas of interest, and we believe that there has been, and is likely to continue to be, significant litigation in the industry regarding patent and other intellectual property rights.

We could become involved in claims, lawsuits or investigations that may result in adverse outcomes.

In addition to possible intellectual property litigation and infringement claims, we may become involved in other claims, lawsuits and investigations. Such proceedings may initially be viewed as immaterial but could prove to be material. Litigation is inherently unpredictable, and excessive verdicts do occur. Adverse outcomes in lawsuits and investigations could result in significant monetary damages, including indemnification payments, or injunctive relief that could adversely affect our ability to conduct our business and may have a material adverse effect on our financial condition and results of operations. Additionally, such investigations, claims and lawsuits could involve significant expense and diversion of management’s attention and resources from other matters.

We must establish and maintain strategic, channel and other relationships.

One of our significant business strategies has been to enter into strategic or other similar collaborative relationships in order to reach a larger customer base than we could reach through our direct sales and marketing efforts, including in international markets. We may need to enter into additional relationships to execute our business plan. We may not be able to enter into additional, or maintain our existing, strategic relationships on commercially reasonable terms. If we fail to enter into additional relationships, we would have to devote substantially more resources to the distribution, sale and marketing of our services than we would otherwise.

Our success in obtaining results from these relationships will depend both on the ultimate success of the other parties to these relationships and on the ability of these parties to market our services successfully.

Furthermore, any changes by our distributors to their existing marketing strategies could have a material adverse effect on our business. Similarly, if one or more of our distributors were to encounter financial difficulties, or if there were a significant reduction in marketing expenditures by our distributors (including registrars), as a result of industry consolidation or otherwise, it could have a material adverse effect on our business, including a decrease in domain name registrations and renewals. Failure of one or more of our strategic, channel or other relationships to result in the development and maintenance of a market for our services could harm our business. If we are unable to maintain our existing relationships or to enter into additional relationships, this could harm our business.

The success of our NIA Services depends in part on the acceptance of our services.

We are investing in our NIA Services, and the future growth of these services depends, in part, on the commercial success, acceptance, and reliability of our NIA Services. These services will suffer if our target customers do not adopt or use these services. We are not certain that our target customers will choose our NIA Services or continue to use these services even after adoption.

We rely on third parties to provide products which are incorporated in our NIA Services.

The NIA Services incorporate and rely on third party hardware and software products, many of which have unique capabilities. If Verisign was unable to procure these third party products, the NIA Services may malfunction, not perform as well as they should perform, not perform as well as they have been performing or not perform as planned, and our business could suffer.

Many of our target markets are evolving, and if these markets fail to develop or if our products and services are not widely accepted in these markets, our business could be harmed.

Our Registry Services and NIA Services businesses are developing services in emerging markets, including services that involve naming and directory services other than registry and related infrastructure services. These emerging markets are rapidly evolving, may never gain wide acceptance and may not grow. Even if these markets grow, our services may not be widely accepted. Accordingly, the demand for our services in these markets is very uncertain. The factors that may affect market acceptance of our services in these markets include the following:

- market acceptance of products and services based upon technologies other than those we use;
- public perception of the security of our technologies and of IP and other networks;
- the introduction and consumer acceptance of new generations of mobile devices;
- the ability of the Internet infrastructure to accommodate increased levels of usage; and
- government regulations affecting Internet access and availability, e-commerce and telecommunications over IP networks.

If the market for e-commerce and communications over IP and other networks does not grow or these services are not widely accepted in the market, our business could be materially harmed.

We depend on key personnel to manage our business effectively and may not be successful in attracting and retaining such personnel.

We depend on the performance of our senior management team and other key employees. Our success also depends on our ability to attract, integrate, train, retain and motivate these individuals and additional highly skilled technical and sales and marketing personnel, both in the U.S. and abroad.

All of the members of our senior management team and other U.S. key employees are at-will employees and we do not maintain key person life insurance for any of our senior management team members or key employees. The loss of the services of any of our senior management team or other key employees, or failure to attract, integrate, train, retain and motivate additional key employees could harm our business.

We have anti-takeover protections that may discourage, delay or prevent a change in control that could benefit our stockholders.

Our amended and restated Certificate of Incorporation and Bylaws contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors (“Board”). These provisions include:

- our stockholders may take action only at a duly called meeting and not by written consent;
- special meetings of our stockholders may be called only by the chief executive officer, the president or our Board, and cannot be called by our stockholders;
- our Board must be given advance notice regarding stockholder-sponsored proposals for consideration at annual meetings and for stockholder nominations for the election of directors;
- vacancies on our Board can be filled until the next annual meeting of stockholders by majority vote of the members of the Corporate Governance and Nominating Committee, or a majority of directors then in office if no such committee exists, or a sole remaining director; and
- our Board has the ability to designate the terms of and issue new series of preferred stock without stockholder approval.

We have also adopted a stockholder rights plan that may discourage, delay or prevent a change of control or the acquisition of a substantial block of our common stock and may make any future unsolicited acquisition attempt more difficult. Under the rights plan:

- The rights will generally become exercisable if a person or group acquires 20% or more of our outstanding common stock (unless such transaction is approved by our Board) and thus becomes an “acquiring person.”

- Each right, when exercisable, will entitle the holder, other than the "acquiring person," to acquire shares of our common stock at a 50% discount to the then-prevailing market price.
- As a result, the rights plan will cause substantial dilution to a person or group that becomes an "acquiring person" on terms that our Board does not believe are in our best interests and those of our stockholders and may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares.

In addition, Section 203 of the General Corporation Law of Delaware prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns or within the last three years has owned 15% or more of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless in the same transaction the interested stockholder acquired 85% ownership of our voting stock (excluding certain shares) or the business combination is approved in a prescribed manner. Section 203 therefore may impact the ability of an acquirer to complete an acquisition of us after a successful tender offer and accordingly could discourage, delay or prevent an acquirer from making an unsolicited offer without the approval of our Board.

Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates.

We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, as well as in the execution of our divestitures, there are many transactions and calculations where the ultimate tax determination is uncertain. We are subject to audit by various tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different than that which is reflected in historical income tax provisions and accruals. Should additional taxes be assessed as a result of an audit or litigation, an adverse effect on our income tax provision and net income in the period or periods for which that determination is made could result.

We are a U.S.-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. A significant portion of our foreign earnings for the current fiscal year were earned by our Swiss subsidiaries. Our effective tax rate could fluctuate significantly on a quarterly basis and could be adversely affected to the extent earnings are lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates.

Various legislative proposals that would reform U.S. corporate tax laws have been proposed by the Obama administration as well as members of Congress. We are unable to predict whether these or other proposals will be implemented. We have not yet determined whether, or the extent to which, these proposals will ultimately impact Verisign.

Our inability to indefinitely reinvest our foreign earnings could materially adversely affect our results of operations.

Deferred income taxes have not been provided on the undistributed earnings of foreign subsidiaries because these earnings have been indefinitely reinvested and we do not plan to initiate any action that would precipitate the payment of income taxes thereon. We consider the following matters, among others, in evaluating our plans for indefinite reinvestment: the forecasts, budgets and financial requirements of the parent and subsidiaries for both the long and short term; the tax consequences of a decision to reinvest; and any U.S. and foreign government programs designed to influence remittances. If factors change and as a result we are unable to indefinitely reinvest the foreign earnings, the income tax expense and payments may differ significantly from the current period and could materially adversely affect our results of operations.

Risks relating to the competitive environment in which we operate

The business environment is highly competitive and, if we do not compete effectively, we may suffer price reductions, reduced gross margins and loss of market share.

General: New technologies and the expansion of existing technologies may increase competitive pressure. We cannot assure you that competing technologies developed by others or the emergence of new industry standards will not adversely affect our competitive position or render our services or technologies noncompetitive or obsolete. In addition, our markets are characterized by announcements of collaborative relationships involving our competitors. The existence or announcement of any such relationships could adversely affect our ability to attract and retain customers. As a result of the foregoing and other factors, we may not be able to compete effectively with current or future competitors, and competitive pressures that we face could materially harm our business.

Competition in Registry Services: We face competition in the domain name registry space from other gTLD and ccTLD registries that are competing for the business of entities and individuals that are seeking to establish a Web presence, including registries offering services related to the *.info, .org, .mobi, .biz, .pro, .aero, .museum, .coop* and *.xxx* gTLDs and registries offering services related to ccTLDs. ICANN currently has registry agreements with 16 registries for the operation of 18 gTLDs. In addition, there are over 240 Latin script ccTLD registries and 36 IDN ccTLD registries. Furthermore, under our agreements with ICANN, we are subject to certain restrictions in the operation of *.com*, *.net* and *.name* on pricing, bundling and use of registrars that do not apply to ccTLDs and therefore may create a competitive disadvantage. If other registries launch marketing campaigns for new or existing TLDs, including forms of marketing campaigns that we are prohibited from running under the terms of our agreements with ICANN, which result in registrars giving other TLDs greater prominence on their websites, advertising or marketing materials, we could be at a competitive disadvantage and our business could suffer.

We also face competition from service providers that offer outsourced domain name registration, resolution and other DNS services to organizations that require a reliable and scalable infrastructure. Among the competitors are Neustar Inc., Afilias Limited and Nominet UK, Inc. In addition, to the extent end-users navigate using search engines as opposed to direct navigation, we may face competition from search engine operators such as Google Inc., Microsoft Corporation, and Yahoo! Inc. Furthermore, to the extent end-users increase the use of web and phone applications to locate and access content, we may face competition from providers of such web and phone applications.

Additional competition to our business may arise from the introduction of new TLDs by ICANN. These include IDN TLDs and the upcoming introduction of new gTLDs by ICANN. On October 30, 2009, ICANN approved a fast track process for the awarding of new IDN ccTLDs and such new IDN ccTLDs have started to be introduced into the root. Other new domain extensions (including ones for which we could apply) could be available for application by the beginning of 2012 with new registration opportunities available by the end of 2012. We do not yet know the impact, if any, that these new domain extensions may have on our business. Applicants for such new TLDs may have greater financial, technical, marketing and other resources than we do. Furthermore, ICANN will allow the operators of new gTLDs to also own, be owned 100% by or otherwise affiliated with a registrar, whereas we are currently prohibited by our agreements with ICANN and the DOC from owning more than 15% of a registrar. As a result, operators of new gTLDs may be able to obtain competitive advantages through such vertical integration. ICANN has also approved a process pursuant to which an operator of an existing gTLD could apply to become a registrar with respect to a new gTLD; however, it is uncertain whether ICANN and/or the DOC would approve the necessary changes to Verisign's existing agreements to allow us to vertically integrate with respect to new gTLDs, in which case, we may be at a competitive disadvantage. While we may apply for one or more of these new domain extensions, there is no certainty that we will ultimately be successful, and even if we are successful in obtaining one or more of these new domain extensions, there is no guarantee that such extensions will be any more successful than the domain name extensions obtained by our competitors.

Competition in Network Intelligence and Availability Services: Several of our current and potential competitors have longer operating histories and/or significantly greater financial, technical, marketing and other resources than we do and therefore may be able to respond more quickly than we can to new or changing opportunities, technologies, standards and customer requirements. Many of these competitors also have broader and more established distribution channels that may be used to deliver competing products or services directly to customers through bundling or other means. If such competitors were to bundle competing products or services for their customers, we may experience difficulty establishing or increasing demand for our products and services or distributing our products successfully.

We face competition in the network intelligence and availability services industry from companies or services such as iSight Partners, Security Services X-Force Threat Analysis Service, Secunia ApS, SecureWorks, Inc., McAfee, Inc., Prolexic Technologies, Inc., AT&T Inc., Verizon Communications, Inc., Dyn, Inc.'s Dynect Platform, NeuStar Ultra Services, OpenDNS, BlueCat Networks, Inc., Infoblox Inc., Nominum, Inc. and Afilias Limited.

Our inability to react to changes in our industry and successfully introduce new products and services could harm our business.

The Internet and communications network services industries are characterized by rapid technological change and frequent new product and service announcements which require us continually to improve the performance, features and reliability of our services, particularly in response to competitive offerings or alternatives to our products and services. In order to remain competitive and retain our market share, we must continually improve our access technology and software, support the latest transmission technologies, and adapt our products and services to changing market conditions and customer preferences and practices, or launch entirely new products and services in anticipation of, or in response to, market trends. We cannot assure you that we will be able to adapt to these challenges or anticipate or respond successfully or in a cost effective way to adequately meet them. Our failure to do so would adversely affect our ability to compete and retain customers or market share.

Risks related to the sale of our Authentication Services business and the completion of our divestitures

Our suite of products and services is less diverse following the sale of our Authentication Services business.

Following the sale of the Authentication Services business, our Registry Services business, which derives most of its revenues from registration fees for domain names, generates substantially all of our revenue. If there is a disruption in the Registry Services business, including any disruption from changes in the domain name industry, changes in or challenges to our agreements with ICANN, including any changes resulting from legal challenges to these agreements, changes in customer preferences, a downturn in the economy or changes in technology related to the use of domain names, there may be a material adverse effect on our business and results of operations. In addition, a failure of the *.com* Registry Agreement to renew on the same or similar terms when it expires in 2012 could have a material adverse effect on our business.

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We face risks related to the terms of the sale of the Authentication Services business.

Under the agreement reached with Symantec for the sale of our Authentication Services business (the “Symantec Agreement”), we agreed to several terms that may pose risks to us, including the potential for confusion by the public with respect to Symantec’s right to use certain of our trademarks, brands and domain names, as well as the risk that current or potential investors in or customers of the Company may incorrectly attribute to the Company problems with Symantec products or services that currently use the VERISIGN brand pursuant to a license granted by the Company to Symantec. Any such confusion may have a negative impact on our reputation, our brand and the market for our products and services. In addition, we may determine that certain assets transferred to Symantec could have been useful in our Naming Services businesses or in other future endeavors, requiring us to forego future opportunities or design or purchase alternatives which could be costly and less effective than the transferred assets. Further, we may not be able to achieve the full strategic and financial benefits we expect from the sale of our Authentication Services business.

Under the terms of the Symantec Agreement, we have licensed rights to certain of our domain name registrations to Symantec. We are at risk that our customers will go to a URL for a licensed domain name and be unable to locate our Registry or NIA Services. In addition, we will continue to maintain the registration rights for the domain names licensed to Symantec for which Symantec has sole control over the displayed content, and we may be subject to claims of infringement if Symantec posts content that is alleged to infringe the rights of a third party.

We are at risk of increased levels of employee attrition following the sale of our Authentication Services business.

Although we believe that we have retained sufficient senior management and other employees to perform various functions at the Company, we are at risk of experiencing increased levels of employee attrition from employees scheduled to be transitioned out of the Company now that the sale of the Authentication Services business has closed, and we may encounter difficulty recruiting and hiring competent personnel to replace any key personnel who terminate their employment with us. If we are unable to replace employees quickly, we may be forced to hire temporary labor for assistance in the short term at higher rates than the salaried employees. In addition, it may take new personnel a significant period of time to understand and become familiar with Company processes. The failure to replace our departing personnel, if any, in a timely manner could result in our inability to perform various important functions, including completing our SEC filings, and could impair our ability to execute our business strategy, which could have a material adverse effect on our business.

We are transitioning key corporate functions from our California office to our Virginia office.

We may encounter difficulties and face risks as we transition key corporate functions from our Mountain View, California office to our Dulles, Virginia office, including our ability to timely complete our financial reporting, the impact on key corporate support functions, and our ability to attract and retain qualified employees. In addition, the large number of personnel displacements could impair employee morale and create a distraction for employees, which could harm our business.

We continue to be responsible for certain liabilities and transition services following the divestiture of certain businesses.

Under the agreements reached with the buyers of certain divested businesses, including the Authentication Services business, we remain liable for certain liabilities related to the divested businesses. In addition, we have entered into, and may in the future amend or extend, transition services agreements with buyers in connection with the divestiture of certain businesses, including the Authentication Services business. These transition services may be required for a longer period of time than anticipated by management. In addition, we have agreed to perform certain transition services for a fixed price or for fixed hourly rates, but our actual costs to provide such services may exceed the fees buyers are contractually obligated to pay us under the relevant transition services agreements. The scope and magnitude of the transition services we have agreed to provide in connection with the sale of the Authentication Services business are greater than those provided under our previous divestitures, and we may face challenges performing such transition services, including that the focus of employees and resources supporting the transition services may impact their ability to support our existing businesses.

There is a possibility that we will incur unanticipated costs and expenses associated with management of liabilities relating to the businesses we have divested, including requests for indemnification by the buyers of the divested businesses. These liabilities could potentially relate to (i) breaches of contractual representations and warranties we gave to the buyers of the divested businesses, or (ii) certain liabilities relating to the divested businesses that we retained under the agreements reached with the buyers of the divested businesses. Such liabilities could include certain litigation matters, including actions brought by third parties. Where responsibility for such liabilities is to be contractually allocated to the buyer or shared with the buyer or another party, it is possible that the buyer or the other party may be in default for payments for which they are responsible, obligating us to pay amounts in excess of our agreed-upon share of those obligations.

Following the divestiture of certain businesses, our ability to compete in certain market sectors is restricted.

Under the agreements reached with buyers for certain businesses we divested, including the Authentication Services business, we are restricted from competing, either directly or indirectly, with those businesses or from entering certain market sectors for a defined period of time pursuant to negotiated non-compete arrangements.

Risks related to our securities

We have a considerable number of common shares subject to future issuance.

As of June 30, 2011, we had one billion authorized common shares, of which 166.3 million shares were outstanding. In addition, of our authorized common shares, 21.1 million common shares were reserved for issuance pursuant to outstanding employee stock option and employee stock purchase plans ("Equity Plans"), and 36.4 million shares were reserved for issuance upon conversion of the 3.25% junior subordinated convertible debentures due 2037 (the "Convertible Debentures"). As a result, we keep substantial amounts of our common stock available for issuance upon exercise or settlement of equity awards outstanding under our Equity Plans and/or the conversion of Convertible Debentures into our common stock. Issuance of all or a large portion of such shares would be dilutive to existing security holders, could adversely affect the prevailing market price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

We may not have the ability to repurchase the Convertible Debentures in cash upon the occurrence of a fundamental change, or to pay cash upon the conversion of Convertible Debentures, as required by the indenture governing the Convertible Debentures.

As a result of the sale of the Convertible Debentures, we have a substantial amount of long-term debt outstanding. Holders of our outstanding Convertible Debentures will have the right to require us to repurchase the Convertible Debentures upon the occurrence of a fundamental change as defined in the Indenture dated as of August 20, 2007 (the "Indenture") between the Company and U.S. Bank National Association, as Trustee. Although we currently intend to settle the principal amount of the Convertible Debentures in cash as required under the Indenture, we may not have sufficient funds to repurchase the Convertible Debentures in cash or have the ability to arrange necessary financing on acceptable terms or at all. In addition, upon conversion of the Convertible Debentures, we will be required to make cash payments to the holders of the Convertible Debentures equal to the lesser of the principal amount of the Convertible Debentures being converted and the conversion value (as defined in the Indenture) of those debentures. Such payments could be significant, and we may not have sufficient funds to make them at such time. Our maintenance of substantial levels of debt could also adversely affect our ability to take advantage of corporate opportunities.

A fundamental change may also constitute an event of default or prepayment under, or result in the acceleration of the maturity of, our then-existing indebtedness. Our ability to repurchase the Convertible Debentures in cash or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the Convertible Debentures or pay cash in respect of conversions when required would result in an event of default with respect to the Convertible Debentures.

While we currently have the intent and ability to settle the principal in cash, if we conclude that we no longer have the ability, in the future, we will be required to change our accounting policy for earnings per share from the treasury stock method to the if-converted method.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On July 27, 2010, the Board of Directors authorized the repurchase of up to approximately $1.1 billion of Verisign's common stock, in addition to the $393.6 million of its common stock remaining available for repurchase under the previous 2008 Share Buyback Program, for a total repurchase of up to $1.5 billion of its common stock (collectively, the "2010 Share Buyback Program"). The 2010 Share Buyback Program has no expiration date. Purchases made under the 2010 Share Buyback Program could be effected through open market transactions, block purchases, accelerated share repurchase agreements or other negotiated transactions.

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The following table presents the share repurchase activity during the three months ended June 30, 2011:

	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (2)
	(Shares in thousands)			
April 1 – 30, 2011	—	$ —	—	$1,166.3 million
May 1 – 31, 2011	2,786	35.90	2,786	1,066.3 million
June 1 – 30, 2011	—	—	—	1,066.3 million
	2,786		2,786	

(1) Represents shares repurchased under the 2010 Share Buyback Program.

(2) Represents the remaining amount available for further share repurchases under the 2010 Share Buyback Program.

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ITEM 6. EXHIBITS

(a) Index to Exhibits

Exhibit Number	Exhibit Description
10.01	Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into as of June 27, 2011 (incorporated by reference to exhibit 10.1 to Current Report on Form 8-K filed on June 28, 2011).
10.02	Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan, as amended and restated May 26, 2011. +
10.03	Form of Amended and Restated Change-in-Control and Retention Agreement. +
10.04	Amended and Restated Change-in-Control and Retention Agreement [CEO Form of Agreement]. +
10.05	Separation & General Release of Claims Agreement between VeriSign, Inc. and Kevin Werner, effective as of May 3, 2011. +
10.06	Separation & General Release of Claims Agreement between VeriSign, Inc. and Christine Brennan, effective as of July 13, 2011. +
31.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a).
31.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a).
32.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *
32.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *
101.INS	XBRL Instance Document **
101.SCH	XBRL Taxonomy Extension Schema**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase**
101.DEF	XBRL Taxonomy Extension Definition Linkbase**
101.LAB	XBRL Taxonomy Extension Label Linkbase**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase**

+ Indicates a management contract of compensatory plan or arrangement.

* As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the SEC and are not incorporated by reference in any filing of VeriSign, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

** Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	VERISIGN, INC.
Date: July 29, 2011	By: /S/ MARK D. MCLAUGHLIN **Mark D. McLaughlin** **Chief Executive Officer**
Date: July 29, 2011	By: /S/ BRIAN G. ROBINS **Brian G. Robins** **Chief Financial Officer**

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EXHIBITS

As required under Item 6—Exhibits, the exhibits filed as part of this report are provided in this separate section. The exhibits included in this section are as follows:

Exhibit Number	Exhibit Description
10.02	Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan, as amended and restated May 26, 2011. +
10.03	Form of Amended and Restated Change-in-Control and Retention Agreement. +
10.04	Amended and Restated Change-in-Control and Retention Agreement [CEO Form of Agreement]. +
10.05	Separation & General Release of Claims Agreement between VeriSign, Inc. and Kevin Werner, effective as of May 3, 2011. +
10.06	Separation & General Release of Claims Agreement between VeriSign, Inc. and Christine Brennan, effective as of July 13, 2011. +
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101.INS	XBRL Instance Document **
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+ Indicates a management contract of compensatory plan or arrangement.

* As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the SEC and are not incorporated by reference in any filing of VeriSign, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

** Furnished herewith.

Exhibit 10.02

Amended and Restated VeriSign, Inc.
2006 Equity Incentive Plan

(amended and restated May 26, 2011)

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined in the text are defined in Section 27.

2. SHARES SUBJECT TO THE PLAN.

2.1 *Number of Shares Available*. Subject to Sections 2.2 and 21.2, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of May 26, 2006, is 27,000,000 Shares. Subject to Sections 2.2 and 21.2 hereof, Shares subject to Awards, and Shares issued upon exercise of Awards, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (i) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (ii) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; or (iii) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued. SARs to be settled in shares of the Company's Common Stock shall be counted in full against the number of Shares available for award under this Plan, regardless of the number of Shares issued upon settlement of the SAR. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Options granted under this Plan and all other outstanding but unvested Options granted under this Plan.

2.2 *Adjustments*. In the event that the number or type of outstanding shares of the Company's Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, or in the event of any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to shareholders or any transaction similar to the foregoing, the Committee shall make such equitable substitutions or adjustments as it determines in its sole discretion to be necessary or appropriate, in respect of (a) the number and class of Shares reserved for issuance under this Plan, (b) the Exercise Prices of outstanding Options and SARs, (c) the number of Shares subject to outstanding Awards, and (d) the maximum number of Shares that may be granted pursuant to Section 3; provided, however, that (i) fractions of a Share will not be issued and (ii) any such substitution or adjustment shall be made in a manner that does not adversely affect the tax treatment in respect of the Award and/or the Plan for either the Company or the Participant under Section 162(m), Section 409A or Section 422 of the Code or otherwise violate any applicable law.

3. ELIGIBILITY. ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. All other Awards may be granted to employees, officers, directors, consultants, independent contractors and advisors of the Company or any Parent or Subsidiary of the Company; provided such consultants, independent contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. No person will be eligible to receive more than one million five hundred thousand (1,500,000) Shares in any calendar year under this Plan pursuant to the grant of Awards hereunder, other than new employees of the Company or of a Parent or Subsidiary of the Company (including new employees who are also officers and directors of the Company or any Parent or Subsidiary of the Company), who are eligible to receive up to a maximum of three million (3,000,000) Shares in the calendar year in which they commence their employment. A person may be granted more than one Award under this Plan.

4. ADMINISTRATION.

4.1 *Committee Authority*. This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) select persons to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(g) grant waivers of Plan or Award conditions;

(h) determine the vesting, exercisability and payment of Awards;

(i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(j) determine whether an award has been earned; and

(k) make all other determinations necessary or advisable for the administration of this Plan.

4.2 *Committee Discretion*. Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or the Award, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. The Committee may delegate to one (1) or more officers or directors of the Company the authority to grant an Award under this Plan to Participants who are not Insiders of the Company. Notwithstanding any provision of the Plan to the contrary, administration of the Plan shall at all times be limited by the requirement that any administrative action or exercise of discretion shall be void (or suitably modified when possible) if necessary to avoid the application to any Participant of taxation under Section 409A of the Code.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (“ISOs”) or Nonqualified Stock Options (“NQSOs”), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 *Form of Option Grant*. Each Option granted under this Plan will be evidenced by an Option Agreement or other evidence of grant which will expressly identify the Option as an ISO or an NQSO (“Stock Option Agreement”), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

5.2 *Date of Grant*. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered or otherwise made available to the Participant within a reasonable time after the granting of the Option. The Stock Option Agreement, Plan and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 *Exercise Period*. Options may be exercisable within the times or upon the conditions or events determined by the Committee as set forth in the Stock Option Agreement governing such Option (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Measures); provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4 *Exercise Price*. The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that: (i) the Exercise Price of an ISO will be not less than 100% of the Fair Market Value of the Shares on the date of grant; (ii) the Exercise Price of any ISO granted to a Ten Percent Shareholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant; and (iii) the Exercise Price of an NQSO will not be less than 100% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 12.

5.5 *Method of Exercise*. Options may be exercised only by delivery to the Company of a stock option exercise notice or agreement (the "Exercise Agreement") in a form approved by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding the Participant's investment intent and access to information and other matters, if any, as may be required by or desirable to the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased. The Exercise Agreement may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.6 *Termination*. Notwithstanding the exercise periods set forth in the Stock Option Agreement, the exercise of an Option will always be subject to the following:

(a) If the Participant is Terminated for any reason except the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than three (3) months after the Termination Date (or such shorter time period not less than thirty (30) days or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(b) If the Participant is Terminated because of Participant's death (or the Participant dies within three (3) months after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative or authorized assignee no later than twelve (12) months after the Termination Date (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's death, or (b) twelve (12) months after the Termination Date when the Termination is for the Participant's death, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(c) If the Participant is Terminated because of Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, with any exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's Disability, or (b) twelve (12) months after the Termination Date when the Termination is for the Participant's Disability, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(d) If the Participant is terminated for Cause (as determined by the Committee or the Company, in its sole discretion), then Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

5.7 *Limitations on Exercise*. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 *Limitations on ISOs*. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary of the Company) will not exceed $100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds $100,000, then the Options for the first $100,000 worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of $100,000 that become exercisable in such calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9 *Modification, Extension or Renewal*. Subject to Section 18, the Committee may modify, extend or renew outstanding Options, or authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided , however , that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 for Options granted on the date the action is taken to reduce the Exercise Price.

5.10 *No Disqualification*. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. GRANTS TO OUTSIDE DIRECTORS.

6.1 *Types of Awards*. Outside Directors are eligible to receive any type of Award, except ISOs, offered under this Plan and subject to this Section 6.

6.2 *Eligibility*. Awards subject to this Section 6 shall be granted only to Outside Directors. An Outside Director who is elected or reelected as a member of the Board will be eligible to receive an Award under this Section 6.

6.3 *Discretionary Grant*. The Board may make discretionary grants to any Outside Director (a "Discretionary Grant").

6.4 *Vesting and Exercisability*. Except as set forth in Section 21.4, Discretionary Grants shall vest and be exercisable as determined by the Board.

6.5 *Exercise Price*. The exercise price of an Option or a SAR granted to an Outside Director shall be the Fair Market Value of the Shares at the time that the Option or SAR is granted.

7. RESTRICTED STOCK AWARDS.

7.1 *Awards of Restricted Stock*. A Restricted Stock Award is an offer by the Company to sell to a Participant Shares that are subject to restrictions ("Restricted Stock"). The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

7.2 *Restricted Stock Purchase Agreement*. All purchases under a Restricted Stock Award will be evidenced by a Restricted Stock Purchase Agreement, which will be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. A Participant accepts a Restricted Stock Award by signing and delivering to the Company a Restricted Stock Purchase Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Restricted Stock Purchase Agreement was delivered to the Participant. If the Participant does not accept the Restricted Stock Award within thirty (30) days, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise. The Restricted Stock Award, Plan and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

7.3 *Purchase Price*. The Purchase Price for a Restricted Stock Award will be determined by the Committee and, may be less than Fair Market Value (but not less than the par value of the Shares when required by law) on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 12 of the Plan and the Restricted Stock Purchase Agreement, and in accordance with any procedures established by the Company, as communicated and made available to Participants.

7.4 *Terms of Restricted Stock Awards*. Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of the performance goals based on Performance Measures during any Performance Period as set out in advance in the Participant's Restricted Stock Purchase Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Measures to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment for Shares to be purchased under any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

7.5 *Termination During Performance Period*. Except as may be set forth in the Participant's Restricted Stock Purchase Agreement, vesting ceases on such Participant's Termination Date.

8. STOCK BONUS AWARDS.

8.1 *Awards of Stock Bonuses*. A Stock Bonus Award is an award to an eligible person of Shares (which may consist of Restricted Stock or Restricted Stock Units) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to a Stock Bonus Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. No payment will be required for Shares awarded pursuant to a Stock Bonus Award.

8.2 *Terms of Stock Bonus Awards*. The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Measures during any Performance Period as set out in advance in the Participant's Stock Bonus Agreement. If the Stock Bonus Award is to be earned upon the satisfaction of performance goals, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Measures to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the issuance of any Shares or other payment to a Participant pursuant to a Stock Bonus Award, the Committee will determine the extent to which the Stock Bonus Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to a Stock Bonus Award to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

8.3 *Form of Payment to Participant*. The Stock Bonus Award will be paid to the Participant currently. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment.

8.4 *Termination of Participant*. In the event of a Participant's Termination during a Performance Period or vesting period, for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Stock Bonus Award only to the extent earned as of the date of Termination in accordance with the Stock Bonus Agreement, unless the Committee determines otherwise.

9. STOCK APPRECIATION RIGHTS.

9.1 *Awards of SARs*. A Stock Appreciation Right ("SAR") is an award to an eligible person that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in a SAR Agreement). The SAR may be granted for services to be rendered or for past services already rendered to the Company, or any Parent or Subsidiary. All SARs shall be made pursuant to a SAR

Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

9.2 *Terms of SARs*. The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares deemed subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the treatment of each SAR in the event of the Participant's Termination. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and, will not be less than 100% of the Fair Market Value of the Shares on the date of grant. A SAR may be awarded upon satisfaction of such performance goals based on Performance Measures during any Performance Period as are set out in advance in the Participant's individual SAR Agreement. If the SAR is being earned upon the satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each SAR; and (y) select from among the Performance Measures to be used to measure the performance, if any. Prior to settlement of any SAR earned upon the satisfaction of performance goals pursuant to a SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different performance goals and other criteria.

9.3 *Exercise Period and Expiration Date*. A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the SAR Agreement governing such SAR. The SAR Agreement shall set forth the expiration date; provided that no SAR will be exercisable after the expiration of seven years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Measures), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines.

9.4 *Form and Timing of Settlement*. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code.

10. RESTRICTED STOCK UNITS.

10.1 *Awards of Restricted Stock Units*. A Restricted Stock Unit ("RSU") is an award to an eligible person covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All RSUs shall be made pursuant to a RSU Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

10.2 *Terms of RSUs*. The Committee will determine the terms of a RSU including, without limitation: (a) the number of Shares deemed subject to the RSU; (b) the time or times during which the RSU may be exercised; (c) the consideration to be distributed on settlement, and the treatment of each RSU in the event of the Participant's Termination. A RSU may be awarded upon satisfaction of such performance goals based on Performance Measures during any Performance Period as are set out in advance in the Participant's individual RSU Agreement. If the RSU is being earned upon satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) set performance goals under the Performance Measures to be used to measure the performance, if any, and, if so, specify any exclusion(s) or inclusion(s) for charges related to any event(s) or occurrence(s) which the Committee determines should appropriately be excluded or included, as applicable, for purposes of measuring performance against the applicable Performance Measure, which may include (i) restructurings, reorganizations, discontinued operations, non-core businesses in continuing operations, acquisitions, dispositions, or any extraordinary nonrecurring items as described in ASC Subtopic 225-20 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's Annual Report on Form 10-K for the applicable year, (ii) the cumulative effects of tax or accounting changes, each in accordance with generally accepted accounting principles, (iii) foreign exchange gains or losses, (iv) stock-based compensation, (v) amortization of intangible assets, impairments of goodwill and other intangible assets, asset write downs, or non-cash interest expense or (vi) litigation or claim judgments or settlements; and (z) determine the number of Shares deemed subject to the RSU. Prior to settlement of any RSU earned upon the satisfaction of performance goals pursuant to a RSU Agreement, the Committee shall determine the extent to which such RSU has been earned. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods, Performance Measures and performance goals and other criteria. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances, render previously established performance goals unsuitable, the Committee may in its discretion modify such performance goals or the related levels of achievement, in whole or in part, as the Committee deems appropriate and equitable; provided that, unless the Committee determines otherwise, no such action shall be taken if and to the extent it would result in the loss of an otherwise available exemption of the Award under Section 162(m) of the Code and the regulations thereunder. The performance goals designated by the Committee under the Performance Measures may be specified in absolute terms, in percentages or in terms of growth from period to period or growth rates over time and may be determined solely by reference to the Company's performance or the performance of a Subsidiary, division, business segment or business unit of the Company, or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to other companies. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee.

10.3 *Form and Timing of Settlement*. The portion of a RSU being settled shall be paid currently. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

11. PERFORMANCE SHARES.

11.1 *Awards of Performance Shares*. A Performance Share Award is an award to an eligible person denominated in Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). Grants of Performance Shares shall be made pursuant to a Performance Share Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

11.2 *Terms of Performance Shares*. The Committee will determine, and each Performance Share Agreement shall set forth, the terms of each award of Performance Shares including, without limitation: (a) the number of Shares deemed subject to such Award; (b) the Performance Measures, if any, and Performance Period, if any, that shall determine the time and extent to which each award of Performance Shares shall be settled; (c) the consideration to be distributed on settlement, and the treatment of each award of Performance Shares in the event of the Participant's Termination. If applicable, in establishing Performance Measures and the Performance Period the Committee will: (x) determine the nature, length and starting date of any Performance Period; (y) set performance goals under the Performance Measures to be used and specify any exclusion(s) or inclusion(s) for charges related to any event(s) or occurrence(s) which the Committee determines should appropriately be excluded or included, as applicable, for purposes of measuring performance against the applicable Performance Measure, which may include (i) restructurings, reorganizations, discontinued operations, non-core businesses in continuing operations, acquisitions, dispositions, or any extraordinary nonrecurring items as described in ASC Subtopic 225-20 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's Annual Report on Form 10-K for the applicable year, (ii) the cumulative effects of tax or accounting changes, each in accordance with generally accepted accounting principles, (iii) foreign exchange gains or losses, (iv) stock-based compensation, (v) amortization of intangible assets, impairments of goodwill and other intangible assets, asset write downs, or non-cash interest expense or (vi) litigation or claim judgments or settlements; and (z) determine the number of Shares deemed subject to the award of Performance Shares. Prior to settlement the Committee shall determine the extent to which Performance Shares have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Shares that are subject to different Performance Periods, Performance Measures and performance goals and other criteria. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances, render previously established performance goals unsuitable, the Committee may in its discretion modify such performance goals or the related levels of achievement, in whole or in part, as the Committee deems appropriate and equitable; provided that, unless the Committee determines otherwise, no such action shall be taken if and to the extent it would result in the loss of an otherwise available exemption of the Award under Section 162(m) of the Code and the regulations thereunder. The performance goals designated by the Committee under the Performance Measures may be specified in absolute terms, in percentages or in terms of growth from period to period or growth rates over time and may be determined solely by reference to the Company's performance or the performance of a Subsidiary, division, business segment or business unit of the Company, or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to other companies. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee.

11.3 *Form and Timing of Settlement*. The portion of an award of Performance Shares being settled shall be paid currently.

12. PAYMENT FOR SHARE PURCHASES.

12.1 *Payment*. Payment for Shares purchased pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares that either: (1) have been owned by the Participant for more than six (6) months and have been paid for within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares); or (2) were obtained by the Participant in the public market;

(c) by waiver of compensation due or accrued to the Participant for services rendered to the Company or a Parent or Subsidiary of the Company;

(d) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's Common Stock exists:

(i) through a "same day sale" commitment from the Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

(ii) through a "margin" commitment from the Participant and an NASD Dealer whereby the Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company;

(e) by any combination of the foregoing; or

(f) by any other method approved by the Board.

13. WITHHOLDING TAXES.

13.1 *Withholding Generally*. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash, such payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

13.2 *Stock Withholding*. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in accordance with the requirements established by the Committee and be in writing in a form acceptable to the Committee. The Committee may in its sole discretion also allow the Company to satisfy the minimum withholding tax obligation by withholding from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined, without any election by the Participant.

14. TRANSFERABILITY.

14.1 *General Rule*. Except as otherwise provided in this Section 14, no Award and no interest therein, shall be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and no Award may be made subject to execution, attachment or similar process.

14.2 *All Awards other than NQSOs*. All Awards other than NQSOs shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; and (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees.

14.3 *NQSOs*. Unless otherwise restricted by the Committee, an NQSO shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, (B) the Participant's guardian or legal representative, (C) a Family Member of the Participant who has acquired the NQSO by "permitted transfer;" and (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees. "***Permitted transfer***" means, as authorized by this Plan and the Committee with respect to an NQSO, any transfer effected by the Participant during the Participant's lifetime of an interest in such NQSO but only such transfers which are made pursuant to a binding domestic relations order.

15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

15.1 *Voting and Dividends*. No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided , that if such Shares are restricted stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the restricted stock; provided , further , that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's Exercise Price pursuant to Section 15.2.

15.2 *Restrictions on Shares*. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "***Right of Repurchase***") a portion of or all Unvested Shares held by a Participant following such Participant's Termination at any time within one hundred and eighty (180) days after the later of the Participant's Termination Date and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Exercise Price, as the case may be.

16. CERTIFICATES. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

17. ESCROW. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates.

18. EXCHANGE AND BUYOUT OF AWARDS. Except as provided in Section 2.2 of this Plan, the Committee may not, without prior stockholder approval, reduce the Exercise Price of any outstanding Option or SAR or cancel outstanding Options or SARs in exchange for the re-grant of new Options or SARs having exercise prices lower than the cancelled Options or SARs. The Committee may, at any time or from time to time authorize the Company, in the case of an Option or SAR exchange with stockholder approval, and with the consent of the respective Participants (unless not required pursuant to Section 5.9 of the Plan), to pay cash or issue new Awards in exchange for the surrender and cancellation of any, or all, outstanding Awards.

19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

20. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant’s employment or other relationship at any time, with or without cause.

21. CORPORATE TRANSACTIONS.

21.1 *Assumption or Replacement of Awards by Successor*. In the event of (a) a dissolution or liquidation of the Company, (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants), (c) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the acquisition, sale, or transfer of more than 50% of the outstanding shares of the Company by tender offer or similar transaction, any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation (if any) refuses to assume or substitute Awards, as provided above, pursuant to a transaction described in this Subsection 21.1, or if there is no successor corporation due to a dissolution or liquidation of the Company, such Awards will expire on such transaction at such time and on such conditions as the Committee will determine.

Notwithstanding anything in this Section 21.1 to the contrary, the Committee may, in its sole discretion, provide that the vesting of any or all Awards granted pursuant to this Plan will accelerate in the event of the occurrence of any transaction described in this Section 21.1. If the Committee exercises such discretion with respect to Awards, such Awards will become vested and exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if such Awards are not exercised prior to the consummation of the corporate transaction, they shall terminate at such time as determined by the Committee.

21.2 *Other Treatment of Awards*. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 21, in the event of the occurrence of any transaction described in Section 21.1, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets.

21.3 *Assumption of Awards by the Company*. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such award will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Award rather than assuming an existing award, such new Award may be granted with a similarly adjusted Exercise Price, as applicable.

21.4 *Outside Directors Options*. Notwithstanding any provision to the contrary, in the event of a corporate transaction described in Section 21.1, the vesting of all Awards granted to Outside Directors pursuant to Section 6 of this Plan will accelerate and such Awards will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and must be exercised, if at all, within six (6) months of the consummation of said event. Any Award not exercised within such six-month period shall expire.

22. ADOPTION AND SHAREHOLDER APPROVAL. This Plan shall be submitted for the approval of the Company's shareholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board and upon receiving approval of the Company's shareholders shall become effective (the "Effective Date").

23. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will terminate ten (10) years from the Effective Date. This Plan and all agreements thereunder shall be governed by and construed in accordance with the laws of the State of California.

24. AMENDMENT OR TERMINATION OF PLAN. Except as otherwise provided in this Plan, the Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided , however , that the Board will not, without the approval of the shareholders of the Company, amend this Plan in any manner that requires such shareholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted, except as otherwise agreed to by the Participant and the Company.

25. NONEXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Board, the submission of this Plan to the shareholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. INSIDER TRADING POLICY. Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by employees, officers and/or directors of the Company.

27. DEFINITIONS. As used in this Plan, the following terms will have the following meanings:

"***Award***" means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right, Restricted Stock Unit, award of Performance Shares or other form of award as may be approved by the Board from time to time.

"***Award Agreement***" means, with respect to each Award, the written agreement between the Company and the Participant setting forth the terms and conditions of the Award. The acceptance of an Award and Award Agreement by a Participant may be evidenced by manual execution, electronic acceptance or deemed acceptance (to the extent set forth in the Award Agreement).

"***Board***" means the Board of Directors of the Company.

"***Cause***" means (a) the commission of an act of theft, embezzlement, fraud, dishonesty, (b) a breach of fiduciary duty to the Company or a Parent or Subsidiary of the Company, or (c) a failure to materially perform the customary duties of employee's employment.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Committee***" means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

"***Company***" means VeriSign, Inc. or any successor corporation.

"***Disability***" means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Exercise Price***" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"***Fair Market Value***" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

(a) if such Common Stock is then quoted on the NASDAQ Global Select Market, its closing price on the NASDAQ Global Select Market on the date of determination (or if there are no sales for such date, then the last preceding business day on which there were sales) as reported in The Wall Street Journal;

(b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(c) if such Common Stock is publicly traded but is not quoted on the NASDAQ Global Select Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in The Wall Street Journal;

(d) in the case of an Option made on the Effective Date, the price per share at which shares of the Company's Common Stock are initially offered for sale to the public by the Company's underwriters in the initial public offering of the Company's Common Stock pursuant to a registration statement filed with the SEC under the Securities Act; or

(e) if none of the foregoing is applicable, by the Committee in good faith.

"***Family Member***" includes any of the following:

(a) child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption;

(b) any person (other than a tenant or employee) sharing the Participant's household;

(c) a trust in which the persons in (a) and (b) have more than fifty percent of the beneficial interest;

(d) a foundation in which the persons in (a) and (b) or the Participant control the management of assets; or

(e) any other entity in which the persons in (a) and (b) or the Participant own more than fifty percent of the voting interest.

"***Insider***" means an executive officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

"***Option***" means an award of an option to purchase Shares pursuant to Section 5.

"***Option Agreement***" means, with respect to each Option, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Option.

"***Outside Director***" means a member of the Board who is not an employee of the Company or any Parent or Subsidiary.

"***Parent***" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"***Participant***" means a person who receives an Award under this Plan.

"***Performance Measures***" means the factors selected by the Committee from among the following measures (whether or not in comparison to other peer companies) to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied: net sales; revenue; revenue growth or product revenue growth; operating income (before or after taxes); pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); earnings or loss per share; net income or loss (before or after taxes); return on equity; total stockholder return; return on assets or net assets; appreciation in and/or maintenance of the price of shares of the Company's common stock or any other publicly-traded securities of the Company; market share; gross profits; earnings or losses (including earnings or losses before taxes, before taxes and amortization, before interest and taxes, or before interest, taxes, depreciation and amortization); economic value-added models or equivalent metrics; comparisons with various stock market indices; reductions in costs; cash flow or cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; operating margin; gross margin; year-end cash; cash margin; debt reduction; stockholders equity; operating efficiencies; market share; customer satisfaction; customer growth; employee satisfaction; regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents and passing pre-approval inspections (whether of the Company or the Company's third-party manufacturer) and validation of manufacturing processes (whether the Company's or the Company's third-party manufacturer's)); strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; establishing relationships with entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); supply chain achievements (including establishing relationships with manufacturers or suppliers of component materials and manufacturers of the Company's products); co-development, co-marketing, profit sharing, joint venture or other similar arrangements; financial ratios, including those measuring liquidity, activity, profitability or leverage; cost of capital or assets under management; financing and other capital raising transactions (including sales of the Company's equity or debt securities; factoring transactions; sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally; or through partnering transactions); implementation, completion or attainment of measurable objectives with respect to research, development, manufacturing, commercialization, contracts, products or projects, production volume levels, acquisitions and divestitures; factoring transactions; or recruiting and maintaining personnel.

"***Performance Period***" means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for the Award.

"***Performance Share***" means an Award granted pursuant to Section 11 of the Plan.

“***Performance Share Agreement***” means an agreement evidencing a Performance Share Award granted pursuant to Section 11 of the Plan.

“***Plan***” means this Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan.

“***Purchase Price***” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

“***Restricted Stock Award***” means an award of Shares pursuant to Section 7 of the Plan.

“***Restricted Stock Purchase Agreement***” means an agreement evidencing a Restricted Stock Award granted pursuant to Section 7 of the Plan.

“***Restricted Stock Unit***” means an Award granted pursuant to Section 10 of the Plan.

“***RSU Agreement***” means an agreement evidencing a Restricted Stock Unit Award granted pursuant to Section 10 of the Plan.

“***SAR Agreement***” means an agreement evidencing a Stock Appreciation Right granted pursuant to Section 9 of the Plan.

“***SEC***” means the Securities and Exchange Commission.

“***Securities Act***” means the Securities Act of 1933, as amended.

“***Shares***” means shares of the Company’s Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 21, and any successor security.

“***Stock Appreciation Right***” means an Award granted pursuant to Section 9 of the Plan.

“***Stock Bonus***” means an Award granted pursuant to Section 8 of the Plan.

“***Stock Bonus Agreement***” means an agreement evidencing a Stock Bonus Award granted pursuant to Section 8 of the Plan.

“***Subsidiary***” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“***Termination***” or “***Terminated***” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “***Termination Date***”).

“***Unvested Shares***” means “Unvested Shares” as defined in the Award Agreement.

Exhibit 10.03

AMENDED AND RESTATED CHANGE-IN-CONTROL

AND RETENTION AGREEMENT

This Amended and Restated Change-in-Control and Retention Agreement (the "Agreement") is made and entered into as of , 2011, by and between VeriSign, Inc., a Delaware corporation, and (the "Executive").

RECITALS

WHEREAS, the Executive is a key employee of the Company who possesses valuable proprietary knowledge of the Company, its business and operations and the markets in which the Company competes;

WHEREAS, the Company draws upon the knowledge, experience, expertise and advice of the Executive to manage its business for the benefit of the Company's stockholders;

WHEREAS, the Company desires to standardize its executive Change-in-Control arrangements;

WHEREAS, the Company recognizes that if a Change-in-Control were to occur, the resulting uncertainty regarding the consequences of such an event could adversely affect the performance of, and the Company's ability to attract and retain, its key employees, including the Executive;

WHEREAS, the Company believes that the existence of this Agreement will serve as an incentive to Executive to remain in the employ of the Company and to be focused and motivated to work to maximize the value of the Company for the benefit of its stockholders, and would enhance the Company's ability to call on and rely upon Executive if a Change-in-Control were to occur; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to encourage the Executive to continue to devote the Executive's full attention and dedication to the success of the Company, and to provide specified compensation and benefits to the Executive in the event of a Termination Upon Change-in-Control pursuant to the terms of this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. PURPOSE

The purpose of this Agreement is to provide specified compensation and benefits to the Executive in the event of Termination Upon Change-in-Control of Executive. Subject to the terms of any applicable written employment agreement between Company and the Executive, either the Executive or Company may terminate the Executive's employment at any time for any reason.

2. <u>TERMINATION UPON CHANGE OF CONTROL</u>

In the event of the Executive's Termination Upon Change-in-Control, the Executive shall be entitled to the benefits described below in this Section 2. In addition if during the twenty-four (24) months following a Change-in-Control Executive dies, or terminates employment due to Disability, then Executive, or Executive's estate or designated beneficiary, shall receive the benefits provided under Section 2.3 below.

2.1 <u>Prior Obligations</u>.

2.1.1 <u>Accrued Salary and Vacation</u>. A lump sum payment of all salary and accrued vacation earned through the Termination Date.

2.1.2 <u>Accrued Bonus</u>. A lump sum payment of any earned and unpaid bonus from the prior fiscal year previously awarded by the Company.

2.1.3 <u>Expense Reimbursement</u>. Upon submission of proper expense reports by the Executive, the Company shall reimburse the Executive for all expenses incurred by the Executive, consistent with past practices, in connection with the business of the Company prior to the Executive's Termination Date.

2.1.4 <u>Employee Benefits</u>. Benefits, if any, under any 401(k) plan, nonqualified deferred compensation plan, employee stock purchase plan and other Company benefit plans under which the Executive may be entitled to benefits, payable pursuant to the terms of such plans.

2.2 <u>Cash Severance Benefits</u>. A lump sum equal to the sum of (i) a pro rata portion of Executive's target bonus for the fiscal year of the Company in which the Termination Upon Change-in-Control occurs, (ii) twelve (12) months of Executive's Base Salary, and (iii) Executive's average target bonus for the three (3) fiscal years of the Company preceding the fiscal year in which Termination Upon Change-in-Control occurs or, if Executive was employed by the Company for fewer than three (3) full fiscal years preceding the fiscal year in which the Termination Upon Change-in-Control occurs, the average target bonus for the number of full fiscal years Executive was employed by the Company prior to the Change-in-Control or the target bonus for the fiscal year in which the Termination Upon Change-in-Control occurs if the Executive was not eligible to receive a bonus from the Company during any of the prior three (3) fiscal years. This lump sum amount shall be paid no later than sixty (60) days after the Termination Date of the Termination Upon Change-in-Control.

2.3 <u>Acceleration of Equity Awards</u>. All then unvested and outstanding Equity Awards granted to Executive prior to the Change-in-Control shall have their vesting and exercisability accelerated in full on the Termination Date of the Termination Upon Change-in-Control; provided, however, that notwithstanding any provision in this Agreement to the contrary, if the Equity Awards held by the Executive are not assumed upon a Change-in-Control, then all such Equity

Awards shall have their vesting and exercisability accelerated in full immediately prior to the Change-in-Control regardless of whether there is a Termination Upon Change-in-Control. If the consideration to be received by stockholders of the Company in connection with the Change-in-Control consists of substantially all cash, then all such Equity Awards shall have their vesting and exercisability accelerated in full immediately prior to the Change-in-Control regardless of whether there is a Termination Upon Change-in-Control. To the extent the amount payable pursuant to an Equity Award is determined based upon performance and, at the time of acceleration, the performance period has not been completed, the amount payable pursuant to the Equity Award shall be computed by assuming performance at the target level.

2.4 Extended Insurance Benefits.

2.4.1 Benefit Continuation. If the Executive timely elects health insurance continuation coverage under COBRA, then the Company shall reimburse the COBRA premiums paid to provide health insurance coverage for Executive and Executive's dependents for the first 12 months of COBRA coverage, provided that the amount to be reimbursed shall be based on the Company's health insurance coverage as in effect for such person immediately prior to the Termination Upon Change-in-Control. The date of the "qualifying event" for the Executive and any of Executive's dependents shall be the date of the Termination Upon Change-in-Control.

2.4.2 Coverage Under Another Plan. Notwithstanding the preceding provisions of this Section 2.4, upon the Executive's becoming covered as a primary insured (that is, not as a beneficiary under a spouse's or partner's plan) under another employer's group health plan during the period provided for herein, the Executive promptly shall inform the Company and the Company's obligations under Section 2.4.1 shall cease.

3. FEDERAL EXCISE TAX UNDER SECTION 280G

If (i) any amounts payable to the Executive under this Agreement or otherwise are characterized as excess parachute payments pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the Executive thereby would be subject to any United States federal excise tax due to that characterization, then Executive's termination benefits hereunder will be reduced to an amount so that none of the amounts payable constitute excess parachute payments if this would result, after taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, in Executive's receipt on an after-tax basis of the greatest amount of termination and other benefits. The determination of any reduction required pursuant to this section (including the determination as to which specific payments shall be reduced) shall be made by a neutral party designated by the Company and such determination shall be conclusive and binding upon the Company or any related corporation for all purposes.

4. DEFINITIONS

4.1 Capitalized Terms Defined. Capitalized terms used in this Agreement shall have the meanings set forth in this Section 4, unless the context clearly requires a different meaning.

4.2 "Base Salary" means the base salary of the Executive immediately preceding the Executive's Termination Date.

4.3 "Board" means the Company's Board of Directors.

4.4 "Cause" means:

(a) Executive's willful and continued failure to substantially perform Executive's duties after written notice providing Executive with ninety (90) days from the date of Executive's receipt of such notice in which to cure;

(b) conviction of (or plea of guilty or no contest to) Executive for a felony involving moral turpitude;

(c) Executive's willful misconduct or gross negligence resulting in material harm to the Company; or

(d) Executive's willful violation of the Company's policies resulting in material harm to the Company.

4.5 "Change-in-Control" means:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), other than a trustee or other fiduciary holding securities of the Company under an employee benefit plan of the Company or its subsidiaries, becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly (excluding, for purposes of this Section 4.5, securities acquired directly from the Company), of securities of the Company representing at least thirty-five percent (35%) of (A) the then-outstanding shares of common stock of the Company or (B) the combined voting power of the Company's then-outstanding securities;

(b) the consummation of a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(c) a change in the composition of the Board occurring within a 24-month period, as a result of which fewer than a majority of the Directors are Incumbent Directors;

(d) the sale or disposition of all or substantially all of the Company's assets (or consummation of any transaction, or series of related transactions, having similar effect); or

(e) stockholder approval of the dissolution or liquidation of the Company.

4.6 "Company" means VeriSign, Inc. and, following a Change-in-Control, any Successor.

4.7 "Director" means a member of the Board.

4.8 "Disability" shall have the meaning given such term under Section 409A of the Code.

4.9 "Equity Award" shall mean any option, restricted stock award, restricted stock unit award, stock appreciation right or other equity award to acquire shares of the Company's common stock granted or issued to the Executive.

4.10 "Good Reason" means the occurrence of any of the following conditions, without Executive's written consent:

(a) a change in the Executive's authority, duties or responsibilities that is inconsistent in any material and adverse respect from the Executive's authority, duties and responsibilities immediately preceding the Change-in-Control;

(b) a reduction in Executive's base salary compared to Executive's base salary immediately preceding the Change-in-Control, except for an across-the-board reduction of not more than ten percent (10%) of base salary applicable to all senior executives of the Company;

(c) a reduction in Executive's bonus opportunity of five percent (5%) or more from Executive's bonus opportunity immediately preceding the Change-in-Control, except for an across-the-board reduction applicable to all senior executives of the Company;

(d) a failure to provide Executive with long-term incentive opportunities that in the aggregate are at least comparable to the long-term incentives provided to other senior executives at the Company;

(e) a reduction of at least 5% in aggregate benefits that Executive is entitled to receive under all employee benefit plans of the Company following a Change-in-Control compared to the aggregate benefits Executive was eligible to receive under all employee benefit plans maintained by the Company immediately preceding the Change-in-Control; or

(f) a requirement that Executive be based at any office location more than 40 miles from Executive's primary office location immediately preceding the Change-in-Control, if such relocation increases Executive's commute by more than ten (10) miles from Executive's principal residence immediately preceding the Change-in-Control; or

(g) the failure of the Company to obtain the assumption of this Agreement from any Successor as provided in Section 12.1 of this Agreement.

4.11 "Incumbent Directors" shall mean Directors who either (i) are Directors as of the date hereof, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

4.12 "Successor" means any successor to the Company or assignee of substantially all of the Company's business and/or assets whether or not as part of a Change-in-Control.

4.13 "Termination Date" means the effective date of any termination of Executive's employment with the Company or a Successor.

4.14 "Termination Upon Change-in-Control" means (i) during the twenty-four (24) months following the consummation of a Change-in-Control any termination of the employment of the Executive by the Company without Cause, or any resignation by the Executive for Good Reason; or (ii) any termination of the employment of the Executive by the Company without Cause occurring within six (6) months prior to the consummation of such Change-in-Control that is requested by a third party as part of such Change-in-Control. Executive must provide written notice to the Company within ninety (90) days of the existence of Good Reason and provide the Company with at least thirty (30) days to cure the circumstances giving rise to Good Reason. Notwithstanding the preceding sentences of this section and section 4.13, with respect to a termination described in (ii) of this section 4.14, (1) the effective date of the Change-in-Control shall be deemed the Termination Date for purposes of this Agreement and (2) with respect to Equity Awards, to the extent they would have otherwise terminated or been forfeited prior to the Change-in-Control as a result of the Executive's termination of employment, they shall be deemed to have continued in existence until the Change-in-Control (but without any right to exercise, settlement or additional vesting during the period of continuation).

5. RELEASE OF CLAIMS

Executive's receipt of payments and benefits under this Agreement (other than those provided pursuant to Section 2.1) is conditioned upon the delivery by Executive of a signed Termination Release Agreement in substantially the form attached hereto as Exhibit A; provided, however, that the Executive shall not be required to release any rights the Executive may have to be indemnified by the Company. Notwithstanding any provisions to the contrary herein, no benefits shall be payable pursuant to this Agreement until and unless seven days have elapsed after a signed Termination Release Agreement has been delivered (and Executive has not revoked the Termination Release Agreement during said seven day period) and such signed Termination Release Agreement is delivered no later than the 53rd day following the Termination Date. If a Termination Release Agreement is not executed and delivered by the 53rd day following the Termination Date or the Executive revokes such Termination Release Agreement, no benefits will be paid under this Agreement and the Executive will have no further rights hereunder.

6. EXCLUSIVE REMEDY

The Executive shall be entitled to no other termination, severance or change of control compensation, benefits, or other payments from the Company as a result of any Termination Upon a Change-in-Control with respect to which the payments and/or benefits described in Section 2 have been provided to the Executive, except as expressly set forth in this Agreement.

7. CONFLICT IN BENEFITS; NONCUMULATION OF BENEFITS

7.1 No Limitation of Regular Benefit Plans. Except as provided in Section 7.2 below, this Agreement is not intended to and shall not affect, limit or terminate any plans, programs or arrangements of the Company that are regularly made available to a significant number of employees or officers of the Company, including without limitation the Company's equity incentive plans.

7.2 Noncumulation of Benefits. Executive may not cumulate cash severance payments, vesting acceleration of any Equity Award or other termination benefits under this Agreement with those provided under any other written agreement with the Company and/or other plan or policy of the Company. If the Executive has any other binding written agreement or other binding arrangement with the Company that provides that upon a Change-in-Control or termination of employment the Executive shall receive benefits, then Executive must waive Executive's rights to such other benefits to receive benefits under this Agreement.

8. PROPRIETARY AND CONFIDENTIAL INFORMATION

Executive's receipt of the payments and benefits described in this Agreement are conditioned upon the Executive's acknowledgment of Executive's continuing obligation under, and Executive's agreement to abide by the terms and conditions of, the Company's Confidentiality and/or Proprietary Rights Agreement between the Executive and the Company. Accordingly, during the term of this Agreement and following any Termination Upon Change-in-Control, Executive agrees to continue to abide by the terms and conditions of the Company's Confidentiality and/or Proprietary Rights Agreement between the Executive and the Company.

9. NON-SOLICITATION/NON-COMPETITION

For a period of one (1) year following Termination Upon Change-in-Control: (i) the Executive will not solicit the services or business of any employee or consultant of the Company to discontinue that person's or entity's relationship with or to the Company without the written consent of the Company; and (ii) the Executive will not engage (whether as an employee, director, or independent contractor) in a business in which the Company or any subsidiary of the Company is engaged immediately prior to the Change-in-Control.

10. RESOLUTION OF DISPUTES THROUGH ARBITRATION OR THE COURTS

10.1 Matters Subject to Arbitration or Judicial Enforcement. Any claim, dispute or controversy arising out of this Agreement, the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be submitted by the parties to binding arbitration by a sole arbitrator under the rules of the American Arbitration Association; provided, however, that (1) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to the trade secrets, confidential and proprietary information or other intellectual property of the Company upon the Executive or any third party; and (2) this arbitration provision shall not preclude the Company from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's intellectual property or breach of Executive's obligations under Sections 8 and 9 of this Agreement. Judgment may be entered on the award of the arbitrator in any court having jurisdiction.

10.2 Site of Arbitration. The site of the arbitration proceeding shall be in Virginia.

10.3 Legal Fees and Expenses. The Company shall reimburse the Executive for all reasonable legal fees and expenses that Executive incurs in connection with Executive's prosecution or defense of any breach of this Agreement unless Executive does not substantially prevail. Executive shall reimburse the Company for all reasonable legal fees and expenses that the Company incurs in connection with the Company's prosecution or defense of any breach of this Agreement unless the Company does not substantially prevail.

11. NOTICES

For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by mail or courier with appropriate evidence of mailing or delivery to the courier:

(i) if to the Company: VeriSign, Inc.
21355 Ridgetop Circle
Dulles, VA 20166
Attention: General Counsel

and, (ii) if to the Executive, at the address indicated in the Executive's personnel file or such other address specified by the Executive in writing to the Company. Either party may provide the other with notices of change of address, which shall be effective upon receipt.

12. MISCELLANEOUS PROVISIONS

12.1 Heirs and Representatives of the Executive; Successors and Assigns of the Company. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devises and legatees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Company. The Company agrees that in connection with any Change-in-Control, it will cause any Successor unconditionally to assume by written instrument delivered to Executive (or Executive's beneficiary), all of the obligations of the Company hereunder.

12.2 No Assignment of Rights. The interest of the Executive in this Agreement or in any distribution to be made under this Agreement may not be assigned, pledged, alienated, anticipated, or otherwise encumbered (either at law or in equity) and shall not be subject to attachment, bankruptcy, garnishment, levy, execution, or other legal or equitable process. Any act in violation of this Section 12.2 shall be void.

12.3 Amendment; Waiver. Any provision of this Agreement may be modified or amended in the sole discretion of a majority of the Board; provided however that any modification or amendment detrimental to Executive shall not be effective if consummation of a Change-in-Control occurs within one year after the date of adoption of such modification or amendment. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

12.4 Entire Agreement. This Agreement represents the entire agreement and understanding between the parties as to the subject matter herein (whether oral or written and whether express or implied) and expressly supersedes any existing agreement or understanding providing for any change control, severance, termination or similar benefits by and between the Executive and the Company.

12.5 Withholding Taxes; Section 409A. All payments made under this Agreement shall be subject to reduction to reflect all federal, state, local and other taxes required to be withheld by applicable law. Notwithstanding any provision in

Section 2 to the contrary, to the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code, and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of Executive's "separation from service" (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) with the Company; (ii) the date of Executive's Disability; or (iii) the date of Executive's death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum.

12.6 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

12.7 Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Virginia, without regard to where the Executive has Executive's residence or principal office or where Executive performs Executive's duties hereunder.

12.8 Effective Date; Term of Agreement.

12.8.1 Effective Date. The "Effective Date" of this Agreement is , 2011.

12.8.2 Term of Agreement. This Agreement shall commence on the Effective Date and shall have an initial term that shall extend until August 24, 2012. Thereafter, this Agreement shall be extended automatically without further action as of August 24, 2012 and on each anniversary thereafter, for terms of one year unless at least ninety (90) days prior to any such date the Board shall notify Executive in writing of such non-renewal, such notice of non-renewal to be provided by the Board to the Executive at least ninety (90) days before the end of the then current term. If the written notice of non-renewal is not provided by the Board to the Executive before the last ninety (90) days of a term then the Agreement will not terminate until the end of the immediately subsequent term. Any termination of this Agreement shall not be effective if consummation of a Change-in-Control occurs within one year after such requested Agreement termination date. Notwithstanding the foregoing, following the occurrence of a Change-in-Control this Agreement shall terminate only at such time as all of the parties' respective obligations under this Agreement have been discharged.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EXECUTIVE

____

[Executive Signature]

VERISIGN, INC.

By: ______________________________

Title: ______________________________

EXHIBIT A

TERMINATION RELEASE AGREEMENT

As required by the Amended and Restated Change-in-Control and Retention Agreement, dated __________________________, 20__, between you and VeriSign, Inc., a Delaware corporation (the "***Change-in-Control and Retention Agreement***") to which this Termination Release Agreement (the "***Agreement***") is attached as **Exhibit A**, this Agreement sets forth below your waiver and release of claims in favor of VeriSign, Inc., and its officers, directors, employees, agents, representatives, subsidiaries, divisions, affiliated companies, successors, and assigns (collectively, the "***Company***") in exchange for the consideration provided for under the terms of the Change-in-Control and Retention Agreement.

1. GENERAL RELEASE AND WAIVER OF CLAIMS.

(a) The payments set forth in the Change-in-Control and Retention Agreement fully satisfy any and all accrued salary, vacation pay, bonus and commission pay, stock-based compensation, profit sharing, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or your termination of employment. You acknowledge that you have no claims and have not filed any claims against the Company based on your employment with or the separation of your employment with the Company.

(b) To the fullest extent permitted by law, you hereby release and forever discharge the Company, its successors, subsidiaries and affiliates, directors, shareholders, current and former officers, agents and employees (all of whom are collectively referred to as "***Releasees***") from any and all existing claims, demands, causes of action, damages and liabilities, known or unknown, that you ever had, now have or may claim to have had arising out of or relating in any way to your employment or non-employment with the Company through the Effective Date of this Agreement (as defined in Section 10), including, without limitation, claims based on any oral, written or implied employment agreement, claims for wages, bonuses, commissions, stock-based compensation, expense reimbursement, and any claims that the terms of your employment with the Company, or the circumstances of your separation, were wrongful, in breach of any obligation of the Company or in violation of any of your rights, contractual, statutory or otherwise. Each of the Releasees is intended to be a third party beneficiary of this General Release and Waiver of Claims.

(i) Release of Statutory and Common Law Claims. Such rights include, but are not limited to, your rights under the following federal and state statutes: the Employee Retirement Income Security Act (ERISA) (regarding employee benefits); the Occupational Safety and Health Act (safety matters); the Family and Medical Leave Act of 1993; the Worker Adjustment and

Retraining Act (WARN) (notification requirements for employers who are curtailing or closing an operation) and common law; tort; wrongful discharge; public policy; workers' compensation retaliation; tortious interference with contractual relations, misrepresentation, fraud, loss of consortium; slander, libel, defamation, intentional or negligent infliction of emotional distress; claims for wages, bonuses, commissions, stock-based compensation or fringe benefits; vacation pay; sick pay; insurance reimbursement, medical expenses, and the like.

(ii) Release of Discrimination Claims. You understand that various federal, state and local laws prohibit age, sex, race, disability, benefits, pension, health and other forms of discrimination, harassment and retaliation, and that these laws can be enforced through the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Labor, and similar state and local agencies and federal and state courts. You understand that if you believe your treatment by the Company violated any laws, you have the right to consult with these agencies and to file a charge with them. Instead, you have decided voluntarily to enter into this Agreement, release the claims and waive the right to recover any amounts to which you may have been entitled under such laws, including but not limited to, any claims you may have based on age or under the Age Discrimination in Employment Act of 1967 (ADEA; 29 U.S.C. Section 621 et. seq.) (age); the Older Workers Benefit Protection Act (OWBPA) (age); Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Vocational Rehabilitation Act of 1973 (disability); The Americans with Disabilities Act of 1990 (disability); 42 U.S.C. Section 1981, 1986 and 1988 (race); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); Vietnam Era Veterans Readjustment Assistance Act of 1974 (Vietnam era veterans and disabled veterans); and Virginia state statutes and local laws of similar effect.

(iii) Releasees and you do not intend to release claims which you may not release as a matter of law (including, but not limited to, indemnification claims under applicable law). To the fullest extent permitted by law, any dispute regarding the scope of this general release shall be determined by an arbitrator under the procedures set forth below.

2. Covenant Not to Sue.

(a) To the fullest extent permitted by law, you agree that you will not now or at any time in the future pursue any charge, claim, or action of any kind, nature and character whatsoever against any of the Releasees, or cause or knowingly permit any such charge, claim or action to be pursued, in any federal, state or municipal court, administrative agency, arbitral forum, or other tribunal, arising out of any of the matters covered by Section 1 above.

(b) You further agree that you will not pursue, join, participate, encourage, or directly or indirectly assist in the pursuit of any legal claims against the Releasees, whether the claims are brought on your own behalf or on behalf of any other person or entity.

(c) Nothing herein prohibits you from: (1) providing truthful testimony in response to a subpoena or other compulsory legal process, and/or (2) filing a charge or complaint with a government agency such as the Equal Employment Opportunity Commission, the National Labor Relations Board or applicable state anti-discrimination agency.

3. Arbitration of Disputes. Except for claims for injunctive relief arising out of a breach of the Confidentiality Agreement, you and the Company agree to submit to mandatory binding arbitration any disputes between you and the Company arising out of or relating to this Agreement. You agree that the American Arbitration Association will administer any such arbitration(s) under its National Rules for the Resolution of Employment Disputes, with administrative and arbitrator's fees to be borne by the Company. The arbitrator shall issue a written arbitration decision stating his or her essential findings and conclusions upon which the award is based. The parties agree that the arbitration award shall be enforceable in any court having jurisdiction to enforce this Agreement. This Agreement does not extend or waive any statutes of limitations or other provisions of law that specify the time within which a claim must be brought. Notwithstanding the foregoing, each party retains the right to seek preliminary injunctive relief in a court of competent jurisdiction to preserve the status quo or prevent irreparable injury before a matter can be heard in arbitration.

4. Review of Agreement. You may take up to twenty-one (21) days from the date you receive this Agreement, to consider whether to sign this Agreement. By signing below, you affirm that you were advised to consult with an attorney before signing this Agreement and were given ample opportunity to do so. You understand that this Agreement will not become effective until you return the original of this Agreement, properly signed by you, to the Company, Attention: General Counsel, and after expiration of the revocation period without revocation by you.

5. Revocation of Agreement. You acknowledge and understand that you may revoke this Agreement by sending a written notice of revocation to Attention: General Counsel, VeriSign,Inc, 21355 Ridgetop Circle, Dulles, VA 20166, any time up to seven (7) days after you sign it. After the revocation period has passed, however, you may no longer revoke your Agreement.

6. **Entire Agreement**. This Agreement and the Change-in-Control and Retention Agreement are the entire agreement between you and the Company with respect to the subject matter herein and supersede all prior negotiations and agreements, whether written or oral, relating to this subject matter. You acknowledge that neither the Company nor its agents or attorneys, made any promise or representation, express or implied, written or oral, not contained in this Agreement to induce you to execute this Agreement. You acknowledge that you have signed this Agreement voluntarily and without coercion, relying only on such promises, representations and warranties as are contained in this document and understand that you do not waive any right or claim that may arise after the date this Agreement becomes effective.

7. **Modification**. By signing below, you acknowledge your understanding that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by your and the Company's authorized representatives.

8. **Governing Law**. This Agreement is governed by, and is to be interpreted according to, the laws of the State of Virginia.

9. **Savings and Severability Clause**. Should any court, arbitrator or government agency of competent jurisdiction declare or determine any of the provisions of this Agreement to be illegal, invalid or unenforceable, the remaining parts, terms or provisions shall not be affected thereby and shall remain legal, valid and enforceable. Further, if a court, arbitrator or agency concludes that any claim under Section 1 above may not be released as a matter of law, the General Release in Section 1 shall otherwise remain effective as to any and all other claims.

10. **Effective Date**. The effective date of this Agreement shall be the eighth day following the date this Agreement was signed, without having been revoked within seven (7) days thereafter, by you.

PLEASE SIGN THIS AGREEMENT NO EARLIER THAN YOUR TERMINATION DATE (AS DEFINED IN THE CHANGE-IN-CONTROL AND RETENTION AGREEMENT) AND RETURN IT TO THE GENERAL COUNSEL AT THE COMPANY.

PLEASE REVIEW CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

REVIEWED, UNDERSTOOD AND AGREED:

______________________________ Date: ______________________________

Executive

DO NOT SIGN PRIOR TO THE TERMINATION DATE

AMENDED AND RESTATED CHANGE-IN-CONTROL

AND RETENTION AGREEMENT

[CEO FORM OF AGREEMENT]

This Amended and Restated Change-in-Control and Retention Agreement (the "Agreement") is made and entered into as of , 2011, by and between VeriSign, Inc., a Delaware corporation, and (the "Executive").

RECITALS

WHEREAS, the Executive is a key employee of the Company who possesses valuable proprietary knowledge of the Company, its business and operations and the markets in which the Company competes;

WHEREAS, the Company draws upon the knowledge, experience, expertise and advice of the Executive to manage its business for the benefit of the Company's stockholders;

WHEREAS, the Company desires to standardize its executive Change-in-Control arrangements;

WHEREAS, the Company recognizes that if a Change-in-Control were to occur, the resulting uncertainty regarding the consequences of such an event could adversely affect the performance of, and the Company's ability to attract and retain, its key employees, including the Executive;

WHEREAS, the Company believes that the existence of this Agreement will serve as an incentive to Executive to remain in the employ of the Company and to be focused and motivated to work to maximize the value of the Company for the benefit of its stockholders, and would enhance the Company's ability to call on and rely upon Executive if a Change-in-Control were to occur; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to encourage the Executive to continue to devote the Executive's full attention and dedication to the success of the Company, and to provide specified compensation and benefits to the Executive in the event of a Termination Upon Change-in-Control pursuant to the terms of this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. PURPOSE

The purpose of this Agreement is to provide specified compensation and benefits to the Executive in the event of Termination Upon Change-in-Control of Executive. Subject to the terms of any applicable written employment agreement between Company and the Executive, either the Executive or Company may terminate the Executive's employment at any time for any reason.

2. TERMINATION UPON CHANGE OF CONTROL

In the event of the Executive's Termination Upon Change-in-Control, the Executive shall be entitled to the benefits described below in this Section 2. In addition if during the twenty-four (24) months following a Change-in-Control Executive dies, or terminates employment due to Disability, then Executive, or Executive's estate or designated beneficiary, shall receive the benefits provided under Section 2.3 below.

2.1 Prior Obligations.

2.1.1 Accrued Salary and Vacation. A lump sum payment of all salary and accrued vacation earned through the Termination Date.

2.1.2 Accrued Bonus. A lump sum payment of any earned and unpaid bonus from the prior fiscal year previously awarded by the Company.

2.1.3 Expense Reimbursement. Upon submission of proper expense reports by the Executive, the Company shall reimburse the Executive for all expenses incurred by the Executive, consistent with past practices, in connection with the business of the Company prior to the Executive's Termination Date.

2.1.4 Employee Benefits. Benefits, if any, under any 401(k) plan, nonqualified deferred compensation plan, employee stock purchase plan and other Company benefit plans under which the Executive may be entitled to benefits, payable pursuant to the terms of such plans.

2.2 Cash Severance Benefits. A lump sum equal to the sum of (i) a pro rata portion of Executive's target bonus for the fiscal year of the Company in which the Termination Upon Change-in-Control occurs, (ii) twenty-four (24) months of Executive's Base Salary, and (iii) 200% of the Executive's average target bonus for the three (3) fiscal years of the Company preceding the fiscal year in which Termination Upon Change-in-Control occurs or, if Executive was employed by the Company for fewer than three (3) full fiscal years preceding the fiscal year in which the Termination Upon Change-in-Control occurs, 200% of the average target bonus for the number of full fiscal years Executive was employed by the Company prior to the Change-in-Control or 200% of the target bonus for the fiscal year in which the Termination Upon Change-in-Control occurs if the Executive was not eligible to receive a bonus from the Company during any of the prior three (3) fiscal years. This lump sum amount shall be paid no later than sixty (60) days after the Termination Date of the Termination Upon Change-in-Control.

2.3 Acceleration of Equity Awards. All then unvested and outstanding Equity Awards granted to Executive prior to the Change-in-Control shall have their vesting and exercisability accelerated in full on the Termination Date of the Termination Upon Change-in-Control; provided, however, that notwithstanding any provision in this Agreement to the contrary, if the Equity Awards held by the

Executive are not assumed upon a Change-in-Control, then all such Equity Awards shall have their vesting and exercisability accelerated in full immediately prior to the Change-in-Control regardless of whether there is a Termination Upon Change-in-Control. If the consideration to be received by stockholders of the Company in connection with the Change-in-Control consists of substantially all cash, then all such Equity Awards shall have their vesting and exercisability accelerated in full immediately prior to the Change-in-Control regardless of whether there is a Termination Upon Change-in-Control. To the extent the amount payable pursuant to an Equity Award is determined based upon performance and, at the time of acceleration, the performance period has not been completed, the amount payable pursuant to the Equity Award shall be computed by assuming performance at the target level.

2.4 Extended Insurance Benefits.

2.4.1 Benefit Continuation. If the Executive timely elects health insurance continuation coverage under COBRA, then the Company shall reimburse the COBRA premiums paid to provide health insurance coverage for Executive and Executive's dependents for 18 months, provided that the amount to be reimbursed shall be based on the Company's health insurance coverage as in effect for such person immediately prior to the Termination Upon Change-in-Control. The date of the "qualifying event" for the Executive and any of Executive's dependents shall be the date of the Termination Upon Change-in-Control. Subsequent to expiration of the 18-month period, the Company shall pay monthly to Executive for six months an amount equal to the amount of the COBRA premium it was reimbursing as of the end of the 18-month period.

2.4.2 Coverage Under Another Plan. Notwithstanding the preceding provisions of this Section 2.4, upon the Executive's becoming covered as a primary insured (that is, not as a beneficiary under a spouse's or partner's plan) under another employer's group health plan during the period provided for herein, the Executive promptly shall inform the Company and the Company's obligations under Section 2.4.1 shall cease.

3. FEDERAL EXCISE TAX UNDER SECTION 280G

If (i) any amounts payable to the Executive under this Agreement or otherwise are characterized as excess parachute payments pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the Executive thereby would be subject to any United States federal excise tax due to that characterization, then Executive's termination benefits hereunder will be reduced to an amount so that none of the amounts payable constitute excess parachute payments if this would result, after taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, in Executive's receipt on an after-tax basis of the greatest amount of termination and other benefits. The determination of any reduction required pursuant to this section (including the determination as to which specific payments shall be reduced) shall be made by a neutral party designated by the Company and such determination shall be conclusive and binding upon the Company or any related corporation for all purposes.

4. DEFINITIONS

4.1 Capitalized Terms Defined. Capitalized terms used in this Agreement shall have the meanings set forth in this Section 4, unless the context clearly requires a different meaning.

4.2 "Base Salary" means the base salary of the Executive immediately preceding the Executive's Termination Date.

4.3 "Board" means the Company's Board of Directors.

4.4 "Cause" means:

(a) Executive's willful and continued failure to substantially perform Executive's duties after written notice providing Executive with ninety (90) days from the date of Executive's receipt of such notice in which to cure;

(b) conviction of (or plea of guilty or no contest to) Executive for a felony involving moral turpitude;

(c) Executive's willful misconduct or gross negligence resulting in material harm to the Company; or

(d) Executive's willful violation of the Company's policies resulting in material harm to the Company.

4.5 "Change-in-Control" means:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), other than a trustee or other fiduciary holding securities of the Company under an employee benefit plan of the Company or its subsidiaries, becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly (excluding, for purposes of this Section 4.5, securities acquired directly from the Company), of securities of the Company representing at least thirty-five percent (35%) of (A) the then-outstanding shares of common stock of the Company or (B) the combined voting power of the Company's then-outstanding securities;

(b) the consummation of a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(c) a change in the composition of the Board occurring within a 24-month period, as a result of which fewer than a majority of the Directors are Incumbent Directors;

(d) the sale or disposition of all or substantially all of the Company's assets (or consummation of any transaction, or series of related transactions, having similar effect); or

(e) stockholder approval of the dissolution or liquidation of the Company.

4.6 "Company" means VeriSign, Inc. and, following a Change-in-Control, any Successor.

4.7 "Director" means a member of the Board.

4.8 "Disability" shall have the meaning given such term under Section 409A of the Code.

4.9 "Equity Award" shall mean any option, restricted stock award, restricted stock unit award, stock appreciation right or other equity award to acquire shares of the Company's common stock granted or issued to the Executive.

4.10 "Good Reason" means the occurrence of any of the following conditions, without Executive's written consent:

(a) a change in the Executive's authority, duties or responsibilities that is inconsistent in any material and adverse respect from the Executive's authority, duties and responsibilities immediately preceding the Change-in-Control;

(b) a reduction in Executive's base salary compared to Executive's base salary immediately preceding the Change-in-Control, except for an across-the-board reduction of not more than ten percent (10%) of base salary applicable to all senior executives of the Company;

(c) a reduction in Executive's bonus opportunity of five percent (5%) or more from Executive's bonus opportunity immediately preceding the Change-in-Control, except for an across-the-board reduction applicable to all senior executives of the Company;

(d) a failure to provide Executive with long-term incentive opportunities that in the aggregate are at least comparable to the long-term incentives provided to other senior executives at the Company;

(e) a reduction of at least 5% in aggregate benefits that Executive is entitled to receive under all employee benefit plans of the Company following a Change-in-Control compared to the aggregate benefits Executive was eligible to receive under all employee benefit plans maintained by the Company immediately preceding the Change-in-Control; or

(f) a requirement that Executive be based at any office location more than 40 miles from Executive's primary office location immediately preceding the Change-in-Control, if such relocation increases Executive's commute by more than ten (10) miles from Executive's principal residence immediately preceding the Change-in-Control; or

(g) the failure of the Company to obtain the assumption of this Agreement from any Successor as provided in Section 12.1 of this Agreement.

4.11 "Incumbent Directors" shall mean Directors who either (i) are Directors as of the date hereof, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

4.12 "Successor" means any successor to the Company or assignee of substantially all of the Company's business and/or assets whether or not as part of a Change-in-Control.

4.13 "Termination Date" means the effective date of any termination of Executive's employment with the Company or a Successor.

4.14 "Termination Upon Change-in-Control" means (i) during the twenty-four (24) months following the consummation of a Change-in-Control any termination of the employment of the Executive by the Company without Cause, or any resignation by the Executive for Good Reason; or (ii) any termination of the employment of the Executive by the Company without Cause occurring within six (6) months prior to the consummation of such Change-in-Control that is requested by a third party as part of such Change-in-Control. Executive must provide written notice to the Company within ninety (90) days of the existence of Good Reason and provide the Company with at least thirty (30) days to cure the circumstances giving rise to Good Reason. Notwithstanding the preceding sentences of this section and section 4.13, with respect to a termination described in (ii) of this section 4.14, (1) the effective date of the Change-in-Control shall be deemed the Termination Date for purposes of this Agreement and (2) with respect to Equity Awards, to the extent they would have otherwise terminated or been forfeited prior to the Change-in-Control as a result of the Executive's termination of employment, they shall be deemed to have continued in existence until the Change-in-Control (but without any right to exercise, settlement or additional vesting during the period of continuation).

5. RELEASE OF CLAIMS

Executive's receipt of payments and benefits under this Agreement (other than those provided pursuant to Section 2.1) is conditioned upon the delivery by Executive of a signed Termination Release Agreement in substantially the form attached hereto as Exhibit A; provided, however, that the Executive shall not be required to release any rights the Executive may have to be indemnified by the Company. Notwithstanding any provisions to the contrary herein, no benefits shall be payable pursuant to this Agreement until and unless seven days have elapsed after a signed Termination Release Agreement has been delivered (and Executive has not revoked the Termination Release Agreement during said seven day period) and such signed Termination Release Agreement is delivered no later than the 53rd day following the Termination Date. If a Termination Release Agreement is not executed and delivered by the 53rd day following the Termination Date or the Executive revokes such Termination Release Agreement, no benefits will be paid under this Agreement and the Executive will have no further rights hereunder.

6. EXCLUSIVE REMEDY

The Executive shall be entitled to no other termination, severance or change of control compensation, benefits, or other payments from the Company as a result of any Termination Upon a Change-in-Control with respect to which the payments and/or benefits described in Section 2 have been provided to the Executive, except as expressly set forth in this Agreement.

7. CONFLICT IN BENEFITS; NONCUMULATION OF BENEFITS

7.1 No Limitation of Regular Benefit Plans. Except as provided in Section 7.2 below, this Agreement is not intended to and shall not affect, limit or terminate any plans, programs or arrangements of the Company that are regularly made available to a significant number of employees or officers of the Company, including without limitation the Company's equity incentive plans.

7.2 Noncumulation of Benefits. Executive may not cumulate cash severance payments, vesting acceleration of any Equity Award or other termination benefits under this Agreement with those provided under any other written agreement with the Company and/or other plan or policy of the Company. If the Executive has any other binding written agreement or other binding arrangement with the Company that provides that upon a Change-in-Control or termination of employment the Executive shall receive benefits, then Executive must waive Executive's rights to such other benefits to receive benefits under this Agreement.

8. PROPRIETARY AND CONFIDENTIAL INFORMATION

Executive's receipt of the payments and benefits described in this Agreement are conditioned upon the Executive's acknowledgment of Executive's continuing obligation under, and Executive's agreement to abide by the terms and conditions of, the Company's Confidentiality and/or Proprietary Rights Agreement between the Executive and the Company. Accordingly, during the term of this Agreement and following any Termination Upon Change-in-Control, Executive agrees to continue to abide by the terms and conditions of the Company's Confidentiality and/or Proprietary Rights Agreement between the Executive and the Company.

9. NON-SOLICITATION/NON-COMPETITION

For a period of one (1) year following Termination Upon Change-in-Control: (i) the Executive will not solicit the services or business of any employee or consultant of the Company to discontinue that person's or entity's relationship with or to the Company without the written consent of the Company; and (ii) the Executive will not engage (whether as an employee, director, or independent contractor) in a business in which the Company or any subsidiary of the Company is engaged immediately prior to the Change-in-Control.

10. RESOLUTION OF DISPUTES THROUGH ARBITRATION OR THE COURTS

10.1 Matters Subject to Arbitration or Judicial Enforcement. Any claim, dispute or controversy arising out of this Agreement, the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be submitted by the parties to binding arbitration by a sole arbitrator under the rules of the American Arbitration Association; provided, however, that (1) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to the trade secrets, confidential and proprietary information or other intellectual property of the Company upon the Executive or any third party; and (2) this arbitration provision shall not preclude the Company from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's intellectual property or breach of Executive's obligations under Sections 8 and 9 of this Agreement. Judgment may be entered on the award of the arbitrator in any court having jurisdiction.

10.2 Site of Arbitration. The site of the arbitration proceeding shall be in Virginia.

10.3 Legal Fees and Expenses. The Company shall reimburse the Executive for all reasonable legal fees and expenses that Executive incurs in connection with Executive's prosecution or defense of any breach of this Agreement unless Executive does not substantially prevail. Executive shall reimburse the Company for all reasonable legal fees and expenses that the Company incurs in connection with the Company's prosecution or defense of any breach of this Agreement unless the Company does not substantially prevail.

11. NOTICES

For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by mail or courier with appropriate evidence of mailing or delivery to the courier:

(i) if to the Company: VeriSign, Inc.
21355 Ridgetop Circle
Dulles, VA 20166
Attention: General Counsel

and, (ii) if to the Executive, at the address indicated in the Executive's personnel file or such other address specified by the Executive in writing to the Company. Either party may provide the other with notices of change of address, which shall be effective upon receipt.

12. MISCELLANEOUS PROVISIONS

12.1 Heirs and Representatives of the Executive; Successors and Assigns of the Company. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devises and legatees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Company. The Company agrees that in connection with any Change-in-Control, it will cause any Successor unconditionally to assume by written instrument delivered to Executive (or Executive's beneficiary), all of the obligations of the Company hereunder.

12.2 No Assignment of Rights. The interest of the Executive in this Agreement or in any distribution to be made under this Agreement may not be assigned, pledged, alienated, anticipated, or otherwise encumbered (either at law or in equity) and shall not be subject to attachment, bankruptcy, garnishment, levy, execution, or other legal or equitable process. Any act in violation of this Section 12.2 shall be void.

12.3 Amendment; Waiver. Any provision of this Agreement may be modified or amended in the sole discretion of a majority of the Board; provided however that any modification or amendment detrimental to Executive shall not be effective if consummation of a Change-in-Control occurs within one year after the date of adoption of such modification or amendment. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

12.4 Entire Agreement. This Agreement represents the entire agreement and understanding between the parties as to the subject matter herein (whether oral or written and whether express or implied) and expressly supersedes any existing agreement or understanding providing for any change control, severance, termination or similar benefits by and between the Executive and the Company.

12.5 Withholding Taxes; Section 409A. All payments made under this Agreement shall be subject to reduction to reflect all federal, state, local and other taxes required to be withheld by applicable law. Notwithstanding any provision in

Section 2 to the contrary, to the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code, and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of Executive's "separation from service" (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) with the Company; (ii) the date of Executive's Disability; or (iii) the date of Executive's death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum.

12.6 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

12.7 Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Virginia, without regard to where the Executive has Executive's residence or principal office or where Executive performs Executive's duties hereunder.

12.8 Effective Date; Term of Agreement.

12.8.1 Effective Date. The "Effective Date" of this Agreement is , 2011.

12.8.2 Term of Agreement. This Agreement shall commence on the Effective Date and shall have an initial term that shall extend until August 24, 2012. Thereafter, this Agreement shall be extended automatically without further action as of August 24, 2012 and on each anniversary thereafter, for terms of one year unless at least ninety (90) days prior to any such date the Board shall notify Executive in writing of such non-renewal, such notice of non-renewal to be provided by the Board to the Executive at least ninety (90) days before the end of the then current term. If the written notice of non-renewal is not provided by the Board to the Executive before the last ninety (90) days of a term then the Agreement will not terminate until the end of the immediately subsequent term. Any termination of this Agreement shall not be effective if consummation of a Change-in-Control occurs within one year after such requested Agreement termination date. Notwithstanding the foregoing, following the occurrence of a Change-in-Control this Agreement shall terminate only at such time as all of the parties' respective obligations under this Agreement have been discharged.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EXECUTIVE

____

[Executive Signature]

VERISIGN, INC.

By: ______________________________

Title: ______________________________

EXHIBIT A

TERMINATION RELEASE AGREEMENT

As required by the Amended and Restated Change-in-Control and Retention Agreement, dated , 20 , between you and VeriSign, Inc., a Delaware corporation (the "***Change-in-Control and Retention Agreement***") to which this Termination Release Agreement (the "***Agreement***") is attached as **Exhibit A**, this Agreement sets forth below your waiver and release of claims in favor of VeriSign, Inc., and its officers, directors, employees, agents, representatives, subsidiaries, divisions, affiliated companies, successors, and assigns (collectively, the "***Company***") in exchange for the consideration provided for under the terms of the Change-in-Control and Retention Agreement.

1. GENERAL RELEASE AND WAIVER OF CLAIMS.

(a) The payments set forth in the Change-in-Control and Retention Agreement fully satisfy any and all accrued salary, vacation pay, bonus and commission pay, stock-based compensation, profit sharing, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or your termination of employment. You acknowledge that you have no claims and have not filed any claims against the Company based on your employment with or the separation of your employment with the Company.

(b) To the fullest extent permitted by law, you hereby release and forever discharge the Company, its successors, subsidiaries and affiliates, directors, shareholders, current and former officers, agents and employees (all of whom are collectively referred to as "***Releasees***") from any and all existing claims, demands, causes of action, damages and liabilities, known or unknown, that you ever had, now have or may claim to have had arising out of or relating in any way to your employment or non-employment with the Company through the Effective Date of this Agreement (as defined in Section 10), including, without limitation, claims based on any oral, written or implied employment agreement, claims for wages, bonuses, commissions, stock-based compensation, expense reimbursement, and any claims that the terms of your employment with the Company, or the circumstances of your separation, were wrongful, in breach of any obligation of the Company or in violation of any of your rights, contractual, statutory or otherwise. Each of the Releasees is intended to be a third party beneficiary of this General Release and Waiver of Claims.

(i) <u>Release of Statutory and Common Law Claims</u>. Such rights include, but are not limited to, your rights under the following federal and state statutes: the Employee Retirement Income Security Act (ERISA) (regarding employee benefits); the Occupational Safety and Health Act (safety matters); the Family and Medical Leave Act of 1993; the Worker Adjustment and

Retraining Act (WARN) (notification requirements for employers who are curtailing or closing an operation) and common law; tort; wrongful discharge; public policy; workers' compensation retaliation; tortious interference with contractual relations, misrepresentation, fraud, loss of consortium; slander, libel, defamation, intentional or negligent infliction of emotional distress; claims for wages, bonuses, commissions, stock-based compensation or fringe benefits; vacation pay; sick pay; insurance reimbursement, medical expenses, and the like.

(ii) Release of Discrimination Claims. You understand that various federal, state and local laws prohibit age, sex, race, disability, benefits, pension, health and other forms of discrimination, harassment and retaliation, and that these laws can be enforced through the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Labor, and similar state and local agencies and federal and state courts. You understand that if you believe your treatment by the Company violated any laws, you have the right to consult with these agencies and to file a charge with them. Instead, you have decided voluntarily to enter into this Agreement, release the claims and waive the right to recover any amounts to which you may have been entitled under such laws, including but not limited to, any claims you may have based on age or under the Age Discrimination in Employment Act of 1967 (ADEA; 29 U.S.C. Section 621 et. seq.) (age); the Older Workers Benefit Protection Act (OWBPA) (age); Title VII of the Civil Rights Act of 1964 (race, color, religion, national origin or sex); the 1991 Civil Rights Act; the Vocational Rehabilitation Act of 1973 (disability); The Americans with Disabilities Act of 1990 (disability); 42 U.S.C. Section 1981, 1986 and 1988 (race); the Equal Pay Act of 1963 (prohibits pay differentials based on sex); the Immigration Reform and Control Act of 1986; Executive Order 11246 (race, color, religion, sex or national origin); Executive Order 11141 (age); Vietnam Era Veterans Readjustment Assistance Act of 1974 (Vietnam era veterans and disabled veterans); and Virginia state statutes and local laws of similar effect.

(iii) Releasees and you do not intend to release claims which you may not release as a matter of law (including, but not limited to, indemnification claims under applicable law). To the fullest extent permitted by law, any dispute regarding the scope of this general release shall be determined by an arbitrator under the procedures set forth below.

2. **<u>Covenant Not to Sue</u>.**

(a) To the fullest extent permitted by law, you agree that you will not now or at any time in the future pursue any charge, claim, or action of any kind, nature and character whatsoever against any of the Releasees, or cause or knowingly permit any such charge, claim or action to be pursued, in any federal, state or municipal court, administrative agency, arbitral forum, or other tribunal, arising out of any of the matters covered by Section 1 above.

(b) You further agree that you will not pursue, join, participate, encourage, or directly or indirectly assist in the pursuit of any legal claims against the Releasees, whether the claims are brought on your own behalf or on behalf of any other person or entity.

(c) Nothing herein prohibits you from: (1) providing truthful testimony in response to a subpoena or other compulsory legal process, and/or (2) filing a charge or complaint with a government agency such as the Equal Employment Opportunity Commission, the National Labor Relations Board or applicable state anti-discrimination agency.

3. **<u>Arbitration of Disputes</u>**. Except for claims for injunctive relief arising out of a breach of the Confidentiality Agreement, you and the Company agree to submit to mandatory binding arbitration any disputes between you and the Company arising out of or relating to this Agreement. You agree that the American Arbitration Association will administer any such arbitration(s) under its National Rules for the Resolution of Employment Disputes, with administrative and arbitrator's fees to be borne by the Company. The arbitrator shall issue a written arbitration decision stating his or her essential findings and conclusions upon which the award is based. The parties agree that the arbitration award shall be enforceable in any court having jurisdiction to enforce this Agreement. This Agreement does not extend or waive any statutes of limitations or other provisions of law that specify the time within which a claim must be brought. Notwithstanding the foregoing, each party retains the right to seek preliminary injunctive relief in a court of competent jurisdiction to preserve the status quo or prevent irreparable injury before a matter can be heard in arbitration.

4. **<u>Review of Agreement</u>**. You may take up to twenty-one (21) days from the date you receive this Agreement, to consider whether to sign this Agreement. By signing below, you affirm that you were advised to consult with an attorney before signing this Agreement and were given ample opportunity to do so. You understand that this Agreement will not become effective until you return the original of this Agreement, properly signed by you, to the Company, Attention: General Counsel, and after expiration of the revocation period without revocation by you.

5. **<u>Revocation of Agreement</u>**. You acknowledge and understand that you may revoke this Agreement by sending a written notice of revocation to Attention: General Counsel, VeriSign,Inc, 21355 Ridgetop Circle, Dulles, VA 20166, any time up to seven (7) days after you sign it. After the revocation period has passed, however, you may no longer revoke your Agreement.

6. **Entire Agreement**. This Agreement and the Change-in-Control and Retention Agreement are the entire agreement between you and the Company with respect to the subject matter herein and supersede all prior negotiations and agreements, whether written or oral, relating to this subject matter. You acknowledge that neither the Company nor its agents or attorneys, made any promise or representation, express or implied, written or oral, not contained in this Agreement to induce you to execute this Agreement. You acknowledge that you have signed this Agreement voluntarily and without coercion, relying only on such promises, representations and warranties as are contained in this document and understand that you do not waive any right or claim that may arise after the date this Agreement becomes effective.

7. **Modification**. By signing below, you acknowledge your understanding that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by your and the Company's authorized representatives.

8. **Governing Law**. This Agreement is governed by, and is to be interpreted according to, the laws of the State of Virginia.

9. **Savings and Severability Clause**. Should any court, arbitrator or government agency of competent jurisdiction declare or determine any of the provisions of this Agreement to be illegal, invalid or unenforceable, the remaining parts, terms or provisions shall not be affected thereby and shall remain legal, valid and enforceable. Further, if a court, arbitrator or agency concludes that any claim under Section 1 above may not be released as a matter of law, the General Release in Section 1 shall otherwise remain effective as to any and all other claims.

10. **Effective Date**. The effective date of this Agreement shall be the eighth day following the date this Agreement was signed, without having been revoked within seven (7) days thereafter, by you.

PLEASE SIGN THIS AGREEMENT NO EARLIER THAN YOUR TERMINATION DATE (AS DEFINED IN THE CHANGE-IN-CONTROL AND RETENTION AGREEMENT) AND RETURN IT TO THE GENERAL COUNSEL AT THE COMPANY.

PLEASE REVIEW CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

REVIEWED, UNDERSTOOD AND AGREED:

______________________________	Date: ______________________________
Executive	

DO NOT SIGN PRIOR TO THE TERMINATION DATE

VERISIGN

SEPARATION & GENERAL RELEASE OF CLAIMS AGREEMENT

I, **Kevin Werner**, acknowledge that my employment with Verisign, Inc. and/or a subsidiary of Verisign, Inc. (collectively, "Verisign" or the "Company") terminated on **April 29, 2011** (the "**Termination Date**"). In connection with the termination of my employment and in consideration of the payments and benefits to be provided by Verisign, as described in Appendix A, including the attached Equity Summary Statement which is incorporated therein (the "Separation Package"), I hereby agree to be bound by the terms of this Separation & General Release of Claims Agreement ("Release Agreement"), as follows:

1.0 SEPARATION PAYMENTS AND BENEFITS

1.1 The Company will provide to me the Separation Package stated in Appendix A, provided that I accept and sign this Release Agreement and, to the extent that the right of revocation under Section 6.1 below applies to me, I do not revoke my acceptance, and provided further that prior to the termination of my employment I have agreed to and signed the Amendment to Options and RSUs. I understand and agree that if I have not signed the Amendment to Options and RSUs prior to the termination of my employment with the Company, I will not be entitled to receive the benefits of any of the stock option or RSU acceleration described in Appendix A.

1.2 All payments to be made by the Company shall be treated as wages for tax purposes, and the Company therefore will deduct and withhold from the gross amounts applicable taxes, including Federal Insurance Contributions Act ("FICA") taxes and federal, state and local income taxes.

1.3 I understand and agree that I am entitled to the payments, vesting acceleration and other benefits of the Separation Package only if I accept and sign this Release Agreement, return it to the Company in a timely manner, and do not revoke my acceptance (if I have that right) in a timely manner. I understand that the Company's obligation to provide the Separation Package is conditioned upon my compliance with the terms and conditions of this Release Agreement, and I agree that if I fail to comply with all of the terms and conditions of this Release Agreement, I will not be entitled to any of the Separation Package.

1.4 I acknowledge that I have been paid all wages and accrued, unused vacation that I earned during my employment with the Company through the Termination Date.

I understand and agree that I shall not be entitled to any other or further compensation, remuneration, benefits, payments, grants or vesting of options, stock, restricted stock units ("RSUs") or other equity awards of or from the Company other than those expressly set forth in Appendix A; *provided, however*, that nothing in this Release Agreement affects any vested benefits that I may have under any Company-sponsored retirement plan.

1.5 I understand, acknowledge and agree that, except as may be modified by this Release Agreement and the Amendment to Options and RSUs that I signed, the terms and conditions of the plans and agreements under which my stock options and RSUs, if any, were granted shall continue to control, including, for example, the limitations on the period within which the stock options may be exercised following my Termination Date. I further understand, acknowledge and agree that certain equity grants made to me continue to be subject to additional restrictions imposed by the Verisign Stock Retention Policy for Verisign Board of Directors and Section 16 Officers (the "Verisign Stock Retention Policy") and I agree to comply with all such applicable restrictions.

2.0 COMPLETE GENERAL RELEASE OF CLAIMS AND COVENANT NOT TO SUE

2.1 General Release. Except as provided below in Section 2.6, I, for myself and on behalf of my heirs, executors and personal representatives, hereby unconditionally, irrevocably and absolutely release and forever discharge Verisign, and any parent and subsidiary corporations, divisions and affiliated corporations, benefit plans, partnerships or other affiliated entities of Verisign, past and present, and each of their current and former employees, officers, directors, agents, purchasers, successors and assigns (collectively, "Released Parties") from and against any and all liability, damages, actions and claims of any kind whatsoever, known and unknown, that I may now have or may have had, or thereafter claim to have had, on behalf of myself or any other person or entity, at any time, arising out of, or related in any way to, any acts or omissions done or occurring in whole or in part prior to and including the date of this Release Agreement, to the fullest extent permitted by law, including, but not limited to, all such matters arising out of, or related in any way to, my employment or the termination of my employment with the Company. This release is intended to have the broadest possible application and includes, but is not limited to, the release of any tort, contract, common law, constitutional or statutory claims, including, but not limited to alleged violations of the California Labor Code and comparable provisions of the Code of Virginia, including Title 40.1 (Labor and

Employment), the California Fair Employment and Housing Act and comparable provisions of the Code of Virginia, including Title 36 (Housing), Title VII of the Civil Rights Act of 1964, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act, the Older Workers Benefit Protection Act, the Age Discrimination in Employment Act of 1967, as amended, the Equal Pay Act of 1963, the Employee Retirement Income Security Act, or any other federal, state or local law, regulation, or ordinance and all claims for attorneys' fees, costs and expenses.

2.2 California Civil Code Section 1542 Waiver. I expressly acknowledge and agree that I have read Section 1542 of the Civil Code of the State of California, which states in full:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

I hereby waive any right which I have or may have under Section 1542 or any similar statute or regulation of the state in which I reside to the full extent that I may lawfully waive such rights pertaining to this general release of claims.

2.3 By signing this Release Agreement, I also expressly acknowledge and represent that: (i) I have suffered no injuries or occupational diseases arising out of or in connection with my employment with the Company; (ii) I have received all wages to which I was entitled as an employee of the Company; (iii) I have received all leave to which I was entitled under the Family and Medical Leave Act of 1993 ("FMLA"); (iv) I am not currently aware of any facts or circumstances constituting a violation of the FMLA, the Fair Labor Standards Act ("FLSA"), or any comparable federal, state, or local law (including the California Labor Code and the Code of Virginia); and (v) I have no pending grievances, claims, administrative charges, or lawsuits against the Released Parties.

2.4 To the maximum extent permitted by law, I expressly waive my right to any monetary recovery or any other individual relief in connection with any EEOC charge or other administrative charge or should any federal, state or local administrative agency or any other person pursue any claims on my behalf arising out of or related to my employment and/or the termination of my employment with the Company.

2.5 Covenant Not To Sue. Except as provided below in Section 2.6, I agree not to file, join in or prosecute any lawsuits against the Company or any of the other Released Parties asserting any claims that I have released under this Release Agreement.

2.6 Claims Not Released. Notwithstanding anything in this Release Agreement to the contrary, nothing in this Release Agreement will waive, relinquish, diminish, or in any way affect (i) any vested rights that I may have under Company retirement plans; (ii) my right to challenge the validity and enforceability of this Release Agreement's release of claims under the Age Discrimination in Employment Act of 1967, as amended; or (iii) any rights or claims that, as a matter of law, cannot be released or waived.

3.0 OTHER AGREEMENTS AND REPRESENTATIONS

3.1 Nondisparagement. I agree that I will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices, products, services or conduct of the Company or any of the other Released Parties.

3.2 Confidentiality and Return of Company Property. I understand and agree that as a condition of receiving any of the Separation Package, all Company property must be returned to the Company. By signing this Release Agreement, I represent and warrant that I have returned to the Company all the Company property, data and information belonging to the Company and have not retained any copies, whether electronic or otherwise. I acknowledge that during the course of my employment with the Company I have acquired knowledge of, and/or had access to, trade secrets, confidential and proprietary information of the Company and of third parties which is subject to confidentiality and other agreements by and between the Company and those third parties ("Confidential Information"). Such Confidential Information, includes, but is not limited to: financial and pricing information; business, research, and new product plans and strategies; patent applications and invention disclosures; yields, designs, efficiencies, and capacities of production methods, processes, facilities and systems at the Company and its contractors; customer and vendor lists, key contacts, habits, and product and purchasing plans; marketing information, plans and strategies; existing and anticipated agreements with customers, vendors, and other third parties; product design information, including layouts for integrated circuits, circuit boards, integrated circuit specifications, test procedures, internal test parameters and related information; information regarding Company employees, their projects, and their salaries, benefits and other personnel information. I agree that I will not use or disclose to others any Confidential Information.

3.3 Continuing Obligations. I further agree to comply with any obligations regarding confidential information and inventions set forth in any agreements previously entered into by me with the Company or its predecessors. Such provisions and obligations shall remain in effect notwithstanding this Release Agreement and the ending of my employment. I understand, acknowledge and agree that notwithstanding anything else in this Agreement I will continue to be subject to the Verisign Incentive Compensation Recovery Policy even after the termination of my employment with Verisign.

3.4 Cooperation. For two years beginning on the Termination Date, I agree to make myself reasonably available upon reasonable notice from the Company or its attorneys to provide testimony through declarations, affidavits, depositions or at a hearing or trial, and to work with the Company in preparation for such event, and to cooperate with any other reasonable request by the Company in connection with the defense or prosecution of any lawsuit to which the Company is a party currently pending or filed after the Termination Date. If the Company so requests my cooperation in connection with any legal matter then the Company agrees to pay for any reasonable expenses, such as commercial airfare or lodging, that I incur in connection with assisting the Company, provided that I notify the Company in advance of what my reasonable expenses are expected to be and receive prior written approval from the Company for such expenses. I further agree both to immediately notify the Company upon receipt of any court order, subpoena, document or any legal discovery device that requests my involvement in any way in any legal matter concerning the Company, or that seeks or might require the disclosure or production of the existence or terms of this Agreement, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or legal discovery device to the Company.

4.0 ADDITIONAL DISCLOSURES AND NOTICE OF RIGHTS.

4.1 I acknowledge, agree and understand that:

(a) under this Release Agreement I am waiving and releasing, among other claims, any rights and claims that may exist under the Age Discrimination in Employment Act of 1967, as amended (ADEA);

(b) the waiver and release of claims set forth in Section 2.1 above does not apply to any rights or claims that may arise under the ADEA after the date of execution of this Release Agreement;

(c) nothing in this Release Agreement prohibits me from challenging the validity of this Release Agreement's waiver and release of claims under the ADEA;

(d) the payments and other consideration that are being provided to me under this Release Agreement are of significant value and in addition to what I otherwise would be entitled;

(e) I have been advised by the Company in writing to consult with an attorney before signing this Release Agreement, and I have done so to the extent that I deemed it necessary or appropriate.

4.2 I also acknowledge that, if I am forty (40) years old or older on the date that I execute this Release Agreement, I have received from the Company a document describing:

(a) (i) the class, unit, or group of individuals covered by the program under which my employment terminated and under which I am being offered certain payments and benefits in consideration for this Release Agreement, (ii) the eligibility factors for the program, and (iii) any time limits applicable to the program; and

(b) (i) the job titles and ages of all individuals eligible or selected for the program, and (ii) the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the program.

5.0 ENFORCEMENT AND CONSEQUENCES OF BREACH

5.1 I agree that if I assert any claim against the Company or any of the other Released Parties in violation of the foregoing Complete General Release of Claims and Covenant Not to Sue, or otherwise breach any provision of this Release Agreement, then the Company shall be entitled to recover from me damages flowing from such breach, I will not be entitled to any of the Separation Package, and I will be liable for the costs and attorneys' fees that the Company and other Released Parties incur in any action arising as a result of my breach, to the maximum extent permitted by law. However, nothing in this Release Agreement will interfere with my right to challenge the enforceability of this Release Agreement's release of claims under the ADEA, and I shall not be required to tender back payments made to me nor will I be liable for the costs and attorneys' fees that the Company and other Released Parties incur in connection with a challenge by me of the foregoing release of claims under the ADEA.

6.0 EFFECTIVE DATE

I understand and agree that if I am forty (40) years old or older on the date that I execute this Release Agreement, the definition of "Effective Date" and other provisions in Section 6.1 shall apply, and if I am thirty-nine (39) years old or younger on the date that I execute this Release Agreement, the definition of "Effective Date" and other provisions in Section 6.2 shall apply.

6.1 I understand and agree that if I am forty (40) years old or older on the date that I execute this Release Agreement, I am being given a period of forty-five (45) days within which to review and consider this Release Agreement before signing it and that the offer of the Separation Package shall expire on the forty-sixth (46th) calendar day after I receive this Release Agreement if I have not accepted it by that time. I also understand that I may revoke this Release Agreement by providing written notice to the Company within seven (7) days following its execution. Accordingly, this Release Agreement and the Company's obligation to provide the Separation Package to which it is attached shall not become effective and enforceable until such seven-day revocation period has expired. Any revocation must be in writing and received by Kathryn Cross, Vice President, Compensation & Benefits, 490 East Middlefield Road, Mountain View, CA 94043, by the seventh day after you returned the signed Release Agreement to the Company in order to be effective. If I revoke my acceptance of this Release Agreement, I will not be entitled to any of the Separation Package. If I do not revoke acceptance of this Release Agreement within the seven-day revocation period, this Release Agreement shall become binding and enforceable on the eighth day following my signing of this Release Agreement (the "**Effective Date**").

6.2 I understand and agree that if I am thirty-nine (39) years old or younger on the date that I execute this Release Agreement, I am being given a period of fourteen (14) days within which to review and consider this Release Agreement before signing it and that the offer of the Separation Package shall expire on the fifteenth (15th) calendar day after I receive this Release Agreement if I have not accepted it by that time. This Release Agreement shall become binding and enforceable upon my execution and return of this Release Agreement to the Company (the "**Effective Date**"), provided that it is executed and returned to the Company within the timeframe specified above in this Section 6.2 .

7.0 MISCELLANEOUS

7.1 Reformation and Severability. Whenever possible, each provision of this Release Agreement will be interpreted in such manner as to be effective and valid under applicable law. If, however, any of the provisions contained in this Release Agreement is declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, I agree that such provision shall be modified and reformed, if possible, in order to achieve, to the extent possible, the intentions of the parties, and, if necessary, such provision shall be deemed severable, such that all other provisions contained in this Release Agreement shall remain valid and binding*; provided, however,* that if any portion of the General Release contained in Section 2.1 is held to be invalid or unenforceable, then the entire Release Agreement, including any obligation to provide the Separation Package, shall be voidable at the option of the Company.

7.2 Full Defense. This Release Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by or on behalf of me in breach hereof.

7.3 Applicable Law and Jurisdiction. The validity, interpretation and performance of this Release Agreement shall be governed by the laws of the state of Virginia regardless of any principles of conflicts of laws or choice of laws of any jurisdiction. I agree that the exclusive jurisdiction and venue of any lawsuit arising under this Agreement shall be the state and federal courts in Fairfax County or Loudon County, Virginia, and I hereby irrevocably agree, acknowledge and submit to the exclusive jurisdiction and venue of such courts for the purposes of any such lawsuit.

7.4 No Transfer or Assignment of Claims. I represent and warrant that no person had or has or claims any interest in the claims referred to anywhere in this Release Agreement. I also represent and warrant that I have the sole right and exclusive authority to execute this Release Agreement and that I have the sole right to receive the consideration paid therefore. I also represent and warrant that I have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim against the Company or any of the Released Parties or portion thereof or interest therein, and I will not assign or otherwise transfer any claim or demand relating to any matter covered by this Release Agreement or the consideration to be paid pursuant thereto.

7.5 No Admissions. I understand that by offering me the Separation Package under this Release Agreement, the Released Parties make no admission that they have engaged, or are now engaging, in any unlawful conduct. I understand and acknowledge that this Release Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

7.6 Section Headings. The various section headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Release Agreement or any section thereof.

7.7 Entire Agreement; Modification. This Release Agreement and the accompanying Appendix A (with the attached Equity Summary Statement) are intended to be the entire agreement between me and the Company regarding the subject matter herein and, except as provided in Sections 1.5 and 3.3 above, supersede and cancel any and all other and prior agreements, written or oral, between me and the Company regarding this subject matter. This Release Agreement may be amended only by a written instrument executed by both me and an authorized representative of Verisign.

7.8 Facsimile Signature. I understand and agree that I must return the signed Release Agreement (including Appendix A) via facsimile transmission to Donna Walcott in Human Resources at (650) 237-8835 by the applicable deadline set forth in Section 6 and that a facsimile copy of my signature shall be deemed the equivalent of an original.

BY SIGNING YOUR NAME BELOW, YOU ACKNOWLEDGE AND REPRESENT THAT YOU ARE ENTERING INTO THIS RELEASE AGREEMENT FREELY, KNOWINGLY, AND VOLUNTARILY AND WITH A FULL UNDERSTANDING OF ITS TERMS AND EFFECT. YOU ARE ADVISED TO CONSULT WITH YOUR OWN PERSONAL ATTORNEY BEFORE SIGNING THIS RELEASE AGREEMENT. YOU ALSO ACKNOWLEDGE AND REPRESENT THAT YOU HAVE NOT RELIED ON ANY REPRESENTATION OR STATEMENT OTHER THAN THOSE CONTAINED IN THIS RELEASE AGREEMENT.

/s/ Kevin A. Werner	Kevin A. Werner
Employee's Signature	Print Name of Employee

Date: May 1, 2011

Please remember to sign this Release Agreement and fax the entire Agreement (including Appendix A) to Donna Walcott in Human Resources at (650) 237-8835 within the time period set forth in Section 6.0 above.

On behalf of Verisign, Inc.

/s/ Christine C. Brennan	May 3, 2011
Christine Brennan Senior Vice President Human Resources	Date

VERISIGN

APPENDIX A

To
SEPARATION & GENERAL RELEASE OF CLAIMS AGREEMENT

Kevin Werner

SEPARATION PACKAGE

Provided that you sign the Separation & General Release of Claims Agreement (the "Release Agreement"), return it to the Company in a timely manner, and do not revoke your acceptance (if you have that right), you will receive the below separation payments and equity acceleration benefits. Notwithstanding the foregoing, please note that the equity benefits in Sections B. – C. are contingent upon you having signed and returned Attachment 2 (Amendment to Options and RSUs) to your termination notice prior to the termination of your employment with the Company:

A. CASH SEPARATION PAYMENTS

The following payments will be made within thirty (30) days after you sign and timely return the Separation & General Release of Claims Agreement to the Company, provided you do not revoke your acceptance (if you have that right) in a timely manner.

	Gross Amount
Severance Amount	**$375,000**
Medical Insurance Replacement Amount	**$20,292.72**
Life Insurance Replacement Amount	**$1,757.40**
2011 Bonus Amount (for non-sales employees only)	**$73,356.16**, which equals 100% of your annual target bonus, pro-rated based on the number of days that you were actively employed by Verisign in 2011.
Any leave of absence days taken in 2011 will not be considered active employment and will not be factored in when calculating that year's bonus.	

B. ACCELERATION OF STOCK OPTION VESTING AND EXERCISABILITY

Vesting has been accelerated subject to exercise restrictions with respect to 25% of your “In-the-Money Options”, if any, that were scheduled to vest after your scheduled Termination Date specified in your Termination Notice. “In-the-Money Options” are those options that have a per share exercise price less than the closing price of Verisign, Inc. common stock, as quoted on the Nasdaq Global Market, on the date of your Termination Notice. Accelerated vesting has been applied to the eligible unvested “In-the-Money Options” having the lowest exercise price first.

The attached Equity Summary Statement reflects the Options that the Company will release for exercise within your E*Trade account, if any, subject to applicable post-employment exercise period limitations, as soon as administratively practicable (but no later than 30 days) after you sign and timely return the Separation & General Release of Claims Agreement to the Company and such Agreement becomes effective. All of such Options (together with any previously exercisable Options shown in your E*Trade account) will remain subject to the Verisign Stock Retention Policy for Verisign Board of Directors and Section 16 Officers (the “Verisign Stock Retention Policy”) as discussed below.

Vesting Acceleration Example for Options

Assumptions:

- Employee is provided a Termination Notice on 1/1 (the “Notice Date”) stating that Employee’s employment will terminate on 3/1 (the “Scheduled Termination Date”).
- Employee has 2,000 Options as of the Notice Date that are unvested:
    - 1,000 Options have an exercise price of $25 (Grant X)
    - 1,000 Options have an exercise price of $50 (Grant Y)
- Closing price (for illustrative purposes only) of Verisign, Inc. common stock on the Notice Date (1/1) is $30.
- 200 Options are scheduled to vest per month on the 15th day of each month (100 per Grant).
- Employee terminates on 3/1.

Notice Date	Scheduled Vest Date	Scheduled Vest Date	Scheduled Termination Date
1/1	1/15	2/15	3/1
Grant X	100	100	
Grant Y	100	100	

Outcome:

(a) Earned Options: On 1/15 and 2/15, Employee vests in 200 Options (100 from each Grant) on each regularly scheduled vesting date without condition of release or restriction on exercise because Employee remained employed through the scheduled vesting date.

(b) Acceleration of 25% of "In-the-Money Options": On the Scheduled Termination Date (3/1), Employee vests in 200 "In-the-Money Options" (as calculated below), subject to condition of release and restriction on exercise.

- Only Grant X is "In-the-Money" because its $25 strike price is below the $30 closing price on the Notice Date.
- 200 Options = 25% of the remaining unvested portion of Grant X that was scheduled to vest after the Scheduled Termination Date (*i.e.* 25% of 800 Options).

Application of Verisign Stock Retention Policy

Consistent with the Verisign Stock Retention Policy, upon exercise of any Options, the Company will (i) issue in a restricted certificate form that number of shares which is equal to the value of fifty percent (50%) of net gain on exercise (the "Retained Shares") and (ii) release for sale the remaining shares, both as soon as administratively practicable (but in no event later than 30 days) following the exercise date, subject to the Employee's timely returned signed Release Agreement having become effective. The Retained Shares shall remain subject to sale restrictions until October 29, 2011.

Example:

Strike Price: $24

Number of Options Exercised: 200

Closing Price on Last Open Market Date Prior to Exercise: $36

Estimated Income on Exercise: $2,400

Assumed Tax On Exercise (50%): $1,200

Net Gain on Exercise: $1,200

50% of Net Gain on Exercise: $600

Share Equivalent: 16

In this example, pursuant to the Verisign Stock Retention Policy, 16 shares would be issued in a restricted certificate form (and would be subject to sale restrictions until October 29, 2011) and the remaining shares would be released for sale, as soon as administratively practicable (but in no event later than 30 days) after exercise, subject to the Employee's timely returned signed Release Agreement having become effective.

C. ACCELERATION OF RSU VESTING AND SETTLEMENT

Vesting has been accelerated subject to sale restrictions with respect to 25% of your RSUs, if any, that are scheduled to vest after your Scheduled Termination Date specified in your Termination Notice.

The attached Equity Summary Statement reflects the shares underlying the RSUs that the Company will cause to be deposited in your E*Trade account, net after tax withholding. Consistent with the Verisign Stock Retention Policy, of those shares, an amount of shares equal to the value of fifty percent (50%) of net gain on vest will be issued in a restricted certificate form and must be retained for a six month period beginning on the Termination Date. The remaining shares will be made available for sale as soon as administratively practicable (but in no event later than 30 days) after you sign and timely return the Release Agreement and such Release Agreement becomes effective.

<u>Vesting Acceleration Example for RSUs</u>

Assumptions:

- Employee is provided a Termination Notice on 1/1 (the "Notice Date") stating that Employee's employment will terminate on 3/1 (the "Scheduled Termination Date").
- Employee has 1,000 RSUs as of the Notice Date that are unvested.
- 100 RSUs are scheduled to vest per month on the 15th day of each month.
- Employee terminates on 3/1.

Notice Date	Scheduled Vest Date	Scheduled Vest Date	Scheduled Termination Date
1/1	1/15	2/15	3/1
RSU	100	100	

Outcome:

(a) <u>Earned RSUs</u>: On 1/15 and 2/15, Employee vests in 100 RSUs on each regularly scheduled vesting date without condition of release or restriction on sale (except as set forth in the Verisign Stock Retention Policy) because Employee remained employed through the scheduled vesting date.

(b) <u>Acceleration of 25% of RSUs</u>: On the Scheduled Termination Date (3/1), Employee vests in 200 RSUs (as calculated below), subject to condition of release and restriction on sale:

- 200 RSUs = 25% of the remaining unvested portion of the RSUs that was scheduled to vest after the Scheduled Termination Date (*i.e.* 25% of 800 RSUs).

(c) <u>Application of Verisign Stock Retention Policy</u>:

<u>Example</u>:

<u>Number of Shares Vested On Termination Date</u>: 200

Closing Price on Day of Vest / Termination Date: $36

Income on Vest: $7,200

Tax on Vest (50%): $3,600

Net Gain on Vest: $3,600

50% of Net Gain on Vest: $1,800

Share Equivalent: 50

Shares Subject to Holding Requirement Per Verisign Stock Retention Policy: 50

In this example, pursuant to the Verisign Stock Retention Policy, 50 shares would be issued in a restricted certificate form as soon as administratively practicable (but no later than 30 days) after the Employee's timely returned signed Release Agreement becomes effective and the Employee would be required to retain those 50 shares until October 29, 2011. The remaining shares would be released for sale as soon as administratively practicable (but no later than 30 days) after the Employee's Release Agreement became effective.

In the event there is any discrepancy between the calculations in the equity acceleration process herein (Sections B and C above) and the calculations set forth on the attached Equity Summary Statement, the calculations set forth on the attached Equity Summary Statement shall control.

VERISIGN™

SEPARATION & GENERAL RELEASE OF CLAIMS AGREEMENT

I, **Christine Brennan**, acknowledge that my employment with Verisign, Inc. and/or a subsidiary of Verisign, Inc. (collectively, "Verisign" or the "Company") terminated on July 1, 2011 (the "**Termination Date**"). In connection with the termination of my employment and in consideration of the payments and benefits to be provided by Verisign, as described in Appendix A, including the attached Equity Summary Statement which is incorporated therein (the "Separation Package"), I hereby agree to be bound by the terms of this Separation & General Release of Claims Agreement ("Release Agreement"), as follows:

1.0 SEPARATION PAYMENTS AND BENEFITS

1.1 The Company will provide to me the Separation Package stated in Appendix A, provided that I accept and sign this Release Agreement and, to the extent that the right of revocation under Section 6.1 below applies to me, I do not revoke my acceptance, and provided further that prior to the termination of my employment I have agreed to and signed the Amendment to Options and RSUs. I understand and agree that if I have not signed the Amendment to Options and RSUs prior to the termination of my employment with the Company, I will not be entitled to receive the benefits of any of the stock option or RSU acceleration described in Appendix A.

1.2 All payments to be made by the Company shall be treated as wages for tax purposes, and the Company therefore will deduct and withhold from the gross amounts applicable taxes, including Federal Insurance Contributions Act ("FICA") taxes and federal, state and local income taxes.

1.3 I understand and agree that I am entitled to the payments, vesting acceleration and other benefits of the Separation Package only if I accept and sign this Release Agreement, return it to the Company in a timely manner, and do not revoke my acceptance (if I have that right) in a timely manner. I understand that the Company's obligation to provide the Separation Package is conditioned upon my compliance with the terms and conditions of this Release Agreement, and I agree that if I fail to comply with all of the terms and conditions of this Release Agreement, I will not be entitled to any of the Separation Package.

1.4 I acknowledge that I have been paid all wages and accrued, unused vacation that I earned during my employment with the Company through the Termination Date. I understand and agree that I shall not be entitled to any other or further compensation, remuneration, benefits, payments, grants or vesting of options, stock, restricted stock units (“RSUs”) or other equity awards of or from the Company other than those expressly set forth in Appendix A; *provided, however*, that nothing in this Release Agreement affects any vested benefits that I may have under any Company-sponsored retirement plan.

1.5 I understand, acknowledge and agree that, except as may be modified by this Release Agreement and the Amendment to Options and RSUs that I signed, the terms and conditions of the plans and agreements under which my stock options and RSUs, if any, were granted shall continue to control, including, for example, the limitations on the period within which the stock options may be exercised following my Termination Date. I further understand, acknowledge and agree that certain equity grants made to me continue to be subject to additional restrictions imposed by the Verisign Stock Retention Policy for Verisign Board of Directors and Section 16 Officers (the “Verisign Stock Retention Policy”) and I agree to comply with all such applicable restrictions.

2.0 COMPLETE GENERAL RELEASE OF CLAIMS AND COVENANT NOT TO SUE

2.1 General Release. Except as provided below in Section 2.6, I, for myself and on behalf of my heirs, executors and personal representatives, hereby unconditionally, irrevocably and absolutely release and forever discharge Verisign, and any parent and subsidiary corporations, divisions and affiliated corporations, benefit plans, partnerships or other affiliated entities of Verisign, past and present, and each of their current and former employees, officers, directors, agents, purchasers, successors and assigns (collectively, “Released Parties”) from and against any and all liability, damages, actions and claims of any kind whatsoever, known and unknown, that I may now have or may have had, or thereafter claim to have had, on behalf of myself or any other person or entity, at any time, arising out of, or related in any way to, any acts or omissions done or occurring in whole or in part prior to and including the date of this Release Agreement, to the fullest extent permitted by law, including, but not limited to, all such matters arising out of, or related in any way to, my employment or the termination of my employment with the Company. This release is intended to have the broadest possible application and includes, but is not limited to, the release of any tort, contract, common law, constitutional or statutory claims, including, but not limited to alleged violations of the California Labor Code and comparable provisions of the Code of Virginia, including Title 40.1 (Labor and Employment), the California Fair Employment and Housing Act and comparable provisions of the Code of Virginia, including Title 36 (Housing), Title VII of the Civil Rights Act of 1964, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act, the Older Workers Benefit Protection Act, the Age Discrimination in Employment Act of 1967, as amended, the Equal

Pay Act of 1963, the Employee Retirement Income Security Act, or any other federal, state or local law, regulation, or ordinance and all claims for attorneys' fees, costs and expenses.

2.2 California Civil Code Section 1542 Waiver. I expressly acknowledge and agree that I have read Section 1542 of the Civil Code of the State of California, which states in full:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

I hereby waive any right which I have or may have under Section 1542 or any similar statute or regulation of the state in which I reside to the full extent that I may lawfully waive such rights pertaining to this general release of claims.

2.3 By signing this Release Agreement, I also expressly acknowledge and represent that: (i) I have suffered no injuries or occupational diseases arising out of or in connection with my employment with the Company; (ii) I have received all wages to which I was entitled as an employee of the Company; (iii) I have received all leave to which I was entitled under the Family and Medical Leave Act of 1993 ("FMLA"); (iv) I am not currently aware of any facts or circumstances constituting a violation of the FMLA, the Fair Labor Standards Act ("FLSA"), or any comparable federal, state, or local law (including the California Labor Code and the Code of Virginia); and (v) I have no pending grievances, claims, administrative charges, or lawsuits against the Released Parties.

2.4 To the maximum extent permitted by law, I expressly waive my right to any monetary recovery or any other individual relief in connection with any EEOC charge or other administrative charge or should any federal, state or local administrative agency or any other person pursue any claims on my behalf arising out of or related to my employment and/or the termination of my employment with the Company.

2.5 Covenant Not To Sue. Except as provided below in Section 2.6, I agree not to file, join in or prosecute any lawsuits against the Company or any of the other Released Parties asserting any claims that I have released under this Release Agreement.

2.6 Claims Not Released. Notwithstanding anything in this Release Agreement to the contrary, nothing in this Release Agreement will waive, relinquish, diminish, or in any way affect (i) any vested rights that I may have under Company retirement plans; (ii) my right to challenge the validity and enforceability of this Release Agreement's release of claims under the Age Discrimination in Employment Act of 1967, as amended; or (iii) any rights or claims that, as a matter of law, cannot be released or waived.

3.0 OTHER AGREEMENTS AND REPRESENTATIONS

3.1 Nondisparagement. I agree that I will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices, products, services or conduct of the Company or any of the other Released Parties.

3.2 Confidentiality and Return of Company Property. I understand and agree that as a condition of receiving any of the Separation Package, all Company property must be returned to the Company. By signing this Release Agreement, I represent and warrant that I have returned to the Company all the Company property, data and information belonging to the Company and have not retained any copies, whether electronic or otherwise. I acknowledge that during the course of my employment with the Company I have acquired knowledge of, and/or had access to, trade secrets, confidential and proprietary information of the Company and of third parties which is subject to confidentiality and other agreements by and between the Company and those third parties ("Confidential Information"). Such Confidential Information, includes, but is not limited to: financial and pricing information; business, research, and new product plans and strategies; patent applications and invention disclosures; yields, designs, efficiencies, and capacities of production methods, processes, facilities and systems at the Company and its contractors; customer and vendor lists, key contacts, habits, and product and purchasing plans; marketing information, plans and strategies; existing and anticipated agreements with customers, vendors, and other third parties; product design information, including layouts for integrated circuits, circuit boards, integrated circuit specifications, test procedures, internal test parameters and related information; information regarding Company employees, their projects, and their salaries, benefits and other personnel information. I agree that I will not use or disclose to others any Confidential Information.

3.3 Continuing Obligations. I further agree to comply with any obligations regarding confidential information and inventions set forth in any agreements previously entered into by me with the Company or its predecessors. Such provisions and obligations shall remain in effect notwithstanding this Release Agreement and the ending of my employment. I understand, acknowledge and agree that notwithstanding anything else in this Agreement I will continue to be subject to the Verisign Incentive Compensation Recovery Policy even after the termination of my employment with Verisign.

3.4 Cooperation. For two years beginning on the Termination Date, I agree to make myself reasonably available upon reasonable notice from the Company or its attorneys to provide testimony through declarations, affidavits, depositions or at a hearing or trial, and to work with the Company in preparation for such event, and to cooperate with any other reasonable request by the Company in connection with the defense or prosecution of any lawsuit to which the Company is a party currently pending or filed after the Termination Date. If the Company so requests my cooperation in connection with any legal matter then the Company agrees to pay for any reasonable expenses, such as commercial airfare or lodging, that I incur in connection with assisting the Company, provided that I notify the Company in advance of what my reasonable expenses are expected to be and receive prior written approval from the Company for such expenses. I further agree both to immediately notify the Company upon receipt of any court order, subpoena, document or any legal discovery device that requests my involvement in any way in any legal matter concerning the Company, or that seeks or might require the disclosure or production of the existence or terms of this Agreement, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or legal discovery device to the Company.

3.5 Duty to Cooperate In Transition. I agree to answer any business questions which may arise and to make myself reasonably available to assist VeriSign in its transition following my employment and to cooperate with any other reasonable request by VeriSign which may require my services after the ending of my employment. For the purpose of this paragraph, the transition period shall be six (6) months following the Effective Date. I agree that I will not seek or be entitled to any additional compensation for such assistance or cooperation.

4.0 ADDITIONAL DISCLOSURES AND NOTICE OF RIGHTS.

4.1 I acknowledge, agree and understand that:

(a) under this Release Agreement I am waiving and releasing, among other claims, any rights and claims that may exist under the Age Discrimination in Employment Act of 1967, as amended (ADEA);

(b) the waiver and release of claims set forth in Section 2.1 above does not apply to any rights or claims that may arise under the ADEA after the date of execution of this Release Agreement;

(c) nothing in this Release Agreement prohibits me from challenging the validity of this Release Agreement's waiver and release of claims under the ADEA;

(d) the payments and other consideration that are being provided to me under this Release Agreement are of significant value and in addition to what I otherwise would be entitled;

(e) I have been advised by the Company in writing to consult with an attorney before signing this Release Agreement, and I have done so to the extent that I deemed it necessary or appropriate.

5.0 ENFORCEMENT AND CONSEQUENCES OF BREACH

5.1 I agree that if I assert any claim against the Company or any of the other Released Parties in violation of the foregoing Complete General Release of Claims and Covenant Not to Sue, or otherwise breach any provision of this Release Agreement, then the Company shall be entitled to recover from me damages flowing from such breach, I will not be entitled to any of the Separation Package, and I will be liable for the costs and attorneys' fees that the Company and other Released Parties incur in any action arising as a result of my breach, to the maximum extent permitted by law. However, nothing in this Release Agreement will interfere with my right to challenge the enforceability of this Release Agreement's release of claims under the ADEA, and I shall not be required to tender back payments made to me nor will I be liable for the costs and attorneys' fees that the Company and other Released Parties incur in connection with a challenge by me of the foregoing release of claims under the ADEA.

6.0 EFFECTIVE DATE

I understand and agree that if I am forty (40) years old or older on the date that I execute this Release Agreement, the definition of "Effective Date" and other provisions in Section 6.1 shall apply, and if I am thirty-nine (39) years old or younger on the date that I execute this Release Agreement, the definition of "Effective Date" and other provisions in Section 6.2 shall apply.

6.1 I understand and agree that if I am forty (40) years old or older on the date that I execute this Release Agreement, I am being given a period of twenty-one (21) days within which to review and consider this Release Agreement before signing it and that the offer of the Separation Package shall expire on the twenty-second

(22nd) calendar day after I receive this Release Agreement if I have not accepted it by that time. I also understand that I may revoke this Release Agreement by providing written notice to the Company within seven (7) days following its execution. Accordingly, this Release Agreement and the Company's obligation to provide the Separation Package to which it is attached shall not become effective and enforceable until such seven-day revocation period has expired. Any revocation must be in writing and received by Katherine Resler, Vice President, Compensation & Benefits, 21355 Ridgetop Circle, Dulles, VA 20166, by the seventh day after the execution of the Release Agreement in order to be effective. If I revoke my acceptance of this Release Agreement, I will not be entitled to any of the Separation Package. If I do not revoke acceptance of this Release Agreement within the seven-day revocation period, this Release Agreement shall become binding and enforceable on the eighth day following the execution of this Release Agreement (the "**Effective Date**").

6.2 I understand and agree that if I am thirty-nine (39) years old or younger on the date that I execute this Release Agreement, I am being given a period of fourteen (14) days within which to review and consider this Release Agreement before signing it and that the offer of the Separation Package shall expire on the fifteenth (15th) calendar day after I receive this Release Agreement if I have not accepted it by that time. This Release Agreement shall become binding and enforceable upon my execution and return of this Release Agreement to the Company (the "**Effective Date**"), provided that it is executed and returned to the Company within the timeframe specified above in this Section 6.2 .

7.0 MISCELLANEOUS

7.1 Reformation and Severability. Whenever possible, each provision of this Release Agreement will be interpreted in such manner as to be effective and valid under applicable law. If, however, any of the provisions contained in this Release Agreement is declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, I agree that such provision shall be modified and reformed, if possible, in order to achieve, to the extent possible, the intentions of the parties, and, if necessary, such provision shall be deemed severable, such that all other provisions contained in this Release Agreement shall remain valid and binding*; provided*, *however*, that if any portion of the General Release contained in Section 2.1 is held to be invalid or unenforceable, then the entire Release Agreement, including any obligation to provide the Separation Package, shall be voidable at the option of the Company.

7.2 Full Defense. This Release Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by or on behalf of me in breach hereof.

7.3 Applicable Law and Jurisdiction. The validity, interpretation and performance of this Release Agreement shall be governed by the laws of the state of Virginia, regardless of any principles of conflicts of laws or choice of laws of any jurisdiction. I agree that the exclusive jurisdiction and venue of any lawsuit arising under this Agreement shall be the state and federal courts in Fairfax County or Loudoun County, Virginia and I hereby irrevocably agree, acknowledge and submit to the exclusive jurisdiction and venue of such courts for the purposes of any such lawsuit.

7.4 No Transfer or Assignment of Claims. I represent and warrant that no person had or has or claims any interest in the claims referred to anywhere in this Release Agreement. I also represent and warrant that I have the sole right and exclusive authority to execute this Release Agreement and that I have the sole right to receive the consideration paid therefore. I also represent and warrant that I have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim against the Company or any of the Released Parties or portion thereof or interest therein, and I will not assign or otherwise transfer any claim or demand relating to any matter covered by this Release Agreement or the consideration to be paid pursuant thereto.

7.5 No Admissions. I understand that by offering me the Separation Package under this Release Agreement, the Released Parties make no admission that they have engaged, or are now engaging, in any unlawful conduct. I understand and acknowledge that this Release Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

7.6 Section Headings. The various section headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Release Agreement or any section thereof.

7.7 Entire Agreement; Modification. This Release Agreement and the accompanying Appendix A (with the attached Equity Summary Statement) are intended to be the entire agreement between me and the Company regarding the subject matter herein and, except as provided in Sections 1.5 and 3.3 above, supersede and cancel any and all other and prior agreements, written or oral, between me and the Company regarding this subject matter. This Release Agreement may be amended only by a written instrument executed by both me and an authorized representative of Verisign.

7.8 Facsimile Signature. I understand and agree that I must return the signed Release Agreement (including Appendix A) via facsimile transmission to Katherine Resler in Human Resources at 703-421-2129 by the applicable deadline set forth in Section 6 and that a facsimile copy of my signature shall be deemed the equivalent of an original.

BY SIGNING YOUR NAME BELOW, YOU ACKNOWLEDGE AND REPRESENT THAT YOU ARE ENTERING INTO THIS RELEASE AGREEMENT FREELY, KNOWINGLY, AND VOLUNTARILY AND WITH A FULL UNDERSTANDING OF ITS TERMS AND EFFECT. YOU ARE ADVISED TO CONSULT WITH YOUR OWN PERSONAL ATTORNEY BEFORE SIGNING THIS RELEASE AGREEMENT. YOU ALSO ACKNOWLEDGE AND REPRESENT THAT YOU HAVE NOT RELIED ON ANY REPRESENTATION OR STATEMENT OTHER THAN THOSE CONTAINED IN THIS RELEASE AGREEMENT.

/s/ Christine C. Brennan	Christine C. Brennan
Employee's Signature	Print Name of Employee

Date: July 8, 2011

Please remember to sign this Release Agreement and fax the entire Agreement (including Appendix A) to Katherine Resler in Human Resources in Dulles at 703-421-2129 within the time period set forth in Section 6.0 above.

On behalf of VeriSign, Inc.

/s/ Mark D. McLaughlin	7/13/11
Mark McLaughlin President and Chief Executive Officer	Date

APPENDIX A
To
SEPARATION & GENERAL RELEASE OF CLAIMS AGREEMENT

CHRISTINE BRENNAN

SEPARATION PACKAGE

Provided that you sign the Separation & General Release of Claims Agreement (the "Release Agreement"), return it to the Company in a timely manner, and do not revoke your acceptance (if you have that right), you will receive the below separation payments and equity acceleration benefits. Notwithstanding the foregoing, please note that the equity benefits in Sections B. – C. are contingent upon you having signed and returned Attachment 2 (Amendment to Options and RSUs) to your termination notice prior to the termination of your employment with the Company:

A. CASH SEPARATION PAYMENTS

The following payments will be made within thirty (30) days after you sign and timely return the Separation & General Release of Claims Agreement to the Company, provided you do not revoke your acceptance (if you have that right) in a timely manner.

	Gross Amount
Severance Amount	**$375,000**
Medical, Dental and Vision Amount	**$13,130.04**
Life Insurance Replacement Amount	**$3,900**
2011 Bonus Amount (for non-sales employees only)	**$93,493.15**, which equals 100% of your annual target bonus, pro-rated based on the number of days that you were actively employed by Verisign in 2011.
Any leave of absence days taken in 2011 will not be considered active employment and will not be factored in when calculating that year's bonus	

B. ACCELERATION OF STOCK OPTION VESTING AND EXERCISABILITY

Vesting has been accelerated subject to exercise restrictions with respect to 25% of your “In-the-Money Options”, if any, that were scheduled to vest after your Scheduled Termination Date specified in your Termination Notice. “In-the-Money Options” are those options that have a per share exercise price less than the closing price of Verisign, Inc. common stock, as quoted on the Nasdaq Global Market, on the date of your Termination Notice. Accelerated vesting has been applied to the eligible unvested “In-the-Money Options” having the lowest exercise price first.

The attached Equity Summary Statement reflects the Options that the Company will release for exercise within your E*Trade account, if any, subject to applicable post-employment exercise period limitations, as soon as administratively practicable (but in no event later than 30 days) after you sign and timely return the Separation & General Release of Claims Agreement to the Company and such Agreement becomes effective. All of such Options (together with any previously exercisable Options shown in your E*Trade account) will remain subject to the Verisign Stock Retention Policy for Verisign Board of Directors and Section 16 Officers (“the Verisign Stock Retention Policy”) as discussed below.

Vesting Acceleration Example for Options

Assumptions:

- Employee is provided a Termination Notice on 1/1 (the “Notice Date”) stating that Employee’s employment will terminate on 3/1 (the “Scheduled Termination Date”).
- Employee has 2,000 Options as of the Notice Date that are unvested:
  - 1,000 Options have an exercise price of $25 (Grant X)
  - 1,000 Options have an exercise price of $50 (Grant Y)
- Closing price (for illustrative purposes only) of Verisign, Inc. common stock on the Notice Date (1/1) is $30.
- 200 Options are scheduled to vest per month on the 15th day of each month (100 per Grant).
- Employee terminates on 3/1.

Notice Date	Scheduled Vest Date	Scheduled Vest Date	Scheduled Termination Date
1/1	1/15	2/15	3/1
Grant X	100	100	
Grant Y	100	100	

Outcome:

(a) Earned Options: On 1/15 and 2/15, Employee vests in 200 Options (100 from each Grant) on each regularly scheduled vesting date without condition of release or restriction on exercise because Employee remained employed through the scheduled vesting date.

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(b) Acceleration of 25% of "In-the-Money Options": On the Scheduled Termination Date (3/1), Employee vests in 200 "In-the-Money Options" (as calculated below), subject to condition of release and restriction on exercise.

- Only Grant X is "In-the-Money" because its $25 strike price is below the $30 closing price on the Notice Date.
- 200 Options = 25% of the remaining unvested portion of Grant X that was scheduled to vest after the Scheduled Termination Date (*i.e.* 25% of 800 Options).

Application of Verisign Stock Retention Policy

Consistent with the Verisign Stock Retention Policy, upon exercise of any Options, the Company will (i) issue in a restricted certificate form that number of shares which is equal to the value of fifty percent (50%) of net gain on exercise (the "Retained Shares") and (ii) release for sale the remaining shares, both as soon as administratively practicable (but in no event later than 30 days) following the exercise date, subject to the Employee's timely returned signed Release Agreement having become effective. The Retained Shares shall remain subject to sale restrictions until January 1, 2012.

Example:

Strike Price: $24

Number of Options Exercised: 200

Closing Price on Last Open Market Date Prior to Exercise: $36

Estimated Income on Exercise: $2,400

Assumed Tax On Exercise (50%): $1,200

Net Gain on Exercise: $1,200

50% of Net Gain on Exercise: $600

Share Equivalent: 16

In this example, pursuant to the Verisign Stock Retention Policy, 16 shares would be issued in a restricted certificate form (and would be subject to sale restrictions until January 1, 2012) and the remaining shares would be released for sale as soon as administratively practicable (but in no event later than 30 days) after exercise, subject to the Employee's timely returned signed Release Agreement having become effective.

C. ACCELERATION OF RSU VESTING AND SETTLEMENT

Vesting has been accelerated subject to sale restrictions with respect to 25% of your RSUs, if any, that are scheduled to vest after your Scheduled Termination Date specified in your Termination Notice.

The attached Equity Summary Statement reflects the shares underlying the RSUs that the Company will cause to be deposited in your E*Trade account, net after tax withholding. Consistent with the Verisign Stock Retention Policy, of those shares, an amount of shares equal to the value of fifty percent (50%) of net gain on vest will be issued in a restricted certificate form and must be retained for a six month period beginning on the Termination Date. The remaining shares will be made available for sale as soon as administratively practicable (but in no event later than 30 days) after you sign and timely return the Release Agreement and such Release Agreement becomes effective.

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Vesting Acceleration Example for RSUs

Assumptions:

- Employee is provided a Termination Notice on 1/1 (the "Notice Date") stating that Employee's employment will terminate on 3/1 (the "Scheduled Termination Date").
- Employee has 1,000 RSUs as of the Notice Date that are unvested.
- 100 RSUs are scheduled to vest per month on the 15th day of each month.
- Employee terminates on 3/1.

Notice Date	Scheduled Vest Date	Scheduled Vest Date	Scheduled Termination Date
1/1	1/15	2/15	3/1
RSU	100	100	

Outcome:

(a) Earned RSUs: On 1/15 and 2/15, Employee vests in 100 RSUs on each regularly scheduled vesting date without condition of release or restriction on sale except as set forth in the Verisign Stock Retention Policy because Employee remained employed through the scheduled vesting date.

(b) Acceleration of 25% of RSUs: On the Scheduled Termination Date (3/1), Employee vests in 200 RSUs (as calculated below), subject to condition of release and restriction on sale:

- 200 RSUs = 25% of the remaining unvested portion of the RSUs that was scheduled to vest after the Scheduled Termination Date (*i.e.* 25% of 800 RSUs).

(c) Application of Verisign Stock Retention Policy:

Example:

Number of Shares Vested On Termination Date: 200

Closing Price on Day of Vest / Termination Date: $36

Income on Vest: $7,200

Tax on Vest (50%): $3,600

Net Gain on Vest: $3,600

50% of Net Gain on Vest: $1,800

Share Equivalent: 50

Shares Subject to Holding Requirement Per Verisign Stock Retention Policy: 50

In this example, pursuant to the Verisign Stock Retention Policy, 50 shares would be issued in a restricted certificate form as soon as administratively practicable (but no later than 30 days) after the Employee's timely returned signed Release Agreement becomes effective and the Employee would be required to retain those 50 shares until January 1, 2012. The remaining shares would be released for sale as soon as administratively practicable (but no later than 30 days) after the Employee's Release Agreement became effective.

In the event there is any discrepancy between the calculations in the equity acceleration process herein (Sections B and C above) and the calculations set forth on the attached Equity Summary Statement, the calculations set forth on the attached Equity Summary Statement shall control.

Exhibit 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark D. McLaughlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VeriSign, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2011

By: /S/ MARK D. MCLAUGHLIN

Mark D. McLaughlin
Chief Executive Officer

Exhibit 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Robins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VeriSign, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2011

By: /S/ BRIAN G. ROBINS

Brian G. Robins
Chief Financial Officer

Exhibit 32.01

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark D. McLaughlin, Chief Executive Officer of VeriSign, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2011, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2011

/s/ MARK D. MCLAUGHLIN

Mark D. McLaughlin
Chief Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Robins, Chief Financial Officer of VeriSign, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2011, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2011

/S/ BRIAN G. ROBINS

Brian G. Robins
Chief Financial Officer