

VERISIGN INC/CA
Form DEF 14A
April 15, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Preliminary Proxy Statement. | <input type="checkbox"/> | Confidential, for Use of the Commission Only (as permitted |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement. | <input type="checkbox"/> | by Rule 14a-6(e)(2)). |
| <input type="checkbox"/> | Definitive Additional Materials. | | |
| <input type="checkbox"/> | Soliciting Material Pursuant to §240.14a-12. | | |

VeriSign, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Table of Contents

Edgar Filing: VERISIGN INC/CA - Form DEF 14A

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

VeriSign, Inc.

487 East Middlefield Road

Mountain View, California 94043-4047

April 15, 2008

To Our Stockholders:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of VeriSign, Inc. to be held at our corporate offices located at 487 East Middlefield Road, Mountain View, California on Thursday, May 29, 2008 at 10:00 a.m., Pacific Time.

The matters expected to be acted upon at the Meeting are described in detail in the following *Notice of the 2008 Annual Meeting of Stockholders and Proxy Statement*.

This year, we are implementing the new U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to our stockholders a notice instead of a paper copy of this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2007 (Annual Report). The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each stockholder can receive a paper copy of our proxy materials, including this notice and proxy statement, our Annual Report and a form of proxy card or voting instruction card. We believe that this new process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

It is important that you use this opportunity to take part in the affairs of VeriSign by voting on the business to come before this meeting. **WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR SHARES MAY BE REPRESENTED AT THE MEETING. A PROXY MAY ALSO BE COMPLETED ELECTRONICALLY OR BY PHONE AS DESCRIBED ON THE PROXY CARD AND UNDER INTERNET AND TELEPHONE VOTING IN THE ATTACHED PROXY STATEMENT.** Returning the Proxy does not deprive you of your right to attend the Meeting and to vote your shares in person.

We look forward to seeing you at our 2008 Annual Meeting of Stockholders.

Sincerely,

/s/ William A. Roper, Jr.
William A. Roper, Jr.
President and Chief Executive Officer

Table of Contents

VERISIGN, INC.

487 East Middlefield Road

Mountain View, California 94043-4047

Notice of the 2008 Annual Meeting of Stockholders

TO OUR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2008 Annual Meeting of Stockholders of VeriSign, Inc. will be held at our corporate offices located at 487 East Middlefield Road, Mountain View, California on Thursday, May 29, 2008 at 10:00 a.m., Pacific Time. The 2008 Annual Meeting of Stockholders is being held for the following purposes:

1. To elect six directors of VeriSign, each to serve a one-year term, or until a successor has been elected and qualified or until the director's earlier resignation or removal.
2. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2008.
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

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

Only stockholders of record at the close of business on March 31, 2008 are entitled to notice of and to vote at the 2008 Annual Meeting of Stockholders or any adjournment thereof.

By Order of the Board of Directors,

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

Mountain View, California

April 15, 2008

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR COMPLETE THE PROXY ELECTRONICALLY OR BY PHONE AS DESCRIBED ON THE PROXY CARD AND UNDER INTERNET AND TELEPHONE VOTING IN THE ATTACHED PROXY STATEMENT SO THAT YOUR SHARES MAY BE REPRESENTED AT THE MEETING.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Proxy Statement for the 2008 Annual Meeting of Stockholders</u>	1
<u>Proposal No. 1 Election of Directors</u>	4
<u>Nominees/Directors</u>	4
<u>Non-Employee Director Compensation for Fiscal 2007</u>	7
<u>Corporate Governance</u>	9
<u>Independence of Directors</u>	9
<u>Board and Committee Meetings</u>	9
<u>Board Members Attendance at the Annual Meeting</u>	9
<u>Corporate Governance and Nominating Committee</u>	9
<u>Audit Committee</u>	10
<u>Audit Committee Financial Expert</u>	10
<u>Report of the Audit Committee</u>	10
<u>Compensation Committee</u>	11
<u>Communicating With The Board</u>	12
<u>Legal Proceedings</u>	12
<u>Code of Ethics</u>	12
<u>Security Ownership of Certain Beneficial Owners and Management</u>	13
<u>Beneficial Ownership Table</u>	13
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	15
<u>Executive Compensation</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Report of the Compensation Committee</u>	24
<u>Compensation Committee Interlocks and Insider Participation</u>	24
<u>Summary Compensation Table</u>	25
<u>Grants of Plan-Based Awards for Fiscal 2007</u>	27
<u>Outstanding Equity Awards at 2007 Fiscal Year End</u>	30
<u>Option Exercises and Stock Vested for Fiscal 2007</u>	32
<u>Equity Compensation Plan Information</u>	35
<u>Policies and Procedures With Respect to Transactions With Related Persons</u>	37
<u>Certain Relationships and Related Transactions</u>	39
<u>Proposal No. 2 Ratification of Selection of Independent Registered Public Accounting Firm</u>	42
<u>Principal Accountant Fees and Services</u>	43
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors</u>	43
<u>Other Information</u>	44
<u>Stockholder Proposals for the 2009 Annual Meeting of Stockholders</u>	44
<u>Other Business</u>	44
<u>Communicating With VeriSign</u>	45
<u>Appendix A Charter of the Audit Committee of the Board of Directors</u>	A-1
<u>Appendix B Charter of the Compensation Committee of the Board of Directors</u>	B-1

Table of Contents

VERISIGN, INC.

487 East Middlefield Road

Mountain View, California 94043-4047

PROXY STATEMENT

FOR THE 2008 ANNUAL MEETING OF STOCKHOLDERS

April 15, 2008

The accompanying proxy is solicited on behalf of our Board of Directors (the "Board") for use at the 2008 Annual Meeting of Stockholders (the "Meeting") to be held at our corporate offices located at 487 East Middlefield Road, Mountain View, California on Thursday, May 29, 2008 at 10:00 a.m., Pacific Time. Only holders of record of our common stock at the close of business on March 31, 2008, which is the record date, will be entitled to vote at the Meeting. At the close of business on the record date, we had 194,428,020 shares of common stock outstanding and entitled to vote. This proxy statement and the accompanying form of proxy (collectively, the "Proxy Statement") were first made available to stockholders on or about April 15, 2008. Our Annual Report on Form 10-K for the year ended December 31, 2007 (the "Annual Report") is enclosed with this Proxy Statement.

All proxies will be voted in accordance with the instructions contained therein. Unless contrary instructions are specified, if the accompanying proxy is executed and returned (and not revoked) prior to the Meeting, the shares of VeriSign common stock represented by the proxy will be voted: (1) **FOR** the election of each of the six director candidates nominated by the Board; (2) **FOR** the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008 ("fiscal 2008"); and (3) in accordance with the best judgment of the named proxies on any other matters properly brought before the Meeting.

Adoption of Majority Vote Standard in Uncontested Director Elections

On February 20, 2008, our Board approved amendments to VeriSign's Second Amended and Restated Bylaws to change the vote standard for the election of directors from a plurality of votes cast to a majority of votes cast in uncontested elections. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast withheld for that director. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard will continue to be a plurality of votes cast. In addition, if a nominee who already serves as a director is not elected, the director shall tender his or her resignation, subject to acceptance by the Board. The Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board's decision. If the failure of a nominee to be elected at the annual meeting results in a vacancy on the Board, that vacancy can be filled by action of the Board.

Voting Rights

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

Table of Contents

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

A majority of the outstanding shares of common stock must be present or represented by proxy at the Meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Meeting. A broker non-vote occurs when a bank, broker or other stockholder of record holding shares for a beneficial owner submits a proxy for the meeting, but does not vote on a particular proposal because that holder does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

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

If a quorum is present, approvals of the proposal to ratify the selection of KPMG LLP as our independent registered public accounting firm for fiscal 2008 and all other matters that properly come before the Meeting require that the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote on the subject matter. Abstentions and broker non-votes could prevent approval of such proposals if the number of affirmative votes, though a majority of the votes represented and cast, does not constitute a majority of the shares of common stock present or represented by proxy and entitled to vote on the subject matter. The inspector of elections appointed for the Meeting will separately tabulate affirmative and withheld votes, abstentions and broker non-votes.

Adjournment of Meeting

In the event that sufficient votes in favor of the proposals are not received by the date of the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitations of proxies. Any such adjournment would require the affirmative vote of the majority of the outstanding shares present in person or represented by proxy at the Meeting.

Expenses of Soliciting Proxies

VeriSign will pay the expenses of soliciting proxies to be voted at the Meeting. Following the original mailing of the proxies and other soliciting materials, we and/or our agents may also solicit proxies by mail, telephone, telegraph, or in person. Following the original mailing of the proxies and other soliciting materials, we will request that brokers, custodians, nominees and other record holders of our shares forward copies of the proxy and other soliciting materials to persons for whom they hold shares and request authority for the exercise of proxies. In such cases, we will reimburse the record holders for their reasonable expenses if they ask us to do so.

Revocability of Proxies

Any person signing a proxy in the form accompanying this Proxy Statement has the power to revoke it prior to the Meeting or at the Meeting prior to the vote pursuant to the proxy. A proxy may be revoked by any of the following methods:

a written instrument delivered to VeriSign stating that the proxy is revoked;

a subsequent proxy that is signed by the person who signed the earlier proxy and is presented at the Meeting; or

attendance at the Meeting and voting in person.

Table of Contents

Please note, however, that if a stockholder's shares are held of record by a broker, bank or other nominee, and that stockholder wishes to vote at the Meeting, the stockholder must bring to the Meeting a letter from the broker, bank or other nominee confirming that stockholder's beneficial ownership of the shares.

Internet and Telephone Voting

If you hold shares of record as a registered shareholder, you can simplify your voting process and save the company expense by voting your shares by telephone at 1-800-690-6903 or on the Internet at www.proxyvote.com twenty-four hours a day, seven days a week. Telephone and Internet voting are available through 11:59 p.m. Eastern Time the day prior to the Meeting. More information regarding telephone and Internet voting is given on the proxy card. If you hold shares through a bank or brokerage firm, the bank or brokerage firm will provide you with separate instructions on a form you will receive from them. Many such firms make telephone or Internet voting available, but the specific processes available will depend on those firms' individual arrangements.

Householding

VeriSign has adopted a procedure called householding, which has been approved by the Securities and Exchange Commission (the SEC). Under this procedure, VeriSign is delivering only one copy of the Annual Report and Proxy Statement to multiple stockholders who share the same address and have the same last name, unless VeriSign has received contrary instructions from an affected stockholder. This procedure reduces VeriSign's printing costs, mailing costs and fees. Stockholders who participate in householding will continue to receive separate proxy cards.

VeriSign will deliver promptly upon written or oral request a separate copy of the Annual Report and the Proxy Statement to any stockholder at a shared address to which a single copy of either of those documents was delivered. To receive a separate copy of the Annual Report or Proxy Statement, you may write or call VeriSign's Investor Relations Department at VeriSign, Inc., 487 East Middlefield Road, Mountain View, California 94043-4047, Attention: Investor Relations, telephone (866) 447-8776 (4IR-VRSN). You may also access VeriSign's Annual Report and Proxy Statement on the Investor Relations section of VeriSign's Website at <http://investor.verisign.com>.

If you are a holder of record and would like to revoke your householding consent and receive a separate copy of the Annual Report or Proxy Statement in the future, please contact Broadridge Financial Solutions, Inc. (Broadridge), either by calling toll free at (800) 542-1061 or by writing to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. You will be removed from the householding program within thirty (30) days of receipt of the revocation of your consent.

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

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

Table of Contents**PROPOSAL NO. 1****ELECTION OF DIRECTORS**

Our Third Amended and Restated Bylaws authorize eleven directors; there are currently nine directors. The terms of the current directors, who are identified below, expire upon the election and qualification of the directors to be elected at the Meeting, with the exception of Messrs. Moore and Roper whose terms expire in 2009. Scott Kriens, a current director, has notified the Board that he has decided not to stand for re-election. The Board has nominated each of the other 6 current directors for re-election at the Meeting, to serve until the 2009 Annual Meeting of Shareholders and until their respective successors have been elected and qualified. There are currently two vacancies on the Board; there will be a third vacancy following Mr. Kriens' departure from the Board. The Board and the Corporate Governance and Nominating Committee are working to identify suitable candidates to fill these vacancies. Proxies cannot be voted for more than six persons which is the number of nominees.

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

Nominees/Directors

Set forth below is certain information furnished to us by our directors.

Name	Age	Position
Nominees for election as directors for a term expiring in 2009:		
D. James Bidzos(1)	53	Chairman of the Board
William L. Chenevich(2)	64	Director
Kathleen A. Cote(2)	59	Director
John D. Roach(2)	64	Director
Louis A. Simpson(3)	71	Director
Timothy Tomlinson(3)	58	Director
Incumbent directors with terms		
expiring in 2009:		
Roger H. Moore	66	Director
William A. Roper, Jr.	62	Chief Executive Officer, President and Director

(1) Member of the Corporate Governance and Nominating Committee.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

D. James Bidzos has served as Chairman of the Board since August 2007 and from April 1995 to December 2001. He served as Vice Chairman of the Board from December 2001 to August 2007. Mr. Bidzos served as Vice Chairman of RSA Security, an Internet identity and access management solution provider, from March 1999 to May 2002 and Executive Vice President from July 1996 to February 1999. Prior thereto, he served as President and Chief Executive Officer of RSA Data Security, Inc. from 1986 to February 1999.

William L. Chenevich has served as a director since April 1995. Mr. Chenevich has served as Vice Chairman of Technology and Operations for U.S. Bancorp, a financial holding company, since February 2001. He served as Vice Chairman of Technology and Operations Services of Firststar Corporation, a financial services

Table of Contents

company, from 1999 until its merger with U.S. Bancorp in February 2001. Prior thereto, he was Group Executive Vice President of VISA International, a financial services company, from 1994 to 1999. Mr. Chenevich holds a B.B.A. degree in Business from the City College of New York and an M.B.A. degree in Management from the City University of New York.

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

Scott G. Kriens has served as a director since January 2001. Mr. Kriens has served as Chief Executive Officer and Chairman of the Board of Directors of Juniper Networks, a provider of Internet hardware and software systems, since October 1996. From April 1986 to January 1996, Mr. Kriens served as Vice President of Sales and Operations at StrataCom, Inc., a telecommunications equipment company, which he co-founded in 1986. Mr. Kriens serves as a director of Equinix, Inc. Mr. Kriens holds a B.A. in Economics from California State University, Hayward.

John D. Roach has served as a director since July 2007. Mr. Roach has served as Chairman of the Board of Directors and Chief Executive Officer of Stonegate International, a private investment and advisory services company, since October 2001. From November 2002 to January 2006, he served as Executive Chairman of Unidare U.S., a subsidiary of Unidare plc, a public Irish financial holding company and supplier of products to the welding, safety and industrial markets. From 1998 to 2001, he served as Founder and Chairman, President and Chief Executive Officer of Builders FirstSource, Inc., a distributor of building products. Prior to that, he was Chairman, President and Chief Executive Officer of Fibreboard Corporation, a building products company, from July 1991 to July 1997 when it was acquired by Owens Corning. Mr. Roach serves as a director of PMI Group, Inc. and URS Corporation. Mr. Roach holds a B.S. degree in Industrial Management from M.I.T. and an MBA degree from Stanford University.

Louis A. Simpson has served as a director since May 2005. Since May 1993, he has served as President and Chief Executive Officer, Capital Operations, of GEICO Corporation, a passenger auto insurer. Mr. Simpson previously served as Vice Chairman of the Board of GEICO from 1985 to 1993. Mr. Simpson serves as a director of Science Applications International Corporation. Mr. Simpson holds a B.A. degree from Ohio Wesleyan University and a Masters degree in Economics from Princeton University.

Timothy Tomlinson is Of Counsel with the law firm Greenberg Traurig, LLP. Mr. Tomlinson was the founder and a named partner of Tomlinson Zisko LLP, a law firm, from 1983 until its acquisition by Greenberg Traurig, LLP in May 2007. Mr. Tomlinson was a member of VeriSign's Board from 1995 until 2002. Mr. Tomlinson holds a B.A. degree in Economics, a M.A. degree in History, an M.B.A. and a J.D. degree from Stanford University.

Roger H. Moore has served as a director since February 2002. From June 2007 through November 2007, Mr. Moore served as interim Chief Executive Officer of Arbinet-Thexchange, Inc., a provider of online trading services. He was President and Chief Executive Officer of Illuminet Holdings, Inc. from December 1995 until December 2001 when VeriSign acquired Illuminet Holdings. Prior to Illuminet Holdings, Mr. Moore spent ten years with Nortel Networks in a variety of senior management positions including President of Nortel Japan. Mr. Moore serves as a director of Western Digital Corporation and Consolidated Communications Illinois Holdings, Inc. Mr. Moore holds a B.S. degree in General Science from Virginia Polytechnic Institute and State University.

Table of Contents

William A. Roper, Jr. has served as President and Chief Executive Officer since May 2007 and has served as a director since November 2003. From April 2000 through May 2007, he served as Corporate Executive Vice President of Science Applications International Corporation (SAIC), a diversified technology services company, and has previously served as SAIC's Senior Vice President from 1990 to 1999, Chief Financial Officer from 1990 to 2000, and Executive Vice President from 1999 to 2000. Mr. Roper holds a B.A. degree in Mathematics from the University of Mississippi and graduate degrees from Southwestern Graduate School of Banking at Southern Methodist University and Stanford University, Financial Management Program.

Compensation of Directors

This section provides information regarding the compensation policies for non-employee directors and amounts paid and securities awarded to these directors in 2007. William A. Roper, Jr., a director, was appointed President and Chief Executive Officer of VeriSign on May 27, 2007. As an employee of the Company, Mr. Roper no longer participates in the compensation program for non-employee directors. Mr. Roper has been compensated as an executive officer of the Company since May 27, 2007 and his compensation both as a non-employee director and an employee is described in Executive Compensation elsewhere in this proxy statement.

Non-Employee Director Meeting Fees and Retainer Information

During 2007, cash fees earned by non-employee directors were as follows:

Annual retainer for non-employee directors	\$ 40,000
Additional annual retainer for Chairman of the Board	\$ 100,000
Additional annual retainer for Audit Committee members	\$ 20,000
Additional annual retainer for Compensation Committee members	\$ 20,000
Additional annual retainer for Corporate Governance and Nominating Committee members	\$ 10,000
Additional annual retainer for Audit Committee Chairman	\$ 10,000
Additional annual retainer for Compensation Committee Chairman	\$ 10,000
Additional annual retainer for Nominating and Corporate Governance Committee Chairman	\$ 5,000
Non-employee directors are reimbursed for their expenses in attending meetings.	

On August 7, 2007, the Compensation Committee met to consider the cash and equity-based compensation to be paid to non-employee directors. The Compensation Committee reviewed competitive market data prepared by Frederick W. Cook & Co. (FW Cook) for the same comparator group used to benchmark executive compensation and certain available information for other boards and reviewed the board compensation practices of these companies. Following this review and consideration of the recommendations made by FW Cook, the Compensation Committee determined that grants equal to \$200,000 worth of annual equity awards split evenly between stock options and restricted stock units (RSUs) were in the best interest of VeriSign and its shareholders. With input from FW Cook, members of the Company's management and other directors of the Company, the Compensation Committee also approved an increase in the amount of the annual retainer payable to non-employee directors from \$37,500 to \$40,000. In addition, after consideration of materials and recommendations from FW Cook, the Compensation Committee approved effective as of May 27, 2007, an additional annual retainer of \$100,000 for the non-executive Chairman of the Board. Previously, the non-executive Chairman of the Board did not receive separate compensation for this position.

Table of Contents**Non-Employee Director Compensation Table for Fiscal 2007**

The following table sets forth a summary of compensation information for our non-employee directors as of December 31, 2007.

NON-EMPLOYEE DIRECTOR COMPENSATION FOR FISCAL 2007

Non-Employee Director Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	All Other Compensation	Total
D. James Bidzos(2)	\$ 93,738	\$ 79,239	\$ 130,417	\$ 9,656(3)	\$ 313,050
William L. Chenevich(4)	66,048	79,239	130,573	99,959(5)	375,819
Michelle Guthrie(6)	62,499	79,239	199,201		340,939
Scott G. Kriens(7)	54,499	79,239	144,768		278,506
Roger H. Moore(8)	55,598	79,239	150,441		285,278
Edward A. Mueller(9)	91,819	19,856(10)	79,208(10)		190,883
John D. Roach(11)	30,452	51,912	50,414		82,364
Louis A. Simpson(12)	74,499	79,239	146,341		300,079
Timothy Tomlinson(13)	9,891	21,628	20,140		51,659

- (1) Stock Awards consist solely of RSUs. Amounts shown represent compensation expense recognized in fiscal 2007 for financial statement reporting purposes for the applicable awards granted in fiscal 2007 and in prior years pursuant to the Statement of Financial Accounting Standards No. 123(R) (FAS 123R), disregarding expenses previously recognized with respect to forfeited awards. The grant date fair value of each Stock Award granted on August 7, 2007 was \$130,816. The grant date fair value of the Stock Award granted on November 6, 2007 to Mr. Tomlinson was \$144,680. The grant date fair value for each Option Award granted to non-employee directors on August 7, 2007 was \$312,537. The grant date fair value for the Option Award granted on November 6, 2007 to Mr. Tomlinson was \$345,658. The assumptions used to calculate the value of awards for fiscal 2007 are set forth in Note 13, Stock-Based Compensation, of our Notes to Consolidated Financial Statements in the accompanying Annual Report, and the assumptions used to calculate awards in prior years are set forth in the Notes to Consolidated Financial Statements in the Annual Reports on Form 10-K for the corresponding years.
- (2) As of December 31, 2007, Mr. Bidzos held 7,886 RSUs and outstanding options to purchase 114,398 shares of the Company's common stock.
- (3) Payment in connection with Mr. Bidzos' election as of December 31, 2006 to adjust the exercise price of certain options subject to Section 409A of the Internal Revenue Code of 1986, as amended (409A Affected Options).
- (4) As of December 31, 2007, Mr. Chenevich held 7,886 RSUs and outstanding options to purchase 101,898 shares of the Company's common stock.
- (5) Payment (on a fully grossed-up basis) for estimated taxes and interest in connection with certain 409A Affected Options.
- (6) Ms. Guthrie resigned as a director on February 20, 2008. As of December 31, 2007, Ms. Guthrie held 7,886 RSUs and outstanding options to purchase 78,148 shares of the Company's common stock.
- (7) As of December 31, 2007, Mr. Kriens held 7,886 RSUs and outstanding options to purchase 115,648 shares of the Company's common stock.
- (8) As of December 31, 2007, Mr. Moore held 7,886 RSUs and outstanding options to purchase 103,148 shares of the Company's common stock.
- (9) Mr. Mueller resigned as a director on August 15, 2007. As of December 31, 2007, Mr. Mueller held no RSUs and outstanding options to purchase 9,375 shares of the Company's common stock.
- (10) Does not include an estimated compensation expense of \$59,383 for stock awards and \$82,655 for stock option awards recognized previously with respect to forfeited equity awards.
- (11) As of December 31, 2007, Mr. Roach held 3,311 RSUs and outstanding options to purchase 10,548 shares of the Company's common stock.
- (12) As of December 31, 2007, Mr. Simpson held 7,886 RSUs and outstanding options to purchase 78,148 shares of the Company's common stock.
- (13) As of December 31, 2007, Mr. Tomlinson held 4,415 RSUs and outstanding options to purchase 10,548 shares of the Company's common stock.
- Stock options are granted at an exercise price not less than 100% of the fair market value of VeriSign's common stock on the date of grant and have a term of not greater than 10 years from the date of grant. Stock options and RSUs granted to non-employee directors in 2007 vest in quarterly installments over one year from the date of grant. Directors are permitted to exercise vested stock options for up to three years following the termination of their Board service. The Compensation Committee may authorize grants with different vesting

Table of Contents

schedules in the future. The vesting of equity awards for all non-employee directors accelerates as to 100% of any unvested equity awards upon certain changes-in-control as set for in the 2006 Equity Incentive Plan and the 1998 Directors Stock Option Plan.

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

Table of Contents

CORPORATE GOVERNANCE

Independence of Directors

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

Consistent with these considerations, after review of all relevant transactions and relationships between each director, or any of his or her family members, and VeriSign, our executive officers and our independent registered public accounting firm, the Board affirmatively determined on February 20, 2008 that the majority of our Board is comprised of independent directors. Our independent directors are: Mr. Bidzos, Mr. Chenevich, Ms. Cote, Mr. Kriens, Mr. Roach, Mr. Simpson, and Mr. Tomlinson. Each director who serves on the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee is an independent director. The Board is currently reviewing Mr. Bidzos's independent director status following his election as representative director of one of our majority-owned subsidiaries, VeriSign Japan K.K. on March 21, 2008. Mr. Bidzos will not be compensated in this interim role, though he may perform executive functions while he assists the Company in transitioning to new management. Edward A. Mueller served as Chairman of the Board until his resignation on August 15, 2007. Stratton D. Sclavos served as a director until his resignation on May 27, 2007. Michelle Guthrie served as a director until her resignation on February 20, 2008.

Board and Committee Meetings

The Board met nine times and its committees collectively met twenty-seven times during 2007. No director during the last fiscal year attended fewer than 75% of the aggregate of (i) the total number of meetings held by the Board and (ii) the total number of meetings held by all committees on which he or she served during 2007.

Board Members Attendance at the Annual Meeting

Although we do not have a formal policy regarding attendance by members of the Board at our annual meeting of the stockholders, we encourage directors to attend. Two members of the Board attended our 2007 Annual Meeting of Stockholders.

Corporate Governance and Nominating Committee

The Board has established a Corporate Governance and Nominating Committee to recruit, evaluate, and nominate candidates for appointment or election to serve as members of the Board, recommend nominees for committees of the Board, recommend corporate governance policies and periodically review and assess the adequacy of these policies, and review annually the performance of the Board. The Corporate Governance and Nominating Committee is currently composed of Messrs. Bidzos and Kriens, each of whom, pending the Board's review in the case of Mr. Bidzos, has been determined by the Board to be an independent director under the rules of The NASDAQ Stock Market. The Corporate Governance and Nominating Committee operates pursuant to a written charter. The Corporate Governance and Nominating Committee's charter is located on our Website at <http://investor.verisign.com/documentdisplay.cfm?DocumentID=547>. The Corporate Governance and Nominating Committee met four times during 2007.

In carrying out its function to nominate candidates for election to the Board, the Corporate Governance and Nominating Committee considers the performance and qualifications of each potential nominee or candidate, not only for his or her individual strengths but also for his or her contribution to the Board as a group.

Table of Contents

The Corporate Governance and Nominating Committee considers candidates for director nominees proposed by directors, the chief executive officer and stockholders. The Corporate Governance and Nominating Committee may also from time to time retain one or more third-party search firms to identify suitable candidates.

If you would like the Corporate Governance and Nominating Committee to consider a prospective candidate, in accordance with our Bylaws, please submit the candidate's name and qualifications to: Richard H. Goshorn, Secretary, VeriSign, Inc., 21351 Ridgetop Circle, Dulles, Virginia 20166.

The Corporate Governance and Nominating Committee will consider all candidates identified through the processes described above, and will evaluate each of them, including incumbents and candidates nominated by stockholders, based on the same criteria.

Audit Committee

The Board has established an Audit Committee that oversees the accounting and financial reporting processes at the Company, internal control over financial reporting, audits of the Company's financial statements, the qualifications of the Company's independent auditor, and the performance of the Company's internal audit department and the independent auditor. The independent auditor reports directly to the Audit Committee and the Audit Committee is responsible for the appointment (subject to shareholder ratification), compensation and retention of the independent auditor. The Audit Committee also oversees the Company's processes to manage business and financial risk, and compliance with significant applicable legal and regulatory requirements, and oversees the Company's ethics and compliance programs. The Audit Committee is currently composed of Messrs. Chenevich and Roach and Ms. Cote. Each member of the Audit Committee meets the independence criteria of The NASDAQ Stock Market and the SEC. Each Audit Committee member meets The NASDAQ Stock Market's financial knowledge requirements, and the Board has determined that Mr. Roach is financially sophisticated, as such term is defined in Rule 4350(d)(2)(A) of The NASDAQ Stock Market. The Audit Committee operates pursuant to a written charter, which complies with the applicable provisions of the Sarbanes-Oxley Act of 2002 and related rules of the SEC and The NASDAQ Stock Market. A copy of the Audit Committee charter is set forth as Appendix A to this Proxy Statement and is located on our Website at <http://investor.verisign.com/documentdisplay.cfm?DocumentID=544>. The Audit Committee met twelve times during 2007.

Audit Committee Financial Expert

Our Board has determined that John D. Roach is an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the Exchange Act). Mr. Roach meets the independence requirements for audit committee members as defined in the applicable listing standards of the NASDAQ Stock Market.

Report of the Audit Committee

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

The Audit Committee is composed of three non-management directors who meet the independence and experience requirements of The NASDAQ Stock Market. The Audit Committee operates under a written charter adopted by the Board. The members of the Audit Committee are Messrs. Chenevich (Chairperson) and Roach and Ms. Cote.

Management is responsible for the preparation, presentation and integrity of VeriSign's financial statements, accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent registered public accounting

Table of Contents

firm, KPMG LLP, is responsible for performing an independent audit of VeriSign's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and for issuing a report thereon. The Audit Committee is responsible for oversight of our financial, accounting and reporting processes and our compliance with legal and regulatory requirements. The Audit Committee is also responsible for the appointment, compensation and oversight of our independent registered public accounting firm, which includes reviewing the independent registered public accounting firm's independence, reviewing and approving the planned scope of the annual audit, overseeing the independent auditors' audit work, reviewing and pre-approving any non-audit services that may be performed by the independent auditors, reviewing with management and the independent auditors the adequacy of our internal financial controls, and reviewing our critical accounting policies and the application of accounting principles.

We have adopted a policy regarding rotation of the audit partners responsible for the audit of VeriSign's financial statements. No audit partner (as defined under SEC rules) of the public accounting firm providing audit services to VeriSign shall have served as the lead or coordinating audit partner (having primary responsibility for the audit) or as the audit partner responsible for reviewing the audit for more than five consecutive fiscal years.

During 2007, at each of our meetings, we met with the senior members of VeriSign's financial management team and our independent registered public accounting firm. We recommended to the Board that KPMG LLP be engaged as VeriSign's independent registered public accounting firm and we reviewed with KPMG LLP the overall audit scope and plans. We met privately with KPMG LLP to discuss the results of the audit, evaluations by the auditors of VeriSign's accounting and internal controls and quality of VeriSign's financial reporting. The Audit Committee met twelve times during 2007.

Our review of the audited financial statements contained in VeriSign's Annual Report on Form 10-K for the year ended December 31, 2007 included a discussion of the accounting principles, reasonableness of significant judgments, and clarity of disclosures in the financial statements. Management represented to us that VeriSign's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and we have reviewed and discussed the consolidated financial statements with management and KPMG LLP.

We discussed with KPMG LLP matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees. We also discussed with KPMG LLP their annual written disclosures and letter on their independence from VeriSign and its management, as required by Independent Standards Board Standard No. 1, Independence Discussions with Audit Committees. The Audit Committee has also considered whether the non-audit services provided by KPMG LLP to VeriSign during 2007 are compatible with maintaining the auditors' independence.

Based upon our discussions with management and KPMG LLP and our review of the representations of management, and the report of KPMG LLP to the Audit Committee, we recommended to the Board that the audited consolidated financial statements be included in VeriSign's Annual Report on Form 10-K for the year ended December 31, 2007, for filing with the SEC.

This report is submitted by the Audit Committee

William L. Chenevich (Chairperson)

Kathleen A. Cote

John D. Roach

Compensation Committee

The Board has established a Compensation Committee to discharge the Board's responsibilities with respect to all forms of compensation of the Company's executive officers, to administer the Company's equity incentive plans, and to produce an annual report on executive compensation for use in the Company's proxy statement. The

Table of Contents

Compensation Committee is also responsible for approving and evaluating executive officer compensation arrangements, plans, policies and programs of the Company, and for administering the Company's equity incentive plans for employees. The Compensation Committee operates pursuant to a written charter. The Compensation Committee's charter is set forth as Appendix B to this Proxy Statement and is located on our Website at <http://investor.verisign.com/documentdisplay.cfm?DocumentID=546>. The Compensation Committee is currently composed of Messrs. Simpson and Tomlinson, each of whom is an independent director under the rules of The NASDAQ Stock Market, and an outside director pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). The Compensation Committee met eleven times during 2007. For further information regarding the role of compensation consultants and management in setting executive compensation, see Executive Compensation Compensation Discussion and Analysis.

Communicating with the Board

Any stockholder who desires to contact the Board may do so electronically by sending an e-mail to the following address: bod@verisign.com. Alternatively, a stockholder may contact the Board by writing to: Board of Directors, VeriSign, Inc., 487 East Middlefield Road, Mountain View, California 94043-4047, Attention: Secretary. Communications received electronically or in writing are distributed to the Chairman of the Board or other members of the Board, as appropriate, depending on the facts and circumstances outlined in the communication received.

Legal Proceedings

On July 6, 2006, a stockholder derivative complaint (Parnes v. Bidzos, et al., and VeriSign) was filed against the Company, as a nominal defendant, and certain of its current and former directors and executive officers related to certain historical stock option grants. The complaint seeks unspecified damages on behalf of VeriSign, constructive trust and other equitable relief. Two other derivative actions were filed, one in United States District Court for the Northern District of California (Port Authority v. Bidzos, et al., and VeriSign), and one in state court (Port Authority v. Bidzos, et al., and VeriSign) on August 14, 2006. We are named as a nominal defendant in these actions. The federal actions have been consolidated and plaintiffs filed a consolidated complaint on November 20, 2006. Motions to dismiss the consolidated federal court complaint were heard on May 23, 2007. Those motions were granted on September 14, 2007. Motions to stay the state court action are pending. On May 15, 2007, a putative class action (Mykityshyn v. Bidzos, et al., and VeriSign) was filed in Superior Court for the State of California, Santa Clara County naming the Company and certain current and former officers and directors, alleging false representations and disclosure failures regarding certain historical stock option grants. The plaintiff purports to represent all individuals who owned our common stock between April 3, 2002, and August 9, 2006. The complaint seeks rescission of amendments to the 1998 and 2006 Option Plans and the cancellation of shares added to the 1998 Option Plan. The complaint also seeks to enjoin defendants from granting any stock options and from allowing the exercise of any currently outstanding options granted under the 1998 and 2006 Option Plans. The complaint seeks an unspecified amount of compensatory damages, costs and attorneys fees. The identical case was filed in state court under a separate name (Pace v. Bidzos, et al., and VeriSign) on June 19, 2007, and on October 3, 2007 (Mehdian v. Bidzos, et al.). On December 3, 2007, a consolidated complaint was filed in Superior Court for the State of California, Santa Clara County. VeriSign and the individual defendants dispute all of these claims.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer and other senior accounting officers. The Code of Ethics for the Chief Executive Officer and Senior Financial Officers is located on our Website at <http://investor.verisign.com/documents2.cfm>. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver from, a provision of this code of ethics by posting such information on our Website, at the address and location specified above.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of March 31, 2008 by:

each current stockholder who is known to own beneficially more than 5% of our common stock;

each current director;

each of the Named Executive Officers (see the Summary Compensation Table elsewhere in this Proxy Statement); and