



VERISIGN®

2022

PROXY
STATEMENT

2021

ANNUAL
REPORT

DEAR VERISIGN STOCKHOLDERS:



OUR MISSION

Enable the world to connect online with reliability and confidence, anytime, anywhere

OUR VALUES

- We are stewards of the internet and our Company
- We are passionate about technology and continuous improvement
- We respect others and exhibit integrity in our actions
- We take responsibility for our actions and hold ourselves to a higher standard

Throughout a second year operating in our pandemic work posture, Verisign continued to deliver the registration and resolution services on which the world depends. Our management focus on mission and safety allowed our teams to continue enabling the world to connect online with reliability and confidence. We have now maintained 100 percent operational availability and accuracy for .com and .net resolution for over 24 years, helping to keep the world connected online, seamlessly and securely, even as the COVID pandemic continued.

Our financial results remained strong in 2021. Some financial highlights for the year are:

- Revenues totaled \$1.33 billion for 2021, marking 11 straight years of revenue and operating income expansion since divesting non-core assets.
- The domain name base for .com and .net names ended 2021 with 173 million names, up by 8.3 million net new names, which represents a 5.0 percent increase over the base at the end of the prior year.
- We repurchased 3.3 million shares, returning \$700 million to our stockholders. Since the company's inception we have returned more than \$11.7 billion to stockholders through share repurchases and \$1.0 billion in special dividends.
- Our balance sheet remained strong, with year-end cash, cash equivalents and marketable securities at \$1.2 billion.
- Having frozen registry prices for all our top-level domains in March 2020 as an immediate response to the emergent COVID-19 pandemic, in September 2021 we implemented a 7% increase in the wholesale registration cost of a .com domain name.

In 2021, Verisign expanded its efforts to set an example of good corporate citizenship. We began the process of benchmarking and quantifying our ESG (Environmental, Social and Governance) metrics, which in turn will help us to refine and improve both our practices and our disclosures. We also continued to provide tangible help to the communities in which we live and work, through our Verisign Cares program. Contributions in 2021 included support for:

- Organizations directly assisting those impacted by COVID-19, both in the United States and in India, where many of our workforce have personal connections;
- Food banks in areas where we have business operations; and
- The Equal Justice Initiative and the Stand with Asian Americans initiative, cementing our commitment to addressing recent and historic injustice

We also grew our workforce retraining program, which helps those affected by COVID-19 to access training, certification, and mentorship. From one regional launch partnership in 2020 we added three more partnerships, expanding our reach both across the country and virtually. Virginia Ready, our first launch partner, enrolled their 3,000th scholar in 2021 – an achievement of which we should all be proud.

In an ever-changing cyber environment, with ever-increasing reliance of online services, Verisign's mission continues to grow in importance. In 2022, we will work to ensure the continued reliable and accurate delivery of the critical infrastructure services we are charged with providing.

Thank you for your ongoing support.

A handwritten signature in black ink that reads "Jim Bidzos". The signature is written in a cursive, flowing style.

Jim Bidzos
Chairman of the Board of Directors,
Executive Chairman and Chief Executive Officer
April 2022



VERISIGN®

NOTICE OF 2022 ANNUAL MEETING AND PROXY STATEMENT

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VERISIGN®

VeriSign, Inc.
12061 Bluemont Way
Reston, Virginia 20190

April 12, 2022

To Our Stockholders:

You are cordially invited to attend the 2022 Annual Meeting of Stockholders (the “Annual Meeting”) of VeriSign, Inc. (“we,” “our,” “us,” or the “Company”) to be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 26, 2022, at 10:00 a.m., Eastern Time.

The matters expected to be acted upon at the Annual Meeting are described in detail on the following pages.

We are using a U.S. Securities and Exchange Commission rule that allows us to furnish our proxy materials over the internet. As a result, we are mailing to our stockholders a Notice Regarding the Availability of Proxy Materials instead of a paper copy of the following Proxy Statement, together with our 2021 Annual Report. The Notice Regarding the Availability of Proxy Materials contains instructions on how to access those documents over the internet or receive a paper copy of those documents. We believe that this process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

It is important that you use this opportunity to take part in the affairs of the Company by voting on the business to come before the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote electronically via the internet or by telephone as described in the Notice Regarding the Availability of Proxy Materials and under “Information About the Meeting—Internet and Telephone Voting” within the following Proxy Statement, or alternatively, if you have received paper copies of our proxy materials, please complete, date, sign, and promptly return the accompanying proxy card or voting instruction form by mail using the enclosed envelope so that your shares may be represented at the Annual Meeting. Returning or completing the proxy card does not deprive you of your right to attend the Annual Meeting and vote your shares.

Thank you for your continued support of the Company.

Sincerely,

/s/ D. James Bidzos

D. James Bidzos

Chairman of the Board of Directors, Executive
Chairman, and Chief Executive Officer

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VERISIGN

Notice of 2022 Annual Meeting of Stockholders

Date and Time

May 26, 2022 (Thursday) 10:00 a.m.
(Eastern Time)

Location

The Annual Meeting will be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190.

Who Can Vote

Only stockholders of record at the close of business on April 1, 2022, which is the record date, are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

The 2022 Annual Meeting of Stockholders (the "Annual Meeting") will be held for the following purposes:

PROPOSALS	BOARD VOTE RECOMMENDATION	FOR FURTHER DETAILS
1 Election of Eight Directors Named in the Proxy Statement	<input checked="" type="checkbox"/> FOR each director nominee	Page 11
2 Advisory Vote to Approve Executive Compensation	<input checked="" type="checkbox"/> FOR	Page 28
3 Ratification of Selection of KPMG LLP as Independent Registered Public Accounting Firm for 2022	<input checked="" type="checkbox"/> FOR	Page 47
4 Stockholder Proposal Regarding an Amendment to our Special Stockholder Meeting Right	<input checked="" type="checkbox"/> AGAINST	Page 49

Stockholders will also transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

If you hold your shares as of the record date as a stockholder of record or as a beneficial owner, you or your proxyholder may participate, vote, or submit questions during the meeting. A list of stockholders of record entitled to vote shall be available to any stockholder for any purpose relevant to the 2022 Meeting for 10 days prior to the Annual Meeting upon request to the Office of the Corporate Secretary. In addition, the list of stockholders of record will also be available during the Annual Meeting.





Reston, Virginia

April 12, 2022
By Order of the Board of Directors,

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

How to Vote

Whether or not you plan to attend the Annual Meeting, please vote electronically via the internet or by telephone as described on the Notice Regarding the Availability of Proxy Materials and under “Information About the Meeting—Internet and Telephone Voting” in the Proxy Statement, or alternatively, if you have received paper copies of proxy materials, complete, date, sign, and promptly return the accompanying proxy card or voting instruction form by mail using the enclosed envelope so that your shares may be represented at the Annual Meeting.

 <p>Internet</p> <p>Visit the website listed on your proxy card</p>	 <p>Telephone</p> <p>Call the telephone number on your proxy card</p>	 <p>Mail</p> <p>Sign, date, and return your proxy card in the enclosed envelope</p>	 <p>Attending the Meeting</p> <p>Attend and vote at the Annual Meeting</p>
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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 26, 2022: The 2022 Proxy Statement, together with the 2021 Annual Report, are available at www.edocumentview.com/vrsn.

A Notice Regarding the Availability of Proxy Materials or the Proxy Statement and related proxy materials were first sent or made available to stockholders on April 12, 2022.

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In this Proxy Statement, the terms "we," "our," "us," "Verisign" or the "Company" refer to VeriSign, Inc.

Verisign’s Mission, Values, and Strategic Framework

Our mission and values form Verisign’s DNA, the principles under which we perform our primary responsibility: helping to enable the security, stability, and resiliency of key internet infrastructure and services. With this DNA, we develop a strategic framework that guides our day-to-day operations. Every year, we develop our corporate goals to support this strategy, which are organized around three strategic framework principles: Protect Unconditionally, Grow Responsibly, and Manage Continuously.

Verisign’s Mission

Verisign enables the world to connect online with reliability and confidence, anytime, anywhere.

Verisign’s Values

We are stewards of the internet and our Company

Billions of people and a significant portion of the world’s economy rely on the internet infrastructure we help to manage and operate. As stewards of the internet and our Company, we work to ensure every decision and action preserves the trust people place in us and creates value for our shareholders.

We are passionate about technology and continuous improvement

We embrace new technologies, ideas, and the potential they promise. We also challenge past assumptions and do not accept that what works today will work tomorrow. This enables us to continue building, sustaining, and improving on the internet’s infrastructure.

We respect others and exhibit integrity in our actions

The internet has made the world a smaller place, so the way we do business is more important now than ever. That’s why we demonstrate respect and integrity in all of our interactions with our stakeholders — customers, shareholders, business partners, internet users, and each other.

We take responsibility for our actions and hold ourselves to a higher standard

We understand that the role we play in supporting the global internet is a privilege and with that privilege comes great responsibility. We appreciate that our decisions and actions have consequences far beyond our own Company. Therefore, we hold ourselves to a higher standard in all we do.

Verisign’s Strategic Framework

We protect unconditionally.	We grow responsibly.	We manage continuously.
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2021 Highlights

2021 Business Highlights

\$1.33 billion Revenue ▲ ~5% increase compared to 2020	\$867 million Operating Income ▲ ~5% increase compared to 2020	173.4 million .com and .net Domain Name Registrations in Domain Name Base at End of 2021 ▲ 5% increase from December 31, 2020	44.6 million New Domain Name Registrations Processed for .com and .net in 2021 compared to 42.4 million in 2020
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Responding to COVID-19 and Committing to Responsible Corporate Citizenship

2021 continued to bring unexpected and serious challenges to businesses worldwide. As the global pandemic continued to increase reliance on the internet, Verisign's continued focus on our mission – enabling the world to connect online with reliability and confidence, anytime, anywhere – allowed us to continue to provide businesses and individuals with the transparent and reliable navigation services they depend on.

Prioritizing the Safety and Well-Being of Employees

Throughout the pandemic, the safety and well-being of our employees has remained a key focus. At the outset of the pandemic, we established a task force to monitor the pandemic and to actively protect our employees. Beginning in March 2020, we transitioned approximately 95% of our employees to a work-from-home status. To protect the health of our employees who work on site, we have implemented rigorous cleaning and safety protocols for our facilities. We adjusted employee leave and other policies with the intention of ensuring that our workforce had the flexibility it needed to manage personal challenges arising from the pandemic. We enhanced mental health resources available to our employees, and unique individual requirements are supported to the greatest degree possible. In addition, we have taken steps to provide our employees with the equipment and resources that they require to work remotely. Finally, we continue to reinforce our connection with our employees, through frequent leadership updates and regular management outreach.

Executing on Business Continuity Plans

We have continued to execute on business continuity plans for the uninterrupted continuation of our services, while most of our employees continue to work remotely. Verisign has maintained 100 percent operational accuracy and stability of the .com and .net domain name system for more than 24 years. This unparalleled achievement is due not only to the unwavering dedication of our team but, in 2021, also to our companywide commitments to mission and to employee safety.

Committing to Responsible Corporate Citizenship

Verisign is committed to responsible corporate citizenship. This commitment is reflected in our Environmental, Social and Governance objectives, and the work of Verisign Cares, our philanthropic and charitable program. We commissioned a cross-functional ESG task force to integrate our ESG and SEC reporting and align our ESG disclosures with external frameworks. We provided support to food banks, community needs, and to several organizations addressing COVID-19 impacts in India. We continued our focus on social injustice with contributions to the Equal Justice Initiative and Stop AAPI (Asian American Pacific Islander) Hate. In 2021, we not only strengthened our partnership with Virginia Ready but also entered into new partnerships with NPower, Byte Back, and Per Scholas. These organizations all work to re-skill individuals for in-demand jobs in high growth sectors such as our own, especially for those individuals whose jobs may have been displaced or lost due to COVID-19's economic impact. Our direct 501(c)(3) charitable contributions in 2021 totaled \$1.9 million.

Voting Roadmap

The accompanying proxy is solicited on behalf of our Board of Directors (the “Board”) for use at the 2022 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 26, 2022 at 10:00 a.m., Eastern Time.

This summary highlights certain information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and we encourage you to read the entire Proxy Statement before voting.

Proposal 1

Election of Directors



FOR

The Board recommends a vote FOR each director nominee.

See page 11

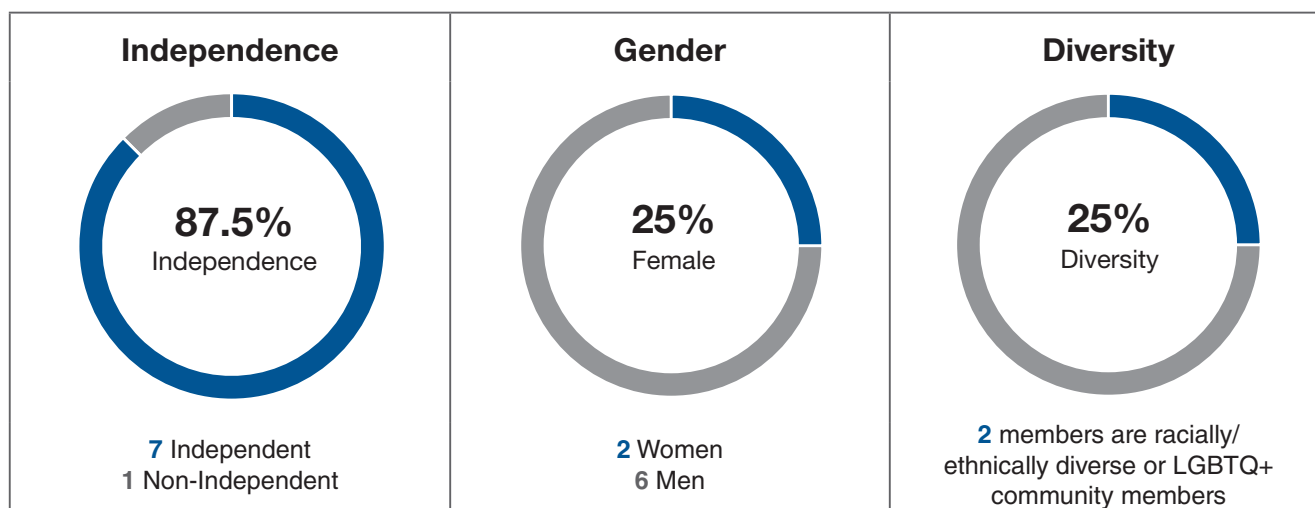
Director Nominees

The following provides summary information about each director nominee.

NAME	AGE	DIRECTOR SINCE	COMMITTEE MEMBERSHIP			
			AUDIT	COMPENSATION	CORPORATE GOVERNANCE AND NOMINATING	CYBERSECURITY
D. James Bidzos	67	1995				M
Courtney D. Armstrong IND	51	2021			M	
Yehuda Ari Buchalter IND	50	2019			M	M
Kathleen A. Cote IND	73	2008	M		C	
Thomas F. Frist III IND	54	2015		C	M	
Jamie S. Gorelick IND	71	2015		M	M	
Roger H. Moore Lead Independent Director	80	2002	M		M	C
Timothy Tomlinson IND	72	2007	C	M	M	M

C – Chairperson M – Member IND – Independent

Director Nominee Snapshot



Corporate Governance Highlights

Board Composition	<ul style="list-style-type: none"> 7 out of 8 directors are independent. 2 out of 8 directors are women.
Diversity	<ul style="list-style-type: none"> 2 self-identify as individuals from underrepresented communities (meaning, an individual who self-identifies as Black, African American, Hispanic, Latinx, Asian, Native American, Alaska Native, Native Hawaiian, or Pacific Islander, or who self-identifies as gay, lesbian, bisexual, or transgender).
Annual Election of Directors	<ul style="list-style-type: none"> All directors are elected annually.
Majority Voting Standard	<ul style="list-style-type: none"> To be elected in uncontested elections, each nominee for director must receive a majority of the votes cast.
Lead Independent Director	<ul style="list-style-type: none"> We have a lead independent director with robust responsibilities.
Board Committees	<ul style="list-style-type: none"> We have an Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee, each of which is composed entirely of independent directors. We have a Cybersecurity Committee to assist the Board with its oversight of the Company's cybersecurity program and risks.
Stockholder Rights	<ul style="list-style-type: none"> Stockholders have proxy access rights. Stockholders owning as few as 10% of outstanding common stock may call a special meeting of stockholders.
Single Voting Class	<ul style="list-style-type: none"> Our common stock is the only class of voting shares outstanding.
One Share, One Vote	<ul style="list-style-type: none"> Each share of our common stock is entitled to one vote.
Annual Board Leadership Evaluation	<ul style="list-style-type: none"> The Board evaluates the Board leadership structure annually.
Annual Self-Evaluations	<ul style="list-style-type: none"> The Board conducts an annual self-evaluation to determine whether it and its committees are functioning effectively.
No "Poison Pill"	<ul style="list-style-type: none"> We do not have a stockholder rights plan, or "poison pill," in place.
Annual Auditor Ratification	<ul style="list-style-type: none"> Stockholders have the opportunity to ratify the Audit Committee's selection of our independent registered public accounting firm annually.
Stock Retention Policy	<ul style="list-style-type: none"> Directors and executives are subject to a stock retention policy.

Proposal 2

Advisory Vote to Approve Executive Compensation

FOR

The Board recommends a vote FOR this proposal.

See page 28

Compensation Framework

The chart below shows the three main elements of our executive compensation program (including the percentage that each element comprised in our CEO’s 2021 pay mix at target and our other NEOs’ 2021 average pay mix at target), our objectives for each element of compensation, and the factors we use to determine compensation amounts.

ELEMENT	OBJECTIVE	FACTORS	MEASURES
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"> CEO Other NEOs (Average) </div> <p>Base Salary (% of Pay Mix at Target)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>9%</p> </div> <div style="text-align: center;"> <p>16%</p> </div> </div>	<p>Provide a guaranteed level of annual income in order to attract and retain our executive talent. Increases are not automatic or guaranteed.</p>	<ul style="list-style-type: none"> Job responsibilities and scope Experience Individual contributions Internal pay equity 	
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"> CEO Other NEOs (Average) </div> <p>Annual Incentive Bonus (% of Pay Mix at Target)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>14%</p> </div> <div style="text-align: center;"> <p>14%</p> </div> </div>	<p>Provide a reward for achieving individual goals and the Company’s financial and strategic goals.</p>	<ul style="list-style-type: none"> Company performance Individual performance 	<ul style="list-style-type: none"> Revenue Operating margin
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"> CEO Other NEOs (Average) </div> <p>Long-Term Incentive Compensation (% of Pay Mix at Target)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>77%</p> </div> <div style="text-align: center;"> <p>70%</p> </div> </div>	<p>Provide an award that both serves a retention purpose and incentivizes executives to manage the Company from the perspective of a stockholder.</p>	<ul style="list-style-type: none"> Importance of the executive to Company performance Individual contributions Future potential of the executive Value of executive’s vested and unvested outstanding equity awards 	<ul style="list-style-type: none"> Compound annual growth rate (CAGR) of operating income per share Total Shareholder Return (TSR)

Executive Compensation Highlights

Our executive compensation program is designed to attract and retain the executive talent we need to maintain our high performance standards and grow our business for the future. Our philosophy is to provide a mix of compensation that motivates our executives to achieve our short and long-term performance goals, which in turn will create value for our stockholders. We made no significant changes to our overall approach to executive compensation for 2021.

Pay for Performance Alignment

- For the CEO, 91% of targeted total compensation is performance-based.
- For other NEOs, 84% of targeted total compensation on average is performance-based.

Compensation Governance Practices and Policies

- Annual Benchmarking of Executive Compensation
- Independent Compensation Consultant
- Annual Say-on-Pay Vote
- Stock Ownership Requirements
- Clawback Policy
- Forfeiture Provisions
- Annual Compensation Risk Assessment

Responsible Pay Practices

- No Employment Contracts
 - No Single Trigger Benefits Upon a Change-in-Control
 - No Tax Gross-Ups Upon a Change-in-Control
 - No Special Pension or Retirement Plans
 - No Significant Perquisites
-

Proposal 3

Ratification of Selection of KPMG LLP as Independent Registered Public Accounting Firm for 2022

**FOR**

The Board recommends a vote FOR this proposal.

See page 47

Principal Accountant Fees and Services

The following table presents fees billed for professional services rendered by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2021 and December 31, 2020, and fees billed for other services provided by KPMG LLP, in each of the last two completed years.

	2021 FEES	2020 FEES
Audit fees⁽¹⁾	\$1,986,852	\$1,665,095
Audit-related fees	-	-
Tax fees⁽²⁾	-	\$13,966
All other fees	-	-
Total fees	\$1,986,852	\$1,679,061

⁽¹⁾ Audit fees consist of fees for the integrated audit of the annual financial statements included in our Annual Reports on Form 10-K, the review of the interim financial statements included in our Quarterly Reports on Form 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements for those years.

⁽²⁾ Tax fees consist principally of technical tax advice.

Proposal 4

Stockholder Proposal Regarding an Amendment to our Special Stockholder Meeting Right

**AGAINST**

The Board recommends a vote AGAINST this stockholder proposal.

See page 49

Proposal 1

Election of Directors

The Board consists of eight directors. The terms of the current directors expire upon the election and qualification of the directors to be elected at the Annual Meeting. The Board has nominated each of the current directors, D. James Bidzos; Courtney D. Armstrong; Yehuda Ari Buchalter; Kathleen A. Cote; Thomas F. Frist III; Jamie S. Gorelick; Roger H. Moore; and Timothy Tomlinson, for election at the Annual Meeting to serve until our 2023 Annual Meeting of Stockholders and until their respective successors have been elected and qualified. Mr. Armstrong, who was appointed to the Board in June 2021, was recommended by a non-management director. Proxies cannot be voted for more than eight persons, which is the number of nominees.

Unless otherwise directed, the persons named as proxies on the proxy card intend to vote all proxies FOR the election of the Board's nominees, each of whom has consented to serve as a director if elected. In addition, if a proxy card is properly executed and returned but no direction is made, the persons named as proxies on the proxy card intend to vote all proxies FOR the election of the Board's nominees. If, at the time of the Annual 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 that any of the nominees will be unable or will decline to serve if elected.

**FOR**

The Board recommends a vote FOR the election of each of the foregoing director nominees.

Independence, Skills, Experience, and Diversity

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 directors," as determined by the Board. The Board and the Corporate Governance and Nominating Committee consulted with our legal counsel to confirm that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of The Nasdaq Stock Market. Consistent with these considerations, after review of all relevant transactions and relationships between each director, or any of his or her family members, and Verisign, our executive officers or our independent registered public accounting firm, our Board affirmatively determined on February 15, 2022 that seven out of the eight members of our Board are independent directors. Our independent directors are: Mr. Armstrong; Dr. Buchalter; Ms. Cote; Mr. Frist; Ms. Gorelick; Mr. Moore; and Mr. Tomlinson. Each member of the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee is an independent director. Each member of the Cybersecurity Committee other than Mr. Bidzos is an independent director. Mr. Bidzos serves as Executive Chairman and Chief Executive Officer and thus is not considered an independent director. Louis A. Simpson, who served as a director until his death in January 2022, qualified as independent during his service on the Board.

Skills, Experience, and Diversity

The chart below shows the range of skills and experience represented on the Board:

	BIDZOS	ARMSTRONG	BUCHALTER	COTE	FRIST	GORELICK	MOORE	TOMLINSON
Accounting, Corporate Finance, and Capital Management	✓		✓	✓	✓		✓	✓
Corporate Governance and Ethics	✓	✓		✓	✓	✓	✓	✓
Executive Experience	✓	✓	✓	✓	✓	✓	✓	✓
International/Global Experience	✓	✓	✓	✓		✓	✓	
Government and Public Policy	✓					✓		
Legal and Regulatory	✓	✓		✓		✓		✓
Other Public Company Board Experience	✓			✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning and Oversight	✓	✓	✓	✓	✓	✓	✓	
Technology and Cybersecurity	✓		✓	✓		✓	✓	✓

BOARD DIVERSITY MATRIX

The table below provides certain highlights of the composition of our Board members and nominees as of April 1, 2022. Each of the categories listed in the table below has the meaning as it is used in Nasdaq Rule 5605(f).

Total Number of Directors	8	
	Female	Male
Gender Identity		
Directors	2	6
Demographic Background*		
African American or Black	–	1
Alaska Native or Native American	–	–
Asian	–	–
Hispanic or Latinx	–	–
Native Hawaiian or Pacific Islander	–	–
White	2	5
Two or More Races or Ethnicities	–	–
LGBTQ+	1	–
Did Not Disclose Demographic Background	–	–

* As demonstrated by the Board's adoption of the "Rooney Rule" as part of its director recruitment policies, the Board is committed to including female and racially/ethnically diverse candidates in the pool in new director searches.

Director Nominees

Set forth below is certain information relating to our director nominees, including details on each director nominee's specific experience, qualifications, attributes, or skills that led the Board to conclude that the person should be nominated for election as a director for another term.

D. James Bidzos

Age: 67

Committees: **Cybersecurity**

Background

Mr. Bidzos has served as Executive Chairman since August 2009 and Chief Executive Officer since August 2011. He served as President from August 2011 to February 2020, Executive Chairman and Chief Executive Officer on an interim basis from June 2008 to August 2009, and President from June 2008 to January 2009. He served as Chairman of the Board since August 2007 and from April 1995 to December 2001. He served as Vice Chairman of the Board from December 2001 to August 2007. Mr. Bidzos served as a director of VeriSign Japan K.K. from March 2008 to August 2010 and served as Representative Director of VeriSign Japan K.K. from March 2008 to September 2008. Mr. Bidzos served as Vice Chairman of RSA Security Inc., an internet identity and access management solution provider, from March 1999 to May 2002, and Executive Vice President from July 1996 to February 1999. Prior to that, he served as President and Chief Executive Officer of RSA Data Security, Inc. from 1986 to February 1999.

Qualifications

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

Courtney D. Armstrong IND

Age: 51

Committees: **Corporate Governance and Nominating**

Background

Courtney D. Armstrong has served as a director since June 2021. Mr. Armstrong is currently President of Business Affairs and Administration at Paramount Pictures, a position he has held since October 2021. From April 2014 to October 2021, Mr. Armstrong served as Executive Vice President, Worldwide Business Affairs of Warner Bros. Pictures, where he oversaw all day-to-day business and legal aspects of worldwide film acquisition, development, production and initial distribution for the studio, including supervising the negotiations of key deals with filmmakers and talent. He joined Warner Bros. Pictures in 2003 as a Director of Business Affairs and was promoted to Vice President in 2004 and Senior Vice President in 2007. Before joining Warner Bros. Pictures, Mr. Armstrong spent three years at Walt Disney Pictures as an attorney in the Business and Legal Affairs department of the Motion Picture Group. Prior to that, Mr. Armstrong began his career as a litigation associate on the entertainment litigation team at the Los Angeles-based law firm Paul Hastings LLP. Mr. Armstrong is a graduate of the Northwestern Pritzker School of Law and holds an M.B.A. degree from the Kellogg School of Management. He received his undergraduate degree in Mechanical Engineering from Northwestern University.

Qualifications

Mr. Armstrong is a business executive with significant expertise in business and legal matters. Mr. Armstrong's expertise as a business executive includes sales and marketing, financial management, contract negotiation, and distribution, providing him with a perspective that the Board values.

Yehuda Ari Buchalter IND

Age: 50

Committees: **Corporate Governance and Nominating, Cybersecurity****Background**

Dr. Buchalter has served as a director since July 2019. Dr. Buchalter is the Chief Executive Officer of Place Exchange, Inc., a technology company in the digital advertising space, a position he has held since July 2021. From May 2017 to July 2021, Dr. Buchalter served as the Chief Executive Officer of Intersection Holdings, LLC (“Intersection”), a leading smart cities media and technology company. At Intersection, Dr. Buchalter led the Infosec Leadership Team, which was responsible for overseeing the company’s security and risk management issues, including data security and privacy issues. From July 2008 to January 2017, Dr. Buchalter served as the Chief Operating Officer and then President of MediaMath, a leading programmatic advertising technology platform. From January 2005 to April 2008, Dr. Buchalter was a Senior Partner at the marketing consultancy and agency Rosetta, where he led the Digital Media & Technology vertical. Prior to that, Dr. Buchalter was an Associate Principal in McKinsey & Company’s Media & Technology practice and a founding member of their Innovation practice. Dr. Buchalter holds a B.S. in Physics from Stanford University, a Ph.D. in Astronomy from Columbia University, and was a postdoctoral fellow in Theoretical Astrophysics at the California Institute of Technology.

Qualifications

Dr. Buchalter is a business executive with significant experience building and leading technology companies. Dr. Buchalter’s expertise as a business executive includes business administration, sales and marketing, product development, engineering, and operations, providing him with a perspective that the Board values.

Kathleen A. Cote IND

Age: 73

Committees: **Audit, Corporate Governance and Nominating (Chair)****Background**

Ms. 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, Inc., a provider of internet managed services. From September 1998 to May 2001, she served as Founder and President of Seagrass Partners, a consulting firm specializing in providing strategic planning, business, operational, and management support for startup and mid-sized technology companies. Prior to that, 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 served as a director of Western Digital Corporation from January 2001 to November 2021. Ms. Cote holds an Honorary Doctorate from the University of Massachusetts, an M.B.A. degree from Babson College, and a B.A. degree from the University of Massachusetts, Amherst.

Qualifications

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

Thomas F. Frist III IND

Age: 54

Committees: **Compensation (Chair), Corporate Governance and Nominating****Background**

Mr. Frist has served as a director since December 2015. Since April 2019, Mr. Frist has served as Chairman of the Board of Directors of HCA Healthcare, Inc. where he has served as a director since 2006. Mr. Frist is the Founder and Managing Principal of Frist Capital, LLC, an investment firm based in Nashville, Tennessee he founded in 2002 that makes long-term equity investments in public and private companies. Prior to that he was the managing member of FS Partners II, LLC and he worked in principal investments at Rainwater, Inc. from 1992 to 1995. Mr. Frist previously served as a director of Science Applications International Corporation from 2013 until 2017. Mr. Frist holds a B.A. degree from Princeton University and an M.B.A. degree from Harvard Business School.

Qualifications

Mr. Frist's significant directorship experience provides valuable expertise and perspective to the Board. His directorship experience includes having chaired, and served as a member of, various public company board committees. In addition to his significant experience as a public company director, Mr. Frist provides valuable experience in areas of business administration, finance, and operations, which the Board values.

Jamie S. Gorelick IND

Age: 71

Committees: **Compensation, Corporate Governance and Nominating****Background**

Ms. Gorelick has served as a director since January 2015. Ms. Gorelick has been a partner at Wilmer Cutler Pickering Hale and Dorr LLP since July 2003. She has held numerous positions in the U.S. government, serving as Deputy Attorney General of the United States, General Counsel of the Department of Defense, Assistant to the Secretary of Energy, and a member of the bipartisan National Commission on Terrorist Threats Upon the United States. Ms. Gorelick has served as a director of Amazon.com, Inc. since February 2012 and currently serves as Chair of its Nominating and Corporate Governance Committee. She previously served as a director of United Technologies Corporation from February 2000 to December 2014 and a director of Schlumberger Limited from April 2002 to June 2010. She holds B.A. and J.D. degrees from Harvard University.

Qualifications

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

Proposal 1 – Election of Directors

Roger H. Moore IND

Age: 80

Lead Independent DirectorCommittees: **Audit, Corporate Governance and Nominating, Cybersecurity (Chair)****Background**

Mr. Moore has served as a director since February 2002 and as our Lead Independent Director since February 2022. From December 2007 to May 2009, he served as a consultant assisting our Company in the divestiture of its former Communications Services business. From June 2007 through November 2007, Mr. Moore served as interim Chief Executive Officer and President of Arbinet-thexchange, Inc., a provider of online trading services. He was President and Chief Executive Officer of Illuminet Holdings, Inc., a provider of nationwide network and database services, from December 1995 until December 2001 when it was acquired by our Company. Mr. Moore has served as a director of Consolidated Communications Holdings, Inc. since July 2005 and previously served as a director of Western Digital Corporation from June 2000 through November 2014. Mr. Moore holds a B.S. degree in General Science from Virginia Polytechnic Institute and State University.

Qualifications

Mr. Moore is a business executive with significant expertise in general management, sales, technology, cybersecurity, and strategic planning in the telecommunications industry. Mr. Moore's expertise contributes operational knowledge of important inputs to the Company's businesses and provides valuable experience in areas of business administration. Mr. Moore also has significant experience, both as a senior executive and as a board member, in joint venture and mergers and acquisition transactions, which is experience that is valuable to the Board. Mr. Moore has experience in military intelligence, including serving two years at the National Security Agency. Mr. Moore's financial and accounting skills qualify him as an audit committee financial expert. Mr. Moore has also served on several other boards of directors, including service on the audit, compensation, and corporate governance committees of certain of those boards, providing him with valuable board-level experience. In addition to the several years of business management experience mentioned above, Mr. Moore has international business experience from his time as President of Nortel Japan and as President of AT&T Canada.

Timothy Tomlinson IND

Age: 72

Committees: **Audit (Chair), Compensation, Corporate Governance and Nominating, Cybersecurity****Background**

Mr. Tomlinson has served as a director from the Company's founding in 1995 until 2002, and again since his reappointment in November 2007. From May 2011 through December 2013, Mr. Tomlinson was a corporate lawyer employed as General Counsel of Portola Minerals Company, a producer and seller of limestone products. From May 2007 through May 2011, Mr. Tomlinson was employed as Of Counsel by the law firm Greenberg Traurig, LLP. Mr. Tomlinson was the founder and a named partner of Tomlinson Zisko LLP and practiced with this Silicon Valley law firm from 1983 until its acquisition by Greenberg Traurig, LLP in May 2007. He served as managing partner of Tomlinson Zisko LLP for multiple terms. While at Tomlinson Zisko LLP, Mr. Tomlinson and his firm served as the licensing counsel to RSA Data Security, Inc. and the Company for a wide variety of cryptographic and related cybersecurity products. Mr. Tomlinson holds a B.A. degree in Economics, a Ph.D. degree in History, an M.B.A., and a J.D. degree from Stanford University.

Qualifications

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

Corporate Governance

Overview

Our business is conducted by our employees, managers and officers, under the direction of our Chief Executive Officer and the oversight of the Board, to enhance the long-term value of our Company for our stockholders. Key corporate governance documents that guide our corporate governance structure and processes, including our Corporate Governance Principles and the charters of the Board's committees, are available on our Investor Relations website at <https://investor.verisign.com/corporate-governance>.

Board Structure and Operations

Board Leadership Structure

The Board regularly considers the appropriate leadership structure for the Board. Currently, the Company's eight-member Board is led by Chairman D. James Bidzos. Mr. Bidzos is also an officer of the Company, serving as its Executive Chairman and Chief Executive Officer. Following the passing of Louis A. Simpson, who served as the Lead Independent from July 2015, the independent directors of the Board appointed Roger Moore as Lead Independent Director in February 2022. The Lead Independent Director: (i) presides at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors; (ii) serves as liaison between the Chairman of the Board and the independent directors; (iii) works with the Chairman of the Board to facilitate timely and appropriate information flow to the Board; (iv) reviews and approves agendas and schedules for meetings of the Board; (v) exercises such other powers and duties as from time to time may be assigned to him or her by the Board; and (vi) meets with significant stockholders, as appropriate. In addition, the Lead Independent Director has the authority to call meetings and executive sessions of the independent directors.

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

The Board has concluded that the Company and its stockholders are best served by not having a formal policy on whether the same individual should serve as both Chief Executive Officer and Chairman of the Board. This flexibility allows the Board to utilize its considerable experience and knowledge to elect the most appropriate director as Chairman, while maintaining the ability to separate the Chairman of the Board and Chief Executive Officer roles when necessary. This determination is made according to what the Board believes is best to provide appropriate leadership for the Board at such time.

Board Committees

AUDIT COMMITTEE

Members

Timothy Tomlinson
(Chairperson)
Kathleen A. Cote
Roger H. Moore

Meetings in 2021: 5

Principal Responsibilities

The Board has established an Audit Committee that:

- oversees the accounting and financial reporting processes at the Company, internal control over financial reporting, audits of the Company's financial statements, the qualifications of the Company's independent registered public accounting firm, and the performance of the Company's internal audit department and the independent registered public accounting firm;
- is responsible for the appointment (subject to stockholder ratification), compensation, and retention of the independent registered public accounting firm, which reports directly to the Audit Committee;
- 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 program.

Independence

Each member of the Audit Committee meets the independence criteria of The Nasdaq Stock Market's and the SEC's rules. Each Audit Committee member meets The Nasdaq Stock Market's financial knowledge requirements, and the Board has determined that the Audit Committee has at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities as required by Rule 5605(c)(2) of The Nasdaq Stock Market. Our Board has determined that each member of the Audit Committee is an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K.

Charter

The Audit Committee operates pursuant to a written charter, which complies with the applicable provisions of the Sarbanes-Oxley Act of 2002 and related rules of the SEC and The Nasdaq Stock Market. The Audit Committee's charter is available on our Investor Relations website at <https://investor.verisign.com/corporate-governance>.

COMPENSATION COMMITTEE**Members**

Thomas F. Frist III
(Chairperson)
Jamie S. Gorelick
Timothy Tomlinson

Meetings in 2021: 5

Principal Responsibilities

The Board has established a Compensation Committee to:

- discharge the Board's responsibilities with respect to all forms of compensation of the Company's directors and employees, including executive officers;
- administer the Company's equity incentive plans;
- oversee Verisign's overall compensation philosophy and approve and evaluate executive officer compensation arrangements, plans, policies, and programs of the Company, and administer the Company's equity incentive plans for employees; and
- periodically review with management the Company's human capital matters, including a review of various workforce metrics, such as workforce demographics, hiring, turnover, and promotion rates, including diversity characteristics for each metric.

Independence

Each Compensation Committee member has been determined to be an "independent director" under the rules of The Nasdaq Stock Market for compensation committee members and a "non-employee director" pursuant to Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Charter

The Compensation Committee operates pursuant to a written charter. The Compensation Committee's charter is available on our Investor Relations website at <https://investor.verisign.com/corporate-governance>.

For further information regarding the role of management and the external compensation consultant in setting executive compensation, see "Executive Compensation—Compensation Discussion and Analysis" elsewhere in this Proxy Statement.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**Members**

Kathleen A. Cote
(Chairperson)
Courtney Armstrong
Yehuda Ari Buchalter
Thomas F. Frist III
Jamie S. Gorelick
Roger H. Moore
Timothy Tomlinson

Meetings in 2021: 4

Principal Responsibilities

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;
- assess contributions and independence of incumbent directors;
- review and make recommendations regarding the Board's leadership structure;
- develop the Board's CEO succession planning and evaluation process and oversee succession planning for positions held by senior management;
- recommend changes to corporate governance principles and committee charters and periodically review and assess the adequacy of these documents; and
- review annually the performance of the Board.

Independence

Each Corporate Governance and Nominating Committee member has been determined by the Board to be an "independent director" under the rules of The Nasdaq Stock Market.

Charter

The Corporate Governance and Nominating Committee operates pursuant to a written charter. The Corporate Governance and Nominating Committee's charter is available on our Investor Relations website at <https://investor.verisign.com/corporate-governance>.

CYBERSECURITY COMMITTEE**Members**

Roger H. Moore
(Chairperson)
D. James Bidzos
Yehuda Ari Buchalter
Timothy Tomlinson

Meetings in 2021: 4**Principal Responsibilities**

The Board has established a Cybersecurity Committee to assist the Board with its oversight of the Company's cybersecurity program and risks. The Cybersecurity Committee's responsibilities include:

- overseeing the effectiveness of the cybersecurity program;
- reviewing the activities of management's Safety and Security Council;
- reviewing the effectiveness of information security incident response, business continuity, and disaster recovery plans, including escalation protocols;
- reviewing the budget and resources allocated for the cybersecurity program; and
- reviewing the cybersecurity insurance program.

Independence

Each member of the Cybersecurity Committee other than Mr. Bidzos has been determined by the Board to be an "independent director" under the rules of The Nasdaq Stock Market.

Charter

The Cybersecurity Committee operates pursuant to a written charter. The Cybersecurity Committee's charter is available on our Investor Relations website at <https://investor.verisign.com/corporate-governance>.

Board Nominations and Succession Planning

In nominating candidates for election to the Board, the Corporate Governance and Nominating Committee considers the performance and qualifications of each potential nominee or candidate, not only for his or her individual strengths but also for his or her potential contribution to the Board as a group. In carrying out this responsibility, the Corporate Governance and Nominating Committee also considers additional factors, such as diversity, business experience, and expertise within industries and markets tangential or complementary to the Company's industry. Additionally, pursuant to its charter, the Corporate Governance and Nominating Committee evaluates and reviews with the Board the criteria for selecting new directors, including skills and characteristics such as diversity, in the context of the current composition of the Board and its committees. The pool of new director candidates from which the Corporate Governance and Nominating Committee recommends new director nominees includes female and racially/ethnically diverse candidates, and any third-party search firm that the committee engages is instructed to include female and racially/ethnically diverse candidates in such a pool as well.

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

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

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

Board Evaluation Process

The Corporate Governance and Nominating Committee oversees the annual performance review of the Board and its committees. Each year, the Corporate Governance and Nominating Committee determines the format for the annual performance reviews, and the Chairperson of each Board committee is responsible for leading that committee's performance review and the Lead Independent Director is responsible for leading the Board's performance review. The results of the reviews are reported to Ms. Cote, in her capacity as Chairperson of the Corporate Governance and Nominating Committee, who in turn reports the results of the reviews to the entire Board. In addition to these reviews, the Lead Independent Director solicits comments and feedback from each director on the operation of the Board and the committees and areas for improvement.

Board Responsibilities

Board and Committee Meetings

2021 MEETING ACTIVITY		BOARD ENGAGEMENT AND OVERSIGHT OF COVID-19
BOARD	COMMITTEES	
5 MEETINGS	18 MEETINGS COLLECTIVELY	<p>As the COVID-19 pandemic enters its third year, the Board continues to oversee our response to the ongoing challenges presented by the pandemic, with a focus on the safety and well-being of our employees, executing on business continuity plans for the uninterrupted continuation of our services, and helping our communities. The Board continues to receive and discuss updates regarding the impact of and response to the pandemic, including with respect to the health and well-being of our workforce, the activities of management's coronavirus task force, and our operational posture.</p>
<p>ATTENDANCE</p> <p>During 2021, no director attended fewer than 75% of the aggregate of (i) the total number of meetings held by the Board and (ii) the total number of meetings held by all committees on which he or she served.</p>		

Board Members' Attendance at the Annual Meeting

We do not have a formal policy regarding attendance by members of the Board at our annual meetings of stockholders. One member of the Board attended our 2021 Annual Meeting of Stockholders.

Risk Oversight

The Board is actively engaged in risk oversight for the Company, including the risks associated with the ongoing COVID-19 pandemic. Throughout the year, the Board and senior management discuss the areas of material risk to the Company.

BOARD		
<p>The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives reports from the appropriate member of senior management responsible for mitigating these risks within the organization to enable the Board to understand our risk identification, risk management, and risk mitigation strategies.</p>		
▼▲		
COMMITTEES		
<p>The Chairpersons of the relevant committees brief the full Board on the committees' oversight of risks within their purview during the committee reports portion of each regular Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships, and enables the full Board to provide input on the Company's risk assessment and risk management efforts. All of our Board members have experience with enterprise risk management.</p>		
<p>The Audit Committee oversees the Company's processes to manage business and financial risk and compliance with applicable legal and regulatory requirements, including the Company's enterprise risk management program.</p>	<p>The Compensation Committee oversees the Company's risk assessment and risk management relative to the Company's compensation programs, policies, and practices and human capital management.</p>	<p>The Cybersecurity Committee assists the Board with its oversight of the Company's cybersecurity program and risks.</p>

Risk Reporting to the Board and its Committees

The chart below shows selected areas of risk and which of the Board committees or the full Board receives regularly scheduled reports from senior management with respect to such area of risk.

RISK AREA	FULL BOARD	AUDIT COMMITTEE	COMPENSATION COMMITTEE	CYBERSECURITY COMMITTEE
Cybersecurity/Technology	●			●
Financial	●	●		
Litigation		●		
Enterprise (ERM)	●	●		
Legal and Compliance		●		
Compensation/Human Capital Management			●	
Strategic	●			

SPOTLIGHT: CYBERSECURITY RISK OVERSIGHT

Established in February 2020, the Cybersecurity Committee assists the Board with its oversight of the Company's cybersecurity program and risks. The Cybersecurity Committee receives quarterly status reports on the cybersecurity program from the Company's Chief Security Officer, with the full Board receiving regular reports from Mr. Moore, the Chairperson of the Cybersecurity Committee, on the conduct of the committee's functions as well as quarterly status reports on the cybersecurity program from the Company's Chief Security Officer. In addition, the Board has appointed Mr. Moore as its liaison to management's Safety and Security Council (the "Council"). The Council's purpose is to oversee the effectiveness and performance of the Company's safety and security functions. The Council provides strategic direction and oversight for the Company's initiatives to minimize cyber, physical, and other security risks to the Company and holds regular monthly meetings. The Council is composed of executives of the Company with responsibility for cybersecurity, physical security, network operations, technology, registry services, finance, and legal and is chaired by Mr. Bidzos. Mr. Moore participates in Council meetings and receives regular, scheduled briefings from Council members regarding incidents and network operations. The Cybersecurity Committee reviews and discusses the activities of the Council at each regularly scheduled Cybersecurity Committee meeting.

Management Succession Planning

The Board recognizes the importance of the effectiveness of the Company's executive leaders for the Company's success, and the Board is actively engaged in executive succession planning. The Board has delegated to the Corporate Governance and Nominating Committee responsibility for reviewing and assessing the management development and succession planning process for senior management. As part of the succession planning process, the Corporate Governance and Nominating Committee works closely with our management, including our Senior Vice President, Human Resources, to identify succession candidates for senior management other than the Executive Chairman and Chief Executive Officer. Although the Board retains responsibility for identifying succession candidates for the Executive Chairman and Chief Executive Officer, the Corporate Governance and Nominating Committee is charged with developing the processes to identify succession candidates. If the Board commences a search for candidates from outside the Company to succeed the Chief Executive Officer, the pool from which the Board selects a candidate will include female and racially/ethnically diverse candidates, and any third-party search firm that the Board engages is instructed to include female and racially/ethnically diverse candidates in such a pool as well.

Human Capital Management Oversight

We recognize the importance of talent and culture in driving an environment that fosters high performance, and we are committed to attracting, developing, and retaining the best talent. The Board monitors our progress in these areas primarily through the Compensation Committee, which receives semi-annual updates from our Senior Vice President, Human Resources and regularly discusses with management a variety of workforce metrics (e.g. workforce demographics, hiring, turnover, and promotion rates, including diversity characteristics for each of these metrics) and related human capital matters.

Ethics and Compliance Oversight

As part of our commitment to VeriSign's mission and values, we are focused on promoting a culture of ethics and compliance. Our Code of Conduct, which is applicable to directors, executive officers, and employees, represents our values and outlines our approach to ethical conduct and compliance with legal and regulatory requirements, including non-retaliation, anti-corruption, and other similar areas. We have a designated Compliance Officer, who is responsible for implementing and maintaining our ethics and compliance program. The Board oversees our ethics and compliance program (including our VeriSign Ethics and Compliance Helpline) primarily through the Audit Committee, which receives quarterly updates from the Compliance Officer and regularly discusses with management the program and its effectiveness.

Other Governance and Ethics Policies and Practices

Code of Conduct

We have adopted a written Code of Conduct, which is posted on our Investor Relations website under “Ethics and Business Conduct” at <https://investor.verisign.com/corporate-governance>. The Code of Conduct applies to all of our directors, officers, and employees, including our principal executive officer, principal financial officer, and other senior accounting officers.

We intend to satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Conduct, to the extent applicable to the principal executive officer, principal financial officer, or other senior accounting officers, by posting such information on our Investor Relations website under “Ethics and Business Conduct” at <https://investor.verisign.com/corporate-governance>.

Transactions with Related Persons

Policies and Procedures with Respect to Transactions with Related Persons

Our Audit Committee has approved a written *Policy for Entering into Transactions with Related Persons* (the “Related Person Transaction Policy”), which sets forth the requirements for review, approval, or ratification of transactions between our Company and “related persons,” as such term is defined under Item 404 of Regulation S-K.

The Related Person Transaction Policy requires the Audit Committee to review, approve, or ratify the terms of any transaction, arrangement, or relationship or series of similar transactions, arrangements, or relationships (including any indebtedness or guarantee of indebtedness) in which (i) Verisign was or is to be a participant, (ii) the amount involved exceeds \$120,000, and (iii) a related person has or will have a direct or indirect material interest (“Related Person Transaction”), except for those transactions, arrangements, or relationships specifically listed in the Related Person Transaction Policy as not requiring approval or ratification by the Audit Committee. In determining whether to approve or ratify a Related Person Transaction, the Audit Committee is required to take into account, among other factors it deems appropriate, whether the Related Person Transaction terms are no more favorable to the related person than terms generally available to an unaffiliated third-party under the same or similar circumstances and the materiality of the related person’s direct or indirect interest in the transaction. A related person who has a relationship with a company that engages in a transaction with Verisign is not deemed to have an indirect material interest in that transaction where the person’s only relationship is as a director or beneficial owner of less than 10% of that company’s equity interests.

The Related Person Transaction Policy requires prior approval of the Audit Committee for the following Related Person Transactions:

- Any Related Person Transaction to which a related person is a named party to the underlying agreement or arrangement, provided that certain agreements or arrangements between Verisign and a related person concerning employment and any compensation solely resulting from employment or concerning compensation as a member of the Board that have, in each case, been entered into or approved in accordance with policies of Verisign is not subject to prior approval of the Audit Committee;
- Any Related Person Transaction involving an indirect material interest of a related person where the terms of the agreement or arrangement are not negotiated on an arm’s length basis or where the Related Person Transaction is not a transaction in the ordinary course of business; and
- Any Related Person Transaction where the total transaction value exceeds \$1,000,000.

On a quarterly basis, the Audit Committee is required to review and, if determined by the Audit Committee to be appropriate, ratify any Related Person Transactions not requiring prior approval of the Audit Committee under the Related Person Transaction Policy.

In the event that Verisign proposes to enter into a transaction with a related person who is a member of the Audit Committee or an immediate family member of a member of the Audit Committee, prior approval by a majority of the disinterested members of the Board is required. No Audit Committee member nor his or her immediate family member, who is a party to a proposed transaction, may participate in any discussion or approval of such transaction, except to provide all material information concerning the Related Person Transaction.

Corporate Governance

The following Related Person Transactions do not require approval or ratification by the Audit Committee:

- Payment of compensation to executive officers in connection with their employment with Verisign, provided that the compensation has been approved in accordance with policies of Verisign.
- Remuneration to directors in connection with their service as a member of the Board, provided that the remuneration has been approved in accordance with policies of Verisign.
- Reimbursement of expenses incurred in exercising duties as an officer or director of Verisign, provided that the reimbursement has been approved in accordance with Verisign's policies.
- Any transaction with a related person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
- Any transaction involving a related person where the rates or charges involved are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- Any transaction where the related person's interest arises solely from the ownership of Verisign's common stock and all holders of Verisign's common stock received the same benefit on a pro rata basis (e.g., dividends).

There are no transactions required to be reported under Item 404(a) of Regulation S-K where the Related Person Transaction Policy did not require review, approval or ratification, or where the Related Person Transaction Policy was not followed during 2021.

Certain Relationships and Related Transactions

Since January 1, 2021, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we or any of our subsidiaries are or were to be a party in which the amount involved exceeded or will exceed \$120,000 and in which any director, executive officer or beneficial holder of more than 5% of the common stock of Verisign or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Communicating with the Board

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

Environmental, Social, and Governance Highlights

At Verisign, we take seriously our responsibility to be a good corporate citizen and to support the communities where we live and work. As stewards of the internet, we believe our corporate values are central to our role in helping preserve and enhance the security, stability, and resiliency of key internet infrastructure and services, which billions of people worldwide depend on every second of every day. These values include demonstrating respect and integrity in our interactions with all of our stakeholders. The following summary highlights some of our environmental, social, and governance policies and practices.

ESG Disclosure and Governance

- We commissioned a cross-functional ESG task force to integrate our ESG and SEC reporting and align our ESG disclosures with external frameworks.
- Our independent Corporate Governance and Nominating Committee is primarily responsible for ESG oversight, with additional environmental, social, and governance matters reviewed by other committees:
 - the Compensation Committee is responsible for oversight of human capital issues as well as diversity, equity, and inclusion;
 - the Audit Committee is responsible for oversight of our corporate ethics and compliance program; and
 - the Cybersecurity Committee is responsible for oversight of data privacy issues.
- This year we plan to conduct a formal Environmental, Social, and Governance (ESG) materiality assessment that captures the views from internal and external stakeholders on ESG topics. This formal assessment ensures that our strategy prioritizes key areas of impact that are important to our external stakeholders and our long-term business success.
- We continuously engage with stakeholders to better understand their views and sustainability concerns. This diverse engagement is designed to ensure we are prioritizing issues that are important to both our stakeholders and our long-term business success.
 - In response to stockholder feedback, we have adopted a policy regarding Political Contributions. Any Political Contributions will be reviewed by our Corporate Governance and Nominating Committee and disclosed semi-annually on our website starting in August 2022.

Diversity, Equity, and Inclusion

- 2020, we revised our Corporate Governance Principles to adopt the “Rooney Rule” so that (i) the pool of candidates from which the Corporate Governance and Nominating Committee recommends new director nominees includes female and racially/ethnically diverse candidates and (ii) in any searches for candidates from outside the Company to succeed the Chief Executive Officer, the pool from which the Board selects a candidate includes female and racially/ethnically diverse candidates. In 2021, we increased the diversity makeup of our Board.
 - We maintain equal employment opportunity hiring policies and practices.
 - We are committed to diversity, equity, and inclusion in all aspects of our business. In 2021, with the assistance of outside advisors, we conducted a review of our recruiting, retention, and workplace processes to ensure we are continuing to advance our DEI efforts.
 - We continue to focus on the hiring, retention, and advancement of women and underrepresented populations. As of December 31, 2021, approximately 29% of our global workforce was female, and approximately 43% of our U.S. employees were ethnically and racially diverse.
 - We have employee affinity groups such as Women in Technology and Young Professionals that support an inclusive workplace environment.
 - We provide respectful and inclusive workplace training for employees across all levels.
-

Human Capital Management

- We are committed to attracting, developing, and retaining the best talent, and we routinely monitor and present our progress in these areas to executive management and the Compensation Committee through a variety of workforce metrics (e.g. workforce demographics, hiring, turnover, and promotion rates, including diversity characteristics for each of these metrics).
- We continue to monitor and adapt to the ongoing challenges presented by the COVID-19 pandemic to safeguard the health and well-being of our employees.
- We use employee feedback to monitor employee morale and engagement, including through the use of surveys. During 2021, at least 85% of our employees participated in surveys that were conducted to better understand our employees' well-being and more effectively guide our response to the COVID-19 pandemic.
- We have practices in place to deliver fair and equitable compensation for employees based on their contribution and performance. We benchmark for market practices and regularly review our compensation and benefits against the market to confirm they remain competitive. We also offer a comprehensive set of benefits to our employees.
- We are committed to the continued development of our people, as evidenced by regular strategic talent reviews and succession planning, management training, continuous skill development through our online learning and development platform, and learning sessions designed to build our team's skills and knowledge required for the future.
- We are focused on the increasingly competitive labor market, and we are working diligently to attract the best talent from a diverse range of sources. Over the last several years, we have refreshed our employment branding and developed targeted recruitment strategies for specialized skill sets.

Ethics and Compliance

- We operate a robust ethics and compliance program that is maintained by a designated Compliance Officer and overseen by the Audit Committee.
 - Our Code of Conduct, which is applicable to directors, executive officers, and employees, represents our mission and values and outlines our approach to ethical conduct and compliance with legal and regulatory requirements, including non-retaliation, anti-corruption, and other similar areas.
 - Our directors and employees receive annual ethics and compliance training and certify their compliance with our Code of Conduct.
 - We maintain an ethics and compliance helpline through which employees or others can seek guidance or raise a concern confidentially and anonymously if desired. All reported concerns are reviewed and, as appropriate, investigated. Verisign has a strict non-retaliation policy to protect those that report wrongdoing in good faith.
 - We conducted an employee-wide ethics and compliance culture survey in 2020 to measure our ethics and compliance culture as well as the effectiveness of our ethics and compliance program.
-

Data Privacy and Cybersecurity

- We have adopted a rigorous governance framework for the oversight of cybersecurity risk, including a Board-level Cybersecurity Committee and a management-level Safety and Security Council that has a Board liaison.
- We implement strong privacy standards in our handling of personal information.
- Our business does not involve monetizing personal information.
- We have adopted the National Institute of Standards and Technology (NIST) cybersecurity framework and perform periodic assessments against this framework to measure cybersecurity program maturity.
- In addition to leveraging a broad array of industry frameworks and best practices applicable to our operating environments, our information security practices align with the AICPA, Trust Services Principles and Criteria (System and Organization Controls). On an annual basis, we obtain SOC 2 Type II and SOC 3 audit reports from an independent, external third-party accounting firm attesting to our system-level controls relating to the security, availability, and processing integrity of our systems.
- We maintain a security awareness program, which is required for all employees, that includes annual information security and compliance training, monthly information security training videos, and regular phishing awareness exercises.

Community Impact

- Verisign Cares, our philanthropic and charitable program, we seek to make a positive and lasting impact on the global internet community and the communities in which we live and work.
- We match charitable contributions up to a maximum of \$3,000 to eligible organizations.
- Verisign Cares offers employees paid time off to give their time on a regular basis in support of local community organizations.
- We provided support to food banks, community needs, and to several organizations addressing the COVID-19 impact in India.
- We continued our focus on social injustice with contributions to the Equal Justice Initiative and Stop AAPI Hate.
- In 2021, we not only strengthened our partnership with Virginia Ready but also entered into new partnerships with NPower, Byte Back and Per Scholas. These organizations all work to reskill individuals, for in-demand jobs in high growth sectors such as our own, especially for those individuals whose jobs may have been displaced or lost due to COVID-19's economic impact.
- Our direct charitable contributions in 2021 totaled \$1.9 million.

Environment

- Our Reston corporate offices are LEED Gold certified for commercial interiors.
- We use recycled and earth friendly products at our Reston corporate offices.
- We have implemented technologies at our Reston corporate offices that reduce energy consumption.

Governance

- See "Voting Roadmap—Corporate Governance Highlights" elsewhere in this Proxy Statement.
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Proposal 2

Advisory Vote to Approve Executive Compensation

As required by Section 14A of the Exchange Act and related SEC rules, we are seeking an advisory stockholder vote to approve the compensation of our named executive officers for 2021 as disclosed under SEC rules, including the Compensation Discussion and Analysis section, the compensation tables and related material included in this Proxy Statement. The stockholder vote approving executive compensation is advisory only, and the result of the vote is not binding upon the Company or the Board. Although the resolution is non-binding, the Board and the Compensation Committee will consider the outcome of the advisory vote approving executive compensation when making future compensation decisions. In 2017, the majority of our stockholders voted in favor of holding a non-binding stockholder advisory vote to approve executive compensation on an annual basis and, in consideration of the outcome of that vote, the Board has determined to hold such an advisory vote each year. Following the Annual Meeting, the next non-binding stockholder advisory vote to approve executive compensation will occur at the 2023 Annual Meeting of Stockholders.

Our executive compensation program and compensation paid to our named executive officers are described elsewhere in this Proxy Statement. The Compensation Committee oversees the program and compensation awarded, adopts changes to the program, and awards compensation as appropriate to reflect the Company's circumstances and to promote the main objectives of the program.

This proposal allows our stockholders to express their opinions regarding the decisions of the Compensation Committee on the prior year's annual compensation to our named executive officers. You may vote for or against the following resolution, or you may abstain.

RESOLVED, that the stockholders of VeriSign, Inc. approve, on a non-binding, advisory basis, the compensation of VeriSign, Inc.'s named executive officers as disclosed in the Proxy Statement for VeriSign, Inc.'s 2022 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the executive compensation tables, and related disclosures.

**FOR****The Board recommends a vote FOR the foregoing resolution.**

Executive Compensation

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (“CD&A”) provides comprehensive information about our executive compensation program for our 2021 named executive officers (our “NEOs”) and provides context for the decisions underlying the compensation reported in the executive compensation tables in this Proxy Statement. Our NEOs are:

D. James Bidzos

Executive Chairman and
Chief Executive Officer

Todd B. Strubbe

President and Chief
Operating Officer

George E. Kilguss, III

Executive Vice President and
Chief Financial Officer

Thomas C. Indelicarto

Executive Vice President,
General Counsel and
Secretary

The sections below describe the material elements of our executive compensation program for 2021, including how we have set compensation and have aligned pay to performance. We refer to our NEOs, Executive Vice Presidents, and Senior Vice Presidents, collectively as our “executives.”

Compensation Philosophy and Objectives

Our executive compensation program is designed to attract and retain the executive talent we need to maintain our high performance standards and grow our business for the future. Our philosophy is to provide a mix of compensation that motivates our executives to achieve our short and long-term performance goals, which in turn will create value for our stockholders.

Our executive compensation program is designed with the following objectives and program elements:

OBJECTIVE	PROGRAM ELEMENT
Attract and retain talented executives	Provide a competitive level of total target compensation (base salary, bonus, and long-term incentive).
Promote a pay for performance philosophy based on both Company performance and individual contributions	Provide a compensation program that is weighted in favor of annual and long-term incentives that are tied to financial and strategic goals. In addition, provide annual incentive bonuses based on Company performance that, for any individual executive, may be modified up (subject to specified limitations) or down based on individual performance to more closely align executives’ personal accomplishments with their compensation.
Align the interests of our executives with our stockholders	Provide a significant portion of compensation that is aligned to the long-term value of our stock, including performance-based stock awards that are measured in part based on Total Shareholder Return (“TSR”). In addition, require executives to meet stock ownership guidelines and retain minimum stock ownership until six months after termination of employment.

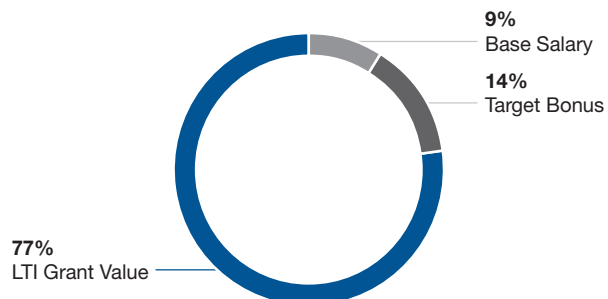
Key features of our current executive compensation program include:

- Our executives’ compensation is primarily based on Company performance and individual performance.
- Our executives do not have employment contracts.
- Our executives’ change in control agreements contain a double trigger and do not provide for tax gross-ups.
- No special pension plans, special retirement plans, or other significant perquisites for executives.
- Our executives participate in the same benefit programs as all other employees.
- An incentive compensation recovery policy applicable to our NEOs that covers both cash and performance-based equity in the event of a materially inaccurate financial statement or an inaccurately measured performance metric criterion, with or without a restatement of our financial statements.
- Forfeiture provisions in our equity awards such that unvested awards are generally forfeited upon a termination of employment (subject to limited exceptions for death, disability, and certain terminations related to a change in control).
- An insider trading policy that prohibits any employee or director from shorting, hedging, or pledging our stock.

Pay and Performance Relationship

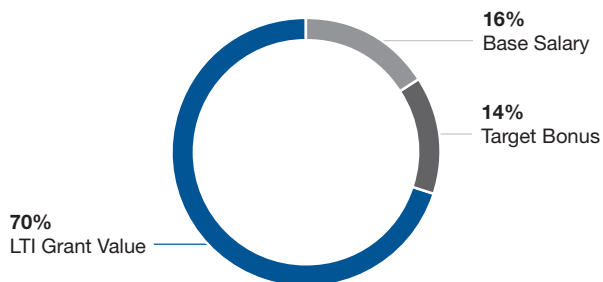
Attracting and retaining the executive talent we need to be successful is a key objective of our executive compensation program. It is equally important that our executives are motivated to and rewarded for achieving objectives that provide long-term benefits to our stockholders. We have designed our executive compensation program so that a significant amount of our NEOs' compensation is tied to the Company's performance and stockholders' long-term interests. The charts below illustrate our emphasis on performance-based compensation.

EXECUTIVE CHAIRMAN AND CEO PAY MIX AT TARGET



Total Performance-Based Compensation¹ = 91%

OTHER NEOs EXCLUDING CEO PAY MIX AT TARGET

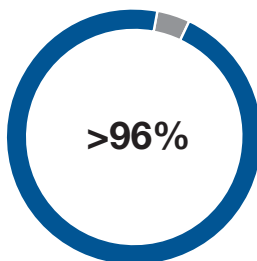


Total Average Performance-Based Compensation¹ = 84%

¹ Performance-Based Compensation = 2021 Annual Target Bonus + 2021 Long-Term Incentive, valued as of the date of the grant.

Results of 2021 Say on Pay Vote

When the Compensation Committee set compensation amounts for 2022, it considered the results of the 2021 stockholder advisory vote on our executive compensation program. At our 2021 Annual Meeting of Stockholders, our stockholders indicated strong support of our executive compensation program, with over 96% of the votes cast in favor of our executive compensation program. In light of this strong support and based on our review of our program for market competitiveness and alignment with best practices, the Compensation Committee made no significant changes to our overall approach to executive compensation for 2022.



Voted in Favor of our Executive Compensation Program at our 2021 Annual Meeting of Stockholders

Elements of Our Executive Compensation Program

Our executive compensation program is made up of three main elements: base salary, annual incentive bonus, and long-term incentive compensation. The chart below shows our objectives for each element of compensation and the factors we use to determine compensation amounts. For each element of compensation, the Compensation Committee takes into account our peer group and relevant survey data as well as guidance from the Compensation Committee's independent compensation consultant, as applicable, before determining compensation amounts.

ELEMENT	OBJECTIVE	FACTORS
Base Salary	Provide a guaranteed level of annual income in order to attract and retain our executive talent. Increases are not automatic or guaranteed.	<ul style="list-style-type: none"> • Job responsibilities and scope • Experience • Individual contributions • Internal pay alignment and peer and industry benchmarking
Annual Incentive Bonus	Provide a reward for achieving individual goals and the Company's financial and strategic goals.	<ul style="list-style-type: none"> • Company performance • Individual performance • Peer and industry benchmarking
Long-Term Incentive Compensation	Provide an award that both serves a retention purpose and incentivizes executives to manage the Company from the perspective of a long-term stockholder.	<ul style="list-style-type: none"> • Importance of the executive to Company performance • Individual contributions • Future potential of the executive • Value of executive's vested and unvested outstanding equity awards • Peer and industry benchmarking

Our Process for Setting Compensation

Role of the Compensation Committee

The Compensation Committee oversees our compensation and benefit programs, approves executives' compensation, and sets the policies that govern compensation of our executives and other employees. The Compensation Committee annually:

- Reviews and makes changes as appropriate to the peer group used to benchmark competitive compensation levels for our executives;
- Reviews the reports provided from its compensation consultant as described below in the section titled *Role of External Compensation Consultant*;
- Examines the compensation data of our peer group and reviews broader survey data for technology companies that we believe are comparable to the Company in industry and financial metrics;
- Reviews and approves design elements of executive compensation for market competitiveness and alignment with Company goals;
- Reviews stockholder dilution and burn rate in making equity compensation decisions;
- Sets performance goals for our annual and long-term incentive compensation programs;
- Determines the CEO's base salary, annual incentive bonus, and equity awards based on its review of the Board's assessment of the individual performance of the CEO during the year, peer group data, a tally sheet for the CEO provided by the compensation consultant detailing the CEO's entire compensation and benefits package and earnings potential from unvested equity awards, and the compensation consultant's report and recommendations;
- Reviews the comprehensive risk assessment of the Company's incentive plans and arrangements;
- Reviews the competitiveness of our executives' base salaries, annual incentive bonus targets, and long-term incentive compensation targets (element by element and in aggregate) by comparing our program to a peer group of publicly-traded, technology companies that we view as representative of our competitors for executive talent; and
- Determines each executive's base salary, annual incentive bonus, and equity awards based on its review of the CEO's assessment of the individual performance of the executive during the year, the compensation consultant's report regarding peer group data and survey data, and a tally sheet for the executive provided by the compensation consultant detailing the executive's entire compensation and benefits package and earnings potential from unvested equity awards.

Role of Management

The CEO annually reviews the peer group market data, comparable industry survey data, the tally sheet data, and the performance of each executive, incorporating feedback from the President and Executive Vice Presidents, as applicable, and makes recommendations to the Compensation Committee for base salary adjustments, annual incentive bonuses, and equity awards.

Role of External Compensation Consultant

The Compensation Committee has engaged Frederic W. Cook & Co., Inc. (“FW Cook”) as its independent compensation consultant to assist it in evaluating and analyzing the Company’s executive compensation program. FW Cook provides the following services, among others, to the Compensation Committee:

- Analyzes the annual compensation of each executive, including the CEO, based on comparisons to the Company’s peer group and comparable industry survey data, including in both cases target and actual total compensation, and advises the Compensation Committee on the appropriateness of management’s recommendations for any changes, other than the CEO’s, to the executives’ compensation;
- Reviews the CEO’s compensation and the design of the CEO’s compensation program and provides recommendations for changes as appropriate;
- Reviews the Company’s peer group annually and provides recommendations for changes as appropriate;
- Advises the Compensation Committee on best practices related to oversight and design of the Company’s executive compensation program;
- Reviews compensation design recommendations from the Company’s management and provides recommendations to the Compensation Committee on the impact of those recommendations;
- Reviews the Company’s equity compensation philosophy and incentive design;
- Reviews and provides guidance on the impact of regulatory changes on our executives’ and non-employee directors’ compensation;
- Reviews and provides guidance on our risk assessment of the Company’s incentive plans and programs;
- Reviews and provides guidance on our executive compensation disclosures;
- Reviews and provides recommendations for non-employee director compensation; and
- Reviews and provides guidance on the Company’s change in control agreements.

In October 2021, the Compensation Committee reviewed FW Cook’s performance, and in December 2021, the Compensation Committee assessed FW Cook’s independence against the independence factors set forth in the applicable Nasdaq rules. The Compensation Committee determined that FW Cook was independent and reengaged FW Cook for 2022. FW Cook performs no other services for the Company, and its services for the Compensation Committee do not raise any conflicts of interest.

Peer Group

Each year, the Compensation Committee reviews the peer group with the assistance of FW Cook and makes changes as appropriate. In making 2021 compensation decisions, the peer group consisted of the following companies:

Akamai Technologies	Equinix	Nuance Communications
Alliance Data Systems	F5 Networks	Paychex
ANSYS	Factset Research Systems	Roper Technologies
Autodesk	Fiserv	Synopsys
Broadridge Financial	Fortinet	Teradata
Cadence Design Systems	Global Payments	Verisk Analytics
Citrix Systems	Intuit	

At the time the Compensation Committee determined the 2021 peer group, Verisign’s revenue, operating income before depreciation and amortization (“Adjusted Operating Income”), and market capitalization as compared to our 2021 peer group were as follows: first quartile for revenue, second quartile for Adjusted Operating Income, and second quartile for market capitalization.

In October 2021, as part of its annual review of our peer group, FW Cook provided the Compensation Committee with an evaluation of, and recommendation for, our peer group based on revenue, Adjusted Operating Income, market capitalization, free cash flow yield, Adjusted Operating Income growth, use of dividends or buybacks, inclusion in the S&P 500 index and their industry. Based on this review, the Compensation Committee approved the same 20 peer group companies to be used in setting 2022 compensation.

Base Salary

For 2021, the Compensation Committee reviewed competitive benchmark data, the report on our CEO's compensation provided by FW Cook, and recommendations from our CEO regarding each executive's individual performance other than himself. Based on that review, the Compensation Committee approved adjustments to our NEOs' salaries as summarized in the chart below.

NAME	2020 BASE SALARY	2021 BASE SALARY	RATIONALE FOR ADJUSTMENT
D. James Bidzos	\$925,000	\$925,000	
Todd B. Strubbe	\$565,000	\$575,000	Mr. Strubbe received a salary increase to better align with peer group market data.
George E. Kilguss, III	\$525,000	\$530,000	Mr. Kilguss received a salary increase to better align with peer group market data.
Thomas C. Indelicarto	\$460,000	\$500,000	Mr. Indelicarto received a salary increase to better align with peer group market data.

Annual Incentive Bonus

Our NEOs participate in the Verisign Performance Plan ("VPP"), which is a cash-based annual bonus plan. VPP bonuses are based on the Company's achievement of pre-established financial goals, as well as individual performance. The Compensation Committee determines the target annual incentive opportunity for each of our NEOs based on a comparison to our peer group, relevant survey data, and FW Cook's executive compensation benchmarking report. For 2021, the Compensation Committee approved the following VPP bonus targets as a percentage of base salary for our NEOs, which were the same bonus targets in effect for 2020:

NEOS	2021 BONUS TARGET AS A % OF BASE SALARY
D. James Bidzos	150%
Todd B. Strubbe	95%
George E. Kilguss, III	90%
Thomas Indelicarto	90%

The Compensation Committee approves actual annual incentive award payments for our executives taking into account the Company's and the individual's performance. The Company's performance determines the initial level of funding for the annual incentive bonus pool. The Compensation Committee then considers, and approves as appropriate, the CEO's recommendation for modifying any individual awards above or below that level of funding based on an assessment of individual performance, subject to a maximum of 175% of the executive's target bonus under the VPP.

The Company's performance goals for the 2021 VPP were approved by the Compensation Committee in December 2020 and were based on two financial measures, weighted equally: (i) revenue and (ii) operating margin. The 2021 VPP required achievement of 98% of the established target for either revenue or operating margin before any funding of the bonus pool based on that metric may occur. The table below illustrates different achievement levels for funding of the 2021 VPP bonus pool (threshold, target, and maximum) for each of these financial measures. The table also illustrates actual revenue and operating margin achieved for 2021 and the corresponding funding levels that resulted in a 104% funding for the 2021 VPP bonus pool.

METRIC	THRESHOLD (12.5% Funding)	TARGET (50% Funding)	MAXIMUM (87.5% Funding)	ACTUAL FUNDING
Revenue (in millions)	\$1,288.7	\$1,315.0	\$1,387.3	50.0%
Operating Margin	63.3%	64.6%	68.1%	54.0%
Total Funding				104.0%

Executive Compensation

In order to establish actual award amounts under the VPP, the Compensation Committee also reviewed the CEO's assessment of individual performance and his recommendations on bonus amounts for other NEOs. The Compensation Committee also considered the Board's assessment of Mr. Bidzos' individual performance. The chart below indicates the Compensation Committee's approved annual incentive bonus award for each NEO under the 2021 VPP.

NAME	2021 BASE SALARY	BONUS TARGET AS A % OF BASE SALARY	2021 ACTUAL BONUS PAYMENT			ACTUAL PAYOUT AS A % OF BASE SALARY
			FUNDING MULTIPLIER AS A % OF TARGET	ACTUAL PAYOUT AS A % OF TARGET	ACTUAL PAYOUT AMOUNT	
D. James Bidzos⁽¹⁾	\$925,000	150%	104%	104%	\$1,443,000	156%
Todd B. Strubbe⁽¹⁾	\$575,000	95%	104%	104%	\$568,100	99%
George E. Kilguss, III⁽¹⁾	\$530,000	90%	104%	104%	\$496,080	94%
Thomas C. Indelicarto⁽¹⁾	\$500,000	90%	104%	104%	\$468,000	94%

⁽¹⁾ Messrs. Bidzos, Strubbe, Kilguss, and Indelicarto received a bonus payment at the funding multiplier level with no further adjustment.

Long-Term Incentive Compensation

Equity-based grants are a key element of our total compensation program, and we issue them in accordance with our Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan (the "2006 Plan"). Consistent with our compensation philosophy, we believe it is important that these awards have a performance component and that they are based in part on TSR. Individual target award amounts are based on several factors including competitiveness as determined by data provided by FW Cook, job responsibilities, individual contributions, and future potential of the executive.

In 2021, the Compensation Committee granted (i) a long-term equity award to Mr. Bidzos consisting of 60% performance-based restricted stock units ("PSUs") and 40% time-based restricted stock units ("RSUs") and (ii) long-term equity awards to our other NEOs consisting of 50% PSUs and 50% time-based RSUs. The time-based RSUs provide strong retention value for our executive talent as they vest ratably over four years, subject to continued employment. They are also linked to changes in stockholder value as their value goes up or down with Verisign's stock price. The performance metrics associated with the 2021 PSUs consist of two measures, each measured over a three-year performance period from January 1, 2021 through December 31, 2023. These measures are: (i) compound annual growth rate ("CAGR") of the Company's operating income per share and (ii) TSR of Verisign stock compared to the TSR of the S&P 500 Index. The number of PSUs earned may range from 0% to 200% of the target award based on CAGR of operating income per share for the performance period, but no more than 100% of the target may be earned unless the TSR of Verisign stock equals or outperforms the TSR of the S&P 500 Index for the performance period. We believe that these performance metrics coincide with the interests of our stockholders, create a long-term performance focus, and complement the performance metrics underlying the Company's short term annual cash incentive plan. The potential vesting of the 2021 PSUs at the end of the three-year performance period also provides a strong retention incentive.

The Compensation Committee granted equity awards on the basis described above to our NEOs on February 15, 2021 at its regularly scheduled meeting. Before determining the number of PSUs and RSUs to be granted to each NEO, the Compensation Committee determined the total dollar value of the awards it wished to make to each NEO. The target number of PSUs granted to each of our NEOs was determined by dividing the total dollar value of the award by the closing stock price on the date of grant rounded down to the nearest whole number of shares.

The chart below shows the equity awards granted to each NEO in February 2021:

NAME	2021 EQUITY GRANTS			
	TOTAL MARKET VALUE OF EQUITY GRANT ⁽¹⁾	GRANT DATE FAIR VALUE PER SHARE	TIME-BASED RSUs GRANTED ⁽²⁾	TARGET PSUs GRANTED ⁽³⁾
D. James Bidzos	\$7,749,845	\$198.15	15,644	23,467
Todd B. Strubbe	\$2,999,991	\$198.15	7,570	7,570
George E. Kilguss, III	\$2,399,993	\$198.15	6,056	6,056
Thomas C. Indelicarto	\$1,799,995	\$198.15	4,542	4,542

⁽¹⁾ The total market value of the equity award is the combined value of time-based RSUs and PSUs based on grant date fair value per share.

⁽²⁾ 25% vested on February 15, 2022, and the remainder vests ratably, 6.25% each quarter for three years thereafter.

⁽³⁾ The number of target PSUs granted represents shares that would be earned based on achievement at 100% of target. The performance period is January 1, 2021 through December 31, 2023. Vesting occurs after the performance achievement has been certified by the Compensation Committee and the Company has received an unqualified signed opinion on the Company's financial statements for the year ending December 31, 2023 from its independent registered public accounting firm.

Vesting of PSUs Granted in 2019

In February 2019, the Compensation Committee granted PSUs with a performance period of January 1, 2019 through December 31, 2021 to our NEOs. The number of PSUs that could be earned ranged from 0% to 200% of the target award based on CAGR of operating income per share for the performance period, but no more than 100% of target could be earned unless the TSR of Verisign stock equaled or outperformed the TSR of the S&P 500 Index for the performance period. The threshold for the CAGR of operating income per share was 5.4% to earn 10% of the PSUs granted. In order to receive an award of 100% of the PSUs granted, attainment of 9.4% CAGR of operating income per share was necessary. Attainment of at least 13.4% CAGR of operating income per share was required to earn 200% of the PSUs granted. In February 2022, the Compensation Committee reviewed the extent of achievement against these performance goals for these PSUs. The CAGR of operating income per share for the performance period was 7.3% compared to the target of 9.4%. This resulted in earning 53% of target. The chart below shows the number of PSUs that were earned and vested in February 2022 based on achievement of the performance goals for the performance period.

NAME	TOTAL PSUs GRANTED IN 2019	GOAL ACHIEVEMENT	ACTUAL PSUs EARNED AND VESTED IN FEBRUARY 2022
D. James Bidzos	24,629	53%	13,053
Todd B. Strubbe	8,092	53%	4,288
George E. Kilguss, III	6,743	53%	3,573
Thomas C. Indelicarto	4,104	53%	2,175

Other Features of our Executive Compensation Program

Recovery of Incentive Compensation

The Compensation Committee has adopted an executive incentive compensation recovery policy that applies to annual and long-term incentive awards. The policy applies when there is an inaccurate financial statement, including statements of earnings, revenues, or gains or any other materially inaccurate calculation of a performance metric criterion, regardless of whether such inaccuracy was the subject of financial statement restatement. If, as a result of such inaccurate financial statement or calculation, certain executives received materially more incentive compensation than they would have, had the correct financial statement or calculation been prepared at the time of the compensation award, the Compensation Committee shall (subject to the exception noted below) seek recovery of this overpayment. The recovery could occur either by limiting future awards or directly seeking repayment. The Compensation Committee may only determine not to seek recovery of such an overpayment if the direct costs of recovery are expected to exceed the amount of recovery. In the case of fraudulent, intentional, willful, or grossly negligent misconduct by the recipient of an award, the Compensation Committee can attempt to recoup previous incentive awards paid regardless of when the awards were paid to the executive. If the inaccuracy is not the result of these circumstances, the Compensation Committee can only recover incentive awards that were incorrectly paid based on the inaccuracy if they were paid in the three years prior to the determination that the financial statement was inaccurate.

Equity Award Practices

The Compensation Committee approves all equity awards to our executives, the aggregate annual equity pool, employee grant guidelines, and all equity awards to eligible employees during the annual grant process, which generally takes place in February. A separate grant committee makes equity awards to non-executives at times other than the annual grant process.

Benefits

We generally do not provide our executives with any benefits other than those provided to all of our other U.S.-based employees. All of our U.S.-based employees are eligible for medical, dental and vision insurance, life insurance, short and long-term disability, paid time off, an employee stock purchase plan, and a qualified 401(k) salary deferral plan.

Severance or Employment Agreements

We generally do not enter into severance or employment agreements with our executives (except as described below), nor do we provide severance or other benefits following voluntary termination. However, the Compensation Committee may determine in special circumstances that providing such severance payments or benefits or entering into employment agreements is warranted in order to attract an executive or for other business considerations.

Change in Control and Retention Agreements

We have entered into change in control and retention agreements with our executives. These agreements provide for change in control severance benefits and payments in the event the executive's employment is terminated in connection with a change in control of the Company. These agreements are "double trigger" agreements which means the executives will only be eligible for payments under the agreements if both a change in control of the Company occurs and the executive's employment is terminated without cause (or by the executive for good reason) within 24 months of the change in control.

The Compensation Committee believes these agreements are necessary to attract and retain executive talent and to remove any potential conflicts of interests of our executives when making decisions related to potentially beneficial corporate transactions. The Compensation Committee periodically reviews the provisions of these agreements with FW Cook and makes adjustments as necessary to ensure alignment of executives' interests with stockholders' interests. FW Cook advised the Compensation Committee that the agreements were consistent with best practices, which include double trigger benefits, severance multiples less than or equal to 2x base salary and target bonus, and no tax-gross up provision. Based on FW Cook's analysis and the Compensation Committee's review, no changes were made to the benefits provided under the agreements in 2021. The CEO's change in control agreement provides for a severance payment of 2x base salary and a bonus payment of 2x target bonus plus the cash equivalent of two years of continuation of health benefits if he participates in the Company's health plans at the date of his termination. The other terms of his change in control agreement are the same as other executives. Additional details about these agreements, including potential payments, may be found in the "Potential Payments Upon Termination or Change in Control" section and the "Termination and Change in Control Benefit Estimates as of December 31, 2021" table elsewhere in this Proxy Statement.

Risk Assessment

In 2021, we performed a comprehensive assessment of our compensation policies and program design to determine whether risks arising under them would be reasonably likely to have a material adverse effect on the Company. The Compensation Committee, based on input from FW Cook and management, considered each element of our compensation programs and policies in our risk assessment and determined that none of our compensation policies and programs creates a risk that is reasonably likely to have a material adverse effect on the Company.

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis included in this Proxy Statement. Based on the review, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

This report is submitted by the Compensation Committee

Thomas F. Frist III (Chairperson)

Jamie S. Gorelick

Timothy Tomlinson

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during 2021 were Louis A. Simpson, Thomas F. Frist III, Jamie S. Gorelick, and Timothy Tomlinson. All of the members of the Compensation Committee during 2021 were independent directors, and none of the members of the Compensation Committee during 2021 were employees or officers or former officers of Verisign during the prior three years, as required for director independence under the applicable Nasdaq rules. No executive officer of Verisign has served on the Compensation Committee (or other board committee performing equivalent functions, if any) or the board of directors of another entity, one of whose executive officers served as a member of the Compensation Committee of Verisign during 2021; and no executive officer of Verisign has served on the Compensation Committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a member of our Board during 2021.

Executive Compensation Tables

Summary Compensation Table

The following table sets forth certain summary information concerning the compensation of our NEOs for 2021, 2020, and 2019.

NAMED EXECUTIVE OFFICER AND PRINCIPAL POSITION	YEAR	SALARY (\$) ⁽¹⁾	STOCK AWARDS (\$) ⁽²⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$) ⁽³⁾	ALL OTHER COMPENSATION (\$) ⁽⁴⁾	TOTAL (\$)
D. James Bidzos	2021	925,000	7,749,845	1,443,000	468	10,118,313
Executive Chairman and	2020	960,577	7,749,705	1,387,500	720	10,098,502
Chief Executive Officer	2019	925,000	6,999,915	1,098,438	720	9,024,073
Todd B. Strubbe	2021	573,462	2,999,991	568,100	10,470	4,152,023
President and Chief	2020	586,731	2,999,396	536,750	10,470	4,133,347
Operating Officer	2019	562,692	2,759,858	483,075	10,220	3,815,845
George E. Kilguss, III	2021	529,231	2,399,993	496,080	10,470	3,435,774
Executive Vice President,	2020	545,192	2,359,635	472,500	10,470	3,387,797
Chief Financial Officer	2019	521,154	2,299,768	405,000	10,220	3,236,142
Thomas C. Indelicarto	2021	493,846	1,799,995	468,000	710	2,762,551
Executive Vice President,	2020	475,769	1,499,677	414,000	660	2,390,106
General Counsel and Secretary	2019	450,000	1,399,710	360,000	648	2,210,358

⁽¹⁾ Includes, where applicable, amounts electively contributed by each NEO under our 401(k) Plan. The amounts reported represent base salaries paid to each of the named executive officers for the applicable fiscal year. Annual base salary for U.S. salaried employees is paid on a bi-weekly schedule over 26 pay periods. Salaries earned in fiscal year 2020 are higher than each executive's annualized base salary for such year because there were 27 such bi-weekly pay periods in fiscal year 2020 rather than the usual 26.

⁽²⁾ Amounts shown represent the aggregate grant date fair value, which is based on the closing share price on the date of the grant. Amounts for PSUs, which are subject to performance and market conditions, are based upon the probable outcome of the performance conditions as of the grant date of the award. Amounts shown for 2021 include the following for PSUs: Mr. Bidzos, \$4,649,986; Mr. Strubbe, \$1,499,996; Mr. Kilguss, \$1,199,996; and Mr. Indelicarto, \$899,997. Grant date fair value for PSUs granted in 2021, at the maximum achievement level (i.e., 200% payout) would be 143% of the foregoing amounts for each executive, calculated using a Monte Carlo simulation model.

⁽³⁾ Amounts shown are for non-equity incentive plan compensation earned during the year indicated but paid in the following year.

⁽⁴⁾ Amounts in "All Other Compensation" for 2021 include, where applicable, matching contributions made by the Company to the VeriSign, Inc. 401(k) Plan, life insurance payments, and accidental death and dismemberment insurance payments.

Grants of Plan-Based Awards in 2021

The following table shows all plan-based awards granted to our NEOs for 2021 under annual and long-term plans.

NAMED EXECUTIVE OFFICER	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS ⁽¹⁾			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS			ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS (#) ⁽³⁾	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS (\$)
		THRESHOLD (\$)	TARGET (\$)	MAXIMUM (\$)	THRESHOLD (#) ⁽²⁾	TARGET (#) ⁽²⁾	MAXIMUM (#) ⁽²⁾		
D. James Bidzos	N/A	346,875	1,387,500	2,428,125					
	2/16/2021				2,347	23,467	46,934		4,649,986
	2/16/2021							15,644	3,099,859
Todd B. Strubbe	N/A	136,563	546,250	955,938					
	2/16/2021				757	7,570	15,140		1,499,996
	2/16/2021							7,570	1,499,996
George E. Kilguss, III	N/A	119,250	477,000	834,750					
	2/16/2021				606	6,056	12,112		1,199,996
	2/16/2021							6,056	1,199,996
Thomas C. Indelicato	N/A	112,500	450,000	787,500					
	2/16/2021				454	4,542	9,084		899,997
	2/16/2021							4,542	899,997

⁽¹⁾ Each of our NEOs received an annual cash bonus under the VPP as described in "Compensation Discussion and Analysis" elsewhere in this Proxy Statement.

⁽²⁾ Each of our NEOs was awarded PSUs on February 16, 2021, to be earned based on Company performance and subject to a relative TSR achievement threshold in 2023 and determination to be made after the end of 2023.

⁽³⁾ The RSU awards vested 25% of the total award on February 15, 2022, and the remainder vests 6.25% of the total award each quarter thereafter, until fully vested.

Outstanding Equity Awards at 2021 Year-End

The following table shows all outstanding equity awards held by our NEOs at the end of 2021 granted under the 2006 Plan.

NAMED EXECUTIVE OFFICER	GRANT DATE	STOCK AWARDS			
		NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#) ⁽¹⁾	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (\$) ⁽²⁾	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#)	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#) ⁽²⁾
D. James Bidzos	02/13/2018	1,582	401,543		
	02/11/2019	5,130	1,302,097		
	02/11/2019			13,053 ⁽³⁾	3,313,112
	02/10/2020	8,469	2,149,602		
	02/10/2020			22,591 ⁽⁴⁾	5,734,048
	02/16/2021	15,644	3,970,760		
	02/16/2021			23,467 ⁽⁵⁾	5,956,394
Todd B. Strubbe	02/13/2018	780	197,980		
	02/11/2019	2,526	641,149		
	02/11/2019			4,288 ⁽³⁾	1,088,380
	02/10/2020	3,771	957,155		
	02/10/2020			6,704 ⁽³⁾	1,701,609
	02/11/2020	328	83,253		
	02/11/2020			586 ⁽⁴⁾	148,739
	02/16/2021	7,570	1,921,417		
02/16/2021			7,570 ⁽⁵⁾	1,921,417	
George E. Kilguss, III	02/13/2018	621	157,622		
	02/11/2019	2,105	534,291		
	02/11/2019			3,573 ⁽³⁾	906,899
	02/10/2020	3,222	817,808		
	02/10/2020			5,732 ⁽⁴⁾	1,454,896
	02/16/2021	6,056	1,537,134		
	02/16/2021			6,056 ⁽⁵⁾	1,537,134
Thomas C. Indelicarto	02/13/2018	395	100,259		
	02/11/2019	1,280	324,890		
	02/11/2019			2,175 ⁽³⁾	552,059
	02/10/2020	2,048	519,823		
	02/10/2020			3,643 ⁽⁴⁾	924,666
	02/16/2021	4,542	1,152,850		
	02/16/2021			4,542 ⁽⁵⁾	1,152,850

⁽¹⁾ The RSU awards vest 25% of the total award on approximately the first anniversary of the date of grant and then vests 6.25% of the total award each quarter thereafter until fully vested.

⁽²⁾ The market value is calculated by multiplying the number of shares by the closing price of our common stock on December 31, 2021, which was \$253.82 per share.

⁽³⁾ The Compensation Committee granted PSUs on February 11, 2019, to be earned based on Company performance in 2019, 2020, and 2021. The number of shares shown reflects actual performance achievement of 53% of target. These PSUs vested on the date the Company received an unqualified signed opinion on the Company's financial statements from its independent registered public accounting firm on February 18, 2022.

- (4) The Compensation Committee granted PSUs on February 10, 2020 and February 11, 2020, to be earned based on Company performance in 2020, 2021, and 2022 as determined after the end of 2022. The number of shares shown reflects achievement of the target performance level based on Company performance and relative TSR of Verisign stock compared to the TSR of the S&P 500 for 2020 and 2021.
- (5) The Compensation Committee granted PSUs on February 16, 2021, to be earned based on Company performance in 2021, 2022, and 2023 as determined after the end of 2023. The number of shares shown reflects achievement of the target performance level based on Company performance and relative TSR of Verisign stock compared to the TSR of the S&P 500 for 2021.

Stock Vested in 2021

The following table shows all stock awards vested and the value realized upon vesting by our NEOs during 2021. No stock options were exercised by any of our NEOs during 2021.

NAME	STOCK AWARDS	
	NUMBER OF SHARES ACQUIRED ON VESTING (#)	VALUE REALIZED ON VESTING (\$) ⁽¹⁾
D. James Bidzos	52,945	10,786,928
Todd B. Strubbe	20,485	4,205,345
George E. Kilguss, III	16,327	3,352,518
Thomas C. Indelicato	10,363	2,127,225

(1) The value realized upon vesting is calculated by multiplying the number of shares that vested by the closing price of our common stock on the vesting date.

Potential Payments Upon Termination or Change in Control

Except as described below, we have no formal severance program for our NEOs, each of whom is employed at will and therefore can be terminated at any time.

Treatment of Equity Upon Death or Disability or Termination for any Other Reason

In the event of termination due to death or disability, outstanding equity awards will be treated as follows:

- Time-based RSUs – unvested RSUs shall accelerate in full according to the terms in the applicable award agreements; and
- PSUs – If such termination occurs during the applicable performance period and before the conclusion of such performance period, then such PSUs will accelerate and vest at target; if such termination occurs after the conclusion of the applicable performance period and before the award for such performance period has been paid, then the PSUs will fully accelerate based upon the actual achievement level.

In the event of a termination for any other reason, all unvested equity awards are forfeited for no consideration.

Change in Control Agreements

Each of our executives is party to a change in control and retention agreement (the “CIC Agreements”). Under the CIC Agreements, each of the executives is entitled to receive severance benefits if, within the twenty-four months following a “change in control” (or under certain circumstances, during the six-month period preceding a change in control), the executive’s employment is terminated by the Company or its successor without “cause” or by the executive for “good reason” (referred to as a “qualified termination”). The terms and conditions of the CIC Agreements are described below.

Under the CIC Agreements, “*change in control*” means:

- any “person” (as such term is used in Sections 13(d) and 14(d) of 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, securities acquired directly from the Company), of securities of the Company representing 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;
- 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

Executive Compensation Tables

converted into voting securities of the surviving entity), directly or indirectly, at least 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

- 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;
- 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
- stockholder approval of the dissolution or liquidation of the Company.

Under the CIC Agreements, "cause" means:

- an executive's willful and continued failure to substantially perform the executive's duties after written notice providing the executive with ninety (90) days from the date of the executive's receipt of such notice in which to cure;
- conviction of (or plea of guilty or no contest to) the executive for a felony involving moral turpitude;
- an executive's willful misconduct or gross negligence resulting in material harm to the Company; or
- an executive's willful violation of the Company's policies resulting in material harm to the Company.

Under the CIC Agreements, "good reason" means:

- 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;
- a reduction in the executive's base salary compared to the executive's base salary immediately preceding the change in control, except for an across-the-board reduction of not more than 10% of base salary applicable to all senior executives of the Company;
- a reduction in the executive's bonus opportunity of 5% or more from the 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;
- a failure to provide the 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;
- a reduction of at least 5% in aggregate benefits that the executive is entitled to receive under all employee benefit plans of the Company following a change in control compared to the aggregate benefits the executive was eligible to receive under all employee benefit plans maintained by the Company immediately preceding the change in control;
- a requirement that the executive be based at any office location more than 40 miles from the executive's primary office location immediately preceding the change in control, if such relocation increases the executive's commute by more than ten (10) miles from the executive's principal residence immediately preceding the change in control; or
- the failure of the Company to obtain the assumption of the agreement from any successor as provided in the agreement.

Under the CIC Agreements, "incumbent director" means: directors who either (i) are directors as of the date of the CIC Agreement, 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).

If a change in control occurs and the executive officer experiences a qualifying termination and timely delivers a general release agreement, the CIC Agreements provide that Verisign will make the following payments and provide the following benefits to the executive officer (subject to a six-month delay if and to the extent required by the deferred compensation rules set forth in and promulgated under Section 409A of the Internal Revenue Code):

- a lump sum equal to the pro rata target bonus for the year in which the executive officer was terminated;
- a lump sum equal to a specified multiple of the sum of (i) the executive officer's annual base salary plus (ii) the average of the executive officer's target annual bonus amount for the last three full fiscal years prior to a change in control, or, if the executive officer was employed by the Company for fewer than three full fiscal years preceding the fiscal year in which the change in control occurs, the average target bonus for the number of full fiscal years the executive officer was employed by the Company before the change in control or the target bonus for the fiscal year in which the change in control occurs if the executive officer was not eligible to receive a bonus from the Company during any of the prior three fiscal years; the applicable multiples are 200% of the annual base salary and bonus for the CEO and 100% of the annual base salary and bonus for other executive officer participants;
- if the executive elects to continue medical coverage under COBRA, reimbursement of the total cost of the executive's premiums that would be required to provide health insurance coverage, for 24 months for the CEO and for 12 months for all other executives;
- immediate acceleration of vesting of all of the executive officer's unvested stock options and RSUs; however, if the consideration to be received by stockholders of the Company in connection with the change in control consists of substantially all cash or if the stock options and RSUs held by the executive officer are not assumed in the change in control, then all of the executive officer's then-unvested and outstanding stock options and RSUs shall vest immediately prior to the change in control regardless of whether or not there is a termination of employment in connection therewith; and

- if PSUs are accelerated, and the performance period has not been completed, the amount payable is computed as if the performance has been satisfied at the target level.

In addition, the CIC Agreements include the following terms and conditions:

- to the extent any change in control payments or benefits are characterized as excess parachute payments within the meaning of Section 4999 of the Internal Revenue Code, and such characterization would subject the executive officer to a federal excise tax due to that characterization, the executive officer's termination benefits will be reduced to an amount so that none of the amounts payable constitute excess parachute payments if this would result in the executive officer's receipt, on an after-tax basis, of a greater amount of termination and other benefits, after taking into account applicable federal, state and local taxes, including the excise tax under Section 4999 of the Internal Revenue Code;
- an initial term ending on August 24, 2012 and automatic renewal for one-year periods thereafter unless the Board terminates the CIC Agreement at least 90 days before the end of the then-current term, provided that such termination shall not be effective until the last day of the then-current term; and
- the executive officer is prohibited from soliciting employees of Verisign or competing against Verisign for a period of 12 months following termination.

The following table shows the equity awards that would have vested for our NEOs as of December 31, 2021, as well as the additional cash compensation payable to our NEOs, if any, under the change in control and termination scenarios described above if a change in control had occurred on such date. The value of the accelerated equity is based on the closing price of our common stock on December 31, 2021, which was \$253.82 per share.

TERMINATION AND CHANGE IN CONTROL BENEFIT ESTIMATES AS OF DECEMBER 31, 2021

NAMED EXECUTIVE OFFICER	VALUE OF CASH AND CONTINUED HEALTH BENEFITS (\$) ⁽¹⁾	VALUE OF ACCELERATED STOCK AWARDS (\$)
	CHANGE IN CONTROL PLUS QUALIFYING TERMINATION	DEATH, DISABILITY OR CHANGE IN CONTROL PLUS QUALIFYING TERMINATION ⁽²⁾⁽³⁾
D. James Bidzos	5,869,315	25,765,776
Todd B. Strubbe	1,662,119	9,626,631
George E. Kilguss, III	1,479,070	7,750,394
Thomas C. Indelicato	1,373,560	5,217,016

⁽¹⁾ To the extent any payments made or benefits provided upon termination of an executive officer's employment constitute deferred compensation subject to Section 409A of the Internal Revenue Code, payment of such amounts or provision of such benefits will be delayed for six months after the executive officer's separation from service if and to the extent required under Section 409A.

⁽²⁾ If the equity awards held by the executive are not assumed upon a change in control or the consideration to be received by stockholders 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 qualifying termination.

⁽³⁾ All unvested PSUs included in the amounts accelerated are shown at the target achievement levels as achievement of the performance criteria had not been certified by the Compensation Committee as of December 31, 2021.

Equity Compensation Plan Information

The following table sets forth information about our common stock that may be issued upon the exercise of options, warrants, and rights under our existing equity compensation plans as of December 31, 2021.

PLAN CATEGORY	EQUITY COMPENSATION PLAN INFORMATION		
	(A)	(B)	(C)
	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS ⁽¹⁾	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
Equity compensation plans approved by stockholders ⁽²⁾	602,540	\$0.00	10,451,274 ⁽³⁾
Equity compensation plans not approved by stockholders	—	\$ —	—
Total	602,540	\$0.00	10,451,274

⁽¹⁾ Only includes shares subject to RSUs and the target number of shares subject to PSUs outstanding as of December 31, 2021 that were granted under the 2006 Plan. Excludes purchase rights accruing under the 2007 Employee Stock Purchase Plan (the “2007 Purchase Plan”), which has a remaining stockholder-approved reserve of 2,982,260 shares as of December 31, 2021. There are no outstanding options or warrants.

⁽²⁾ Includes the 2006 Plan and the 2007 Purchase Plan.

⁽³⁾ Consists of shares available for future issuance under the 2006 Plan and the 2007 Purchase Plan. As of December 31, 2021, an aggregate of 7,469,014 shares and 2,982,260 shares of common stock were available for issuance under the 2006 Plan and the 2007 Purchase Plan, respectively, including 48,370 shares purchased under the 2007 Purchase Plan in January 2022. In addition to options and RSUs, shares can be granted under the 2006 Plan pursuant to stock appreciation rights, restricted stock awards, stock bonuses and performance shares.

CEO Pay Ratio

Item 402(u) of Regulation S-K requires disclosure of the ratio of the annual total compensation of our CEO, Mr. Bidzos, to the annual total compensation of our median employee. For 2021, the annual total compensation of the median employee was \$201,444, and the annual total compensation of our CEO, as reported in the Summary Compensation Table in “Executive Compensation” elsewhere in this Proxy Statement, was \$10,118,313.

Based on this information for 2021, the ratio of our CEO’s annual total compensation to the annual total compensation of our median employee was 50:1. We believe this pay ratio is a reasonable estimate calculated in a manner consistent with applicable rules of the Securities and Exchange Commission (the “SEC”) using the data and assumptions summarized below. The SEC’s rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Accordingly, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may use different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

The 2021 median employee was determined based on the total 2021 target direct compensation for all our employees (other than our CEO), who were employed as of December 31, 2021, consistent with the approach taken in the 2020 CEO Pay Ratio determination. For purposes of this pay ratio, we defined target direct compensation as the sum of annual base salary determined as of December 31, 2021, target annual bonus for the 2021 performance year, and the grant date value of annual equity grants in 2021. We applied our compensation measure consistently to all of our employees. Salaries for international employees were converted to U.S. dollars based on the applicable foreign exchange rates as of December 31, 2021. Once we identified our 2021 median employee, we then determined that employee’s annual total compensation in the same manner that we determine the total compensation of our NEOs for purposes of the Summary Compensation Table disclosed above. This 2021 total compensation amount for our median employee was then compared to the 2021 total compensation of our CEO as reported in the Summary Compensation Table to determine the pay ratio.

Compensation of Directors

This section provides information regarding our compensation policies for non-employee directors and amounts earned and securities awarded to these directors in 2021. Mr. Bidzos is our Executive Chairman and Chief Executive Officer. As an employee of our Company, Mr. Bidzos does not participate in our compensation program for non-employee directors, and he is compensated as an executive officer of our Company. Mr. Bidzos' compensation is described in "Executive Compensation" elsewhere in this Proxy Statement.

Non-Employee Director Retainer Fees and Equity Compensation Information

On July 19, 2021, the Compensation Committee met to review our overall non-employee director compensation program. As part of this review, the Compensation Committee received a report of competitive market data and compensation practices prepared by FW Cook for the same peer group it used to benchmark executive compensation. For information about the peer group, see "Executive Compensation—Compensation Discussion and Analysis" elsewhere in this Proxy Statement. The Compensation Committee sets director compensation levels at or near the market median relative to directors at companies in the peer group in order to ensure directors are paid competitively for their time commitment and responsibilities. Providing a competitive compensation package is important because it enables us to attract and retain highly qualified directors who are critical to our long-term success. Following the July 2021 review, including consideration of the recommendations made by FW Cook, the Compensation Committee determined that it was in the best interests of our Company and our stockholders to maintain our overall non-employee director compensation program, including providing an annual equity award grant to each director of \$250,000 (made solely in the form of RSUs). Historically, new directors are granted an equity award equal to the pro rata amount of such annual equity award, the amount of which is determined based on the date of such new director's appointment or election to the Board. Directors are subject to our stock retention policy as described in "Stock Ownership Information—Stock Ownership Policies."

Non-employee directors received annual cash retainer fees for 2021 as follows:

ANNUAL CASH RETAINER		
Non-Employee Director		\$40,000
ADDITIONAL CASH RETAINERS		
Non-Executive Chairman of the Board ⁽¹⁾		\$100,000
Lead Independent Director		\$25,000
Safety and Security Council Liaison		\$25,000
ADDITIONAL CASH RETAINERS FOR COMMITTEE SERVICE		
	CHAIRPERSON	MEMBER
Audit	\$15,000	\$25,000
Compensation	\$10,000	\$20,000
Corporate Governance and Nominating	\$10,000	\$10,000
Cybersecurity	\$10,000	\$20,000

⁽¹⁾ The position of "Non-Executive Chairman of the Board" was not held during 2021, and as such no annual retainer fees were paid during this period.

Compensation of Directors

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

Our Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan limits the compensation (including equity and cash awards) paid to any non-employee director in any year to an aggregate dollar value of \$600,000, with an exception to allow for up to two times such limit for grants made in the first year of service or first year designated as chairman or lead independent director.

Non-Employee Director Compensation Table for 2021

The following table sets forth a summary of compensation information for our non-employee directors for 2021.

NON-EMPLOYEE DIRECTOR NAME	FEES EARNED OR PAID IN CASH (\$) ⁽¹⁾	STOCK AWARDS (\$) ⁽²⁾	TOTAL (\$)
Courtney D. Armstrong ⁽³⁾	\$26,786	\$271,605	\$298,391
Yehuda Ari Buchalter	\$70,000	\$249,805	\$319,805
Kathleen A. Cote	\$85,000	\$249,805	\$334,805
Thomas F. Frist III	\$70,000	\$249,805	\$319,805
Jamie S. Gorelick	\$70,000	\$249,805	\$319,805
Roger H. Moore	\$130,000	\$249,805	\$379,805
Louis A. Simpson	\$105,000	\$249,805	\$354,805
Timothy Tomlinson	\$130,000	\$249,805	\$379,805

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

⁽²⁾ Stock awards consist solely of RSUs which vest immediately upon grant. Amounts shown represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards granted in 2021. The grant date fair value of each award granted to each non-employee director on July 19, 2021 was \$249,805 (consisting of 1,093 RSUs valued at \$228.55 per share, which was the closing price per share on the grant date). No director held any outstanding awards as of December 31, 2021.

⁽³⁾ Mr. Armstrong was appointed to our Board on June 18, 2021. The stock awards granted to Mr. Armstrong included an additional 97 RSUs valued at \$224.74 per share granted on June 21, 2021 with a grant date fair value of \$21,800, which represents the amount of the annual equity award granted to each non-employee director in July 2020 prorated for Mr. Armstrong's service as a director from June 18, 2021 through July 19, 2021. Mr. Armstrong's cash compensation was also prorated from June 18, 2021 through December 31, 2021.

Proposal 3

Ratification of Selection of Independent Registered Public Accounting Firm

The Audit Committee has selected KPMG LLP as our independent registered public accounting firm to perform the audit of our consolidated financial statements for the year ending December 31, 2022, and, as a matter of good corporate governance, our stockholders are being asked to ratify this selection. A representative of KPMG LLP is expected to be available at the Annual Meeting, will have the opportunity to make a statement at the Annual Meeting if he or she desires to do so, and is expected to be available to respond to appropriate questions.

**FOR****The Board recommends a vote FOR this proposal.**

Principal Accountant Fees and Services

The following table presents fees billed for professional services rendered by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2021 and December 31, 2020, and fees billed for other services provided by KPMG LLP, in each of the last two completed years.

	2021 FEES	2020 FEES
Audit fees⁽¹⁾	\$ 1,986,852	\$1,665,095
Audit-related fees	-	-
Tax fees⁽²⁾	-	\$13,966
All other fees	-	-
Total fees	\$ 1,986,852	\$1,679,061

⁽¹⁾ Audit fees consist of fees for the integrated audit of the annual financial statements included in our Annual Reports on Form 10-K, the review of the interim financial statements included in our Quarterly Reports on Form 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements for those years.

⁽²⁾ Tax fees consist principally of technical tax advice.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

Pursuant to the Audit Committee's Charter, the Audit Committee, or a designated member of the Audit Committee, pre-approved all audit and permissible non-audit services provided by the independent registered public accounting firm. These services included audit services, audit-related services, tax services and other services. Any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date.

Proposal 3—Ratification of Selection of Independent Registered Public Accounting Firm

Report of the Audit Committee

The Audit Committee is composed of three directors who meet the independence and experience requirements of the listing rules of The Nasdaq Stock Market. The Audit Committee operates under a written charter adopted by the board of directors (the “Board”) of VeriSign, Inc. (“Verisign”). The members of the Audit Committee are Mr. Tomlinson (Chairperson), Ms. Cote, and Mr. Moore. The Audit Committee met five times during 2021.

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

The Audit Committee is responsible for oversight of Verisign’s accounting and financial reporting processes. The Audit Committee is also responsible for the appointment, compensation, and oversight of Verisign’s independent registered public accounting firm, including (i) annually evaluating the independent registered public accounting firm’s qualifications and performance, (ii) annually reviewing and confirming the independent registered public accounting firm’s independence, (iii) reviewing and approving the planned scope of the annual audit, (iv) overseeing the audit work of the independent registered public accounting firm, (v) reviewing and pre-approving any non-audit services that may be performed by the independent registered public accounting firm, which are considered in the evaluation of the independent registered public accounting firm’s independence, (vi) annually reviewing with management and the independent registered public accounting firm the adequacy of Verisign’s internal control over financial reporting, (vii) annually reviewing Verisign’s critical accounting policies, and the application of accounting principles, and (viii) overseeing the conduct of the annual audit, including the oversight of the resolution of any issues identified by the independent registered public accounting firm. In evaluating the independent registered public accounting firm’s qualifications and performance and considering the independent registered public accounting firm for appointment, the Audit Committee considers the firm’s, as well as the engagement team’s, quality of audit services (including its knowledge, skill, and experience), its global capabilities and technical resources, the reasonableness of its fees, its communications with the Audit Committee, its independence, objectivity, and professional skepticism, its knowledge of Verisign, and its tenure as Verisign’s independent registered public accounting firm as well as regulatory reviews of the firm and the firm’s responses thereto. As part of this evaluation, the Audit Committee considers information provided by the firm as well as from management, including from the Chief Financial Officer, Controller, and Head of Internal Audit.

To ensure the independence of Verisign’s independent registered public accountant, the Audit Committee has received from KPMG the written disclosures required by applicable requirements of the PCAOB regarding KPMG’s communications with the Audit Committee concerning independence, and the Audit Committee has discussed with KPMG their independence. In addition, we follow the applicable laws, rules, and regulations regarding the rotation of audit partners, including Rule 2-01 of Regulation S-X. The Audit Committee is involved in the selection of the audit partner when a rotational change is required.

During 2021, the Audit Committee met privately with KPMG to discuss the results of the audit, evaluations by the independent registered public accounting firm of Verisign’s internal control over financial reporting, and the quality of Verisign’s financial reporting. In addition, in connection with its regularly scheduled meetings, the Audit Committee met privately with each of Verisign’s Chief Financial Officer, General Counsel and Compliance Officer, and Head of Internal Audit to discuss various legal, accounting, auditing, and internal control over financial reporting matters.

The Audit Committee has reviewed and discussed the audited consolidated financial statements contained in Verisign’s Annual Report on Form 10-K for the year ended December 31, 2021 with management. This review included a discussion of the accounting principles, reasonableness of significant judgments, and clarity of disclosures in the consolidated financial statements. Management represented to the Audit Committee that Verisign’s consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and the Audit Committee has reviewed and discussed the consolidated financial statements with KPMG.

The Audit Committee has discussed with KPMG the matters required to be discussed by the applicable requirements of the PCAOB and the Securities and Exchange Commission (the “SEC”).

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in Verisign’s Annual Report on Form 10-K for the year ended December 31, 2021, for filing with the SEC.

This report is submitted by the Audit Committee

Timothy Tomlinson (Chairperson)
Kathleen A. Cote
Roger H. Moore

Proposal 4

Stockholder Proposal Regarding an Amendment to our Special Stockholder Meeting Right

John Chevedden has submitted a stockholder proposal for consideration at the Annual Meeting. Mr. Chevedden's address is 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278. We have been notified that Mr. Chevedden has continuously owned no fewer than 50 shares of our common stock since November 1, 2018. If properly presented at the Annual Meeting, the Board unanimously recommends a vote "AGAINST" the following proposal. The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to approve the stockholder proposal. Mr. Chevedden has requested that the proposal set forth in the box below be presented for a vote at the Annual Meeting:

Proponent's Statement

Proposal 4 - Special Shareholder Meeting Improvement



Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

One of the main purposes of this proposal is to give shareholders the right to formally participate in calling for a special shareholder meeting regardless of their length of stock ownership to the fullest extent possible.

Currently it takes a theoretical 10% of all shares outstanding to call for a special shareholder meeting. And it goes downhill from here. All shares held for less than one full year are 100% disqualified from formal participation in calling for a special shareholder meeting. Plus all shares not held long are also 100% excluded.

Thus shareholders who own 10% of VeriSign stock that meets the additional add-on qualifiers to the 10% requirement could determine that they own 25% of VeriSign stock when they include their stock owned for less than a full year and their stock that is not held long.

And this 25% of VeriSign stock equals 30% of the stock that typically votes at the annual meeting. It would be hopeless to think that shares that do not have time to vote would have the time to go through the special procedural steps to call for a special shareholder meeting.

Thus the face value of 10% of all shares outstanding can realistically translate into a 30% stock ownership requirement to just call for a special shareholder meeting. A realistic 30% stock ownership threshold is nothing for management to brag about.

Plus VeriSign management apparently tried to mislead shareholders because the 2021 proxy failed to mention the add-on qualifiers to the 10% requirement. The 2021 proxy only mentioned the face value of 10% and unfortunately omitted the material add-on qualifiers to the 10% requirement.

VeriSign management also bragged about "Stockholder Engagement" in the 2021 proxy. Apparently attempting to mislead shareholders is part of the bedrock of the so-called VeriSign Stockholder Engagement.

Plus we have no right to act by written consent. VeriSign shareholders gave 43% support to a right to act by written consent in 2020.

Southwest Airlines and Target are companies that do not provide for shareholder written consent and yet provide for 10% of shares to call for a special shareholder meeting without the VeriSign type add-on qualifiers.

We need a right for 10% of shares, without add-on qualifiers, to call for a special shareholder meeting to help make up for our complete lack of a right to act by written consent.

Please vote yes:

Special Shareholder Meeting Improvement – Proposal 4

Company Statement and Recommendation

The Board recommends a vote “AGAINST” this proposal:

The Board is committed to sound corporate governance policies and practices that promote the long-term interests of all Company stockholders. In 2021, the Board took action to further enhance our stockholders’ ability to call special meetings of stockholders by lowering the special meeting threshold to 10%—matching the lowest threshold in place at S&P 500 companies. After carefully reviewing this proposal and in light of our existing policies and practices, the Board believes that adopting the proposal would not be in the best interest of our stockholders and recommends voting “AGAINST” this proposal.

Stockholders Owning As Few As 10% of Our Shares Already Have the Ability to Call a Special Meeting of Stockholders Outside of the Annual Meeting Cycle. In early 2021, the Board proactively lowered our special meeting threshold to 10% from 25%. Thus, one or more stockholders owning as few as 10% of our outstanding common stock already may call a special meeting of stockholders. A special meeting permits stockholders, the Board, and company management to vote on matters in between annual meetings. The ability for stockholders owning 10% of our outstanding shares to call a special meeting represents a significant right—and one that is significantly more stockholder-friendly than the right at most other S&P 500 companies. Our 10% special meeting threshold is more favorable to stockholders than the special meeting rights at approximately 89% of the 472 S&P 500 companies surveyed by FactSet, and only one of our peers provides its stockholders with a comparable special meeting right.

Elimination Of Our Nominal One-Year Holding Requirement Would Increase The Potential For Misuse Of The Special Meeting Right By Special-Interest Stockholder Groups With No Long-Term Interest in the Company. Currently, stockholders holding 10% or more of our outstanding common stock net long for at least one year have the ability to call special meetings. The Company carefully tailored our special meeting right to provide stockholders with the meaningful ability to call a special meeting when extraordinary matters arise, without enabling a minority of stockholders that have not held a financial stake in the Company for a reasonable period of time to call unnecessary or duplicative meetings for less significant matters. If the nominal one-year net long holding requirement is eliminated as suggested by the proposal, the Company could be subject to regular disruptions by special-interest stockholder groups with agendas that are not in the best interests of the Company or our stockholders and unnecessarily divert our Board’s and management’s attention from their primary focus of leading and operating our business. Such a diversion could potentially operate against the best interests of our stockholders overall, in order to serve the narrow interests of the short-term stockholders requesting a special meeting.

Special Meetings Require Substantial Company Time and Resources. The Board recognizes the importance of providing stockholders with the right to call special meetings in appropriate circumstances. Whether held in person or virtually, a special stockholder meeting is a significant undertaking that requires substantial time, effort, and management. The Company must prepare, print and distribute legal disclosure documents to stockholders, solicit proxies, and tabulate votes, which requires substantial time and effort as well as the use of Company funds to pay for the related costs. In addition, the Board and management must divert time and focus from their responsibility of managing the Company on behalf of all stockholders to prepare for, and conduct, the meeting, consequently detracting from their primary focus of operating our businesses and maximizing long-term stockholder value. Accordingly, special meetings of stockholders should be extraordinary events that occur only when there are matters of sufficient import or urgency that they cannot wait until the next annual meeting.

Proposal 4—Stockholder Proposal Regarding an Amendment to our Special Stockholder Meeting Right

The Company's Other Strong Governance Policies Further Empower Stockholders and Promote Board Accountability. The Board is committed to strong and effective corporate governance and responsiveness to stockholders, and the Board regularly evaluates and refines our corporate governance policies and procedures to take into account evolving best practices and to address feedback provided by our stockholders. In addition to providing stockholders owning as few as 10% of our outstanding common stock the right to call a special meeting of stockholders, the Board has adopted additional policies and practices that provide our stockholders with additional opportunities to have their voices heard and that encourage effective, independent Board oversight of Company management:

- **Market-Standard Proxy Access Bylaw Provision.** Stockholders owning 3% or more of our outstanding common stock for three years have the right to nominate director candidates constituting up to 20% of our Board, and to have those nominees included in our proxy materials. This proxy access right complements the ability of stockholders to call a special meeting to voice their views
- **Annual Election of Directors.** All directors are elected annually and stockholders can remove directors with or without cause.
- **Majority Voting for Election of Directors.** We have adopted a majority voting standard for the election of directors in uncontested elections.
- **Stockholder Engagement.** Stockholders can communicate directly with the Board as a whole or with individual directors.
- **Independent Board Leadership.** All but one director on the Board are independent, as defined under Nasdaq's director independence standards. Independent directors thus compose 87.5% of the Board, well above the majority required by Nasdaq. In addition, we have a Lead Independent Director with robust duties.
- **Independent Board Committees.** All members of the Board's Audit Committee, Corporate Governance and Nominating Committee, and Compensation Committee are independent directors. This entrusts oversight of critical matters to independent directors, such as the integrity of the Company's financial statements, the evaluation of the Board and its committees, and the compensation of executive officers.



AGAINST

The Board recommends a vote **AGAINST** this stockholder proposal.

Stock Ownership Information

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 April 1, 2022, except as otherwise indicated, by:

- each current stockholder who is known by us to own beneficially more than 5% of our common stock;
- each current director;
- each of our named executive officers listed in the Summary Compensation Table in “Executive Compensation” elsewhere in this Proxy Statement; and
- all current directors and executive officers as a group.

Shares of common stock that are issuable upon vesting of RSUs within 60 days of April 1, 2022 are deemed outstanding for the purpose of computing the percentage ownership of the person holding such RSUs but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated in the footnotes following the table, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

BENEFICIAL OWNERSHIP TABLE

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES BENEFICIALLY OWNED	
	NUMBER ⁽¹⁾	PERCENT ⁽¹⁾
<i>Greater Than 5% Stockholders</i>		
Warren Buffett⁽²⁾ Berkshire Hathaway, Inc. 3555 Farnam Street Omaha, NE 68131	12,815,613	11.68%
The Vanguard Group⁽³⁾ 100 Vanguard Boulevard Malvern, PA 19355	10,385,922	9.46%
BlackRock, Inc.⁽⁴⁾ 55 East 52nd Street New York, NY 10055	10,102,520	9.21%
<i>Directors and Named Executive Officers</i>		
D. James Bidzos⁽⁵⁾	685,639	*
Courtney D. Armstrong	1,190	
Yehuda Ari Buchalter	3,472	*
Kathleen A. Cote	30,047	*
Thomas F. Frist III	12,254	*
Jamie S. Gorelick	17,351	*
Roger H. Moore	40,838	*
Timothy Tomlinson⁽⁶⁾	15,000	*
Todd B. Strubbe⁽⁷⁾	92,362	*
George E. Kilguss, III⁽⁸⁾	138,399	*
Thomas C. Indelicato⁽⁹⁾	36,319	*
All current directors and executive officers as a group (11 persons) ⁽¹⁰⁾	1,072,871	*

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

⁽¹⁾ The percentages are calculated using 109,744,555 outstanding shares of common stock on April 1, 2022, as adjusted pursuant to Rule 13d-3(d)(1)(i). Pursuant to Rule 13d-3(d)(1) of the Exchange Act, beneficial ownership information for each person also includes any shares of common stock that are issuable to such person upon vesting of RSUs within 60 days of April 1, 2022.

⁽²⁾ Based on a Schedule 13G/A filed with the SEC on February 16, 2021, by Warren E. Buffett, Berkshire Hathaway, Inc. and other reporting persons with respect to the beneficial ownership of 12,815,613 shares, as of December 31, 2020. Berkshire Hathaway, Inc., is a diversified

holding company which Mr. Buffett may be deemed to control. Mr. Buffett and Berkshire Hathaway share voting and dispositive power over 12,815,613 of these shares, which include shares beneficially owned by certain subsidiaries of Berkshire Hathaway. National Indemnity Company and GEICO Corporation each share voting and dispositive power over 7,905,481 of these shares.

- (3) Based on a Schedule 13G/A filed with the SEC on February 10, 2022, by The Vanguard Group with respect to the beneficial ownership of 10,385,922 shares, as of December 31, 2021. The Vanguard Group has shared voting power over 153,843 of these shares, sole dispositive power over 9,992,800 of these shares, and shared dispositive power over 393,192 of these shares.
- (4) Based on a Schedule 13G/A filed with the SEC on February 1, 2022, by BlackRock, Inc. with respect to the beneficial ownership of 10,102,520 shares, as of December 31, 2021. BlackRock, Inc. has sole voting power over 9,126,469 of these shares and sole dispositive power over all 10,102,520 of these shares.
- (5) Includes 2,945 RSUs vesting within 60 days of April 1, 2022, held directly by Mr. Bidzos.
- (6) Includes 15,000 shares held by the Tomlinson Family Trust, under which Mr. Tomlinson and his spouse are co-trustees.
- (7) Includes 1,435 RSUs vesting within 60 days of April 1, 2022, held directly by Mr. Strubbe.
- (8) Includes 1,158 RSUs vesting within 60 days of April 1, 2022, held directly by Mr. Kilguss.
- (9) Includes 768 RSUs vesting within 60 days of April 1, 2022, held directly by Mr. Indelicato.
- (10) Includes the shares described in footnotes (5)-(9).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and officers, and persons who own more than 10% of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. We file Section 16(a) reports on behalf of our directors and executive officers to report their initial and subsequent changes in beneficial ownership of our common stock. Based solely on a review of the reports we filed on behalf of our directors and executive officers, or written representations from reporting persons that all reportable transactions were reported, the Company believes that all Section 16(a) filing requirements applicable to our directors and executive officers were complied with for 2021, except that one Form 4 relating to one transaction was filed late for Courtney D. Armstrong. This late filing was due to a delay in obtaining EDGAR filer codes following Mr. Armstrong's appointment to the Board.

Stock Ownership Policies

Stock Retention Policy

Our stock retention policy applies to our employees at the Senior Vice President level and above, officers who are subject to the provisions of Section 16 of the Exchange Act ("Section 16 Officers"), and board members.

Ownership levels are set as a multiple of base salary or annual retainer and are as follows:

- Directors: 10x Annual Retainer
- CEO: 6x Base Salary
- Section 16 Officers, Executive Vice Presidents and Senior Vice Presidents, other than the CEO: 2x Base Salary

The stock retention policy requires participants to retain 50% of their shares received from equity awards (net of taxes) until they reach the required minimum ownership level, and that the required minimum number of shares must be held until six months after the participant ceases employment or board service with the Company. We believe requiring executives and board members to continue to retain stock after their service with the Company ceases aligns our executives' interests with the long-term interests of our stockholders.

Insider Trading Policy

Our Insider Trading Policy prohibits our directors and employees (including our executives) from (i) trading in our securities, including derivative securities, while aware of material non-public information or (ii) disclosing material non-public information to unauthorized persons outside of the Company. In addition, under our Insider Trading Policy, our directors and executives may only trade in our securities during approved trading windows after our Compliance Officer has pre-approved the trade.

No Shorting, Hedging, or Pledging Allowed

Our Insider Trading Policy also prohibits our directors and employees (including our executives) from (i) trading in any interest or position relating to the future price of our securities, such as a put, call or short sale, other than a cashless exercise of an option through a broker, (ii) engaging in hedging or monetization transactions using our securities, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars, and exchange funds, or (iii) holding our securities in a margin account or otherwise pledging our securities as collateral.

Information About the Meeting

The Annual Meeting will be held at our corporate offices located at 12061 Bluemont Way, Reston, Virginia 20190 on Thursday, May 26, 2022, at 10:00 a.m., Eastern Time.

Only holders of record of our common stock at the close of business on April 1, 2022, which is the record date, will be entitled to vote at the Annual Meeting. This Proxy Statement and related proxy materials were first made available to stockholders on April 12, 2022. Our 2021 Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2021, is enclosed with this Proxy Statement for stockholders receiving a paper copy of proxy materials. This Proxy Statement, together with our 2021 Annual Report, can be accessed on our Investor Relations website at <https://investor.verisign.com>, or at www.edocumentview.com/vrsn.

Each proxy received will be voted in accordance with the instructions specified in the proxy. Unless contrary instructions are specified, if the proxy is submitted (and not revoked) prior to the Annual Meeting, the shares of Verisign common stock represented by the proxy will be voted: (1) **FOR** the election of each of the eight director candidates nominated by the Board (Proposal 1); (2) **FOR** the non-binding, advisory resolution to approve Verisign's executive compensation (Proposal 2); (3) **FOR** the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2022 (Proposal 3); and (4) **AGAINST** the stockholder proposal, if properly presented at the Annual Meeting, regarding an amendment to our special stockholder meeting right (Proposal 4); in accordance with the best judgment of the named proxies on any other matters properly brought before the Annual Meeting.

Voting Rights

At the close of business on the record date, we had 109,744,555 shares of common stock outstanding and entitled to vote. Holders of our common stock are entitled to one vote for each share held as of the record date.

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

A majority of the shares of our common stock outstanding and entitled to vote must be present or represented by proxy at the Annual Meeting in order to have a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum. A broker non-vote occurs when a bank, broker or other stockholder of record holding shares for a beneficial owner has not received voting instructions from the beneficial owner and does not vote on a particular proposal because that record holder does not have discretionary voting power with respect to that “non-routine” proposal. Each of the election of directors (Proposal 1), the non-binding, advisory vote to approve executive compensation (Proposal 2), and the stockholder proposal, if properly presented at the Annual Meeting, regarding an amendment to our special stockholder meeting right (Proposal 4), is a “non-routine” proposal and so shares for which record holders do not receive voting instructions will not be voted on such matters. The ratification of the selection of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2022 (Proposal 3) is a “routine” proposal and so shares for which record holders do not receive voting instructions may be voted on such matter by record holders.

If a quorum is present at the Annual Meeting, to be elected, a nominee for director must receive a majority of the votes cast (the number of shares voted “for” that nominee must exceed the number of votes cast “against” that nominee). Under this voting standard, abstentions and broker non-votes will not affect the voting outcome. Stockholders may not cumulate votes in the election of directors.

If a nominee who currently serves as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board as a “holdover director.” Under our Corporate Governance Principles, each director that is not reelected by the stockholders must offer to resign, subject to acceptance by the Board. Each director submits an irrevocable letter of resignation for this purpose. When such a resignation offer is made, the Corporate Governance and Nominating Committee makes a recommendation to the Board with respect to the resignation offer and the Board must then determine whether to accept or reject the resignation offer and publicly disclose its decision and the rationale therefor within 90 days following the date of the certification of the relevant election results.

If a quorum is present at the Annual Meeting, approval of the proposals for:

- the non-binding, advisory resolution to approve Verisign’s executive compensation (Proposal 2);
- the ratification of the selection of KPMG LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2022 (Proposal 3); and
- the stockholder proposal, if properly presented at the Annual Meeting, regarding an amendment to our special stockholder meeting right (Proposal 4).

requires, in each case, the affirmative vote of a majority of the shares of our common stock present or represented by proxy and entitled to vote on the matter. Under this voting standard, abstentions will have the effect of votes cast against the proposal, and broker non-votes will not affect the voting outcome.

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

Adjournment of Annual Meeting

In the event that a quorum shall fail to attend the Annual Meeting, either present or represented by proxy at the Annual Meeting, the chairman of the meeting may adjourn the Annual Meeting, or alternatively, the holders of a majority of the shares of our common stock entitled to vote who are present or represented by proxy may adjourn the Annual Meeting. Any such adjournment proposed by a stockholder or person named as a proxy would require the affirmative vote of the majority of the shares present or represented by proxy at the Annual Meeting.

Expenses of Soliciting Proxies

Verisign will bear the expenses of soliciting proxies to be voted at the Annual Meeting. Verisign intends to retain Morrow Sodali LLC for various services related to the solicitation of proxies, which we anticipate will cost approximately \$32,500, plus reimbursement of expenses. Following the original mailing of the Notice Regarding the Availability of Proxy Materials and paper copies of proxy materials, we and/or our agents may also solicit proxies by mail, telephone, electronic transmission, including email, or in person. Following the original mailing of the Notice Regarding the Availability of Proxy Materials and paper copies of the proxy materials, we will request that brokers, custodians, nominees, and other record holders of our shares forward copies of the proxy 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.

Internet and Telephone Voting

If you hold your shares as a stockholder of record as of the record date, you can simplify your voting process and save the Company expense by voting your shares by telephone at 1-800-652-VOTE (8683) or on the internet at www.envisionreports.com/VRSN 24 hours a day, seven days a week. Telephone and internet voting are available through 12:00 a.m. Eastern Time on the day of the Annual Meeting. More information regarding internet voting is given on the Notice Regarding the Availability of Proxy Materials. If you hold your shares as of the record date through an intermediary, such as a bank or broker, the intermediary should provide you with separate instructions on a form you will receive from them. Many such intermediaries make telephone or internet voting available, but the specific processes available will depend on those intermediaries' individual arrangements.

Revocability of Proxies

If you hold your shares as a stockholder of record, you may revoke any proxy that is not irrevocable by attending and voting at the Annual Meeting or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the Company. If you hold your shares through an intermediary, such as a bank or broker, you must follow the instructions provided by the intermediary to change or revoke your voting instructions.

Householding

A number of brokerage firms have instituted a procedure called "householding," which has been approved by the SEC. Under this procedure, the firm delivers only one copy of the Notice Regarding the Availability of Proxy Materials or one copy of this Proxy Statement, together with our 2021 Annual Report, as the case may be, to multiple stockholders who share the same address and have the same last name, unless it has received contrary instructions from an affected stockholder. If your shares are held in "street name" and you would like to receive only one copy of these materials (instead of separate copies) in the future, please contact your bank, broker, or other holder of record to request information about householding. If you would like to receive an individual copy of the Notice Regarding the Availability of Proxy Materials or an individual copy of this Proxy Statement, together with our 2021 Annual Report, as the case may be, now or in the future, we will promptly deliver these materials to you upon request to VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190, Attention: Secretary or (703) 948-3200.

Other Information

Stockholder Proposals and Nominations for the 2023 Annual Meeting of Stockholders

We strongly encourage any stockholder interested in submitting a stockholder proposal to contact our Secretary in advance of the applicable deadline described below to discuss the proposal. Our Corporate Governance and Nominating Committee reviews all stockholder proposals and makes recommendations to the Board for action on such proposals. For information on recommending individuals for consideration as director nominees, see “Corporate Governance—Board Structure and Operations” elsewhere in this Proxy Statement.

We engage in a continuous quality improvement approach to corporate governance practices. We monitor and evaluate trends and events in corporate governance and compare and evaluate new developments against our current practices; we understand that corporate governance is not in a static state with regard to numerous topic areas. We seek and receive input from stockholders and other commentators on our practices and policies, and our Board and our Corporate Governance and Nominating Committee consider this input when reviewing proposals to change practices or policies.

Proposals for Inclusion in Proxy Statement

Under Rule 14a-8 of the Exchange Act, some stockholder proposals may be eligible for inclusion in our Proxy Statement for our 2023 Annual Meeting of Stockholders (other than nominees for director). These stockholder proposals must comply with Rule 14a-8 and must be submitted, along with proof of ownership of our stock in accordance with Rule 14a-8, to our Secretary at VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190. Failure to deliver a proposal in accordance with this procedure may result in the proposal not being deemed timely received. We must receive all submissions no later than 6:00 p.m. Eastern Time on December 13, 2022. Submitting a stockholder proposal does not guarantee that we will include it in our Proxy Statement for our 2023 Annual Meeting of Stockholders.

Director Nominations for Inclusion in Proxy Statement (Proxy Access)

Our Bylaws permit a stockholder (or a group of up to 20 stockholders) that has continuously owned at least 3% of the outstanding shares of our common stock entitled to vote in the election of directors for at least three years, to nominate and include in our Proxy Statement for an annual meeting of stockholders up to the greater of two individuals or 20% of the number of the directors then in office so long as the nominating stockholder(s) and the nominee(s) satisfy the eligibility, procedural, and disclosure requirements in our Bylaws. For our Proxy Statement for our 2023 Annual Meeting of Stockholders, notice of a proxy access nomination must be delivered to our Secretary at VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190 no earlier than 6:00 p.m. Eastern Time on November 13, 2022, and no later than 6:00 p.m. Eastern Time on December 13, 2022. The notice must include the information required by our Bylaws, including information concerning the nominee and information about the stockholder’s ownership of and agreements related to our common stock. If our 2023 Annual Meeting of Stockholders is held more than 30 days before or after the anniversary of our 2022 Annual Meeting of Stockholders, a stockholder seeking to nominate a candidate for election to the Board pursuant to the proxy access provisions of our Bylaws must submit notice of any such nomination no earlier than 6:00 p.m. Eastern Time on the 150th day prior to our 2023 Annual Meeting of Stockholders and no later than 6:00 p.m. Eastern Time on the later of the 120th day prior to our 2023 Annual Meeting of Stockholders or the 10th day following the day on which the date of our 2023 Annual Meeting of Stockholders is first publicly announced by us.

Other Proposals and Nominations

Our Bylaws govern the submission of nominations for director or other business proposals that a stockholder wishes to have considered at a meeting of our stockholders, but which are not included in our Proxy Statement for that meeting. Under the advance notice provisions of our Bylaws, written notice of any such nominations for directors or other business proposals must be delivered to our Secretary at VeriSign, Inc., 12061 Bluemont Way, Reston, Virginia 20190, no earlier than 6:00 p.m. Eastern Time on January 26, 2023 and no later than 6:00 p.m. Eastern Time on February 25, 2023. The notice must include the information required by these advance notice provisions. If our 2023 Annual Meeting of Stockholders is held more than 30 days before or more than 60 days after the anniversary of our 2022 Annual Meeting of Stockholders, a stockholder seeking to nominate a candidate for election to the Board or propose any business at our 2023 Annual Meeting of Stockholders, pursuant to these advance notice provisions, must submit notice of any such nomination or proposed business no earlier than 6:00 p.m. Eastern Time on the 120th day prior to our 2023 Annual Meeting of Stockholders and no later than 6:00 p.m. Eastern Time on the later of the 90th day prior to our 2023 Annual Meeting of Stockholders or the 10th day following the day on which the date of our 2023 Annual Meeting of Stockholders is first publicly announced by us. These advance notice provisions are separate from the requirements that a stockholder must meet in order to have a nominee or proposal included in the Proxy Statement.

Other Information

In addition to satisfying the foregoing requirements under our Bylaws, to comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees other than Verisign's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than 6:00 p.m. Eastern Time, Monday, March 27, 2023.

Other Business

The Board does not presently intend to bring any other business before the Annual Meeting, and, so far as is known to the Board, no matters are to be brought before the Annual Meeting except as specified in the Notice of the Annual Meeting. As to any business that may properly come before the Annual Meeting, the proxies received will be voted in accordance with the best judgment of the persons voting such proxies.

Whether or not you expect to attend the Annual Meeting, please complete the proxy electronically as described on the Notice Regarding the Availability of Proxy Materials and under "Information About the Meeting—Internet and Telephone Voting" in this Proxy Statement, or alternatively, if you have received paper copies of our proxy materials, please complete, date, sign, and promptly return the proxy card or voting instruction form in the enclosed postage paid envelope or cast your vote by phone so that your shares may be represented at the Annual Meeting.

Communicating with Verisign

Visit our main website at <https://www.verisign.com> for additional information regarding our products and services, capabilities, technologies, and customer support. Our Investor Relations website at <https://investor.verisign.com> contains key corporate governance documents, financial information, links to our SEC filings, and a copy of this Proxy Statement, together with our 2021 Annual Report. The contents of our websites are not incorporated by reference into this Proxy Statement.

A copy of this Proxy Statement, together with our 2021 Annual Report, will be sent without charge to any stockholder who requests it. Please direct your requests to Verisign Investor Relations at ir@verisign.com (and specify your mailing address).

If you have any questions concerning the Annual Meeting or the proposals to be voted on at the Annual Meeting, you may submit your questions to the following address:

VeriSign, Inc.
Attention: Investor Relations
12061 Bluemont Way
Reston, Virginia 20190
or via email at ir@verisign.com

Phone: +1 800 922 4917
Int'l: +1 703 948 3447

If you have any questions concerning accounts of stockholders of record, including address changes, name changes, inquiries as to requirements to transfer shares, and similar issues, please contact our transfer agent Computershare by calling (877) 255-1918 (U.S.) or +1 (201) 680-6578 (outside the U.S.), or by accessing their website at <https://www.computershare.com/investor>.

If you have any questions concerning accounts of stockholders who hold their shares through an intermediary, such as a bank or broker, please contact the intermediary.

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021

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)

**12061 Bluemont Way,
Reston, Virginia**
(Address of principal executive offices)

94-3221585

(I.R.S. Employer
Identification No.)

20190
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value per share	VRSN	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 every Interactive Data File required to be submitted 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 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," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the Registrant as of June 30, 2021, was \$16.5 billion based upon the last sale price reported for such date on the Nasdaq Global Select Market. For purposes of this disclosure, shares of Common Stock held by persons known to the Registrant (based on information provided by such persons and/or the most recent Schedule 13Gs filed by such persons) to beneficially own more than 5% of the Registrant's Common Stock and shares held by officers and directors of the Registrant have been excluded because such persons may be deemed to be affiliates. This determination is not necessarily a conclusive determination for other purposes.

Number of shares of Common Stock, \$0.001 par value, outstanding as of the close of business on February 11, 2022: 110,167,438 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement to be delivered to stockholders in connection with the 2022 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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For purposes of this Annual Report on Form 10-K (this “Form 10-K”), the terms “Verisign”, “the Company”, “we”, “us”, and “our” refer to VeriSign, Inc. and its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

We are a global provider of domain name registry services and internet infrastructure, enabling internet navigation for many of the world’s most recognized domain names. We enable the security, stability, and resiliency of key internet infrastructure and services, including providing root zone maintainer services, operating two of the 13 global internet root servers, and providing registration services and authoritative resolution for the .com and .net top-level domains (“TLDs”), which support the majority of global e-commerce.

We were incorporated in Delaware on April 12, 1995. Our principal executive offices are located at 12061 Bluemont Way, Reston, Virginia 20190. Our telephone number at that address is (703) 948-3200. Our common stock is traded on the Nasdaq Global Select Market under the ticker symbol VRSN. VERISIGN, the VERISIGN logo, and certain other product or service names are registered or unregistered trademarks in the U.S. and other countries. Other names used in this Form 10-K may be trademarks of their respective owners. Our primary website is <https://www.verisign.com>. The information available on, or accessible through, this website is not incorporated in this Form 10-K by reference.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are available, free of charge, on the Investor Relations section of our website as soon as is reasonably practicable after filing such reports with the Securities and Exchange Commission (the “SEC”). The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <https://www.sec.gov>.

Pursuant to our agreements with the Internet Corporation for Assigned Names and Numbers (“ICANN”), we make available files containing all active domain names registered in the .com and .net registries. Further, we also make available a summary of the active zone count registered in the .com and .net registries and the number of .com and .net domain name registrations in the domain name base. The zone counts and information on how to obtain access to the zone files can be found at <https://www.verisign.com/zone>. The domain name base is the active zone plus the number of domain names that are registered but not configured for use in the respective top-level domain zone file plus the number of domain names that are in a client or server hold status. The domain name base may also reflect compensated or uncompensated judicial or administrative actions to add or remove from the active zone an immaterial number of domain names. These files and the related summary data are updated at least once per day. The update times may vary each day. The number of domain names provided in this Form 10-K are as of midnight of the date reported.

We announce material financial information to our investors using our investor relations website <https://investor.verisign.com>, SEC filings, investor events, news and earnings releases, public conference calls and webcasts. We use these channels as well as social media to communicate with our investors and the public about our company, our products and services, and other issues. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media, and others interested in our company to review the information we post on the social media channels and websites listed below. This list may be updated from time to time on our investor relations website.

<https://facebook.com/Verisign>
<https://twitter.com/Verisign>
<https://linkedin.com/company/Verisign>
<https://youtube.com/user/Verisign>
<https://verisign.com>
<https://blog.Verisign.com>

The contents of these websites are not intended to be incorporated by reference into this Form 10-K or in any other report or document we file.

Services

We operate the authoritative directory of and/or the back-end systems for all .com, .net, .cc, .gov, .edu and .name domain names, among others. Our services allow individuals and organizations to establish their online identities, while providing the secure, always-on access they need to communicate and transact reliably with large-scale online audiences.

We are the exclusive registry of domain names within the *.com*, *.net*, and *.name* generic top-level domains (“gTLDs”), among others, under agreements with ICANN and also, with respect to the *.com* agreement, the U.S. Department of Commerce (“DOC”). We are also the exclusive registry of domain names within certain transliterations of *.com* and *.net* in a number of different native languages and scripts (“IDN gTLDs”). As a registry, we maintain the authoritative directory of all second-level domain names (e.g., *example.com* and *example.net*) in these gTLDs and IDN gTLDs. Our global constellation of DNS servers provides internet protocol (“IP”) address information in response to queries, enabling the use of browsers, email systems, and other systems on the internet. In addition, we own and maintain our shared registration system that allows ICANN-accredited registrars to enter new second-level domain names into Verisign operated central directories and to submit modifications, transfers, re-registrations, and deletions for existing second-level domain names (“Shared Registration System”).

In addition to our registry agreements with ICANN, we have agreements to operate the registries for the *.tv* and *.cc* country code top-level domains (“ccTLDs”) for Tuvalu and Cocos (Keeling) Islands, respectively, and to operate the technical systems for the *.gov* and *.edu* sponsored TLDs. These TLDs are also supported by our global constellation of DNS servers and Shared Registration System. We did not participate in the Tuvalu government’s rebid of the contract to operate *.tv*, and we anticipate transitioning the operation of the *.tv* registry during 2022. We will continue to operate *.tv* until the transition.

We also provide internationalized domain name (“IDN”) services that enable internet users to access domain names in characters representing their local language. Our gTLDs and ccTLDs can support standards-compliant domain name registrations in over 100 different native languages and scripts.

We also perform the root zone maintainer function under an agreement with ICANN for the core of the internet’s DNS and operate two of the 13 root zone servers that contain authoritative data for the top of the DNS hierarchy.

Domain names can be registered for between one and 10 years. The fees charged for *.com*, *.net* and *.name* may only be increased according to adjustments prescribed in our agreements with ICANN over the applicable term. Revenues for *.cc* and *.tv* domain names and our IDN gTLDs are based on a similar fee system and registration system, although the fees charged are not subject to the same pricing restrictions as those for *.com*, as established in the Cooperative Agreement and the *.com* Registry Agreement, and for *.net* and *.name*, as established in those respective Registry Agreements. The fees received from operating the *.gov* TLD are based on the terms of Verisign’s agreement with the U.S. government. The fees from our performance of the technical operations for other TLDs, are based on the terms of Verisign’s agreements with those respective registry operators.

Operations Infrastructure

Our operations infrastructure consists of secure data centers in Dulles, Virginia; Ashburn, Virginia; New Castle, Delaware; and Fribourg, Switzerland as well as more than 100 other sites around the world. Our domain name servers refer requestors to the associated authoritative name servers for second level domains under our TLDs, thus enabling DNS resolution for every *.com* and *.net* domain name on the internet and for domain names under a large number of other TLDs. Our servers process hundreds of billions of queries daily. Our operations infrastructure operates 24 hours a day, supporting the security, integrity and availability of our services. The performance and availability of our infrastructure are critical for our business. Key features of our operations infrastructure include:

- *Distributed Servers:* We operate a large number of high-speed servers globally to support localized transaction volume and performance demands. In conjunction with our proprietary software, processes and procedures, this global constellation of servers offers rapid failover, global and local load balancing, and threshold monitoring on critical servers.
- *Networking:* We deploy and maintain a redundant and diverse global network, maintain high-speed, redundant connections to numerous internet service providers, and maintain peering relationships globally to ensure that our critical services are readily accessible to end users at all times.
- *Security:* We incorporate architectural concepts such as protected domains, restricted nodes, and distributed access control in our system architecture. In addition, we employ firewalls and intrusion detection software, as well as proprietary security mechanisms at many points across our infrastructure. We perform continuous internal vulnerability testing and periodic controls audits, and also contract with third-party security organizations to perform periodic penetration tests and security risk assessments on our systems. We have engineered resiliency and diversity into how we host classes of products throughout our set of interconnected sites to reduce the risk of unknown vendor defects and zero-day security vulnerabilities. This includes different physical security silos, which themselves are separated into bulkheads, and in which servers are located. Corporate networks are in their own physical silo. Thus, the corporate networks to which personnel directly connect are separated from the silos that house production services; administration of production gear from corporate systems must go through internal, fortified intermediaries; and account credentials used within the corporate networks are not used within the production silos.

- *Data Integrity:* We employ both phased and systemic integrity validation operations via a number of proprietary mechanisms on all internal DNS publication operations.

We continuously expand our infrastructure to meet demands to support normal and peak system load and attack volumes based on what we have experienced historically, as well as to address projected internet attack trends.

Call Centers and Service Desk: We provide customer support services over the phone, by email and through web-based self-help systems. Our support teams are staffed with trained technical customer support agents. Support is available for customers 24 hours a day. Throughout the COVID-19 pandemic, our support teams have continued servicing our customers while working remotely.

Operations Support and Monitoring: Through our network operations center, we have an extensive monitoring capability that enables us to track the status and performance of our critical systems, network and services. Our network operations center monitors our systems 24 hours a day and has continued to be staffed by employees working remotely during the COVID-19 pandemic.

Disaster Recovery Plans: We have disaster recovery and business continuity capabilities that are designed to deal with the loss of entire data centers and other facilities. We maintain data centers with mirrored services that allow failover with no data loss and no loss of function or capacity, as well as a tertiary facility in Switzerland. Our critical data services (including domain name registration and global resolution) use advanced storage systems that provide data protection through techniques such as synchronous mirroring and remote replication. We periodically operate services at an alternate data center during maintenance windows to ensure the availability of our data centers for disaster recovery.

Marketing, Sales and Distribution

We seek to expand our business through focused marketing campaigns and programs that target growth in the *.com* and *.net* domain name base, both domestically and in foreign markets. We provide tools to be used by both registrars and end users to enable them to find relevant domain names. We have marketing and sales offices in several countries around the world.

Research and Development

We believe that timely development of new and enhanced services, including monitoring and visualization, registry provisioning platforms, navigation and resolution services, data services, value added services, and new and enhanced ways to ensure the security, stability, and resiliency of our services, is necessary to remain competitive in the marketplace.

Our future success will depend, in large part, on our ability to continue to maintain and enhance our current technologies and services and to develop new ones. We actively investigate and incubate new concepts and evaluate new business ideas through our innovation pipeline. We expect that most of the future enhancements to our existing services and our new services will be the result of internal development efforts in collaboration with suppliers, other vendors, customers, and the technology community. Under certain circumstances, we may also acquire or license technology from third parties.

The markets for our services are dynamic, characterized by ongoing technological developments, shifting channel dynamics, frequent new product introductions, and evolving industry standards. The constantly changing nature of these markets and the continued evolution of security threats will require us to continually improve the performance, features, and reliability of our services, and to introduce both new and enhanced products and services.

Competition

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 obtain a domain name registration. In addition to the gTLD and ccTLD registries we operate or for which we provide back-end registry services, there are over 1,100 other operational gTLD registries, over 250 ASCII ccTLD registries, more than 50 IDN ccTLD registries, and over 90 IDN gTLD registries. Under our agreements with ICANN, we are subject to certain restrictions in the operation of *.com*, *.net* and *.name* on pricing, bundling, marketing, methods of distribution, introduction of new registry services, and use of registrars, that do not apply to ccTLDs and other gTLDs and therefore may create a competitive disadvantage. Among our competitors operating gTLD and ccTLD registries are China Internet Network Information Center (CNNIC), DENIC, Nominet, Public Interest Registry (PIR), Donuts, GoDaddy, and Radix.

To the extent end-users navigate using search engines or social media, as opposed to direct navigation via domain names, or transact on e-commerce platforms, we face competition from search engines such as Google, Bing, Yahoo!, and Baidu, social media networks such as Facebook and WeChat, e-commerce platforms such as Amazon, eBay and Taobao, and microblogging tools such as Twitter. In addition, we face competition from these social media and e-commerce platforms if they are used by businesses and individuals to establish an online presence rather than through the use of a domain name.

Furthermore, to the extent end-users increase the use of mobile applications to locate and access content, we face competition from providers of such web and mobile applications.

New technologies and the expansion of existing technologies may increase competitive pressure. Our industry is characterized by collaborative relationships involving our competitors. In the past, certain of our competitors have consolidated. Our ability to participate and benefit from such collaborative arrangements or consolidations may be limited and such collaborative arrangements and consolidations could harm our competitive position and adversely impact our business.

Industry Regulation

The internet is governed under a multi-stakeholder model comprising civil society, the private sector, including for-profit and not-for-profit organizations such as ICANN, governments, including the U.S. government, academia, non-governmental organizations, and international organizations. ICANN plays a central coordination role in this bottom-up multi-stakeholder system. ICANN is mandated through its bylaws to uphold a private sector-led multi-stakeholder approach to internet governance for the public benefit. ICANN's multi-stakeholder policy development processes have created, and will continue to create, policies, programs, and standards that directly or indirectly impact our business. Certain policies can be adopted as Consensus or Temporary Policies, which we are obligated to follow under our agreements with ICANN. For example, in response to the General Data Protection Regulation, ICANN issued a Temporary Policy modifying public access to information from the Whois services delivered by registrars and registries.

We are also subject to country-level laws and regulations in the United States and in international locations. In China, we are required to maintain licenses for *.com*, *.net*, *.tv* and *.cc* under regulations issued by the Ministry of Industry and Information Technology. The licenses for *.com* and *.net* must be renewed in 2022. Additionally, in many jurisdictions in which we operate, including California, the European Union, the United Kingdom, China and elsewhere, strict new data security and data privacy regulations have been, or are being, adopted. Because we do not possess extensive personal information, we have not yet experienced significant impacts from these regulations. However, compliance costs and other business impacts could become significant if we begin to receive personal registrant information in our *.com* and *.net* TLDs and as regulatory enforcement increases, as courts interpret these regulations, and as new laws and regulations continue to be adopted. Other regulations, or changes to regulations, may also impact our business operations, including changes to the Digital Services Act or Network and Information Security Directive, in the European Union, or the Communications Decency Act, in the United States.

.com Top-Level Domain

Our operation of the *.com* TLD is subject to the terms of a registry agreement with ICANN (as amended, the "*.com* Registry Agreement"). The current term of the *.com* Registry Agreement is six years and must be renewed or extended by November 30, 2024. Although the *.com* Registry Agreement contains a "presumptive" right of renewal, ICANN could terminate or refuse to renew the Registry Agreement. See "Risk Factors - Any loss or modification of our right to operate the *.com* and *.net* gTLDs could have a material adverse impact on our business and result in loss of revenues." in Part I, Item 1A of this Form 10-K for further information.

Other significant terms within the *.com* Registry Agreement include performance specifications and service level agreements for the availability of our DNS resolution services, our shared registration system, and our Whois services. The *.com* Registry Agreement contains marketing limitations, including limitations on our ability to bundle products and the manner in which we provide marketing support to ICANN-accredited registrars. We are also required under the *.com* Registry Agreement to provide ICANN-accredited registrars with access to our systems to register or take other actions related to domain names. In order to introduce new Registry Services or make material changes to existing Registry Services, we must follow prescribed procedures which permit ICANN to review and approve such services.

The *.com* Registry Agreement requires that on a quarterly basis we pay \$0.25 to ICANN for each annual term of a domain name registered or renewed during such quarter. Amendment 3 to the *.com* Registry Agreement permits an increase to the Maximum Price (as defined in the *.com* Registry Agreement) of *.com* domain name registrations by up to 7% over the previous year in each of the final four years of each six-year period. The first such six-year period began on October 26, 2018. Amendment 3 also clarified that the restrictions in the *.com* Registry Agreement relating to vertical integration apply solely to the *.com* TLD and also clarified that our ability to increase prices by 7% over the previous year due to new ICANN Consensus Policies or documented extraordinary expense may occur only in years where we do not otherwise take the price increases described above.

Our operation of the *.com* TLD is also subject to the terms of a Cooperative Agreement with the DOC. The Cooperative Agreement has undergone various amendments with the most recent, Amendment 35, on October 26, 2018. Amendment 35 extended the term of the Cooperative Agreement until November 30, 2024, which will automatically renew on the same terms for successive six-year terms unless the DOC provides written notice of non-renewal 120 days prior to the end of the then-current term.

Amendment 35 includes the DOC's consent to the modification of the pricing terms in the .com Registry Agreement (as described above). The Cooperative Agreement further provides that we shall be entitled at any time during the term of the .com Registry Agreement to seek to remove the pricing restrictions contained in the .com Registry Agreement if we demonstrate to the DOC that market conditions no longer warrant pricing restrictions in the .com Registry Agreement, as determined by the DOC.

DOC approval of changes to or the renewal of the .com Registry Agreement was limited by Amendment 35 to only the following circumstances: (1) changes to the pricing provisions (other than as approved in Amendment 35), (2) changes to the vertical integration provisions (other than the clarification approved in Amendment 35), (3) changes to the security, stability and resiliency posture as reflected in the functional or performance specifications (including the service level agreements), (4) changes to the conditions for renewal or termination of the .com Registry Agreement, or (5) changes to the Whois service (except as mandated by ICANN through Temporary or Consensus Policies). As was the case with prior amendments, Amendment 35 is not intended to confer federal antitrust immunity on the Company with respect to the .com Registry Agreement.

Finally, Amendment 35 clarified that the restrictions in the .com Registry Agreement relating to vertical integration apply solely to the .com TLD. As to the .com TLD, we are not permitted to acquire, directly or indirectly, control of, or a greater than 15% ownership interest in, any ICANN-accredited registrar that sells .com domain names. In addition, under Amendment 35, we have agreed to continue to operate the .com TLD in a content-neutral manner and to work within ICANN processes to promote the development of content-neutral policies for the operation of the DNS.

.net Top-Level Domain

Our operation of the .net TLD is subject to the terms of a registry agreement with ICANN (as amended, the “.net Registry Agreement”). The current term of this agreement is six years and must be renewed or extended by July 1, 2023. The terms of the .net Registry Agreement are substantially similar to the terms of the .com Registry Agreement, except that we are entitled to raise the annual price for new and renewal .net domain name registrations by 10% each year.

Root Operations

We operate two of the world's thirteen root servers. Along with the ICANN community, we are involved in discussions to establish criteria for operations of the root server system including the root servers that we operate. We also publish the root zone file, as the Root Zone Maintainer, under the Root Zone Maintainer Service Agreement (“RZMA”) with ICANN. The RZMA will expire on October 19, 2024, with an automatic renewal, unless earlier terminated.

The descriptions of the .com Registry Agreement, the Cooperative Agreement, and the .net Registry Agreement are qualified in their entirety by reference to the text of the complete agreements that are incorporated by reference as exhibits in this Form 10-K.

Human Capital Management

We recognize the importance of talent and culture in driving an environment that fosters high performance. Our employee value proposition and collaborative working environment allows us to attract a strong talent base to meet the current and future demands of our business.

We are committed to attracting, developing, and retaining the best talent, and we routinely monitor and present our progress in these areas to executive management and the Compensation Committee of our Board of Directors through a variety of workforce metrics (e.g. workforce demographics, hiring, turnover, and promotion rates, including diversity characteristics for each of these metrics). As of December 31, 2021, we had 904 employees, of which 902 were full-time. 838 employees (representing approximately 93% of our total workforce) were based in the U.S., and 66 employees (representing approximately 7% of our total workforce) were based outside the U.S. As of December 31, 2021, approximately 29% of our global workforce was female, and approximately 43% of our U.S. employees were ethnically and racially diverse. No U.S.-based employees are represented under collective bargaining agreements. Based on periodic monitoring, we believe that our employee turnover rate is relatively low compared to competitive benchmarks and historical trends. We attribute our strong retention rates to our passion and focus on the Company's mission and values, continual development of talent, and the delivery of competitive and equitable reward programs. We regularly review our workforce policies, procedures, and training programs, as well as our overall workforce demographics, in an effort to create a work environment that is diverse, equitable, inclusive, and free from discrimination.

Key human capital areas that we focus on in managing our business include Employee Engagement and Retention, Diversity, Equity and Inclusion, Compensation and Employee Benefits, Talent Development, and Talent Acquisition.

- *Employee Engagement and Retention:* We use employee feedback to monitor morale and engagement. During 2021, we conducted several surveys to better understand our employees' well-being during the COVID-19 pandemic and to more effectively guide our response. These surveys included two directed to all employees, one directed only to our

onsite employees and one directed only to our leaders. At least 85% of the applicable employee populations participated in each of these surveys. The results indicated high satisfaction rates with our on-going response to, and communications during, the pandemic. In addition, the survey results indicated that our employees remain highly engaged and connected with our mission and values. Moreover, when we hire talent, they tend to stay. The average tenure of our employees is approximately 9 years.

- *Diversity, Equity and Inclusion (DEI):* We are a diverse organization, and we believe that drives stronger performance, better decision making, and a culture where differences are valued. We continue to focus on the hiring, retention, and advancement of women and underrepresented populations, and we are committed to making progress towards increasing workforce diversity. In 2021, we conducted a diversity, equity and inclusion review of our recruiting, retention and workplace processes with the help of an outside advisor. This resulted in the development of a comprehensive strategy and roadmap designed to assist us in building upon our strong foundation while outlining areas for improvement.
- *Compensation and Employee Benefits:* To align with our philosophy of providing compelling total rewards, we have practices in place to deliver fair and equitable compensation for employees based on their contribution and performance. We benchmark for market practices and regularly review our compensation and benefits against the market to confirm they remain competitive. We also offer a broad and comprehensive set of benefits to meet the needs of our diverse workforce. We regularly perform adverse impact analyses on base pay, annual incentives and long-term incentives to help calibrate compensation.
- *Talent Development:* We are committed to the continued development of our people. Strategic talent reviews and succession planning occur on a regular basis. Our management training is designed to increase capability in the areas of communication, engagement, coaching, conflict management and business skills, while fostering an ethical, supportive work environment free from bias and harassment. We sponsor continuous skill development for all employees through our online learning and development platform. In addition, we host a series of instructor-led and on-demand learning sessions designed to build our team’s skills and knowledge required for the future.
- *Talent Acquisition:* We are focused on the increasingly competitive labor market, and we are working diligently to attract the best talent from a diverse range of sources. To assist in this effort, we have broadened our sourcing strategies, refreshed our employment branding and developed targeted recruitment strategies for specialized skill sets. In 2021, we hired 82 new employees.

During the COVID-19 pandemic, the safety and well-being of our employees has remained a key focus and priority. Throughout 2021, approximately 94% of our employees continued in a work-from-home status. To protect the health of our employees who work on site, we have rigorous cleaning and safety protocols for our facilities. We also track the vaccination status of our employees in order to respond, as applicable, to any requirements or mandates by government regulation. We adjusted employee leave and other policies with the intention of providing our workforce with flexibility it needs to manage personal challenges arising from the pandemic. We enhanced mental health resources available to our employees, and unique individual requirements are supported to the greatest degree possible. We also continue to provide our employees with the equipment and resources that they require to work remotely. Finally, we monitor the physical and mental well-being of our employees through frequent leadership updates and regular management outreach.

The following table shows a comparison of our consolidated employee headcount, by function:

	As of December 31,		
	2021	2020	2019
Employee headcount by function:			
Cost of revenues	235	235	259
Sales and marketing	74	68	71
Research and development	250	260	214
General and administrative	345	346	328
Total	904	909	872

Intellectual Property

We rely on a combination of copyrighted software, trademarks, service marks, patents, trade secrets, know-how, restrictions on disclosure, and other methods to protect our proprietary assets. We also enter into confidentiality and/or intellectual property assignment agreements with our employees, consultants and current and potential affiliates, customers and business partners. We also control access to and distribution of proprietary documentation and other confidential information.

We have been issued numerous patents in the U.S. and abroad, covering a wide range of our technologies. Additionally, we continue to file patent applications with respect to certain of our technologies in the U.S. Patent and Trademark Office and

internationally. Patents may not be awarded with respect to these applications and even if such patents are awarded, such patents may not provide sufficient protection of our technologies. We continue to consider opportunities for strategic growth and use of our patent portfolio.

We have obtained trademark registrations for the VERISIGN mark and VERISIGN logo in the U.S. and certain countries, and have pending trademark applications for the VERISIGN logo in a number of other countries. We have common law rights in other proprietary names. We take steps to enforce and police Verisign’s trademarks. We rely on the strength of our Verisign brand to help differentiate ourselves in the marketing of our products and services.

Our principal intellectual property consists of, and our success is dependent upon, proprietary software used in our business and certain methodologies (many of which are patented or for which patent applications are pending) and technical expertise and proprietary know-how we use in both the design and implementation of our current and future registry services. We own our proprietary Shared Registration System through which registrars submit second-level domain name registrations for each of the registries we operate, as well as the ATLAS distributed lookup system which processes hundreds of billions of queries per day. Some of the software and protocols used in our business are in the public domain or are otherwise available to our competitors, and some are based on open standards set by organizations such as the Internet Engineering Task Force. To the extent any of our patents are considered “standard essential patents,” we may be required to license such patents to our competitors on reasonable and non-discriminatory terms or otherwise be limited in our ability to assert such patents.

Information About Our Executive Officers

The following table sets forth information regarding our executive officers as of February 18, 2022:

<u>Name</u>	<u>Age</u>	<u>Position</u>
D. James Bidzos	66	Executive Chairman and Chief Executive Officer
Todd B. Strubbe	58	President and Chief Operating Officer
George E. Kilguss, III	61	Executive Vice President, Chief Financial Officer
Thomas C. Indelicarto	58	Executive Vice President, General Counsel and Secretary

D. James Bidzos has served as Executive Chairman since August 2009 and Chief Executive Officer since August 2011. He served as President from August 2011 to February 2020. He served as Executive Chairman and Chief Executive Officer on an interim basis from June 2008 to August 2009 and served as President from June 2008 to January 2009. He served as Chairman of the Board since August 2007 and from April 1995 to December 2001. He served as Vice Chairman of the Board from December 2001 to August 2007. Mr. Bidzos served as a director of VeriSign Japan from March 2008 to August 2010 and served as Representative Director of VeriSign Japan from March 2008 to September 2008. Mr. Bidzos served as Vice Chairman of RSA Security Inc., an internet identity and access management solution provider, from March 1999 to May 2002, and Executive Vice President from July 1996 to February 1999. Prior thereto, he served as President and Chief Executive Officer of RSA Data Security, Inc. from 1986 to February 1999.

Todd B. Strubbe has served as Chief Operating Officer since April 2015 and President since February 2020. From September 2009 to April 2015, he served as the President of the Unified Communications Business Segment for West Corporation, a provider of technology-driven communications services. Prior to this, he was a co-founder and Managing Partner of Arbor Capital, LLC. He has also served in executive leadership positions at First Data Corporation and CompuBank, N.A. and as an associate and then as an engagement manager with McKinsey & Company, Inc. He also served for five years as an infantry officer with the United States Army. Mr. Strubbe holds an M.B.A. degree from Harvard Business School and a B.S. degree from the United States Military Academy at West Point.

George E. Kilguss, III has served as Chief Financial Officer since May 2012. From April 2008 to May 2012, he was the Chief Financial Officer of Internap Network Services Corporation, an IT infrastructure solutions company. From December 2003 to December 2007, he served as the Chief Financial Officer of Towerstream Corporation, a company that delivers high speed wireless internet access to businesses. From 1997 to 2000, he served as the Chief Financial Officer of Stratos Global Corporation, a mobile satellite services company. Mr. Kilguss holds an M.B.A. degree from the University of Chicago’s Graduate School of Business and a B.S. degree in Economics and Finance from the University of Hartford.

Thomas C. Indelicarto has served as General Counsel and Secretary since November 2014. From September 2008 to November 2014, he served as Vice President and Associate General Counsel. From January 2006 to September 2008, he served as Litigation Counsel. Prior to joining the Company, Mr. Indelicarto was in private practice as an associate at Arnold & Porter LLP and Buchanan Ingersoll (now, Buchanan Ingersoll & Rooney, PC). Mr. Indelicarto also served as a U.S. Army officer for nine years. Mr. Indelicarto holds a J.D. degree from the University of Pittsburgh School of Law and a B.S. degree from Indiana University of Pennsylvania.

ITEM 1A. RISK FACTORS

Please carefully consider the following discussion of significant factors, events and uncertainties that make an investment in our securities risky. In addition to other information in this Form 10-K, the following risk factors should be carefully considered in evaluating us and our business. When the factors, events and contingencies described below or elsewhere in this Form 10-K materialize, our business, operating results, financial condition, reputation, cash flows or prospects can be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our business, operating results, financial condition, reputation, cash flows and prospects. Actual results could differ materially from those projected in the forward-looking statements contained in this Form 10-K as a result of the risk factors discussed below and elsewhere in this Form 10-K and in other filings we make with the SEC. Additional or unforeseen effects from the COVID-19 pandemic and the global economic climate may give rise to or amplify many of the risks discussed below.

Cybersecurity and Technology Risk Factors

Attempted security breaches, including from the exploitation of vulnerabilities, cyber-attacks and Distributed Denial of Service (“DDoS”) attacks against our systems and services increase our costs, expose us to potentially material liability, and could materially harm our business and reputation.

As an operator of critical internet infrastructure, we experience a high rate of cyber-attacks and attempted security breaches targeting our systems and services, including the most sophisticated forms of attacks, such as advanced persistent threat attacks, exploitation of zero-day vulnerabilities, ransomware attacks, and social engineering attacks. The forms of these attacks are constantly evolving and may involve methods, tools and strategies that may not have been previously identified and may not have been observed until the moment of launch, or until sometime after, making these attacks virtually impossible to anticipate and difficult to defend against. In addition to external threats, our systems and services are subject to insider threat risks, including physical or electronic break-ins, sabotage, and risks from suppliers, such as consultants and advisors, SaaS providers, hardware, software, and network systems manufacturers, regional internet registries, and other vendors, or from current or former contractors or employees. These threats and any resulting security breaches can arise from intentional or unintentional actions. Our continued exposure to these threats and the potential that they could lead to material liability claims against us requires us to expend significant financial and other resources. We have developed policies, procedures and standards to identify, protect, detect, respond, and recover from threats posed by cybersecurity risks, and failure to comply with these policies, procedures and standards by our employees or suppliers could limit our ability to effectively manage threats from these cybersecurity risks. In addition, we must ensure that our employees stay focused on cybersecurity threats especially in remote or hybrid work environment, including during the COVID-19 pandemic, or our ability to effectively manage cybersecurity risks could be impacted. Our failure to effectively manage these security risks, including insider threats, could result in material harm to our business, including loss of or delay in revenues, failure to meet contracted service level obligations, material liability claims, failure to maintain market acceptance, injury to our reputation, and increased costs, and could call into question our ability to preserve the security and stability of the internet.

Security vulnerabilities in our systems and our vendors’ systems, including vulnerabilities in third party software and hardware, pose a material risk to our operations. We use externally-developed technology, systems and services, including both hardware and software, for a variety of purposes, including compute, storage, encryption and authentication, back-office support, and other functions. We have developed policies, procedures, and standards to reduce the impact of security vulnerabilities in system components, as well as at any vendors where our data is stored or processed. However, such measures cannot provide absolute security. While we strive to remediate known vulnerabilities on a timely basis, such vulnerabilities could be exploited before our remediation is effective and if so, could cause systems and service interruptions, data loss and other damages. Our failure to identify, remediate and mitigate security vulnerabilities, including any potential failure to timely replace and upgrade hardware, software, or other technology assets, could result in material harm to our business, including loss of or delay in revenues, failure to meet contracted service level obligations, material liability claims, failure to maintain market acceptance, injury to our reputation, increased costs, and call into question our ability to preserve the security and stability of the internet.

In addition, our networks have been, and likely will continue to be, subject to DDoS attacks. Recent industry experience has demonstrated that DDoS attacks continue to grow in size and sophistication and have the ability to widely disrupt internet services. In recent years, the size of DDoS attacks has grown rapidly. We have successfully mitigated DDoS attacks during this time frame that are significantly larger than those we have historically experienced. While we have adopted mitigation techniques, procedures and strategies to defend against DDoS attacks, there can be no assurance that we will be able to defend against every attack, especially as the attacks increase in size and sophistication. Any attack, even if only partially successful, could disrupt our networks, increase response time, negatively impact our ability to meet our service level obligations, and generally impede our ability to provide reliable service to our customers and the broader internet community. We have historically incurred, and will continue to incur, significant costs to enable our infrastructure to process levels of attack traffic that are significant multiples of our normal transaction volume. We are employing new technologies and new and different

services and capabilities to help mitigate DDoS attacks. If these new technologies, services and capabilities are not effective, our networks could be disrupted, our response times could increase, our ability to meet our contracted service level obligations could be negatively impacted, and our ability to provide reliable service to our customers and the broader internet community could be impeded.

We do not maintain specific reserves for security breaches, cyber-attacks and DDoS attacks against our systems and the amount of insurance coverage we maintain may be inadequate to cover claims or liabilities relating to such attacks.

We may introduce undetected or unknown defects into our systems or services, which could materially harm our business and harm our vendors or our customers.

Despite testing, services as complex as those we offer or develop could contain undetected defects or errors, which could result in service outages or disruptions, compromised customer data, including DNS data, diversion of development resources, injury to our reputation, tort or contract claims, increased insurance costs or increased service costs. Performance of our services, whether or not defective, could have unforeseen or unknown adverse effects on the networks over which they are delivered, on internet users and consumers, and on third-party applications and services that use our services, any of which could result in legal claims against us. While we strive to prevent, detect and remediate defects or errors, they can and do occur and they could result in our inability to meet customer expectations in a timely manner, failure to meet our contracted service level obligations, injury to our reputation, and increased costs.

Our infrastructure and services are subject to vulnerabilities in the global routing system for the internet, as well as risks arising from internet services providers' increasing adoption of the Resource Public Key Infrastructure system.

Routing on the internet depends on the Border Gateway Protocol (“BGP”), which is a protocol that relies on networks within the internet infrastructure acting in a trustworthy manner when sharing information about destinations for connectivity and the routing of internet traffic. As a trust-based protocol, BGP has a number of vulnerabilities that may lead to outages or disrupt our services, including as a result of “route hijacks” that involve accidental or malicious rerouting of internet traffic, or “route leaks” that involve the malicious or unintentional propagation of routing information beyond the intended scope of the originator, receiver, and/or one of the networks along the route’s path. Both route hijacks and route leaks can result in partial or full rerouting of internet traffic for the impacted destinations. These types of events, which are generally beyond our control, could enable an array of attack conditions or service disruptions, and could result in adverse publicity and adversely affect the public’s perception of the security of e-commerce and communications over the internet, as well as of the security or reliability of our services.

To address internet routing system vulnerabilities, many internet service providers are beginning to adopt and apply internet reachability policies based on a system known as the Resource Public Key Infrastructure (“RPKI”) operated by the regional internet registries (“RIRs”). The RIRs allocate internet number resources, such as internet protocol addresses, to enterprises and network operators. We have limited visibility into the maturity of and investment in the RIRs’ operational and security controls, which are outside of our control. When the availability, integrity, or confidentiality of any of the information in the RPKI system, or systems used to maintain and administer RPKI data and systems, are impacted or otherwise compromised in any of the RIRs, or any network operator that is a relying party of the RPKI system, or the operations or ingestion of data from the RPKI system are otherwise impacted by a known or unknown vulnerability, our services may be negatively impacted. Such impacts may include degraded or full loss of reachability of service addresses in the global internet routing system, resulting in degradation or complete loss of availability of our services. A compromise of the RPKI system and related services, or unintentional or unauthorized manipulation of data therein, may also result in other denial of service attack conditions for our infrastructure and services. The systemic dependencies introduced by RPKI and the relying parties of the RPKI system, including network service providers, are outside of our control, and systems that depend upon the RPKI may be only as secure as the weakest elements of the RPKI system. We may contract with one or more RIRs to employ RPKI, which carries material operational risks, as described above, as well as material contractual risks, which may expose us to service disruptions and material liability.

We could encounter system interruptions or systems failures resulting from activities beyond our direct control that could materially harm our business.

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, intentional acts of vandalism, terrorist attacks, unintentional mistakes or errors. Our systems and operations also face risks inherent in, or arising from, the terms and conditions of our agreements with service providers to operate our networks and data centers. We are also subject to state suppression of internet operations. Any of these problems or outages could create potential liability and exposure, including from a failure to meet our contracted service level obligations, and could decrease customer satisfaction, harming our business, or resulting in adverse publicity and damage to our reputation or call into question our ability to preserve the security and stability of the internet.

Our data centers, our data center systems, including the Shared Registration Systems located at our data centers, and our resolution systems are vulnerable to damage or interruption, which could impede our ability to provide our services, expose us to material liability, and materially harm our reputation.

Most of the computing infrastructure for our Shared Registration System is located at, and most of our customer information is stored in, our owned data centers. In 2019, we began expanding some of our data center services to a leased data center facility. These data centers are vulnerable to damage or interruption, including from natural disasters, such as fires, earthquakes, hurricanes, and floods, power loss, hardware or system failures, physical or electronic break-ins, human error or interference. We are also updating our network architecture in several of our new and existing data centers. If our data center facilities or the updated network architecture do not operate as expected, including the ability to quickly switch over between sites, we could experience service interruptions or outages. A failure in the operation of our Shared Registration System could result in the inability of one or more registrars to register or manage domain names for a period of time. If such a registrar has not implemented robust services in a manner that preserves transactions until processed by the registry, then the failure in the operation of our Shared Registration System could result in permanent loss of transactions at the registrar during that period. A failure in the operation of our Shared Registration System could also impact our ability to provide up-to-date information in our resolution systems, which could result in breaches of our service level obligations pertaining to our resolution services and impact the resolution of domain names on the internet. Although we carry insurance, we do not carry insurance or designated financial reserves for such interruptions.

In addition, our services depend on the secure and efficient operation of the internet connections to and from customers to our Shared Registration System residing in our secure data centers. These connections depend upon the secure and efficient operation of internet service providers, internet exchange point operators, and internet backbone service providers. Such providers have encountered periodic operational problems or experienced outages in the past beyond our scope of control and may continue to encounter problems and outages or may choose to discontinue their service. If the providers that our connections depend upon do not protect, maintain, improve, and reinvest in their networks or present inconsistent data regarding the DNS through their networks, our business could be harmed.

A failure in the operation or update of the root zone servers, the root zone file, the Root Zone Management System, the TLD name servers, or the TLD zone files that we operate, including, for example, the .gov registry, or other network functions, could result in, among other problems, (1) a DNS resolution or other service outage or degradation, (2) the deletion of one or more TLDs from the internet, (3) the deletion of one or more second-level domain names from the internet, or (4) a misdirection of one or more domain names to different servers. A failure in the operation or update of the supporting cryptographic and other operational infrastructure that we maintain could result in similar consequences. Any of these problems or outages could create potential material liability and exposure from litigation and investigations, could result in a failure to meet our service level agreements, and could decrease customer satisfaction, harming our business. These problems could also result in adverse publicity, decrease the public's trust in the security of e-commerce, or call into question our ability to preserve the security and stability of the internet.

We retain certain customer and employee information in our data centers and various domain name registration systems. Any physical or electronic break-in or other security breach or compromise of the information stored at our data centers or domain name registration systems may jeopardize the security of information we retain or that is retained in the computer systems and networks of our customers. In such an event, we could face material liability and exposure from litigation and investigations, fail to meet contracted service level obligations, or be at risk for loss of various security and standards-based compliance certifications needed for operation of our businesses, and customers could be reluctant to use our services, any of which could also adversely affect our reputation and harm our business or cause financial losses that are either not insured against or not fully covered through any insurance.

We face risks from the operation of the root server system and our performance of the Root Zone Maintainer functions under the RZMA.

Although the overall root server system is redundant and dispersed, a failure or interruption in the operation of the root server system could impact the effectiveness of our .com and .net authoritative servers and therefore negatively impact directory services necessary for the operation of the internet. We also have an important operational role in support of a key Internet Assigned Numbers Authority ("IANA") function as the Root Zone Maintainer. In this role, we provision and publish the authoritative root zone data and make it available to all root server operators under the RZMA with ICANN. If we make errors in the publication of the root zone, we may be subject to material claims challenging the RZMA or our performance under it, including tort claims, and we may not have immunity from, or sufficient indemnification or insurance for, such claims.

Contractual, Regulatory, Legal and Compliance Risk Factors

Any loss or modification of our right to operate the .com and .net gTLDs could have a material adverse impact on our business and result in loss of revenues.

Substantially all of our revenues are derived from our operation of the .com gTLD under our Cooperative Agreement with the DOC and our .com Registry Agreement as well as our operation of the .net gTLD under our .net Registry Agreement. Any loss or modification of our right to operate the .com and .net gTLDs could materially and adversely impact our ability to conduct our business and result in loss of revenues. Our .com and .net Registry Agreements contain “presumptive” rights of renewal upon the expiration of their current terms on November 30, 2024 and June 30, 2023, respectively. ICANN could refuse to renew upon expiration or terminate our .com Registry Agreement or our .net Registry Agreement if, upon proper notice, (1) we fail to cure a fundamental and material breach of certain specified obligations, and (2) we fail to timely comply with a final decision of an arbitrator or court. Additionally, each of the .com and .net Registry Agreements provide that if certain terms of these agreements are not similar to such terms generally in effect in the registry agreements of the five largest gTLDs, then a renewal of these agreements would be upon terms reasonably necessary to render such terms to be similar to the registry agreements for those other gTLDs. Any such terms, if they apply, could be unfavorable to us and have a material adverse impact on our business.

Standard renewals of the .com Registry Agreement do not require further DOC approval, although the prior written approval of the DOC is required for the removal of, or any changes to the pricing section (other than as approved in Amendment 35 to the Cooperative Agreement) and for changes to certain other specified terms whether such removal or changes is made at a renewal or otherwise. We can provide no assurances that DOC approval would be provided upon our request for any of these changes.

In addition, under Amendment 35 to the Cooperative Agreement, we have agreed to continue to operate the .com gTLD in a content-neutral manner and to work within ICANN processes to promote the development of content-neutral policies for the operation of the DNS, and under our binding letter of intent with ICANN, we have agreed to work with the ICANN community to develop certain best practices and other commitments for the security, stability and resiliency of the DNS and the internet. Such policies and processes could expose us to compliance costs and substantial liability and result in costly and time-consuming investigations or litigation.

Changes or challenges to the pricing provisions in the .com Registry Agreement could have a material adverse impact on our business.

Under the terms of the .com Registry Agreement, we may increase the annual fee of each .com domain name registration or renewal by up to 7% over the previous year in each of the final four years of each six-year period. We can provide no assurance that we will exercise such right to increase the annual fee. In addition to this contractual right, we are entitled to increase the annual fee of each .com domain name registration or renewal by up to 7% due to the imposition of any new specifications or policies adopted by ICANN pursuant to the procedures set forth in its bylaws and due process (“Consensus Policies”) or documented extraordinary expense resulting from an attack or threat of attack on the security and stability of the DNS (an “Extraordinary Expense”). In addition, our ability to increase the price for .com domain name registrations and renewals due to a Consensus Policy or Extraordinary Expense may occur only in years in which we do not increase the price for .com domain name registrations and renewals as described above. It is uncertain whether circumstances would arise that would permit us to take a price increase due to a Consensus Policy or Extraordinary Expense, or if they do, whether we would seek to increase the price for .com domain name registrations for this reason. A failure to seek and obtain a price increase due to a Consensus Policy or Extraordinary Expense, when available, could negatively affect our operating results. We also have the right under the Cooperative Agreement to seek the removal of these pricing restrictions on the .com TLD if we demonstrate to the DOC that market conditions no longer warrant these restrictions. However, it is uncertain whether we will seek the removal of these restrictions, or whether the DOC would approve the removal of these restrictions.

Our .com Registry Agreement, including its pricing provisions, has faced, and could face in the future, challenges, including possible legal challenges, or challenges under ICANN’s accountability mechanisms, from ICANN, registrars, registrants, and others, and any adverse outcome from these challenges could have a material adverse effect on our business.

Government regulation and the application of new and existing laws in the U.S. and internationally may slow business growth, increase our costs of doing business, create potential material liability and have a material adverse effect on our business.

Application of new and existing laws and regulations in the U.S. or internationally to the internet or the domain name industry have imposed and may in the future impose new costs and new restrictions on our business. Laws and regulations, including those designed to restrict who can register and who can distribute domain names or to require registrants to provide additional documentation to register domain names, have, and may in the future, impose significant additional costs on our business and subject us to additional liabilities or could prevent us from operating in certain jurisdictions. For example, the

government of China has indicated that it will issue, and has issued, new regulations, and has begun to enforce existing regulations, that impose additional costs on, and risks to, our provision of registry services in China and could impact the demand for domain name registrations in China. Registries, including us, and China-based registrars are also required by some of these regulations to obtain a government-issued license for each TLD operating in China. Any failure to obtain or renew the required licenses, or to comply with any license requirements or any updates thereto, by us or our China-based registrars could impact our current and future business in China.

In addition, laws have been and may in the future be adopted, that are designed to restrict counterfeit or illegal goods or intellectual property violations such as cybersquatting, prevent on-line abuse, increase access to registrant personal information or that restrict the transfer of data. The costs of complying or failing to comply with these laws and regulations could limit our ability to operate in our current locations, expose us to compliance costs and substantial liability, and result in costly and time-consuming litigation.

Similarly, the European Union's General Data Protection Regulation, which greatly increases the jurisdictional reach of European Union law and adds broad new requirements for handling personal data, including the public disclosure of significant data breaches, and significant penalties, became effective in May 2018. Other countries, such as China, and other states, such as California with the California Consumer Privacy Act, have enacted or are enacting data protection laws regulating or limiting the collection, storage, and processing of personal data as well as granting new rights to data subjects. To conduct our operations, we regularly move data across national borders and receive data originating from different jurisdictions, and consequently we are subject to these continuously evolving and developing laws and regulations both in the United States and internationally regarding privacy, data protection and data security. The scope of the laws and regulations that are applicable to us is often uncertain and may be conflicting, particularly with respect to international laws and regulations. These evolving legal, regulatory and compliance frameworks could impose significant costs for us that are likely to increase over time.

Our international operations expose us and our business to additional economic, legal, regulatory and political risks that could have a material adverse impact on our revenues and business.

A significant portion of our revenues is derived from customers outside the U.S. Our business operations in international locations have required, and will continue to require, significant management attention and resources. We may also need to tailor some of our services for a particular location and to enter into international distribution and operating relationships. We may fail to maintain our ability to conduct business, including potentially material business operations in some international locations, or we may not succeed in expanding our services into new international locations or expand our presence in existing locations. Failure to do so could materially 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 our employees, contractors and agents will not take actions in violation of such policies, procedures, laws and/or regulations. Violations of laws, regulations or internal policies and procedures by our employees, contractors or agents could result in financial reporting problems, investigations, 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 internationally, including:

- competition with companies in international locations or other domestic companies entering international locations in which we operate, as well as local governments actively promoting ccTLDs that we do not operate;
- political and economic tensions between governments and changes in international trade policies and/or the economic and trade sanctions programs administered by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury;
- tariffs and other trade barriers and restrictions;
- difficulties in staffing and managing international operations;
- currency exchange rate fluctuations;
- potential problems associated with adapting our services to technical conditions existing in different countries;
- difficulties in verifying end-user information, including for the purposes of complying with the verification requirements of certain countries and with the economic and trade sanctions programs administered by OFAC;
- more stringent privacy and data localization policies in some international jurisdictions;
- additional vulnerability from terrorist groups targeting U.S. interests abroad;
- potentially conflicting or adverse tax consequences;
- reliance on third parties in international locations in which we only recently started doing business; and

- potential concerns of international governments or customers and prospects regarding doing business with U.S. technology companies due to alleged U.S. government data collection policies.

Escalating political tensions between the United States and China in particular may pose additional risks to our business in China. Since 2018, the United States and China have imposed tariffs on certain of each other's exports. In 2020 and 2021, the U.S. government announced restrictions on trading with certain Chinese companies. The Chinese government subsequently announced actions that, if implemented, could impose additional restrictions on the Chinese operations of non-Chinese companies. These and future government actions impacting our ability to operate in China may cause our management's attention to be diverted, our reputation to be damaged, or our business in China to be adversely affected.

Changes in, or interpretations of, tax rules and regulations or our tax positions may materially and adversely affect our income taxes.

We are subject to income taxes in both the U.S. and numerous international jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Our effective tax rates may fluctuate significantly on a quarterly basis because of a variety of factors, including changes in the mix of earnings and losses in countries with differing statutory tax rates, changes in our business or structure, changes in tax laws that could adversely impact our income or non-income taxes or the expiration of or disputes about certain tax agreements in a particular country. We are subject to audit by various tax authorities. In accordance with U.S. GAAP, we recognize income tax benefits, net of required valuation allowances and accrual for uncertain tax positions. 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 results of operations, financial condition and cash flows in the period or periods for which that determination is made could result.

In the U.S., a number of legislative proposals, including the "Build Back Better" bill, are being considered which could impact how multinational corporations are taxed. In addition, the Organization for Economic Cooperation and Development ("OECD") plans to issue guidance and a final report that will provide a long-term, multilateral proposal on the taxation of the digital economy. Similarly, some international tax jurisdictions, independent of the OECD, have enacted or may enact new tax regimes aimed at income resulting from digital services. Although we cannot predict the nature or outcome of such changes or the likelihood of such legislative proposals being adopted in the U.S. or throughout the world, any or all of these changes in tax laws could increase our taxes and adversely impact our financial condition and cash flow.

Our business faces risks arising from ICANN's consensus and temporary policies, technical standards and other processes.

Our Registry Agreements with ICANN require us to implement Consensus Policies and changes mandated by ICANN through temporary specifications or policies ("Temporary Policies"). ICANN could adopt Consensus Policies or Temporary Policies that (1) are unfavorable to us as the registry operator of *.com*, *.net* and other gTLDs that we operate, (2) are inconsistent with our current or future plans, (3) impose substantial costs on our business, (4) subject the Company to additional legal risks, or (5) affect our competitive position. These Consensus Policies or Temporary Policies could have a material adverse effect on our business. For example, ICANN has adopted a Consensus Policy that would require us to receive and display registrants' personal and contact information and designated administrative and technical contact information ("Thick Whois data") for *.com* and *.net*, although that Policy is undergoing modification by a subsequent Consensus Policy that may make such transfer of Thick Whois data to us optional. We can provide no assurances that such a modification will occur or that we would not choose to or ultimately be required to receive and display Thick Whois data for our *.com* and *.net* registries. The costs of complying or failing to comply with Consensus and Temporary Policies, particularly the cost of compliance if the *.com* and *.net* registries receive Thick Whois data could expose us to substantial compliance costs, liability and exposure, and result in costly and time-consuming investigations or litigation.

Our Registry Agreements with ICANN require us to implement and comply with various technical standards and specifications published by the Internet Engineering Task Force ("IETF"). ICANN could impose requirements on us through changes to these IETF standards, or new standards, that are inconsistent with our current or future plans, that impose substantial costs on our business, that subject the Company to additional legal risks, or that affect our competitive position. Any such changes to the IETF standards, or new standards, could have a material adverse effect on our business.

Weakening of, or changes to, the multi-stakeholder form of internet governance could materially and adversely impact our business.

The internet is governed under a multi-stakeholder model comprising civil society, the private sector, including for-profit and not-for-profit organizations such as ICANN, governments, including the U.S. government, academia, non-governmental organizations and international organizations. If ICANN fails to uphold, or if the multi-stakeholder model is significantly redefined, it could harm our business. For example, certain governments, governmental organizations, and private actors continue to express dissatisfaction with the multi-stakeholder form of internet governance and have proposed alternatives including oversight by the United Nations or by international treaties. Furthermore, national legislation has been proposed on topics such as information security and access to personal information that effectively supplants the multi-stakeholder process for policy development in the DNS. Substantially weakening or replacing the multi-stakeholder form of internet governance could materially harm our business.

In addition, in 2016 the U.S. government transferred key internet functions to ICANN, who adopted new and enhanced accountability mechanisms in its bylaws such as the creation of the Empowered Community. There can be no assurance that the removal of the U.S. government oversight of these key functions, or the changes to ICANN’s bylaws, will not negatively impact our business.

Claims, lawsuits, audits or investigations in which we are or could become involved may result in material adverse outcomes to our business.

We are, and may in the future become, involved in claims, lawsuits, audits and investigations, including intellectual property litigation and infringement claims. Litigation is inherently unpredictable, and unexpected judgments or excessive verdicts do occur. In addition, proceedings that we initially view as immaterial could prove to be material. Adverse outcomes in lawsuits, audits 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, results of operations and cash flows. For example, we are engaged in activities to help mitigate security threats and other forms of DNS abuse in our TLDs and we are involved in community efforts that could increase and expand such activities including potential new contractual obligations. Such activities include, for example, receiving reports of suspected threats and abuse from appropriate “trusted notifiers” (typically involving national and international law enforcement) and notifying registrars or others of domain names associated with suspected malicious or illegal activity. Our activities may also include disabling one or more domain names in the TLDs we operate including in response to governmental directives and orders in those jurisdictions in which we operate. Activities such as these have resulted in, and could in the future result in, significant litigation and could harm our reputation. Given the inherent uncertainties in litigation, even when we are able to reasonably estimate the amount of possible loss or range of loss and therefore record an aggregate litigation accrual for probable and reasonably estimable loss contingencies, the accrual may change in the future due to new developments or changes in approach. In addition, such claims, lawsuits, audits and investigations could involve significant expense and diversion of management’s attention and resources from other matters.

Strategic, Business and Operating Risk Factors

The effects of the COVID-19 pandemic have impacted how we operate our business, and the extent to which the effects of the pandemic will materially impact our business, operations, financial condition and results of operations remains uncertain.

The United States and the global community we serve are facing unprecedented challenges posed by the COVID-19 pandemic. The pandemic, and the preventative measures taken in response to the pandemic (including “shelter-in-place” or “stay-at-home” and similar orders issued by international, federal, state or local authorities and the subsequent relaxation and re-imposition of such orders), have resulted in, and are expected to continue to result in, significant volatility, business and economic disruptions and uncertainty. In response to the pandemic, we have taken steps to protect our employees, including arranging for most of our employees to work remotely, while we continue to operate all of our services, including our registry services for .com and .net and our root operations. However, the extent to which the effects of the pandemic will continue to impact our business, operations, financial condition and results of operations remains uncertain and depends on numerous evolving factors that we may not be able to control or predict, including:

- the duration and scope of the pandemic;
- the extent and effectiveness of responsive actions, including the relaxation and re-imposition of orders by authorities and the delivery and administration of vaccines, including vaccination requirements and mandates by government regulation, and the impact of these and other factors on our employees, customers and vendors;
- the impact of the pandemic on our key personnel and other employees (including the impact of work-from-home arrangements on employee productivity and morale);
- the extent to which we are able to maintain and replace critical internet infrastructure components when necessary;

- our continued ability to execute on business continuity plans for the maintenance of our critical internet infrastructure while most of our employees continue to work remotely; and
- any negative impact on the demand for new and renewal domain name registrations resulting from the economic disruption caused by the pandemic and responses thereto.

Further, the impact of COVID-19 and the volatile regional and global economic conditions stemming from the pandemic may also precipitate or exacerbate other risks discussed in these Risk Factors, any of which could have a material effect on us. As of the date of this Form 10-K, our financial condition and results of operations have not been adversely impacted by the COVID-19 pandemic. Regardless, this situation is uncertain and additional effects may arise that we are not presently aware of or that we currently do not consider present material risks to our operations. If we are unable to successfully respond to and manage the impact of the pandemic, and the resulting responses to it, our business, operations, financial condition and results of operations could be adversely impacted, and the impact could be material.

The business environment is highly competitive and, if we do not compete effectively, we may suffer material adverse impact to our business, including lower demand for our products, reduced gross margins, and loss of market share.

We face competition from services that provide an online identity or presence, including other gTLD and ccTLD registries. In order to remain competitive and retain our market position, we must continually demonstrate the safety, security, and resiliency of our services and must adopt and support new technologies to adapt our services to changing technologies, market conditions, and our customers' and internet users' preferences and practices. If we do not successfully evolve and demonstrate the value of our services, we may not be able to compete effectively with current or future competitors, and such competitive pressures could materially harm our business. In addition, competing technologies developed by others or the emergence of new industry standards may adversely affect our competitive position or render our services or technologies noncompetitive or obsolete. Finally, consolidation within our industry has occurred and is likely to continue to occur. Our ability to participate and benefit from such consolidations may be limited and consolidation within our industry among our competitors could harm our competitive position and adversely impact our business.

We have been designated as the registry operator for certain new gTLDs, including certain IDN gTLDs. Our new gTLDs may not be as or more successful than the new gTLDs obtained by our competitors. In addition, our new gTLDs may face additional universal acceptance and usability challenges and it is possible that resolution of domain names within some of these new gTLDs may be blocked within certain state or organizational environments, challenging universal resolvability of these strings and their general acceptance and usability.

See the "Competition" section in Part I, Item 1 of this Form 10-K for further information.

The evolution of technologies or internet practices and behaviors, the adoption of substitute technologies, or wholesale price increases of domain names in our TLDs may materially and negatively impact the demand for the domain names for which we are the registry operator.

Technologies relating to online presence, including social media, mobile devices, apps, and search engines, have evolved and continue to evolve, changing the internet practices and behaviors of consumers and businesses. These ongoing changes can negatively impact the demand for our domain names. In addition, registrants purchase domain names for a variety of reasons, including personal, commercial, and investment reasons. Changes in the motivation of domain name registrants can negatively impact our business.

Technology changes to web browser or internet search technologies could reduce demand for domain names. Similarly, if internet users' preferences or practices shift away from recognizing and relying on web addresses or if internet users were to significantly decrease the use of web browsers in favor of applications to locate and access content, demand for domain names in our TLDs could be negatively impacted. Demand for domain names in our TLDs could be negatively impacted by new technologies that significantly decrease the use of traditional domain names to present and protect an online identity. New technologies that encourage internet users to expand the use of third-level domains or alternate identifiers, such as identifiers from social networking, e-commerce platforms and microblogging sites, could also negatively impact the demand for domain names in our TLDs. In addition, the demand for domain names in our TLDs could be impacted by alternative namespaces with domain-name-like identifiers that are operated outside the single authoritative DNS root zone, including, for example, blockchain namespaces. To the extent that web browsers, applications, DNS registrars and DNS resolvers recognize and support such namespaces, and that internet users are able to perform online operations with identifiers from such namespaces, demand for domain names in TLDs in the single authoritative DNS root zone, including our TLDs, could be negatively impacted.

Some registrars and registrants purchase and resell domain names at an increased price. Adverse changes in the resale value of domain names, changes in the business models for such domain name registrars and registrants, or other factors,

including regulations limiting the resale of domain names, could result in a decrease in the demand and/or renewal rates for domain names in our TLDs.

Some registrars and registrants seek to generate revenues by registering domain names specifically for website advertising. 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, Baidu and Bing, have adversely affected, and may continue to adversely affect the market for domain names used for this purpose, which has resulted in, and may continue to result in, a decrease in demand and/or the renewal rate for such domain names. In addition, if spending on online advertising and marketing is reduced, this may result in a further decline in the demand for domain names used for this purpose.

Under the terms of the *.com* and *.net* Registry Agreements, as amended, we are permitted to increase the annual fee of each *.com* and *.net* domain name registration or renewal according to the provisions in these agreements. To the extent we increase our prices, there could be a decrease in the demand and/or renewal rates for *.com* or *.net* domain names.

If we fail to expand our services into developing and emerging economies in international locations, our business may not grow.

We seek to serve many new, developing and emerging economies in international locations to grow our business. These economies are rapidly evolving and may not grow or even if they do grow, our services may not be widely used or accepted there. Accordingly, the demand for our services in these locations is uncertain. Factors that may affect acceptance or adoption of our services in these locations include:

- regional internet infrastructure development, expansion, penetration and adoption, and the development, maturity and depth of our sales channels;
- acceptance and adoption of substitute products and services that enable online presence without a domain name, including social media, e-commerce platforms, website builders and mobile applications;
- increased acceptance and adoption of other substitute products and services, including ccTLDs or other gTLDs;
- 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, and in particular, the use of mobile applications as the primary engagement mechanism for navigating the internet; and
- government regulations affecting the internet, internet access and availability, domain name registrations or the provision of registry services, data security, privacy, or data localization, e-commerce or telecommunications.

If our services are not widely accepted or adopted in these locations, our business may not grow.

Our business depends on registrars and their resellers maintaining their focus on marketing our products and services.

All of the domain name registrations and renewals for the registries we operate occur through registrars. Registrars and their resellers engage in substantial marketing efforts to increase the demand and/or renewal rates for domain names as well as their own associated offerings. Consolidation in the registrar or reseller industry or changes in ownership, management, or strategy among individual registrars or resellers, including vertical integration by registrar or reseller industry participants, could result in significant changes to their businesses, operating models, and cost structures. These changes could include reduced marketing efforts for our TLDs or other operational changes that could adversely impact the demand and/or the renewal rates for the domain names for which we are the registry operator.

With the introduction of new gTLDs, many of our registrars and resellers have chosen to, and may continue to choose to, focus their short- or long-term marketing efforts on these new offerings and/or reduce the prominence or visibility of our products and services on their e-commerce platforms. Our registrars and resellers sell domain name registrations of other competing registries, including new gTLDs, and some also sell and support their own services for websites such as email, website hosting, and other services. Our registrars and resellers may be more motivated to sell to registrants to whom they can also market their own services. To the extent that registrars and resellers focus more on selling and supporting their services and less on the registration and renewal of domain names in our TLDs, our revenues could be adversely impacted. Our ability to successfully market our services to, and build and maintain strong relationships with, new and existing registrars or resellers is a factor upon which successful operation of our business is dependent. If we are unable to keep a significant portion of their marketing efforts focused on selling registrations of domain names in our TLDs, as opposed to other competing TLDs, including the new gTLDs, or their own services, our business could be harmed.

We depend on highly skilled employees to maintain and provide innovative solutions for our business, and our business could be materially harmed if we are not able to attract and retain such qualified talent.

Our business is highly technical and requires individuals skilled and knowledgeable in unique technologies, configurations, operating systems, and software development tools. We depend on the knowledge, experience, and performance of these employees and leaders to effectively manage and provide innovative solutions for our business. For example, we require employees with expertise in DNS operations and with certain cybersecurity specialties. Because such employees are in high demand by our competitors and other companies, we must be able to attract, integrate, retain and motivate such highly skilled employees and leaders. In addition, we must effectively manage our transition to a post-pandemic work environment to attract and retain these employees to meet our business needs. Failure to attract and retain such employees and to effectively implement succession plans for these employees could harm our business.

Intellectual Property Risk Factors

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

Our success depends in part on our internally developed technologies and related intellectual property. Despite our precautions, it may be possible for an external party to copy or otherwise obtain and use our intellectual property without authorization. Furthermore, the laws of other 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 some 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, third parties may seek to oppose or otherwise challenge our patents, and such patents' scope may differ significantly from what was requested in the patent applications and may not provide us with sufficient protection of our intellectual property. In the future, we may have to resort to litigation to enforce and protect 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 is inherently unpredictable and, regardless of its outcome, could result in substantial costs and diversion of management attention and technical resources. Some of the software and protocols used in our business are based on standards set by standards setting organizations such as the IETF. To the extent any of our patents are considered "standards essential patents," in some cases we may be required to license such patents to our competitors on reasonable and non-discriminatory terms or otherwise be limited in our ability to assert such patents.

We also license externally developed technology that is used in some of our products and services to perform key functions. These externally developed technology licenses may not continue to be available to us on commercially reasonable terms or at all. The loss of, or our inability to obtain or maintain, any of these technology licenses could hinder or increase the cost of our services, launching new products and services, entering into new markets and/or otherwise harm our business. Some of the software and protocols used in our business are in the public domain or may otherwise become publicly available, which means that such software and protocols are or may become equally available to our competitors.

We rely on the strength of our Verisign brand to help differentiate Verisign 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 fully register, build equity in, or enforce the Verisign logo in all markets where Verisign products and services are sold.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2021, we owned each of our significant properties, which include our corporate headquarters facility in Reston, Virginia, and data center facilities in New Castle, Delaware and Dulles, Virginia. We also lease a number of smaller office and data center locations around the world. We believe that our existing facilities, both owned and leased, are in good condition and suitable for the conduct of our business.

ITEM 3. LEGAL PROCEEDINGS

As previously disclosed, Afilias Domains No. 3 Limited (now called Altanovo Domains Limited) (“Afilias”), a competitor and losing bidder in the .web auction, filed a form of arbitration proceeding against ICANN, an Independent Review Process (“IRP”) under ICANN’s bylaws, on November 14, 2018. Afilias alleges that the agreement between Verisign and Nu Dotco, LLC (“NDC”) pertaining to .web violated ICANN’s new gTLD Applicant Guidebook. As a result, Afilias claims that ICANN had a duty to disqualify NDC’s bid and award the .web gTLD to Afilias. Afilias also claims that ICANN would violate its bylaws pertaining to competition by awarding the .web gTLD to Verisign. Afilias amended its IRP request on March 21, 2019 in part to oppose Verisign’s and NDC’s participation in the IRP. A hearing was held on Verisign’s and NDC’s applications for participation and, on February 12, 2020, the IRP panel permitted Verisign and NDC to participate in aspects of the IRP. In early August 2020, the IRP panel held a hearing on Afilias’ claims.

The IRP panel issued its final decision on May 20, 2021. Consistent with Verisign’s position, the IRP panel dismissed Afilias’ claims for relief seeking to invalidate the .web auction and to award the .web TLD to Afilias, concluding that such issues were beyond the IRP panel’s jurisdiction. Furthermore, as expected, the IRP panel’s ruling recommended that ICANN’s Board of Directors consider the objections made regarding the .web auction and then make a decision on the delegation of .web. With respect to ICANN, the final decision said that certain actions and/or inaction by ICANN in response to Afilias’ objections did violate aspects of ICANN’s bylaws related to transparency and fairness.

On June 19, 2021, Afilias filed an application to the IRP panel requesting that it interpret certain terms of, and make certain amendments to, the final decision. The IRP panel denied that application in its entirety on December 21, 2021 finding that it was “frivolous” and sanctioning Afilias by directing it to pay ICANN’s attorney fees. On January 16, 2022, ICANN’s Board directed its Board Accountability Mechanisms Committee to review the IRP panel’s final decision and to provide the Board with its findings to consider and act upon regarding the award and delegation of .web.

We are also involved in various investigations, claims and lawsuits arising in the normal conduct of our business, none of which, in our opinion, will have a material adverse effect on our financial condition, results of operations, or cash flows. We cannot assure you that we will prevail in any litigation. Regardless of the outcome, any litigation may require us to incur significant litigation expense and may result in significant diversion of management attention.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the Nasdaq Global Select Market under the symbol VRSN. On February 11, 2022, there were 331 holders of record of our common stock. We cannot estimate the number of beneficial owners since many brokers and other institutions hold our stock on behalf of stockholders.

Share Repurchases

The following table presents the share repurchase activity during the three months ended December 31, 2021:

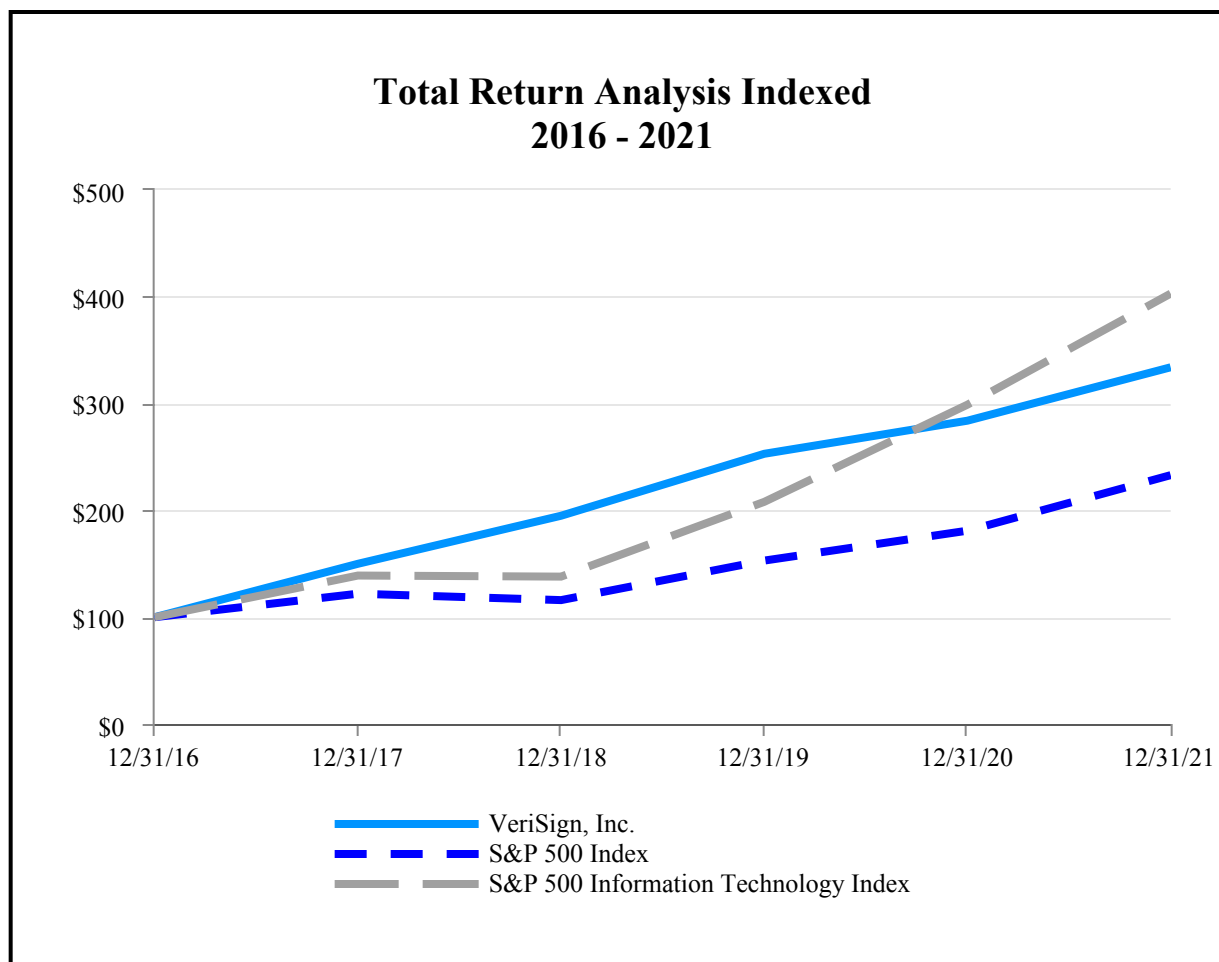
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)(2)
		(Shares in thousands)		
October 1 – 31, 2021	268	\$210.97	268	\$ 508.4 million
November 1 – 30, 2021	242	\$233.58	242	\$ 451.8 million
December 1 – 31, 2021	285	\$243.26	285	\$ 382.6 million
	<u>795</u>		<u>795</u>	

- (1) Effective February 11, 2021, our Board of Directors authorized the repurchase of our common stock in the amount of \$747.0 million, in addition to the \$253.0 million that remained available for repurchases under the share repurchase program, for a total repurchase authorization of up to \$1.0 billion under the program.
- (2) Effective February 10, 2022, our Board of Directors authorized the repurchase of our common stock in the amount of \$705.4 million, in addition to the \$294.6 million that remained available for repurchases under the share repurchase program, for a total repurchase authorization of up to \$1.0 billion under the program. The share repurchase program has no expiration date. Purchases made under the program could be effected through open market transactions, block purchases, accelerated share repurchase agreements or other negotiated transactions.

Performance Graph

The information contained in the Performance Graph 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 we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

The following graph compares the cumulative total stockholder return on our common stock, the Standard and Poor’s (“S&P”) 500 Index, and the S&P 500 Information Technology Index. The graph assumes that \$100 (and the reinvestment of any dividends thereafter) was invested in our common stock, the S&P 500 Index and the S&P 500 Information Technology Index on December 31, 2016, and calculates the return annually through December 31, 2021. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
VeriSign, Inc.	\$ 100	\$ 150	\$ 195	\$ 253	\$ 284	\$ 334
S&P 500 Index	\$ 100	\$ 122	\$ 116	\$ 153	\$ 181	\$ 233
S&P 500 Information Technology Index	\$ 100	\$ 139	\$ 138	\$ 208	\$ 299	\$ 403

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are based on current expectations and assumptions and involve risks and uncertainties, including, among other things, statements regarding our expectations about (i) the impact from the effects of the COVID-19 pandemic, (ii) revenue growth in 2022, (iii) continued growth in registrations in the domain name base in 2022, (iv) cost of revenues, sales and marketing expenses, research and development expenses, general and administrative expenses, interest expense, and non-operating income, net, in 2022, (v) our effective tax rate for 2022, (vi) the sufficiency of our existing cash, cash equivalents and marketable securities, and funds generated from operations, together with our ability to arrange for additional financing, (vii) cash paid for income taxes in 2022, and (viii) our planned property and equipment expenditures for 2022. 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 I, Item 1A of this Form 10-K. You should also carefully review the risks described in other documents we file from time to time with the SEC, including the Quarterly Reports on Form 10-Q or Current Reports on Form 8-K that we file in 2022. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Form 10-K. We undertake no obligation to update publicly or revise such statements, whether as a result of new information, future events, or otherwise, except as required by law.

This section of this Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Overview

We are a global provider of domain name registry services and internet infrastructure, enabling internet navigation for many of the world's most recognized domain names. We enable the security, stability, and resiliency of key internet infrastructure and services, including providing root zone maintainer services, operating two of the 13 global internet root servers, and providing registration services and authoritative resolution for the .com and .net top-level domains, which support the majority of global e-commerce.

As of December 31, 2021, we had approximately 173.4 million .com and .net registrations in the domain name base. 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 internet access, as well as marketing activities carried out by us and our registrars. Growth in the number of domain name registrations under our management may be hindered by certain factors, including overall economic conditions, competition from ccTLDs, other gTLDs, services that offer alternatives for an online presence, such as social media, and ongoing changes in the internet practices and behaviors of consumers and businesses. Factors such as the evolving practices and preferences of internet users, and how they navigate the internet, as well as the motivation of domain name registrants and how they will manage their investment in domain names, can negatively impact our business and the demand for new domain name registrations and renewals.

2021 Business Highlights and Trends

- We recorded revenues of \$1,327.6 million in 2021, which represents an increase of 5% compared to 2020.
- We recorded operating income of \$866.8 million during 2021, which represents an increase of 5% as compared to 2020.
- We finished 2021 with 173.4 million .com and .net registrations in the domain name base, which represents a 5% increase from December 31, 2020.
- During 2021, we processed 44.6 million new domain name registrations for .com and .net compared to 42.4 million in 2020.
- The final .com and .net renewal rate for the third quarter of 2021 was 75.0% compared to 73.7% for the same quarter of 2020. Renewal rates are not fully measurable until 45 days after the end of the quarter.
- We repurchased 3.3 million shares of our common stock for an aggregate cost of \$700.0 million in 2021. As of December 31, 2021, there was \$382.6 million remaining for future share repurchases under the share repurchase program.

- Effective February 10, 2022, our Board of Directors authorized the repurchase of our common stock in the amount of \$705.4 million, in addition to the \$294.6 million that remained available for repurchases under the share repurchase program, for a total repurchase authorization of up to \$1.0 billion under the program.
- We generated cash flows from operating activities of \$807.2 million in 2021, which represents an increase of 11% as compared to 2020.
- During the fourth quarter of 2021, we recognized a deferred income tax benefit of \$165.5 million related to the transfer of certain non-US intellectual property between subsidiaries.
- On June 8, 2021, we issued \$750.0 million of 2.700% Senior Notes due June 15, 2031 (“2031 Notes”). On June 23, 2021, we used the net proceeds from the 2031 Notes, along with cash on hand, to redeem all of our \$750.0 million aggregate principal amount of outstanding 4.625% Senior Notes due 2023 (“2023 Notes”).
- On February 10, 2022, we announced that we will increase the annual registry-level wholesale fee for each new and renewal .com domain name registration from \$8.39 to \$8.97, effective September 1, 2022.

COVID-19 Update

The United States and the global community we serve are facing unprecedented challenges posed by the COVID-19 pandemic. In response to the pandemic, we have established a task force to monitor the pandemic and have taken a number of actions to protect our employees, including restricting travel, modifying our sick leave policy to encourage quarantine and isolation when warranted, and directing most of our employees to work from home. We have implemented our readiness plans, which include the ability to maintain critical internet infrastructure with most employees working remotely. We believe that the effects of the pandemic to date have led to an increase in the demand for domain names, particularly as businesses and entrepreneurs have been seeking to establish or expand their presence online in response to the pandemic. Our revenues continued to grow during 2020 and 2021 primarily driven by an increase in the domain name base for the .com TLD; however, the situation remains uncertain and hard to predict. The broader implications of the pandemic on our business and operations and our financial results, including the extent to which the effects of the pandemic will impact future growth in the domain name base, remain uncertain. The duration and severity of the economic disruptions from the pandemic may ultimately result in negative impacts on our business and operations, results of operations, financial condition, cash flows, liquidity and capital and financial resources. For further discussion, see “Risk Factors – The effects of the COVID-19 pandemic have impacted how we operate our business, and the extent to which the effects of the pandemic will impact our business, operations, financial condition and results of operations remains uncertain” in Part I, Item 1A of this Form 10-K.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates those estimates. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant. We believe the following critical accounting estimates and policies have the most significant impact on our consolidated financial statements:

Income taxes

We operate in multiple tax jurisdictions in the United States and internationally. Tax laws and regulations in these jurisdictions are complex, interrelated, and periodically changing. Significant judgment or interpretation of these laws and regulations is often required in determining our worldwide provision for income taxes, including, for example, the calculations of taxable income in each jurisdiction, deferred taxes, and the availability and amount of deductions and tax credits.

The final taxes payable are also dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from various tax examinations. We only recognize or continue to recognize tax positions and tax benefit amounts that are more likely than not to be sustained upon examination. We adjust these amounts in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in an outcome that is materially different from our current estimate of unrecognized tax benefits. See Note 10, “Income Taxes” of our Notes to Consolidated Financial Statements in Item 8 of this Form 10-K for further discussion of the \$165.5 million

deferred tax asset and corresponding income tax benefit recognized in the fourth quarter of 2021 and the \$204.2 million income tax benefit recognized in 2020 as a result of the remeasurement of certain previously unrecognized income tax benefits.

Results of Operations

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

	Year Ended December 31,		
	2021	2020	2019
Revenues	100.0 %	100.0 %	100.0 %
Costs and expenses:			
Cost of revenues	14.5	14.2	14.6
Sales and marketing	3.0	2.9	3.8
Research and development	6.1	5.9	4.9
General and administrative	11.1	11.8	11.2
Total costs and expenses	34.7	34.8	34.5
Operating income	65.3	65.2	65.5
Interest expense	(6.3)	(7.1)	(7.4)
Non-operating (loss) income, net	(0.1)	1.2	3.5
Income before income taxes	58.9	59.3	61.6
Income tax benefit (expense)	0.2	5.1	(11.9)
Net income	59.1 %	64.4 %	49.7 %

Revenues

Our revenues are primarily derived from registrations for domain names in the *.com* and *.net* domain name registries. We also derive revenues from operating domain name registries for several other TLDs and from providing back-end registry services to a number of TLD registry operators, all of which are not significant in relation to our consolidated revenues. For domain names registered in the *.com* and *.net* registries we receive a fee from registrars per annual registration that is determined pursuant to our agreements with ICANN. Individual customers, called registrants, contract directly with registrars or their resellers, and the registrars in turn register the domain names with Verisign. Changes in revenues are driven largely by changes in the number of new domain name registrations and the renewal rate for existing registrations as well as the impact of new and prior price increases, to the extent permitted by ICANN and the DOC. New registrations and the renewal rate for existing registrations are impacted by continued growth in online advertising, e-commerce, and the number of internet users, as well as marketing activities carried out by us and our registrars. We also offer promotional incentive-based discount programs to registrars based upon market conditions and the business environment in which the registrars operate.

On October 26, 2018, Verisign and the DOC amended the Cooperative Agreement. The amendment, among other items, extends the term of the Cooperative Agreement until November 30, 2024 and permits the price of a *.com* domain name to be increased, subject to appropriate changes to the *.com* Registry Agreement, without further DOC approval, by up to 7% in each of the final four years of each six-year period beginning on October 26, 2018. On March 27, 2020, Verisign and ICANN agreed to an amendment to the *.com* Registry Agreement that, among other items, incorporates these changes agreed to with the DOC to the pricing terms. Effective September 1, 2021, we increased the annual registry-level wholesale fee for each new and renewal *.com* domain name registration from \$7.85 to \$8.39. On February 10, 2022, we announced that we will increase the annual registry-level wholesale fee for each new and renewal *.com* domain name registration from \$8.39 to \$8.97, effective September 1, 2022. 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 agreement with ICANN, through June 30, 2023. All fees paid to us for *.com* and *.net* registrations are in U.S. dollars.

A comparison of revenues is presented below:

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
	(Dollars in thousands)				
Revenues	\$ 1,327,576	5 %	\$ 1,265,052	3 %	\$ 1,231,661

The following table compares the .com and .net domain name registrations in the domain name base:

	As of December 31,				
	2021	% Change	2020	% Change	2019
.com and .net domain name registrations in the domain name base	173.4 million	5 %	165.2 million	4 %	158.8 million

Growth in the domain name base has been primarily driven by continued internet growth and marketing activities carried out by us and our registrars. However, competitive pressure from ccTLDs, other gTLDs, services that offer alternatives for an online presence, such as social media, ongoing changes in internet practices and behaviors of consumers and business, as well as the motivation of existing domain name registrants managing their investment in domain names, and historical global economic uncertainty, has limited the rate of growth of the domain name base in the past and may continue to do so in the future.

Revenues increased by \$62.5 million in 2021 compared to 2020, primarily due to an increase in revenues from the operation of the registry for the .com TLD driven by a 5% increase in the domain name base for .com and the price increase which became effective September 1, 2021.

Geographic revenues

We generate revenues in the U.S.; Europe, the Middle East and Africa (“EMEA”); China; and certain other countries, including Canada, Australia and Japan. The following table presents a comparison of the Company’s geographic revenues:

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
	(Dollars in thousands)				
U.S.	\$ 851,299	6 %	\$ 804,647	4 %	\$ 772,586
EMEA	231,686	8 %	214,204	3 %	206,975
China	99,727	(12)%	113,048	(5)%	119,291
Other	144,864	9 %	133,153	— %	132,809
Total revenues	<u>\$ 1,327,576</u>	5 %	<u>\$ 1,265,052</u>	3 %	<u>\$ 1,231,661</u>

Revenues in the table above are attributed to the country of domicile and the respective regions in which our registrars are located; however, this may differ from the regions where the registrars operate or where registrants are located. Revenue growth for each region may be impacted by registrars reincorporating, relocating, or from acquisitions or changes in affiliations of resellers. Revenue growth for each region may also be impacted by registrars domiciled in one region, registering domain names in another region. Revenues increased during 2021 in all regions except China. Revenues from registrars based in China declined during 2021 as a result of lower new registrations and renewal rates in the country.

We expect revenues to continue to grow in 2022, as a result of continued growth in the aggregate number of .com domain names and the impact of the price increase for .com domain names which became effective September 1, 2021.

Cost of revenues

Cost of revenues consist primarily of salaries and employee benefits expenses for our personnel who manage the operational systems, depreciation expenses, operational costs associated with the delivery of our services, fees paid to ICANN, customer support and training, 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:

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
	(Dollars in thousands)				
Cost of revenues	\$ 191,933	7 %	\$ 180,177	— %	\$ 180,467

Cost of revenues increased by \$11.8 million in 2021 compared to 2020 primarily due to increases in direct cost of revenues, allocated overhead expenses and depreciation expenses. Direct cost of revenues increased by \$5.7 million primarily due to an increase in registry fees payable to ICANN in connection with the operation of the registry for the .com TLD. Allocated overhead expenses increased by \$2.4 million due to an increase in total allocable expenses. Depreciation expenses increased by \$1.9 million as a result of increased investments in our data centers and network infrastructure.

We expect cost of revenues as a percentage of revenues to remain consistent in 2022 as compared to 2021.

Sales and marketing

Sales and marketing expenses consist primarily of salaries and other personnel-related expenses, travel and related expenses, trade shows, costs of computer and communications equipment and support services, facilities costs, consulting fees, costs of marketing programs, such as online, 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:

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
	(Dollars in thousands)				
Sales and marketing	\$ 39,877	8 %	\$ 36,790	(21)%	\$ 46,637

Sales and marketing expenses increased by \$3.1 million in 2021 compared to 2020 primarily due to a \$2.6 million increase in salary and employee benefits expenses as a result of an increase in average headcount and higher expenses for salaries and certain employee related benefits.

We expect sales and marketing expenses as a percentage of revenues to remain consistent in 2022 as compared to 2021.

Research and development

Research and development expenses consist primarily of costs related to research and development personnel, including salaries and other personnel-related expenses, consulting fees, facilities costs, 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:

	Year Ended December 31,				
	2021	% Change	2020	% Change	2019
	(Dollars in thousands)				
Research and development.....	\$ 80,529	8 %	\$ 74,671	23 %	\$ 60,805

Research and development expenses increased by \$5.9 million in 2021 compared to 2020 due to an increase in salary and employee benefits expenses, including stock-based compensation, and a combination of individually insignificant factors. Salary and employee benefits expenses, including stock-based compensation, increased by \$3.0 million due to a slight increase in average headcount and higher expenses for salaries and certain employee related benefits.

We expect research and development expenses as a percentage of revenues to remain consistent in 2022 as compared to 2021.

General and administrative

General and administrative expenses consist primarily of salaries and other personnel-related expenses for our executive, administrative, legal, finance, information technology and human resources personnel, costs of facilities, computer and communications equipment, management information systems, support services, professional services fees, and certain tax and license fees, offset by allocations of indirect costs such as facilities and shared services expenses to other cost types.

A comparison of general and administrative expenses is presented below:

	Year Ended December 31,			
	2021	% Change	2020	% Change
	(Dollars in thousands)			
General and administrative	\$ 148,434	(1)%	\$ 149,213	8 %
	\$		\$	\$
				137,625

General and administrative expenses decreased by \$0.8 million in 2021 compared to 2020 primarily due to decreases in professional services expenses and charitable contributions and an increase in overhead expenses allocated to other cost types, partially offset by increases in salary and employee benefits expenses, equipment and software expenses, and stock-based compensation expenses. Professional services expenses decreased by \$6.0 million due to a decrease in external consulting costs on various projects. Overhead expenses allocated to other cost types increased by \$5.0 million due to an increase in the total allocable expenses. Charitable contributions decreased by \$1.6 million due to greater contributions made during 2020 to help with immediate COVID-related hardship and to support social justice efforts, compared to contributions made during 2021. Salary and employee benefits expenses increased by \$4.7 million due to an increase in average headcount and higher expenses for certain employee health insurance related benefits. Equipment and software expenses increased by \$5.5 million due to expenses related to network security and other software services. Stock-based compensation expenses increased by \$3.0 million due to higher achievement levels on certain performance-based RSU grants and increases in the total value of RSUs granted in 2021.

We expect general and administrative expenses as a percentage of revenues to remain consistent in 2022 as compared to 2021.

Interest expense

Interest expense decreased by \$6.9 million in 2021 compared to 2020 due to the lower interest rate on our 2031 Notes compared to the 2023 Notes which were redeemed in June 2021. We expect interest expense to decrease in 2022 due to the lower interest rate on our 2031 Notes compared to the 2023 Notes.

Non-operating loss, net

See Note 9, “Non-operating (Loss) Income, Net” of our Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. We expect Non-operating loss, net to decrease in 2022 as compared to 2021 due to the loss on extinguishment of debt recognized in 2021.

Income tax (benefit) expense

	Year Ended December 31,		
	2021	2020	2019
	(Dollars in thousands)		
Income tax (benefit) expense	(2,611)	\$ (64,644)	\$ 146,477
Effective tax rate	— %	(9)%	19 %

The effective tax rate for each of the periods in the table above differed from the statutory federal rate of 21% due to a lower foreign effective tax rate, offset by state income taxes and U.S. taxes on foreign earnings, net of foreign tax credits. Additionally, during 2021, we completed a transfer of intellectual property between certain non-U.S. subsidiaries. This intellectual property did not have any book value, however the transfer created an amortizable tax basis that resulted in the recognition of a \$165.5 million deferred tax asset and a corresponding income tax benefit.

During 2020, we recognized an income tax benefit of \$204.2 million as a result of the remeasurement of certain previously unrecognized income tax benefits. The majority of this tax benefit related to the worthless stock deduction taken in 2013. These remeasurements were based on written confirmations from Internal Revenue Service (“IRS”), received in 2020, indicating no examination adjustments would be proposed related to the worthless stock deduction or certain other matters reviewed as part of the audit of our federal income tax returns for 2010 through 2014, and the lapse of statutes of limitations related to other unrecognized income tax benefits. Notwithstanding these written confirmations, our U.S. federal income tax returns for 2010 through 2014 remain under examination by the IRS.

As of December 31, 2021, we had deferred tax assets arising from deductible temporary differences, tax losses, and tax credits of \$238.5 million, net of valuation allowances, but before the offset of certain deferred tax liabilities. With the exception of

deferred tax assets related to certain state and foreign net operating loss and foreign tax credit carryforwards, we believe it is more likely than not that the tax effects of the deferred tax liabilities, together with future taxable income, will be sufficient to fully recover the remaining deferred tax assets.

We expect the effective tax rate for 2022 to be between 21% and 24%.

Liquidity and Capital Resources

The following table presents our principal sources of liquidity:

	As of December 31,	
	2021	2020
	(In thousands)	
Cash and cash equivalents	\$ 223,487	\$ 401,194
Marketable securities	982,318	765,713
Total	<u>\$ 1,205,805</u>	<u>\$ 1,166,907</u>

The marketable securities consist primarily of debt securities issued by the U.S. Treasury 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 of amounts invested in money market funds, time deposits and U.S. Treasury bills purchased with original maturities of three months or less. As of December 31, 2021, all of our debt securities have contractual maturities of less than one year. Our cash and cash equivalents are readily accessible. For additional information on our investment portfolio, see Note 2, “Financial Instruments,” of our Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

In 2021, we repurchased 3.3 million shares of our common stock at an average stock price of \$215.16 for an aggregate cost of \$700.0 million under our share repurchase program. In 2020, we repurchased 3.7 million shares of our common stock at an average stock price of \$200.06 for an aggregate cost of \$734.9 million. Effective February 10, 2022, our Board of Directors authorized the repurchase of our common stock in the amount of \$705.4 million, in addition to the \$294.6 million that remained available for repurchases under the share repurchase program, for a total repurchase authorization of up to \$1.0 billion under the program.

On June 8, 2021, we issued \$750.0 million of 2.700% senior unsecured notes due June 15, 2031. On June 23, 2021, we used the net proceeds from the 2031 Notes, along with cash on hand, to redeem all of our \$750.0 million aggregate principal amount of outstanding 4.625% senior notes due 2023. As of December 31, 2021, we also had \$550.0 million principal amount outstanding of 4.75% senior unsecured notes due 2027 and \$500.0 million principal amount outstanding of 5.25% senior unsecured notes due 2025. As of December 31, 2021, there were no borrowings outstanding under our \$200.0 million credit facility that will expire in 2024.

We believe existing cash, cash equivalents and marketable securities, and funds generated from operations, together with our ability to arrange for additional financing should be sufficient to meet our working capital, capital expenditure requirements, and to service our debt for the next 12 months and beyond. We regularly assess our cash management approach and activities in view of our current and potential future needs. Our most significant future cash requirements include interest and principal payments on the senior notes issuances described above, income tax payments, purchase obligations and registry fees related to the operation of certain top-level domains. These items are detailed in Note 11, “Commitments and Contingencies” of our Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

In summary, our cash flows for 2021, 2020, and 2019 were as follows:

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
Net cash provided by operating activities	\$ 807,152	\$ 730,183	\$ 753,892
Net cash (used in) provided by investing activities	(269,246)	(72,258)	167,195
Net cash used in financing activities	(719,130)	(764,877)	(770,303)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(561)	(48)	64
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>\$ (181,785)</u>	<u>\$ (107,000)</u>	<u>\$ 150,848</u>

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, as well as payments related to taxes, interest and facilities.

Net cash provided by operating activities increased in 2021 compared to 2020 primarily due to an increase in cash received from customers, partially offset by increases in cash paid for income taxes, cash paid to employees and vendors, and decreases in cash received from interest on investments and from transition services. Cash received from customers increased primarily due to higher domain name registrations and renewals and the impact of the .com price increase which became effective September 1, 2021. The increased volume of renewal transactions was due in part to early renewal transactions before the .com price increase became effective. Cash paid for income taxes increased primarily due to comparatively higher federal, state, and foreign taxes. Cash paid to employees and vendors increased primarily due to the timing of payments and an increase in operating expenses. Cash received from interest on investments decreased due to a decline in interest rates. Cash received from transition services decreased due to the expiration of the transition services agreement related to our divested security services business in February 2020.

Cash flows from investing activities

The changes in cash flows from investing activities primarily relate to purchases, maturities and sales of marketable securities, purchases of property and equipment and the sale of businesses.

Net cash used in investing activities increased in 2021 compared to 2020 primarily due to an increase in purchases of marketable securities and investments, net of proceeds from maturities and sales of marketable securities and investments, an increase in purchases of property and equipment, and payments received during 2020 related to our divested security services business.

Cash flows from financing activities

The changes in cash flows from financing activities primarily relate to share repurchases, proceeds from borrowings, repayment of borrowings, and our employee stock purchase plan.

Net cash used in financing activities decreased in 2021 compared to 2020 primarily due to proceeds received from the issuance of the 2031 Notes and a decrease in share repurchases, partially offset by the redemption of our 2023 Notes.

Income taxes

We expect cash paid for income taxes as a percentage of pre-tax income to be between 21% and 24% in 2022.

Property and Equipment Expenditures

Our planned property and equipment expenditures for 2022 are anticipated to be between \$40.0 million and \$50.0 million and will primarily be focused on infrastructure upgrades software enhancements.

VERISIGN FORM 10-K

Dilution from RSUs

Grants of stock-based awards are key components of the compensation packages we provide to attract and retain certain of our employees and align their interests with the interests of existing stockholders. We recognize that these stock-based awards dilute existing stockholders and have sought to control the number granted while providing competitive compensation packages. As of December 31, 2021, there were a total of 0.6 million unvested RSUs which represent potential dilution of less than 1.0%. This maximum potential dilution will only result if all outstanding RSUs vest and are settled. In recent years, our stock repurchase program has more than offset the dilutive effect of RSU grants to employees; however, we may reduce the level of our stock repurchases in the future as we may use our available cash for other purposes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to financial market risks, including changes in interest rates and foreign exchange rates. We have not entered into any market risk sensitive instruments for trading purposes.

Interest Rate Sensitivity

The fixed income securities in our investment portfolio are subject to interest rate risk. As of December 31, 2021, we had \$1.02 billion of fixed income securities, which consisted of U.S. Treasury bills with maturities of less than one year. A hypothetical change in interest rates by 100 basis points would not have a significant impact on the fair value of our investments.

Foreign Exchange Risk Management

We conduct business in several countries and transact in multiple foreign currencies. The functional currency for all of our international subsidiaries is the U.S. dollar. Our foreign currency risk management program is designed to mitigate foreign exchange risks associated with monetary assets and liabilities of our operations that are denominated in currencies other than the U.S. dollar. The primary objective of this program is to minimize the gains and losses to income resulting from fluctuations in exchange rates. We may choose not to hedge certain foreign exchange exposures due to immateriality, prohibitive economic cost of hedging particular exposures, and limited availability of appropriate hedging instruments. We do not enter into foreign currency transactions for trading or speculative purposes, nor do we hedge foreign currency exposures in a manner that entirely offsets the effects of changes in exchange rates. The program may entail the use of forward or option contracts, which are usually placed and adjusted monthly. These foreign currency forward contracts are derivatives and are recorded at fair market value. We attempt to limit our exposure to credit risk by executing foreign exchange contracts with financial institutions that have investment grade ratings.

As of December 31, 2021, we held foreign currency forward contracts in notional amounts totaling \$30.3 million to mitigate the impact of exchange rate fluctuations associated with certain foreign currencies. Gains or losses on the foreign currency forward contracts would be largely offset by the remeasurement of our foreign currency denominated assets and liabilities, resulting in an insignificant net impact to income.

A hypothetical uniform 10% strengthening or weakening in the value of the U.S. dollar relative to the foreign currencies in which our revenues and expenses are denominated would not result in a significant impact to our financial statements.

Market Risk Management

The fair market values of our senior notes are subject to interest rate risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. As of December 31, 2021, the fair values of the senior notes issued in 2015, 2017 and 2021 were \$552.3 million, \$573.9 million, and \$755.5 million, respectively, based on available market information from public data sources.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

<u>Financial Statement Description</u>	<u>Page</u>
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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

VeriSign, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of VeriSign, Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, stockholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 18, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of accounting for income taxes

As discussed in Notes 1 and 10 to the consolidated financial statements, the Company recognized \$230.7 million of deferred tax assets, net as of December 31, 2021. The Company's income tax benefit was \$2.6 million for the year ended December 31, 2021. The Company conducts business globally and consequently is subject to U.S. federal, state, as well as foreign income taxes in the jurisdictions it operates. The Company exercises judgment in the application of complex tax regulations in multiple jurisdictions.

We identified the evaluation of the accounting for income taxes as a critical audit matter. Evaluating the Company's application of complex tax regulations in the domestic and foreign jurisdictions it operates and the impact of those regulations on U.S. federal, state, and foreign income tax provisions required complex auditor judgment, and the use of tax professionals with specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's income tax process, including controls related to the application of complex tax regulations in the Company's various tax jurisdictions and the impact on

the Company's U.S. federal, state, and foreign income tax provision. We involved domestic and international tax professionals with specialized skills and knowledge in various tax jurisdictions who assisted in evaluating the Company's analyses over the application of complex tax regulations in those jurisdictions.

/s/ KPMG LLP

We have served as the Company's auditor since 1995.

McLean, Virginia
February 18, 2022

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

VeriSign, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited VeriSign, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income, stockholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements), and our report dated February 18, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

McLean, Virginia
February 18, 2022

VERISIGN, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)

	December 31, 2021	December 31, 2020
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 223,487	\$ 401,194
Marketable securities	982,318	765,713
Other current assets	62,930	51,033
Total current assets	1,268,735	1,217,940
Property and equipment, net	251,223	245,571
Goodwill	52,527	52,527
Deferred tax assets	230,719	67,914
Deposits to acquire intangible assets	145,000	145,000
Other long-term assets	35,560	37,958
Total long-term assets	715,029	548,970
Total assets	\$ 1,983,764	\$ 1,766,910
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 226,580	\$ 208,642
Deferred revenues	847,411	780,051
Total current liabilities	1,073,991	988,693
Long-term deferred revenues	305,950	282,838
Senior notes	1,785,709	1,790,083
Long-term tax and other liabilities	78,633	95,494
Total long-term liabilities	2,170,292	2,168,415
Total liabilities	3,244,283	3,157,108
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock—par value \$0.001 per share; Authorized shares: 5,000; Issued and outstanding shares: none	—	—
Common stock and additional paid-in capital—par value \$0.001 per share; Authorized shares: 1,000,000; Issued shares: 354,199 at December 31, 2021 and 353,789 at December 31, 2020; Outstanding shares: 110,519 at December 31, 2021 and 113,470 at December 31, 2020	13,620,038	14,275,160
Accumulated deficit	(14,877,772)	(15,662,602)
Accumulated other comprehensive loss	(2,785)	(2,756)
Total stockholders' deficit	(1,260,519)	(1,390,198)
Total liabilities and stockholders' deficit	\$ 1,983,764	\$ 1,766,910

See accompanying Notes to Consolidated Financial Statements.

VERISIGN, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share data)

	Year Ended December 31,		
	2021	2020	2019
Revenues	\$1,327,576	\$1,265,052	\$1,231,661
Costs and expenses:			
Cost of revenues	191,933	180,177	180,467
Sales and marketing	39,877	36,790	46,637
Research and development	80,529	74,671	60,805
General and administrative	148,434	149,213	137,625
Total costs and expenses	<u>460,773</u>	<u>440,851</u>	<u>425,534</u>
Operating income	866,803	824,201	806,127
Interest expense	(83,255)	(90,144)	(90,611)
Non-operating (loss) income, net	(1,329)	16,187	43,260
Income before income taxes	782,219	750,244	758,776
Income tax benefit (expense)	2,611	64,644	(146,477)
Net income	784,830	814,888	612,299
Other comprehensive (loss) income	(29)	(135)	190
Comprehensive income	<u>\$ 784,801</u>	<u>\$ 814,753</u>	<u>\$ 612,489</u>
Earnings per share:			
Basic	<u>\$ 7.01</u>	<u>\$ 7.08</u>	<u>\$ 5.17</u>
Diluted	<u>\$ 7.00</u>	<u>\$ 7.07</u>	<u>\$ 5.15</u>
Shares used to compute earnings per share			
Basic	<u>112,015</u>	<u>115,058</u>	<u>118,513</u>
Diluted	<u>112,166</u>	<u>115,298</u>	<u>118,968</u>

See accompanying Notes to Consolidated Financial Statements.

VERISIGN, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands)

	Year Ended December 31,		
	2021	2020	2019
Total stockholders' deficit, beginning of period	\$ (1,390,198)	\$ (1,490,100)	\$ (1,385,474)
Common stock and additional paid-in capital			
Beginning balance.....	14,275,160	14,990,011	15,707,126
Repurchase of common stock.....	(722,587)	(777,454)	(782,583)
Stock-based compensation.....	55,061	50,026	52,316
Issuance of common stock under stock plans.....	12,404	12,577	13,152
Balance, end of period.....	<u>13,620,038</u>	<u>14,275,160</u>	<u>14,990,011</u>
Accumulated deficit			
Beginning balance.....	(15,662,602)	(16,477,490)	(17,089,789)
Net income.....	784,830	814,888	612,299
Balance, end of period.....	<u>(14,877,772)</u>	<u>(15,662,602)</u>	<u>(16,477,490)</u>
Accumulated other comprehensive loss			
Beginning balance.....	(2,756)	(2,621)	(2,811)
Other comprehensive (loss) income.....	(29)	(135)	190
Balance, end of period.....	<u>(2,785)</u>	<u>(2,756)</u>	<u>(2,621)</u>
Total stockholders' deficit, end of period	<u>\$ (1,260,519)</u>	<u>\$ (1,390,198)</u>	<u>\$ (1,490,100)</u>

See accompanying Notes to Consolidated Financial Statements

VERISIGN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net income	\$ 784,830	\$ 814,888	\$ 612,299
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property and equipment	47,940	46,352	46,330
Stock-based compensation expense	53,439	48,243	50,626
Other, net	6,027	(9,108)	(11,926)
Changes in operating assets and liabilities			
Other assets	(14,058)	(9,214)	(3,279)
Accounts payable and accrued liabilities	15,495	2,227	(24)
Deferred revenues	90,471	29,009	16,191
Net deferred income taxes and other long-term tax liabilities	(176,992)	(192,214)	43,675
Net cash provided by operating activities	<u>807,152</u>	<u>730,183</u>	<u>753,892</u>
Cash flows from investing activities:			
Proceeds from maturities and sales of marketable securities	2,654,457	2,305,732	2,247,904
Purchases of marketable securities	(2,870,670)	(2,355,405)	(2,030,521)
Purchases of property and equipment	(53,033)	(43,395)	(40,316)
Proceeds (payments) from sale of business	—	20,810	(9,872)
Net cash (used in) provided by investing activities	<u>(269,246)</u>	<u>(72,258)</u>	<u>167,195</u>
Cash flows from financing activities:			
Repayment of borrowings	(750,000)	—	—
Proceeds from borrowings, net of issuance costs	741,053	—	—
Repurchases of common stock	(722,587)	(777,454)	(782,583)
Proceeds from employee stock purchase plan	12,404	12,577	13,152
Other financing activities	—	—	(872)
Net cash used in financing activities	<u>(719,130)</u>	<u>(764,877)</u>	<u>(770,303)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(561)	(48)	64
Net (decrease) increase in cash, cash equivalents and restricted cash	(181,785)	(107,000)	150,848
Cash, cash equivalents, and restricted cash at beginning of period	410,601	517,601	366,753
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 228,816</u>	<u>\$ 410,601</u>	<u>\$ 517,601</u>
Supplemental cash flow disclosures:			
Cash paid for interest	<u>\$ 85,578</u>	<u>\$ 87,354</u>	<u>\$ 87,683</u>
Cash paid for income taxes, net of refunds received	<u>\$ 178,351</u>	<u>\$ 132,683</u>	<u>\$ 89,974</u>

See accompanying Notes to Consolidated Financial Statements.

VERISIGN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business

VeriSign, Inc. (“Verisign” or “the Company”) was incorporated in Delaware on April 12, 1995. The Company has one reportable segment. The Company enables the security, stability, and resiliency of key internet infrastructure and services, including providing root zone maintainer services, operating two of the 13 global internet root servers, and providing registration services and authoritative resolution for the .com and .net top-level domains, which support the majority of global e-commerce.

Basis of Presentation

The accompanying consolidated financial statements of Verisign and its subsidiaries have been prepared in conformity with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”). All significant intercompany accounts and transactions have been eliminated.

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

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.

Significant Accounting Policies

Cash and Cash Equivalents

Verisign considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include certain money market funds, debt securities and various deposit accounts. Verisign maintains its cash and cash equivalents with financial institutions that have investment grade ratings and, as part of its cash management process, performs periodic evaluations of the relative credit standing of these financial institutions.

Marketable Securities

Marketable securities primarily consist of debt securities issued by the U.S. Treasury. All marketable securities are classified as available-for-sale and are carried at fair value. Unrealized gains and losses, net of taxes, are reported as a component of Accumulated other comprehensive loss. The specific identification method is used to determine the cost basis of the marketable securities sold. The Company classifies its marketable securities as current based on their nature and availability for use in current operations.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets of 35 to 47 years for buildings, 10 years for building improvements and three years to five years for computer equipment, software, office equipment, and furniture and fixtures. Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful lives of the assets or associated lease terms.

Capitalized Software

Software included in property and equipment includes amounts paid for purchased software and development costs for internally developed software. The Company capitalized \$12.1 million and \$12.8 million of costs related to internally developed software during 2021 and 2020, respectively.

VERISIGN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
DECEMBER 31, 2021, 2020 AND 2019

Goodwill and Other Long-lived Assets

Goodwill represents the excess of purchase consideration over fair value of net assets of businesses acquired. The Company has only one reporting unit, which has a negative carrying value. Therefore, the goodwill is not subject to impairment.

Long-lived assets, such as property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group, may not be recoverable. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group, to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. An impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value.

As of December 31, 2021, the Company's assets include a deposit related to the purchase of the contractual rights to the .web gTLD. The amount paid to date has been recorded as a deposit until such time that the contractual rights are transferred to the Company. This asset would be tested for recoverability if the Company were to determine that it is no longer probable that the rights will be transferred. At the time of the transfer of the contractual rights, the Company will record the amount as an indefinite-lived intangible asset subject to review for impairment on an annual basis or more frequently if events or changes in circumstances indicate that an impairment is more likely than not.

Foreign Currency Remeasurement

Verisign conducts business in several different countries and transacts in multiple currencies. The functional currency for all of Verisign's international subsidiaries is the U.S. dollar. The Company's subsidiaries' financial statements are remeasured into U.S. dollars using a combination of current and historical exchange rates and any remeasurement gains and losses are included in Non-operating (loss) income, net. Remeasurement gains and losses were not significant in each of the last three years.

Verisign maintains a foreign currency risk management program designed to mitigate foreign exchange risks associated with the monetary assets and liabilities that are denominated in currencies other than the U.S. dollar. The primary objective of this program is to minimize the gains and losses resulting from fluctuations in exchange rates. The Company does not enter into foreign currency transactions for trading or speculative purposes, nor does it hedge foreign currency exposures in a manner that entirely offsets the effects of changes in exchange rates. The program may entail the use of forward or option contracts, which are usually placed and adjusted monthly. These foreign currency forward contracts are derivatives and are recorded at fair market value. The Company records gains and losses on foreign currency forward contracts in Non-operating (loss) income, net. Gains and losses related to foreign currency forward contracts were not significant in each of the last three years.

As of December 31, 2021, Verisign held foreign currency forward contracts in notional amounts totaling \$30.3 million to mitigate the impact of exchange rate fluctuations associated with certain assets and liabilities held in foreign currencies.

Revenue Recognition

Revenues are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues primarily arise from fixed fees charged to registrars for the initial registration or renewal of .com, .net, and other domain names. Fees for domain name registrations and renewals are generally due at the time of registration or renewal. Domain name registration terms range from one year up to ten years.

Most customers either maintain a deposit with Verisign or provide an irrevocable letter of credit in excess of the amounts owed. Verisign also offers promotional incentive-based discount programs to its registrars based upon market conditions and the business environment in which the registrars operate. Amounts payable for these programs are recorded as a reduction of revenue.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Each domain name registration or renewal is considered a separate optional purchase and represents a single performance obligation, which is to allow its registration and maintain that registration (by allowing updates, Domain Name System ("DNS") resolution and Whois services, which allow users to find information about registered domain names) through the registration term. These services are provided continuously throughout each registration term, and as such, revenues from the initial registration or renewal of domain names are deferred and recognized ratably over the registration term. Fees for

VERISIGN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
DECEMBER 31, 2021, 2020 AND 2019

renewals and advance extensions to the existing term are deferred until the new incremental period commences. These fees are then recognized ratably over the renewal term.

Costs Incurred to Obtain a Contract

The Company recognizes the fees payable to ICANN for each annual term of domain name registrations and renewals, as an asset which is amortized on a straight-line basis over the related registration term. These assets are included in Other current assets and Other long-term assets.

Advertising Expenses

Advertising costs are expensed as incurred and are included in Sales and marketing expenses. Advertising expenses were \$6.0 million, \$7.5 million, and \$12.8 million in 2021, 2020, and 2019, respectively.

Income Taxes

Verisign uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance to reduce deferred tax assets to an amount whose realization is more likely than not. For every tax-paying component and within each tax jurisdiction, all deferred tax liabilities and assets are offset and presented as a single net noncurrent asset or liability.

The Company recognizes the U.S. income tax effect of future global intangible low-taxed income inclusions in the period in which they arise.

The Company's income taxes payable is reduced by the tax benefits from restricted stock unit ("RSU") vestings equal to the fair market value of the stock at the vesting date. If the income tax benefit at the vesting date differs from the income tax benefit recorded based on the grant date fair value of the RSUs, the excess or shortfall of the tax benefit is recognized within income tax expense.

Verisign operates in multiple tax jurisdictions in the United States and internationally. Tax laws and regulations in these jurisdictions are complex, interrelated, and periodically changing. Significant judgment or interpretation of these laws and regulations is often required in determining the Company's worldwide provision for income taxes, including, for example, the calculations of taxable income in each jurisdiction, deferred taxes, and the availability and amount of deductions and tax credits. The final taxes payable are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from various tax examinations. The Company only recognizes tax positions taken or expected to be taken on its tax returns that are more likely than not to be sustained upon examination, and records a tax benefit amount that is more likely than not to be realized upon ultimate settlement with the taxing authority. The Company adjusts its estimate of unrecognized tax benefits in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in an outcome that is materially different from the estimate. See Note 10, "Income Taxes," for details of the changes to the Company's unrecognized tax benefits for the periods presented.

Stock-based Compensation

The Company's stock-based compensation consists of RSUs granted to employees and the employee stock purchase plan ("ESPP"). Stock-based compensation expense is typically recognized ratably over the requisite service period. Forfeitures of stock-based awards are recognized as they occur. As substantially all of the RSUs granted by the Company are routine annual grants, none of the awards are designed to be spring-loaded, and as such, the Company does not adjust the market price of its common stock when estimating the grant-date fair value of these awards. The Company also grants RSUs which include performance conditions, and in some cases market conditions, to certain executives. The expense for these performance-based RSUs is recognized based on the probable outcome of the performance conditions. The expense recognized for awards with market conditions is based on the grant date fair value of the awards including the impact of the market conditions, using a Monte Carlo simulation model. The Company uses the Black-Scholes option pricing model to determine the fair value of its ESPP offerings. The determination of the fair value of stock-based payment awards using the Monte Carlo simulation model or the Black-Scholes option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables.

VERISIGN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
DECEMBER 31, 2021, 2020 AND 2019

Earnings per Share

The Company computes basic earnings per share by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per share gives effect to dilutive potential common shares, including unvested RSUs and ESPP offerings, using the treasury stock method.

Fair Value of Financial Instruments

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

Legal Proceedings

Verisign is involved in various 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, results of operations, or cash flows. 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.

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, results of operations, or cash flows.

VERISIGN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
DECEMBER 31, 2021, 2020 AND 2019

Note 2. Financial Instruments

Cash, Cash Equivalents, and Marketable Securities

The following table summarizes the Company's cash, cash equivalents, and marketable securities and the fair value categorization of the financial instruments measured at fair value on a recurring basis:

	As of December 31,	
	2021	2020
	(In thousands)	
Cash	\$ 25,840	\$ 28,832
Time deposits	3,693	4,176
Money market funds (Level 1)	165,586	129,627
Debt securities issued by the U.S. Treasury (Level 1)	1,016,015	1,013,679
Total	<u>\$ 1,211,134</u>	<u>\$ 1,176,314</u>
Cash and cash equivalents	\$ 223,487	\$ 401,194
Restricted cash (included in Other long-term assets)	5,329	9,407
Total Cash, cash equivalents, and restricted cash	228,816	410,601
Marketable securities	982,318	765,713
Total	<u>\$ 1,211,134</u>	<u>\$ 1,176,314</u>

The gross and net unrealized gains and losses included in the fair value of the debt securities were not significant for the periods presented. All of the debt securities held as of December 31, 2021 have contractual maturities of less than one year.

Fair Value Measurements

The fair value of the Company's investments in 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 debt securities consisting of U.S. Treasury bills is based on their quoted market prices and are classified as Level 1.

As of December 31, 2021, the Company's other financial instruments include cash, accounts receivable, restricted cash, and accounts payable whose carrying values approximated their fair values. The fair values of the Company's senior notes due 2025 (the "2025 Senior Notes"), the senior notes due 2027 (the "2027 Senior Notes"), and the senior notes due 2031 (the "2031 Senior Notes") were \$552.3 million, \$573.9 million, and \$755.5 million, respectively, as of December 31, 2021. The fair values of these debt instruments are based on available market information from public data sources and are classified as Level 2.

Note 3. Selected Balance Sheet Items

Other Current Assets

Other current assets consist of the following:

	As of December 31,	
	2021	2020
	(In thousands)	
Prepaid expenses	\$ 24,756	\$ 17,920
Prepaid registry fees	24,240	22,654
Taxes receivable	7,669	3,572
Accounts receivable, net	5,284	4,642
Other	981	2,245
Total other current assets	<u>\$ 62,930</u>	<u>\$ 51,033</u>

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Property and Equipment, Net

The following table presents the detail of property and equipment, net:

	As of December 31,	
	2021	2020
	(In thousands)	
Computer equipment and software	\$ 400,628	\$ 415,086
Buildings and building improvements	254,549	250,431
Land	31,141	31,141
Office equipment and furniture	10,104	9,179
Capital work in progress	3,088	4,330
Leasehold improvements	1,476	1,458
Total cost	700,986	711,625
Less: accumulated depreciation	(449,763)	(466,054)
Total property and equipment, net	<u>\$ 251,223</u>	<u>\$ 245,571</u>

Substantially all of the Company's property and equipment were held in the U.S. for both periods presented.

Goodwill

The following table presents the detail of goodwill:

	As of December 31,	
	2021	2020
	(In thousands)	
Goodwill, gross	\$ 1,537,843	\$ 1,537,843
Accumulated goodwill impairment	(1,485,316)	(1,485,316)
Total goodwill	<u>\$ 52,527</u>	<u>\$ 52,527</u>

There was no impairment of goodwill or other long-lived assets recognized in any of the periods presented.

Deposits to Acquire Intangible Assets

The Company's Deposit to acquire intangible assets represents the \$145.0 million paid for the future assignment to the Company of contractual rights to the .web gTLD, pending resolution of objections by other applicants, and approval from ICANN. Upon assignment of the contractual rights, the Company will record the total investment as an indefinite-lived intangible asset.

Other Long-Term Assets

Other long-term assets consist of the following:

	As of December 31,	
	2021	2020
	(In thousands)	
Long-term prepaid expenses	\$ 10,976	\$ 7,105
Long-term prepaid registry fees	8,693	7,997
Operating lease right-of-use asset	8,418	11,277
Restricted cash	5,329	9,407
Other	2,144	2,172
Total other long-term assets	<u>\$ 35,560</u>	<u>\$ 37,958</u>

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The prepaid registry fees in the tables above relate to the fees the Company pays to ICANN for each annual term of .com domain name registrations and renewals which are deferred and amortized over the domain name registration term. The amount of prepaid registry fees as of December 31, 2021 reflects amortization of \$38.3 million during 2021 which was recorded in Cost of Revenues.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	As of December 31,	
	2021	2020
	(In thousands)	
Accounts payable and accrued expenses	\$ 8,997	\$ 12,340
Customer deposits	77,329	53,631
Accrued employee compensation	58,499	54,596
Taxes payable	26,793	27,194
Interest payable	19,500	24,408
Customer incentives payable	13,297	12,556
Accrued registry fees	12,844	13,090
Other accrued liabilities	9,321	10,827
Total accounts payable and accrued liabilities	<u>\$ 226,580</u>	<u>\$ 208,642</u>

Long-term Tax and Other Liabilities

Long-term tax and other liabilities consist of the following:

	As of December 31,	
	2021	2020
	(In thousands)	
Long-term tax liabilities	\$ 76,148	\$ 90,335
Long-term operating lease liabilities	2,485	5,159
Long-term tax and other liabilities	<u>\$ 78,633</u>	<u>\$ 95,494</u>

Long-term tax liabilities include accruals for unrecognized tax benefits and the long-term portion of the U.S. income taxes payable on the Company's accumulated foreign earnings ("Transition Tax") resulting from the 2017 Tax Cuts and Jobs Act.

Note 4. Debt

Senior Notes

The following table summarizes information related to our Senior notes:

	Issuance Date	Maturity Date	Interest Rate	Principal	
				As of December 31,	
				2021	2020
				(in thousands except interest rates)	
Senior notes due 2023	April 16, 2013	May 1, 2023	4.625 %	\$ —	\$ 750,000
Senior notes due 2025	March 27, 2015	April 1, 2025	5.250 %	500,000	500,000
Senior notes due 2027	July 5, 2017	July 15, 2027	4.750 %	550,000	550,000
Senior notes due 2031	June 8, 2021	June 15, 2031	2.700 %	750,000	—
Principal amount of senior notes				1,800,000	1,800,000
Less: unamortized issuance costs				(14,291)	(9,917)
Total senior notes				<u>\$ 1,785,709</u>	<u>\$ 1,790,083</u>

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On June 8, 2021, the Company issued \$750.0 million of 2.700% senior unsecured notes due 2031. The 2031 Notes were issued at 99.712% of par value. The total discount and issuance costs of \$8.9 million are presented on the balance sheet as a reduction of the debt obligation and are being amortized to Interest expense over the 10-year term of the notes. The 2025 and 2027 notes were issued at par and all outstanding senior notes are senior unsecured obligations of the Company. Interest is payable on each of the senior notes semi-annually. Each of the senior notes issuances is redeemable, in whole or in part, at the Company's option at times and redemption prices specified in the indentures.

On June 23, 2021, the Company used the net proceeds from the 2031 Notes and cash on hand, to redeem all of its \$750.0 million aggregate principal amount of outstanding 4.625% senior notes due 2023 ("2023 Notes"). The redemption of the 2023 Notes resulted in a loss on debt extinguishment of \$2.1 million related to the unamortized debt issuance costs on the notes. The loss on extinguishment is included in Non-operating loss (income), net in 2021.

2019 Credit Facility

On December 12, 2019, the Company entered into a credit agreement for a \$200.0 million committed unsecured revolving credit facility (the "2019 Credit Facility"). The 2019 Credit Facility includes a financial covenant requiring that the Company's leverage ratio not exceed 4.0 to 1.0. As of December 31, 2021, there were no borrowings outstanding under the facility and the Company was in compliance with the financial covenants. The 2019 Credit Facility was amended in December 2021 to address the LIBOR transition. The 2019 Credit Facility expires on December 12, 2024 at which time any outstanding borrowings are due. Verisign may from time to time request lenders to agree on a discretionary basis to increase the commitment amount by up to an aggregate of \$150.0 million.

Note 5. Stockholders' Deficit

Treasury Stock

Treasury stock is accounted for under the cost method. Treasury stock includes shares repurchased under stock repurchase programs and shares withheld in lieu of the tax withholding due upon vesting of RSUs.

Effective February 11, 2021, the Company's Board of Directors ("Board") authorized the repurchase of its common stock in the amount of approximately \$747.0 million, in addition to the \$253.0 million that remained available for repurchases under the share repurchase program, for a total repurchase authorization of up to \$1.0 billion under the program. The program has no expiration date. Purchases made under the program could be effected through open market transactions, block purchases, accelerated share repurchase agreements or other negotiated transactions. As of December 31, 2021 there was approximately \$382.6 million remaining available for repurchases under the program.

Effective February 10, 2022, the Company's Board authorized the repurchase of its common stock in the amount of \$705.4 million, in addition to the \$294.6 million that remained available for repurchases under the program, for a total repurchase authorization of up to \$1.0 billion under the program.

The summary of the Company's common stock repurchases for 2021, 2020 and 2019 are as follows:

	2021		2020		2019	
	Shares	Average Price	Shares	Average Price	Shares	Average Price
	(In thousands, except average price amounts)					
Total repurchases under the repurchase plans	3,253	\$215.16	3,674	\$200.06	3,911	\$188.84
Total repurchases for tax withholdings	108	\$209.40	204	\$208.92	243	\$181.07
Total repurchases	<u>3,361</u>	<u>\$214.97</u>	<u>3,878</u>	<u>\$200.48</u>	<u>4,154</u>	<u>\$188.39</u>
Total costs	<u>\$ 722,587</u>		<u>\$ 777,454</u>		<u>\$ 782,583</u>	

Since inception, the Company has repurchased 243.7 million shares of its common stock for an aggregate cost of \$11.70 billion, which is recorded as a reduction of Additional paid-in capital.

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Accumulated Other Comprehensive Loss

The following table summarizes the changes in the components of Accumulated other comprehensive loss for 2021 and 2020:

	Foreign Currency Translation Adjustments Loss	Unrealized Gain (Loss) On Investments	Total Accumulated Other Comprehensive Loss
(In thousands)			
Balance, December 31, 2019	\$ (2,836)	\$ 215	\$ (2,621)
Changes	—	(135)	(135)
Balance, December 31, 2020	(2,836)	80	(2,756)
Changes	—	(29)	(29)
Balance, December 31, 2021	<u>\$ (2,836)</u>	<u>\$ 51</u>	<u>\$ (2,785)</u>

Note 6. Calculation of Earnings per Share

The following table presents the computation of weighted-average shares used in the calculation of basic and diluted earnings per share:

	Year Ended December 31,		
	2021	2020	2019
(In thousands)			
Weighted-average shares of common stock outstanding	112,015	115,058	118,513
Weighted-average potential shares of common stock outstanding:			
Unvested RSUs and ESPP	151	240	455
Shares used to compute diluted earnings per share	<u>112,166</u>	<u>115,298</u>	<u>118,968</u>

The calculation of diluted weighted average shares outstanding excludes performance-based RSUs granted by the Company for which the relevant performance criteria have not been achieved. The number of potential shares excluded from the calculation was not significant in any period presented.

Note 7. Revenues

The Company generates revenues in the U.S.; Europe, the Middle East and Africa (“EMEA”); China; and certain other countries, including, but not limited to Canada, Australia, and Japan. The following table presents our revenues disaggregated by geography, based on the billing addresses of our customers:

	Year Ended December 31,		
	2021	2020	2019
(In thousands)			
U.S.	\$ 851,299	\$ 804,647	\$ 772,586
EMEA	231,686	214,204	206,975
China	99,727	113,048	119,291
Other	144,864	133,153	132,809
Total revenues	<u>\$ 1,327,576</u>	<u>\$ 1,265,052</u>	<u>\$ 1,231,661</u>

Revenues in the table above are attributed to the country of domicile and the respective regions in which registrars are located; however, this may differ from the regions where the registrars operate or where registrants are located. Revenues for each region may be impacted by registrars reincorporating, relocating, or from acquisitions or changes in affiliations of resellers. Revenues for each region may also be impacted by registrars domiciled in one region, registering domain names in another region.

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Major Customers

Our largest customer accounted for approximately 33%, 34%, and 33% of revenues in 2021, 2020, and 2019, respectively. The Company does not believe that the loss of this customer would have a material adverse effect on the Company's business because, in that event, end-users of this customer would transfer to the Company's other existing customers.

Deferred Revenues

As payment for domain name registrations and renewals are due in advance of our performance, we record these amounts as deferred revenues. The increase in the deferred revenues balance in 2021 is primarily driven by amounts billed in 2021 for domain name registrations and renewals to be recognized as revenues in future periods, offset by refunds for domain name renewals deleted during the 45-day grace period, and \$752.2 million of revenues recognized that were included in the deferred revenues balance at December 31, 2020. The higher deferred revenue balance as of December 31, 2021 also reflects an increase in the volume of early renewal transactions that occurred before the .com price increase became effective on September 1, 2021. The balance of deferred revenues as of December 31, 2021 represents our aggregate remaining performance obligations. Amounts included in current deferred revenues are all expected to be recognized in revenues within 12 months, except for a portion of deferred revenues that relates to domain name renewals that are deleted in the 45-day grace period following the transaction. The long-term deferred revenues amounts will be recognized in revenues over several years and in some cases up to ten years.

Note 8. Employee Benefits and Stock-based Compensation

401(k) Plan

The Company maintains a defined contribution 401(k) plan (the "401(k) Plan") for substantially all of its U.S. employees. Under the 401(k) Plan, eligible employees may contribute up to 50% of their pre-tax salary, subject to the Internal Revenue Service ("IRS") annual contribution limits. The Company matches 50% of up to the first 8% of the employee's annual salary contributed to the plan. The Company contributed \$5.2 million in 2021, \$5.0 million in 2020, and \$4.7 million in 2019 under the 401(k) Plan. The Company can terminate matching contributions at its discretion at any time.

Equity Incentive Plan

The majority of Verisign's stock-based compensation relates to RSUs granted under the 2006 Equity Incentive Plan (the "2006 Plan"). As of December 31, 2021, a total of 8.1 million shares of common stock remain reserved for issuance upon the vesting of RSUs and for the future grant of equity awards. The 2006 Plan authorizes the award of incentive stock options to employees and non-qualified stock options, restricted stock awards, RSUs, stock bonus awards, stock appreciation rights and performance shares to eligible employees, officers, directors, consultants, independent contractors and advisers. The 2006 Plan is administered by the Compensation Committee which may delegate to a committee of one or more members of the Board or Verisign's officers the ability to grant certain awards and take certain other actions with respect to participants who are not executive officers or non-employee directors. RSUs are awards covering a specified number of shares of Verisign common stock that may be settled by issuance of those shares (which may be restricted shares). RSUs generally vest over four years. Certain RSUs with performance and market conditions ("PSUs"), granted to the Company's executives, generally vest over a three year term. Additionally, the Company has granted fully vested RSUs to members of its Board in each of the last three years. The Compensation Committee may authorize grants with a different vesting schedule in the future.

2007 Employee Stock Purchase Plan

Eligible employees of the Company may purchase common stock under the 2007 Employee Stock Purchase Plan through payroll deductions by electing to have between 2% and 25% of their compensation withheld to cover the purchase price. Each participant is granted an option to purchase common stock. This option is automatically exercised on the last day of each six-month purchase period during the offering period. The purchase price for the common stock under the ESPP is 85% of the lesser of the fair market value of the common stock on the first day of the applicable offering period or the last day of the applicable purchase period. Offering periods begin on the first business day of February and August of each year. As of December 31, 2021, 3.0 million shares of the Company's common stock remain reserved for future issuance under this plan.

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Stock-based Compensation

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

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
Cost of revenues.....	\$ 6,525	\$ 6,321	\$ 6,739
Sales and marketing.....	4,312	3,453	3,755
Research and development.....	8,283	7,137	6,370
General and administrative.....	34,319	31,332	33,762
Stock-based compensation expense.....	53,439	48,243	50,626
Capitalization (included in Property and equipment, net).....	1,622	1,783	1,690
Total stock-based compensation.....	<u>\$ 55,061</u>	<u>\$ 50,026</u>	<u>\$ 52,316</u>

The following table presents the nature of the Company's total stock-based compensation:

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
RSUs.....	\$ 41,476	\$ 38,217	\$ 36,930
PSUs.....	9,310	7,380	10,522
ESPP.....	4,275	4,429	4,864
Total stock-based compensation.....	<u>\$ 55,061</u>	<u>\$ 50,026</u>	<u>\$ 52,316</u>

The income tax benefit that was included within Income tax benefit (expense) related to these stock-based compensation expenses for 2021, 2020, and 2019 was \$12.4 million, \$11.0 million, and \$11.7 million, respectively.

RSUs Information

The following table summarizes unvested RSUs activity for the year ended December 31, 2021:

	Shares	Weighted-Average Grant-Date Fair Value
	(Shares in thousands)	
Unvested at beginning of period.....	661	\$ 164.83
Granted.....	316	\$ 200.64
PSU achievement adjustment.....	(10)	\$ 110.57
Vested and settled.....	(334)	\$ 147.80
Forfeited.....	(30)	\$ 185.99
	<u>603</u>	<u>\$ 192.88</u>

The RSUs in the table above include PSUs. The unvested RSUs as of December 31, 2021 include less than 0.2 million PSUs. The number of shares received upon vesting of these PSUs may range from zero to 0.3 million depending on the level of performance achieved and whether any market conditions are satisfied.

The closing price of Verisign's stock was \$253.82 on December 31, 2021. As of December 31, 2021, the aggregate market value of unvested RSUs was \$152.9 million. The fair values of RSUs that vested during 2021, 2020, and 2019 were \$70.3 million, \$115.0 million, and \$124.1 million, respectively. The weighted-average grant-date fair value of RSUs granted during the years ended December 31, 2020 and 2019, was \$205.61 and \$172.87, respectively. As of December 31, 2021, total unrecognized compensation cost related to unvested RSUs was \$82.3 million which is expected to be recognized over a weighted-average period of 2.4 years.

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Note 9. Non-operating (Loss) Income, Net

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

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
Loss on extinguishment of debt	\$ (2,149)	\$ —	\$ —
Interest income	582	7,815	26,596
Gain on sale of business	—	6,402	817
Transition services income	—	2,100	15,600
Other, net	238	(130)	247
Total non-operating (loss) income, net	<u>\$ (1,329)</u>	<u>\$ 16,187</u>	<u>\$ 43,260</u>

The redemption of the 2023 Notes resulted in a loss on debt extinguishment of \$2.1 million related to the unamortized debt issuance costs on the notes. Interest income is earned principally from the Company's surplus cash balances and marketable securities. The lower interest income in 2021 and 2020 reflects a decline in interest rates on our investments in debt securities. Gain on sale of business and transition services income in 2020 and 2019 relate to the sale of our security services customer contracts.

Note 10. Income Taxes

Income before income taxes is categorized geographically as follows:

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
United States	\$ 489,395	\$ 457,830	\$ 452,793
Foreign	292,824	292,414	305,983
Total income before income taxes	<u>\$ 782,219</u>	<u>\$ 750,244</u>	<u>\$ 758,776</u>

The provision for income taxes consisted of the following:

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
Current expense (benefit):			
Federal	\$ 97,420	\$ (123,933)	\$ 74,283
State	32,188	10,522	2,069
Foreign, including withholding tax	29,834	29,152	31,385
	<u>159,442</u>	<u>(84,259)</u>	<u>107,737</u>
Deferred expense (benefit):			
Federal	3,906	4,348	30,462
State	(200)	17,388	22,899
Foreign	(165,759)	(2,121)	(14,621)
	<u>(162,053)</u>	<u>19,615</u>	<u>38,740</u>
Total income tax (benefit) expense	<u>\$ (2,611)</u>	<u>\$ (64,644)</u>	<u>\$ 146,477</u>

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The difference between income tax (benefit) expense and the amount resulting from applying the federal statutory rate of 21% to Income before income taxes is attributable to the following:

	Year Ended December 31,		
	2021	2020	2019
	(In thousands)		
Income tax expense at federal statutory rate.....	\$ 164,266	\$ 157,551	\$ 159,343
State taxes, net of federal benefit.....	25,527	23,167	20,573
Effect of non-U.S. operations.....	(23,255)	(27,691)	(25,178)
Intercompany non-U.S. intellectual property transfer.....	(165,517)	—	—
Remeasurement of unrecognized tax benefits.....	(5,095)	(204,673)	7,365
Stock-based compensation.....	1,333	(8,643)	(9,204)
Other.....	130	(4,355)	(6,422)
Total income tax (benefit) expense.....	<u>\$ (2,611)</u>	<u>\$ (64,644)</u>	<u>\$ 146,477</u>

During the fourth quarter of 2021, as part of a legal entity reorganization, the Company completed an internal transfer of certain of its non-U.S. intellectual property which had no book value. This transfer created amortizable tax basis for the receiving entity based on the \$1.20 billion fair value of the intellectual property, which resulted in the recognition of a \$165.5 million deferred tax asset and a corresponding income tax benefit. During 2020, the Company recognized an income tax benefit as a result of the remeasurement of certain previously unrecognized income tax benefits. The majority of these income tax benefits related to the worthless stock deduction taken in 2013. These remeasurements were based on written confirmations from the IRS, indicating no examination adjustments would be proposed related to the worthless stock deduction or certain other matters reviewed as part of the audit of the Company's federal income tax returns for 2010 through 2014, and the lapse of statutes of limitations related to other unrecognized income tax benefits. Notwithstanding these written confirmations, the Company's U.S. federal income tax returns for those years remain under examination by the IRS. Tax years 2015 and 2016 are closed to IRS audit as the statutes of limitations have lapsed.

The Company qualified for a tax holiday in Switzerland until the end of 2019 which lowered tax rates on certain types of income and required certain thresholds of foreign source income. The tax holiday reduced our foreign income tax expense by \$17.3 million (\$0.15 per share) in 2019. The benefit from the tax holiday is calculated before consideration of any offsetting tax impact in the United States. Effective January 1, 2020, due to Swiss tax law changes, the tax holiday was eliminated, which was partially offset by a lowered statutory tax rate.

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The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are as follows:

	As of December 31,	
	2021	2020
	(In thousands)	
Deferred tax assets:		
Intellectual property	\$ 165,517	\$ —
Deferred revenues, accruals and reserves	68,574	66,926
Net operating loss carryforwards	4,747	5,623
Tax credit carryforwards	3,514	5,078
Other	1,693	2,379
Total deferred tax assets	<u>244,045</u>	<u>80,006</u>
Valuation allowance	<u>(5,530)</u>	<u>(5,613)</u>
Net deferred tax assets	<u>238,515</u>	<u>74,393</u>
Deferred tax liabilities:		
Property and equipment	(6,644)	(4,167)
Other	<u>(1,203)</u>	<u>(2,394)</u>
Total deferred tax liabilities	<u>(7,847)</u>	<u>(6,561)</u>
Total net deferred tax assets	<u>\$ 230,668</u>	<u>\$ 67,832</u>

With the exception of deferred tax assets related to certain state net operating loss and foreign tax credit carryforwards, management believes it is more likely than not that the tax effects of the deferred tax liabilities together with future taxable income, will be sufficient to fully recover the remaining deferred tax assets.

As of December 31, 2021, the Company's deferred tax assets included \$75.4 million of state net operating loss carryforwards, before applying tax rates for the respective jurisdictions. The tax credit carryforwards as of December 31, 2021 consisted primarily of foreign tax credit carryforwards. The state net operating loss carryforwards expire in various years from 2022 through 2034. The foreign tax credits will expire in 2028.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

	As of December 31,	
	2021	2020
	(In thousands)	
Beginning balance	\$ 23,728	\$ 231,339
Increases in tax positions for prior years	89	7,138
Decreases in tax positions for prior years	(1,322)	(199,107)
Increases in tax positions for current year	1,115	1,613
Decreases in tax positions due to settlement with taxing authorities	(1,231)	—
Lapse in statute of limitations	<u>(6,384)</u>	<u>(17,255)</u>
Ending balance	<u>\$ 15,995</u>	<u>\$ 23,728</u>

As of December 31, 2021, approximately \$16.2 million of unrecognized tax benefits, including penalties and interest, could affect the Company's tax provision and effective tax rate. The Company does not expect the balance of unrecognized tax benefits to change materially during the next twelve 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. These accruals were not material in any period presented.

The Company's major taxing jurisdictions are the U.S., the Commonwealth of Virginia, and Switzerland. The Company's U.S. federal income tax returns are currently under examination by the IRS for 2010 through 2014. The U.S. federal statutes of

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limitations are closed for the 2015 and 2016 tax years. The Company's other material tax returns are not currently under examination by their respective taxing jurisdictions. Because the Company has previously used net operating loss carryforwards and other tax attributes to offset its taxable income in income tax returns for the U.S. and Virginia, such attributes can be adjusted by these taxing authorities until the statute of limitations closes on the year in which such attributes were utilized. The open years for examination in Switzerland are the 2012 tax year and forward.

Note 11. Commitments and Contingencies

The following table represents the minimum payments required by Verisign under certain purchase obligations, certain U.S. income tax obligations, leases, and the interest payments and principal on the Senior Notes:

	<u>Purchase Obligations</u>	<u>Transition Tax</u>	<u>Operating Leases</u>	<u>Senior Notes</u>	<u>Total</u>
	(In thousands)				
2022.....	\$ 44,421	\$ 7,761	\$ 5,931	\$ 72,625	\$ 130,738
2023.....	10,676	14,573	1,799	72,625	99,673
2024.....	4,468	19,430	572	72,625	97,095
2025.....	4,039	24,288	116	559,500	587,943
2026.....	—	—	—	46,375	46,375
Thereafter.....	—	—	—	1,417,250	1,417,250
Total.....	\$ 63,604	\$ 66,052	\$ 8,418	\$ 2,241,000	\$ 2,379,074

The amounts in the table above exclude \$16.2 million of unrecognized tax benefits, as the Company is unable to reasonably estimate the ultimate amount or time of settlement of those liabilities.

Verisign enters into certain purchase obligations with various vendors. The Company's significant purchase obligations include firm commitments with telecommunication carriers, other service providers and the fixed portion of registry fees related to the operation of certain top-level domains. Registry fees for top-level domains that we operate where the amounts are variable or passed-through to registrars have been excluded from the table above. The Company does not have any significant purchase obligations beyond 2025.

The Company has an agreement with Internet Corporation for Assigned Names and Numbers ("ICANN") to be the sole registry operator for domain names in the .com registry through November 30, 2024. Under this agreement, the Company pays ICANN on a quarterly basis, \$0.25 for each annual term of a domain name registered or renewed during such quarter. The Company incurred registry fees for the .com registry of \$40.6 million in 2021, \$36.3 million in 2020, and \$34.7 million in 2019.

In connection with the .com Registry Agreement with ICANN, the Company is required to make annual payments of \$4.0 million to ICANN from 2021 through 2025 to support efforts to maintain the security and stability of the DNS. The payments for 2022 through 2025 are included in Purchase obligations in the table above.

The Transition Tax in the table above is the remaining installments of U.S. income taxes payable on our accumulated foreign earnings pursuant to the 2017 Tax Cuts and Jobs Act.

Verisign leases a small portion of its office space and a portion of its data center facilities under operating leases, the longest of which extends into 2025. Rental expenses under operating leases were not material in any period presented.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES**a. Evaluation of Disclosure 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 December 31, 2021, 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.

b. Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021 using the criteria established in *Internal Control-Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Based on our evaluation under the COSO framework, management has concluded that our internal control over financial reporting is effective 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.

KPMG LLP, an independent registered public accounting firm, has issued a report concerning the effectiveness of our internal control over financial reporting as of December 31, 2021. See “Report of Independent Registered Public Accounting Firm” in Item 8 of this Form 10-K.

c. 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 December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

d. Inherent Limitations of Disclosure Controls and Internal Control over Financial Reporting

Because of their inherent limitations, our disclosure controls and procedures and 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 effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to risks, including that the controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate.

ITEM 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item regarding our directors and nominees, Audit Committee, Corporate Governance and Nominating Committee, and Compensation Committee will be included under the captions “Proposal No. 1—Election of Directors,” “Security Ownership of Certain Beneficial Owners” and “Corporate Governance” in our Proxy Statement related to the 2022 Annual Meeting of Stockholders and is incorporated herein by reference (our “2022 Proxy Statement”).

Pursuant to General Instruction G(3) of Form 10-K, the information required by this item relating to our executive officers is included under the caption “Information About Our Executive Officers” in Part I of this Form 10-K.

We have adopted a written Code of Conduct, which is posted on our Investor Relations website under “Ethics and Business Conduct” at <https://investor.verisign.com/corporate-governance>. The Code of Conduct applies to all of our directors, officers, and employees, including our principal executive officer, principal financial officer, and other senior accounting officers. We have also adopted the “Corporate Governance Principles for the Board of Directors,” which provide guidance to our directors on corporate practices that serve the best interests of our company and our stockholders.

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

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated herein by reference to our 2022 Proxy Statement from the discussions under the captions “Compensation of Directors,” “Non-Employee Director Retainer Fees and Equity Compensation Information” and “Non-Employee Director Compensation Table for 2021,” and “Executive Compensation.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item is incorporated herein by reference from the discussions under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in our 2022 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated herein by reference to our 2022 Proxy Statement from the discussions under the captions “Policies and Procedures with Respect to Transactions with Related Persons,” “Certain Relationships and Related Transactions” and “Independence of Directors.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, McLean, VA, Auditor Firm ID: 185.

Information required by this item is incorporated herein by reference to our 2022 Proxy Statement from the discussions under the captions “Principal Accountant Fees and Services” and “Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors.”

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

1. Financial statements

The financial statements are set forth under Item 8 of this Form 10-K, as indexed below.

	Page
Reports of Independent Registered Public Accounting Firm	33
Consolidated Balance Sheets	36
Consolidated Statements of Comprehensive Income	37
Consolidated Statements of Stockholders' Deficit	38
Consolidated Statements of Cash Flows	39
Notes to Consolidated Financial Statements	40

2. Financial statement schedules

Financial statement schedules are omitted because the information called for is not material or is shown either in the consolidated financial statements or the notes thereto.

3. Exhibits

(a) Index to Exhibits

Pursuant to the rules and regulations of the SEC, the Company has filed certain agreements as exhibits to this Form 10-K. These agreements may contain representations and warranties by the parties thereto. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (1) may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to such agreements if those statements prove to be inaccurate, (2) may have been qualified by disclosures that were made to such other party or parties and that either have been reflected in the Company's filings or are not required to be disclosed in those filings, (3) may apply materiality standards different from what may be viewed as material to investors and (4) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments. Accordingly, these representations and warranties may not describe the Company's actual state of affairs at the date hereof or at any other time.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
2.01	Agreement and Plan of Merger dated as of March 6, 2000, by and among the Registrant, Nickel Acquisition Corporation and Network Solutions, Inc.	8-K	3/8/00	2.1	
3.01	Restated Certificate of Incorporation of the Registrant.	10-K	2/17/17	3.01	
3.02	Bylaws of VeriSign, Inc.	10-K	2/19/21	3.02	
4.01	Indenture, dated as of April 16, 2013, between VeriSign, Inc., each of the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee.	8-K	4/17/13	4.1	
4.02	Indenture dated as of March 27, 2015 between VeriSign, Inc. and U.S. Bank National Association, as trustee.	8-K	3/30/15	4.1	
4.03	Indenture, dated as of July 5, 2017, between VeriSign, Inc. and U.S. Bank National Association, as trustee.	8-K	7/5/17	4.1	
4.04	Indenture, dated as of June 8, 2021, between VeriSign, Inc. and U.S. Bank National Association, as trustee.	8-K	6/8/2021	4.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
4.05	First Supplemental Indenture, dated as of June 8, 2021, between VeriSign, Inc. and U.S. Bank National Association, as trustee.	8-K	6/8/2021	4.2	
4.06	Description of Securities of the Registrant	10-K	2/19/21	4.04	
10.01	Amended and Restated 2007 Employee Stock Purchase Plan, as adopted August 30, 2007, and amended May 25, 2017. +	DEF 14A	4/12/17	Appendix A	
10.02	Amendment No. Thirty (30) to Cooperative Agreement - Special Awards Conditions NCR-92-18742, between VeriSign and U.S. Department of Commerce managers.	10-K	7/12/07	10.27	
10.03	Form of Amended and Restated Change-in-Control and Retention Agreement [CEO Form of Agreement]. +	10-Q	7/27/17	10.01	
10.04	Amended and Restated Change-in-Control and Retention Agreement. +	10-Q	7/27/17	10.02	
10.05	VeriSign, Inc. 2006 Equity Incentive Plan Form of Non-Employee Director Restricted Stock Unit Agreement. +	10-Q	7/27/12	10.03	
10.06	Purchase and Sale Agreement for 12061 Bluemont Way Reston, Virginia between 12061 Bluemont Owner, LLC, a Delaware limited liability company, as Seller and VeriSign, Inc., a Delaware corporation, as Purchaser Dated August 18, 2011.	8-K	9/7/11	10.01	
10.07	Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on November 29, 2012.	8-K	11/30/12	10.1	
10.08	Amendment Number Thirty-Two (32) to the Cooperative Agreement between VeriSign, Inc. and Department of Commerce, entered into on November 29, 2012.	8-K	11/30/12	10.2	
10.09	VeriSign, Inc. 2006 Equity Incentive Plan Performance-Based Restricted Stock Unit Agreement +	10-Q	4/28/16	10.01	
10.10	VeriSign, Inc. 2006 Equity Incentive Plan Form of Employee Restricted Stock Unit Agreement +	10-K	2/19/16	10.70	
10.11	Amendment to the .com Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on October 20, 2016	8-K	10/20/16	10.1	
10.12	Amendment Number Thirty-Three (33) to the Cooperative Agreement between VeriSign, Inc. and Department of Commerce, entered into on October 20, 2016	8-K	10/20/16	10.2	
10.13	Amendment Number Thirty-Four (34) to the Cooperative Agreement between VeriSign, Inc. and Department of Commerce, entered into on October 20, 2016	8-K	10/20/16	10.3	
10.14	Amended and Restated VeriSign, Inc. 2006 Equity Incentive Plan, as amended and restated +	DEF 14A	4/29/16	Appendix A	
10.15	.Net Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on June 28, 2017.	8-K	6/28/17	10.1	
10.16	Amendment Thirty-Five (35) to the Cooperative Agreement between VeriSign, Inc. and the U.S. Department of Commerce, entered into on October 26, 2018	8-K	11/1/18	10.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.17	Asset Purchase Agreement between Verisign, Inc., as the seller and Neustar, Inc., as the buyer, dated as of October 24, 2018	10-K	2/15/19	10.20	
10.18	Second Amendment to the .com Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on March 27, 2019	10-K	2/14/20	10.21	
10.19	Amendment to Asset Purchase Agreement and Transition Services Agreement between Neustar, Inc. and VeriSign, Inc., dated as of December 10, 2019†	10-K	2/14/20	10.22	
10.20	Third Amendment to the .com Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on March 27, 2020.	8-K	03/27/20	10.1	
10.21	First Amendment to the .net Registry Agreement between VeriSign, Inc. and the Internet Corporation for Assigned Names and Numbers, entered into on April 27, 2020.	10-Q	10/22/20	10.01	
10.22	Credit Agreement, amended and restated as of December 23, 2021 among VERISIGN, INC., the Lenders as defined therein and JPMorgan Chase Bank, N.A., as Administrative Agent.				X
21.01	Subsidiaries of the Registrant.	10-K	2/14/20	21.01	
23.01	Consent of Independent Registered Public Accounting Firm.				X
24.01	Powers of Attorney (Included as part of the signature pages hereto).				X
31.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a).				X
31.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a).				X
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). *				X
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). *				X
101	Interactive Data File. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				X

* As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Form 10-K and are not deemed filed with the Securities and Exchange Commission 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.

+ Indicates a management contract or compensatory plan or arrangement.

† Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

ITEM 16. 10-K SUMMARY

None.

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BOARD OF DIRECTORS

D. James Bidzos

Chairman of the Board of Directors,
Executive Chairman,
and Chief Executive Officer
VeriSign, Inc.

Kathleen A. Cote

Former Chief Executive Officer
Worldport Communications Company

Roger H. Moore

Former President and Chief
Executive Officer
Illuminet Holdings, Inc.

Courtney D. Armstrong

President,
Business Affairs and Administration
Paramount Pictures

Thomas F. Frist III

Principal
Frist Capital, LLC

Timothy Tomlinson

Former General Counsel
Portola Minerals Company

Ari Buchalter

Chief Executive Officer
Place Exchange, Inc.

Jamie S. Gorelick

Partner
Wilmer Cutler Pickering Hale and Dorr LLP

EXECUTIVE OFFICERS

D. James Bidzos

Chairman of the Board of Directors,
Executive Chairman,
and Chief Executive Officer

George E. Kilguss, III

Executive Vice President,
Chief Financial Officer

Todd B. Strubbe

President and
Chief Operating Officer

Thomas C. Indelicarto

Executive Vice President,
General Counsel, and Secretary

INVESTOR INFO

Quarterly earnings releases, corporate news releases, and Securities and Exchange Commission filings are available by contacting Verisign Investor Relations or through our website at <https://investor.verisign.com>. **A copy of Verisign's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, containing additional information of possible interest to stockholders will be sent without charge to any stockholder who requests it. Please direct your request to Verisign Investor Relations at the address at right.**

VERISIGN INVESTOR RELATIONS

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Reston, VA 20190
Phone: + 1 800 922 4917
Int'l: + 1 703 948 3447
Email: ir@verisign.com
<https://investor.verisign.com/>

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
8350 Broad Street, Suite 900
McLean, VA 22102

TRANSFER AGENT

If you have questions concerning stock certificates, change of address, consolidation of accounts, transfer of ownership, or other stock account matters, please contact Verisign's transfer agent:

Computershare Inc.

P.O. Box 505000
Louisville, KY 40233
Phone: + 1 877 255 1918
Int'l: + 1 201 680 6578
<https://www.computershare.com/us>

STOCK EXCHANGE LISTING

Nasdaq Stock Market
Ticker Symbol: VRSN

VRSN
Nasdaq Listed



ABOUT VERISIGN

Verisign, a global provider of domain registry services and internet infrastructure, enables internet navigation for many of the world's most recognized domain names. Verisign enables the security, stability, and resiliency of key internet infrastructure and services, including providing root zone maintainer services, operating two of the 13 global internet root servers, and providing registration services and authoritative resolution for the .com and .net top-level domains, which support the majority of global ecommerce. To learn more about what it means to be Powered by Verisign, please visit Verisign.com.

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(Beijing) Co., Ltd
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