

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement"), effective this \_\_\_\_ day of \_\_\_\_\_ 2005, is made by and on behalf of the following entities: (i) Internet Corporation for Assigned Names and Numbers, a non-profit public benefit corporation organized under the laws of the State of California, United States of America ("ICANN"); and (ii) VeriSign, Inc., a corporation organized under the laws of the State of Delaware, United States of America ("VeriSign"). ICANN and VeriSign are referred to collectively as the "Parties."

WHEREFORE, ICANN and VeriSign are parties to the following agreements: (i) Registry Agreement effective May 2001 with regard to the ".com" top level domain of the Internet (the "2001 .com Registry Agreement"); and (ii) Registry Agreement effective May 2001 with regard to the ".net" top level domain of the Internet (the "2001 .net Registry Agreement"); and

WHEREFORE, disputes have arisen between ICANN and VeriSign under the 2001 .com Registry Agreement and the 2001 .net Registry Agreement, which disputes have resulted in both litigation and arbitration; and

WHEREFORE, ICANN and VeriSign desire to settle and compromise certain of their disputes by entering into this Agreement as well as a successor registry agreement with respect to the ".com" top level domain of the Internet (the "2005 .com Registry Agreement").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. VeriSign support of ICANN.

A. Upon approval of this Agreement by the ICANN Board, the Parties shall issue separate press statements regarding this Agreement. VeriSign agrees that its statement shall reiterate its support for ICANN as the appropriate technical coordination body for the DNS, in particular with respect to Internet domain names, IP address numbers, root server system management functions, and protocol parameter and port numbers. VeriSign also agrees that it will continue to be an advocate for the private sector solution to the coordination of Internet names and addresses, including (without limitation) that VeriSign will advocate ICANN's appropriate role in that process.

B. VeriSign agrees that, effective immediately upon the execution of this Agreement, it will not participate in, contribute monies for, encourage or provide other support for any activities by or for third parties that seek to undermine ICANN's role as set out in paragraph 1A above, and it will immediately cease any such ongoing activities. This does not (i) affect in any way VeriSign's obligations to respond truthfully to government inquiries, judicial proceedings, or required testimony; (ii) prohibit VeriSign from taking positions or advocating within the ICANN process on specific issues, consistent with its obligations in paragraph 1A above; or

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(iii) preclude VeriSign from membership in organizations that may take positions with respect to ICANN or related subjects, so long as VeriSign does not use its membership as a device to avoid the obligations of this paragraph and does not advocate or support such actions by any organization in any way other than its membership.

C. The Parties agree to the following dispute resolution process for the issues referenced in paragraphs 1A and 1B:

1. Should any dispute arise as to whether VeriSign is complying with its obligations under paragraphs 1A or 1B above, senior management (meaning at least one of the two most senior executives in the respective companies or their affected business units and the companies' respective general counsel) will promptly confer concerning the issue in an attempt to resolve the issue. If senior management cannot resolve the issue within three business days, the issue shall be referred immediately to non-binding and informal mediation. The Parties hereby designate the Hon. Charles S. Vogel as the mediator, assuming he is available. If he is not available, the Parties agree that the Los Angeles office of JAMS shall select the mediator. The Parties agree that the mediation shall conclude within five (5) business days and that any briefing materials filed with the mediator shall be limited to five (5) pages.

2. If mediation does not achieve a resolution, the dispute shall be referred to binding arbitration by a single arbitrator under the most expedited schedule that is available, for the purpose of producing a final and binding decision within fifteen (15) business days of the initiation of arbitration. The parties agree that, if available, the arbitrator shall be Hon. Richard C. Neal. If he is not available, the Parties agree that the Los Angeles office of JAMS shall select an arbitrator. The arbitrator will be asked to decide only whether VeriSign has complied with its obligations in paragraphs 1A-B above. If the arbitrator issues an award in favor of VeriSign, the matter shall be concluded. If the arbitrator issues a finding in favor of ICANN, the arbitrator may impose appropriate remedies on VeriSign, limited to ordering a public retraction or corrective communication. The parties may seek judicial review of the arbitration only on the grounds available under the Federal Arbitration Act. Exclusive venue for such judicial review shall be in a court located in the County of Los Angeles, California. In the event the arbitrator issues an award in favor of ICANN, ICANN shall be entitled to commence further arbitration proceedings seeking damages for any breach of the provisions of sections 1A and 1B above (the "Subsequent Arbitration"). The Subsequent Arbitration shall be conducted before the same JAMS arbitrator and pursuant to the JAMS commercial arbitration rules. In the Subsequent Arbitration, the arbitrator shall permit reasonable discovery and other pre-trial proceedings. Further, in the Subsequent Arbitration, the decision of the initial arbitrator shall be non-binding and non-prejudicial to VeriSign.

### 2. Stay and dismissal of pending litigation and arbitration.

Within five (5) business days of the execution of this Agreement, the Parties shall file a stipulation to dismiss with prejudice the lawsuit styled *VeriSign, Inc. v. ICANN*, United States District Court, Central District of California, Case No. CV 04-1292 AHM, presently on appeal to the Ninth Circuit Court of Appeals, Case No. 04-56761 (the "Federal lawsuit").

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Within five (5) business days of the execution of this Agreement, the Parties shall file a dismissal of the arbitration proceedings in connection with *ICANN v. VeriSign, Inc.*, International Chamber of Commerce, International Court of Arbitration, Case No. 13 568/JNK/EBS (the "ICC Arbitration").

Within five (5) days of the execution of this Agreement, the parties shall file a stipulation to dismiss with prejudice the lawsuit styled *VeriSign, Inc. v. ICANN*, Los Angeles Superior Court Case No. BC 320763 ("the Superior Court lawsuit").

### 3. No admission of liability.

This Agreement constitutes the settlement of disputed claims. It does not and shall not constitute an admission of liability by either of the Parties and shall not be used by any Party or any other person or entity in any litigation or proceeding for that purpose. The Parties further agree that the disputes and allegations that resulted in the litigation referenced in paragraph 2 and are subject to this Agreement shall not be considered in any context except as may be required to respond truthfully to governmental inquiries or required testimony.

### 4. Governing law, arbitration, and venue.

Except as expressly provided herein, this Agreement shall be governed by the laws of the State of California. Any disputes arising out of or in connection with this Agreement, except for disputes related to paragraph 1 above, shall be referred to binding arbitration before the ICC according to the procedures and as set forth in the .com Registry Agreement executed concurrently herewith.

### 5. Costs and attorney's fees.

The Parties agree to bear their own costs and attorney's fees in connection with the litigation and arbitration referenced in paragraph 2 above and in connection with the negotiation of this Agreement.

### 6. Releases.

Except as provided in this Agreement and the 2005 .com Registry Agreement, each of the Parties (on behalf of their respective affiliates, parents, subsidiaries, shareholders, officers, directors, employees, agents, attorneys, predecessors, successors and assigns) hereby releases and discharges the other (and their respective affiliates, parents, subsidiaries, shareholders, officers, directors, employees, agents, attorneys, predecessors, successors and assigns) from any and all claims and causes of action, whether known or unknown, that have arisen as of the date of this Agreement, including, without limiting the generality of the foregoing, any or all claims that were or could have been made in the Federal lawsuit, the ICC Arbitration, or the Superior Court lawsuit, except that the releases provided for in this Agreement shall not apply to the claims made by SnapNames, Inc. against ICANN in the Los Angeles Superior Court, Case No. BC 324782, or any other litigation that SnapNames might file related to the claims that SnapNames asserts in that lawsuit. Each of the Parties acknowledges and expressly waives the provisions of California Civil Code section 1542, which provides:

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"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor."

### 7. Successors and assigns.

This Agreement shall be binding and inure to the benefit of the Parties and their respective successors and assigns.

### 8. Counterparts.

This Agreement may be signed in counterparts, each of which shall be deemed an original. This Agreement may only be amended in writing, which amendment may also be signed in counterparts.

### 9. Further assurances.

The Parties agree to execute and deliver any additional papers, documents and other assurances, and take all acts that are reasonably necessary to carry out the intent of this Agreement.

### 10. No third-party beneficiaries.

Nothing in this Agreement shall confer any rights upon any person or entity who is not a party to this Agreement, nor shall anything in this Agreement be construed as creating an obligation by either ICANN or VeriSign to any non-party to this agreement.

### 11. Notices.

The referral notice to the appropriate competition authority or authorities provided in section 3.1(d)(iv)(E) of the 2005 .com Registry Agreement shall be in the form of Exhibit \_\_\_ hereto. Further, the parties agree that the appropriate authority or authorities for reference of such issues for the .com Registry Operator shall be the Department of Justice and/or the Federal Trade Commission of the U.S. Government.

Along with that information provided to ICANN under Section 3.1(d)(iv)(B) of the 2005 .com Registry Agreement, VeriSign shall provide a description of the proposed Registry Service sufficient to describe the purpose of the proposed Registry Service and its effect on users of the DNS, that VeriSign shall identify as appropriate for forwarding with the letter attached hereto as Exhibit B, and which ICANN shall use as the enclosure with Exhibit B.

Any notices that are provided pursuant to this Agreement or in connection with the 2005 .com Registry Agreement shall be provided via both electronic mail and writing (either facsimile or U.S. Mail) to the other party as follows:

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To VeriSign: VeriSign, Inc.  
Attn: Senior Vice President, VNDS  
21345 Ridgetop Circle  
Dulles, VA 20166  
Facsimile: 703-421-2129

With a copy to:

VeriSign, Inc.  
Attn: Chief Litigation Counsel  
21355 Ridgetop Circle  
Dulles, VA 20166  
Facsimile: 703-450-7326

To ICANN: Internet Corporation for Assigned Names and Numbers  
Attn: President and Chief Executive Officer  
4676 Admiralty Way, Suite 300  
Marina del Rey, CA 90292-6601  
Facsimile: 1-310-823-8649

With a copy to:

Internet Corporation for Assigned Names and Numbers  
Attn: General Counsel  
4676 Admiralty Way, Suite 300  
Marina del Rey, CA 90292-6601  
Facsimile: 1-310-823-8649

12. Mutual contribution.

This Agreement was drafted by both of the Parties and, thus, shall not be construed against any Party because that Party initially drafted any particular provision.

Wherefore, the Parties have executed this Agreement as of the date set forth above.

Internet Corporation for Assigned Names  
and Numbers

VeriSign, Inc.

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Paul Twomey  
President and CEO

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James Ulam  
Senior Vice President, General Counsel and  
Secretary, VeriSign

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**Exhibit A**

Dear \_\_\_\_\_:

The Internet Corporation for Assigned Names and Numbers (ICANN) is a nonprofit public benefit corporation that has responsibility for Internet Protocol (IP) address space allocation, protocol identifier assignment, generic (gTLD) and country code (ccTLD) Top-Level Domain name system management, and root server system management functions.

Under the February 2005 agreement between ICANN and VeriSign, Inc., the operator of the registry for the ".com" Internet top level domain, VeriSign is to advise ICANN of proposed new registry services, which ICANN preliminarily reviews for potential implications for security and stability of the domain name system and competition. The agreement between ICANN and VeriSign, including a description of the review by ICANN, may be found on the ICANN website at [www.icann.org](http://www.icann.org).

This letter is to inform you that VeriSign has advised ICANN of its intention to introduce a new registry service. This service potentially could have an affect on competition. Attached is information from VeriSign describing the service.

For further information regarding these matters, you may contact \_\_\_\_\_ at ICANN or the General Counsel at VeriSign.