

**WEB.COM GROUP, INC.**  
12808 Gran Bay Parkway West  
Jacksonville, Florida 32258

---

**NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On May 2, 2012**

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of **WEB.COM GROUP, INC.**, a Delaware corporation (the "Company"). The meeting will be held on May 2, 2012 at 10:30 a.m. local time, at the Company's offices located at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258 for the following purposes:

1. To elect two directors to hold office until the 2015 Annual Meeting of Stockholders.
2. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2012.
3. To provide an advisory vote on the Company's executive compensation.
4. To conduct any other business properly brought before the meeting.

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

The record date for the annual meeting is March 6, 2012. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

**Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 2, 2012 at 10:30 a.m. Eastern Standard Time at the Company's offices located at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258: The proxy statement and annual report to stockholders are available at [www.proxyvote.com](http://www.proxyvote.com).**

By Order of the Board of Directors



Matthew P. McClure  
Secretary

Jacksonville, Florida  
March 23, 2012

**You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the Internet as instructed in these materials, as promptly as possible to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.**



**WEB.COM GROUP, INC.**  
12808 Gran Bay Parkway West  
Jacksonville, Florida 32258

---

**PROXY STATEMENT  
FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS**

**May 2, 2012**

**QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING**

**Why am I receiving these materials?**

We sent you this proxy statement and the enclosed proxy card because the Board of Directors (the “Board”) of **WEB.COM GROUP, INC.** (sometimes referred to as the “Company” or “Web.com”) is soliciting your proxy to vote at the 2012 Annual Meeting of Stockholders. You are invited to attend this annual meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or on the Internet.

The Company intends to mail this proxy statement and accompanying proxy card on or about March 26, 2012 to all stockholders of record entitled to vote at the annual meeting.

**Who can vote at the annual meeting?**

Only stockholders of record at the close of business on March 6, 2012 will be entitled to vote at the annual meeting. On this record date, there were 48,498,689 shares of common stock outstanding and entitled to vote.

*Stockholder of Record: Shares Registered in Your Name*

If on March 6, 2012 your shares were registered directly in your name with the Company’s transfer agent, Computershare Trust Company, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the Internet as instructed below to ensure your vote is counted.

*Beneficial Owner: Shares Registered in the Name of a Broker or Bank*

If on March 6, 2012 your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

**Notice and Access**

You will find information regarding the matters to be voted on in the attached Notice of Annual Meeting of Stockholders and Proxy Statement. We are sending many of our stockholders a notice regarding the availability of this proxy statement, our Annual Report on Form 10-K for year ended December 31, 2011 and other proxy materials via the Internet. This notice instructs you how to access and review the proxy materials and how to submit your vote over the Internet, and you should follow the instructions set forth in the notice.

**How do I attend the annual meeting?**

**The meeting will be held on Wednesday, May 2, 2012, at 10:30 a.m. local time at the Company’s offices located at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258. If you plan to attend the Annual Meeting and need directions or special assistance, please contact our Investor Relations Department at (904) 680-6600. Information on how to vote in person at the annual meeting is discussed below.**

## What am I voting on?

There are three matters scheduled for a vote:

- To elect two directors to hold office until the 2015 Annual Meeting of Stockholders.
- To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ended December 31, 2012.
- To provide an advisory vote on the Company's executive compensation.

## How do I vote?

- You may either vote "For" each nominee to the Board or you may "Withhold" your vote for each nominee.
- You may vote "For", "Against", or "Abstain" on the ratification of Ernst & Young as the Company's auditors for 2012.
- You may vote "For", "Against," or "Abstain" on the compensation for named executive officers.

### *Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record, you may vote in person at the annual meeting, vote by proxy using the enclosed proxy card, vote by proxy over the telephone, or vote by proxy on the Internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

- To vote in person, come to the annual meeting and we will give you a ballot when you arrive.
- To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.
- To vote over the telephone, dial toll-free 1-800-690-6903 using a touch-tone phone and follow the recorded instructions. You will be asked to provide your holder account number and proxy access number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern time on May 1, 2012 to be counted.
- To vote on the Internet, go to [www.proxyvote.com](http://www.proxyvote.com) to complete an electronic proxy card. You will be asked to provide your holder account number and proxy access number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern time on May 1, 2012 to be counted.

### *Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Web.com. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

**We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.**

## How many votes do I have?

You have one vote for each share of common stock you own as of the close of business on March 6, 2012.

### **What if I return a proxy card but do not make specific choices?**

If you return a signed proxy card without marking any voting selections, your shares will be voted “For” the election of nominees for director; “For” the approval of the executive compensation; “For” the ratification of Ernst & Young as the Company’s auditors for 2012. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his judgment.

### **Who is paying for this proxy solicitation?**

The Company will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, the Company’s directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. The Company may also reimburse brokerage firms, banks, and other agents for the cost of forwarding proxy materials to beneficial owners.

### **What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return *each* proxy card to ensure that all of your shares are voted.

### **Can I change my vote after submitting my proxy?**

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

- You may submit another properly completed proxy card with a later date.
- You may send a written notice that you are revoking your proxy to Web.com’s Secretary at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.
- You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

### **When are stockholder proposals due for next year’s annual meeting?**

To be considered for inclusion in next year’s proxy materials, your proposal must be submitted in writing by January 1, 2013 to the Secretary of Web.com at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

A stockholder nomination for director or a proposal that will not be included in next year’s proxy materials, but that a stockholder intends to present in person at next year’s annual meeting, must comply with the notice, information and consent provisions contained in the Company’s Bylaws. In part, the Bylaws provide that to timely submit a proposal or nominate a director you must do so by submitting the proposal or nomination in writing, to the Company’s Secretary at the Company’s principal executive offices no later than the close of business on February 1, 2013 (90 days prior to the first anniversary of the 2012 Annual Meeting Date) nor earlier than the close of business on January 2, 2013 (120 days prior to the first anniversary of the 2012 Annual Meeting Date). In the event that the Company sets an annual meeting date for 2013 that is not within 30 days before or after the anniversary of the 2012 Annual Meeting date, notice by the stockholder must be received no earlier than the close of business on the 120<sup>th</sup> day prior to the 2013 Annual Meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to the 2013 Annual Meeting or the 10<sup>th</sup> day following the day on which public announcement of the date of the 2013 Annual Meeting is first made. The Company’s Bylaws contain additional requirements to properly submit a proposal or nominate a director. If you plan to submit a proposal or nominate a director, please review the Company’s Bylaws carefully. You may obtain a copy of the Company’s Bylaws by mailing a request in writing to the Secretary of Web.com at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

### **How are votes counted?**

Votes will be counted by the inspector of elections appointed for the meeting, who will separately count “For” and “Withhold” and, with respect to proposals other than the election of directors, “Against” votes, abstentions and broker non-votes. Abstentions will be counted towards the vote total for each proposal and will have the same effect as “Against” votes. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

If your shares are held by your broker as your nominee (that is, in “street name”), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to “discretionary” items, but not with respect to “non-discretionary” items. Discretionary items are proposals considered routine under the rules of the New York Stock Exchange (“NYSE”) on which your broker may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes. Generally, “non-discretionary” matters include director elections and other matters like those involving a contest or a matter that may substantially affect the rights or privileges of shareholders, such as mergers or stockholder proposals.

### **How many votes are needed to approve each proposal?**

- For the election of directors, the two nominees receiving the most “For” votes (among votes properly cast in person or by proxy) will be elected. Only votes “For” or “Withheld” affect the outcome of this proposal.
- For the vote on the approval of Ernst & Young as the Company’s auditors for 2012, the proposal must receive a “For” vote from the majority of shares present and entitled to vote either in person or by proxy. If you “Abstain” from voting, it will have the same effect as an “Against” vote. Broker non-votes have no effect and will not be counted towards the vote total.
- To be approved, for the vote regarding the compensation for named executives officers, the proposal needs to receive “For” votes from the holders of a majority of the shares (among votes properly cast in person or by proxy) to be considered approved. If you “Abstain” from voting, the abstention will have the same effect as an “Against” vote. Broker non-votes will have no effect. Although the vote is advisory in nature, it is not binding on the Company, and the Compensation Committee of the Board will take into account the outcome of the vote when considering future executive compensation decisions.

### **What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of the shares outstanding on the record date are represented by stockholders present at the meeting or by proxy. On the record date, there were 48,498,689 shares outstanding and entitled to vote. Thus at least 24,249,345 shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the chairman of the meeting or a majority of the votes present at the meeting may adjourn the meeting to another date.

### **How can I find out the results of the voting at the annual meeting?**

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in a Form 8-K to be filed on or before May 8, 2012.

### **How can I access the proxy statement and annual report?**

You can view the Company’s 2012 Proxy Statement and 2011 Annual Report at <http://ir.web.com/annuals.cfm> or request a copy by mail, without charge, upon written request to: Secretary, Web.com Group, Inc., 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

## PROPOSAL 1

### ELECTION OF DIRECTORS

Web.com's Board is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class shall serve for the remainder of the full term of that class, and until the director's successor is elected and qualified or until the director's death, resignation or removal. This includes vacancies created by an increase in the number of directors.

As of December 31, 2011, the Board had seven members. There are two directors in the class whose term of office expires in 2012. Mr. Durden, a non-executive director, was last elected to the board by the Company's stockholders at its Annual Meeting of Stockholders on May 6, 2009, and Ms. Deborah H. Quazzo, a non-executive director, was last elected to the Board by the Company's stockholders at its Annual Meeting of Stockholders on May 4, 2011. If elected at the upcoming annual meeting, both directors will serve until the 2015 annual meeting, or until that time and until their successors are elected and have qualified, or until such director's death, resignation or removal.

It is the Company's policy to encourage directors and nominees for director to attend the annual meeting, and all directors participated in the Company's 2011 annual meeting.

Set forth below are brief biographies of Mr. Durden and Ms. Quazzo, the nominees for election at the annual meeting, and of each additional director whose term will continue after the annual meeting.

#### **NOMINEES FOR ELECTION FOR A THREE-YEAR TERM EXPIRING AT THE 2015 ANNUAL MEETING**

*Hugh M. Durden*, age 69, has served as a member of the Company's Board of Directors since January 2006. He is Chairman of the Compensation Committee and a member of the Audit Committee. Mr. Durden is currently Chairman of the Alfred I. DuPont Testamentary Trust, a director of the St. Joe Company, a NYSE listed real estate development company since 2000, and a director of the Nemours Foundation since July 1997. He is also Chairman of the Investment Committee for the EARTH University Endowment Trust. From January 1994 until December 2000, Mr. Durden served as President of Wachovia Corporate Services, and Executive Vice President of Wachovia Corporation, a banking corporation. Mr. Durden holds a B.A. degree from Princeton University and an M.B.A. from the Freeman School of Business at Tulane University.

It is the opinion of management and the Board, that with over 30 years of experience in corporate finance and an MBA in finance, Mr. Durden is well qualified to make valuable contributions to the Company's financial strategy, planning and evaluation. He also has extensive experience as a senior executive in matters of corporate strategy and governance, which enables him to provide direction and valued advice in the Company's strategic deliberations.

*Deborah H. Quazzo*, age 50, has served as a member of the Board since her appointment on January 6, 2011. She is a member of the Audit Committee and the Nominating and Corporate Governance Committee. She is a co-founder of GSV Advisors, a merchant bank providing advisory and investment services to the education and business services sectors, and has been in this position since April 2009. She was co-founder and President of ThinkEquity Partners, an investment bank from 2001 until 2007, when it was acquired by London-based Panmure Gordon, and she served on the Board of Directors of Panmure Gordon from March 2007 to October 2008. Prior to 2001, she was Managing Director of the Investment Banking Division of Merrill Lynch & Co., and previously held positions with JP Morgan. She holds a BA degree from Princeton University and a MBA from Harvard Business School.

It is the opinion of management and the Board that her financial and entrepreneurial experience in creating and growing businesses is a valuable asset to the Board and the Company.

#### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF EACH NAMED NOMINEE**

## DIRECTORS CONTINUING IN OFFICE UNTIL THE 2013 ANNUAL MEETING

**Philip J. Facchina**, age 50, has served as a member of the Company's Board since November 24, 2010. He is a member of the Compensation Committee and the Nominating and Corporate Governance Committee. He is currently a Partner and the Chief Operating Officer of Ramsey Asset Management, Inc., an investment management firm, and has been in that position since April 2008. From August 1998 to March 2008, he served as Head of Financial Sponsors and Senior Managing Director and Group Head of Technology, Media and Telecom and Healthcare Groups within Friedman, Billings, Ramsey and FBR Capital Markets, an investment banking firm. He holds a B.S. degree in Accounting from the University of Maryland, and an MBA degree from the University of Pennsylvania, Wharton School of Business.

**Robert S. McCoy, Jr.**, age 72, has served as a member of the Company's Board since March 2006. He is the Chairman of the Nominating and Corporate Governance Committee and a member of the Audit Committee. Since November 2003, Mr. McCoy has been a director of Krispy Kreme Doughnuts, Inc., a NYSE-listed food company, and is currently Chairman of its Audit and a member of its Governance Committee. Mr. McCoy has been a director of MedCath Corporation since October 2003 and is currently the Chairman of its Audit Committee and Chairman of its Governance and Nominating Committee, and a member of its Compensation Committee. Mr. McCoy retired in September 2003 as Vice Chairman and Chief Financial Officer of Wachovia Corporation, a diversified financial services company, where he had served as a senior executive officer since 1991. He was also the Chief Financial Officer of South Carolina National Bank from 1984 to 1991. Mr. McCoy holds a BBA from Western Michigan University with an Accounting Major. He is also a certified public accountant, and was a partner in the firm of PricewaterhouseCoopers from 1974 through 1984.

## DIRECTORS CONTINUING IN OFFICE UNTIL THE 2014 ANNUAL MEETING

**David L. Brown**, age 57, has served as our Chief Executive Officer since August 2000, as Chairman of the Board of Directors since October 2000, and as a member of our Board of Directors since August 1999. Mr. Brown is also President and has served in that position since October 2009, and previously from August 1999 until March 2000, and from August 2000 until September 2007. Mr. Brown was a managing partner of Atlantic Partners Group, a private equity firm, from March 2000 until August 2000. Prior to joining us, Mr. Brown founded Atlantic Teleservices, a technology services company in 1997, and served as its Chief Executive Officer from 1997 until its acquisition by the Company in August 1999. Mr. Brown holds a B.A. from Harvard University.

**Timothy I. Maudlin**, age 61, has served as a member of the Company's Board of Directors since February 2002 and was appointed Lead Director in January 2007. He is Chairman of the Audit Committee and a member of the Compensation Committee. Mr. Maudlin is also a director of Sucampo Pharmaceuticals, Inc., a NASDAQ-listed pharmaceutical company, a position held since September 2006, and is currently the Chairman of its Audit Committee and its Nominating and Corporate Governance Committee, and a member of its Compensation Committee. From May 2008, Mr. Maudlin has been the Chair of the Audit Committee, the Lead Director since May 2010, and the Chair of the Nominating and Governance Committee since March 2012 of Exact Target, Inc., a NYSE-listed cross-channel, interactive marketing company. From August 2008 until its sale in 2011, Mr. Maudlin was a director of MediaMind Technologies, Inc., a NASDAQ-listed advertising management solutions company. Mr. Maudlin served as a managing partner of Medical Innovation partners, a venture capital firm from 1989 through 2008. Mr. Maudlin is also a member of the Board of Newegg, Inc., a privately-held ecommerce company, and he is Chairman of the Audit Committee and the Nominating and Corporate Governance Committee, and a member of the Compensation Committee. Mr. Maudlin is a certified public accountant and holds a BA from St. Olaf College and a M.M. from Kellogg School of Management at Northwestern University.

**Anton J. Levy**, age 37, has served as a member of the Company's Board of Directors since October 27, 2011. He is also a member of the Compensation Committee. Mr. Levy is a managing director at General Atlantic, LLC, a global growth equity firm, where he has worked since August 1998 and he leads its Global Internet and Technology practice and serves on its Executive Committee. Mr. Levy has worked with many of General Atlantic's global portfolio companies and is a director on several of these companies, including Affinion Group, AKQA, Mercado Libre, a NASDAQ listed leading internet trading platform company in Latin America, and Red Ventures, and manages a number of the General Atlantic's other investments in the internet. Prior to joining General Atlantic, Mr. Levy was investment banker with Morgan Stanley & Co. from July 2006 to July 2008. Mr. Levy formerly served on the board of Dice Holdings, a NYSE-listed provider of specialized career websites for professional communities. Mr. Levy received his B.S. from the University of Virginia with degrees in Finance and Computer Science, and his MBA from Columbia University Graduate School of Business.

All of the directors bring to the Company their combined experience and unique expertise, which is of tremendous benefit to the Company. We believe that their qualifications, business experience, integrity and visionary leadership helps the Company in its business and in achieving its goals for the benefit of its stockholders.

#### **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

There have been no late Section 16 filings for all Reporting Persons during the 2011 fiscal year.

#### **INDEPENDENCE OF THE BOARD OF DIRECTORS**

As required under the NASDAQ Global Market ("NASDAQ") listing standards, a majority of the members of a listed company's Board must qualify as "independent," as affirmatively determined by the Board. The Board consults with the Company's counsel to ensure that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of NASDAQ, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent registered public accounting firm, the Board affirmatively has determined that the following directors are independent directors within the meaning of the applicable NASDAQ listing standards: Mr. Durden, Mr. Facchina, Mr. Levy, Mr. Maudlin, Mr. McCoy, and Ms. Quazzo. In making this determination, the Board found that none of the independent directors or nominees for director has a material or other disqualifying relationship with the Company. Mr. Brown, the Chief Executive Officer and President of the Company, is not an independent director.

#### **INFORMATION REGARDING THE BOARD OF DIRECTORS AND ITS COMMITTEES**

On January 25, 2007, the Board documented the governance practices followed by the Company by adopting Corporate Governance Principles to assure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management. The principles are also intended to align the interests of directors and management with those of the Company's stockholders. The Corporate Governance Principles set forth the practices the Board will follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance, evaluation and succession planning, and board committees and compensation. The Corporate Governance Principles were adopted by the Board to, among other things, reflect changes to the NASDAQ listing standards and Securities and Exchange Commission rules adopted to implement provisions of the Sarbanes-Oxley Act of 2002. The Corporate Governance Principles, as well as the charters for each committee of the Board, are periodically reviewed by the Board, and may be viewed at <http://ir.web.com/documents.cfm>.

As required under applicable NASDAQ listing standards, in the fiscal year ended December 31, 2011, the Company's independent directors met four times in regularly scheduled executive sessions at which only independent directors were present. Mr. Maudlin, Lead Director and chairman of the Audit Committee, presided over the executive sessions. Persons interested in communicating with the independent directors with their concerns or issues may address correspondence to a particular director or to the independent directors generally, in care of Web.com at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chairman of the Audit, Compensation, or Nominating and Corporate Governance Committees.

Mr. Brown serves as Chairman of the Board, Chief Executive Officer and President. The Company believes that by having a combined Chief Executive Officer and Chairman of the Board role, it helps to ensure that the Board and management act with a common purpose. It is the Company's view that separating the position of Chief Executive Officer and Chairman of the Board has the potential to give rise to a divided leadership, which could interfere with good decision-making and weaken the Company's ability to develop and implement strategy. Instead, the Company believes that combining these two positions provides a single, clear chain of command to execute the Company's strategic initiatives and business plans. In addition, the Company believes that this combination serves to act as a bridge between management and the Board, facilitating the regular flow of information, and knowledge of the Company (as is the case with Mr. Brown), as compared to a relatively less informed independent Chairman of the Board.

The Board appointed Mr. Maudlin as Lead Director to help reinforce the independence of the Board as a whole. Mr. Maudlin's responsibilities as Lead Director include: presiding at all executive sessions of the Board and giving the Chairman and CEO feedback on matters discussed; reviewing and providing input with respect to possible agenda items to be presented at the meeting; serving as principal liaison between the Chairman and the other independent directors of the Board; providing feedback to the Chairman and acting as a sounding board with respect to strategies, accountability, relationships and other issues; overseeing that the Board discharges its responsibilities, ensuring that the Board evaluates the performance of management objectively and that the Board understands the boundaries between the Board and management responsibilities. Mr. Maudlin, in his position as Lead Director, plays a significant role in the Board's leadership and his leadership is key to maintaining the independence of the Board.

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Compensation Committee is responsible for overseeing the management of risks related to the Company's executive compensation plans and arrangements. The Audit Committee oversees management of financial risks, as well as having oversight of the enterprise risk management of the Company. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

The Board has three committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides the current membership and the meeting information for the fiscal year ended December 31, 2011 for each of the Board committees:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Hugh M. Durden	x	x*	
Philip M. Facchina		x	x
Anton J. Levy <sup>(1)</sup>		x	
Timothy I. Maudlin	x*	x	
Robert S. McCoy, Jr.	x		x*
Deborah H. Quazzo	x		x
Total meetings in fiscal year 2011	7	5	1

\* Committee Chairperson.

(1) Appointed to the Board in October 2011 and the Compensation Committee in February 2012.

Below is a description of each committee of the Board. The Board has determined that each member of each committee meets the applicable rules and regulations regarding “independence” and that each member is free of any relationship that would interfere with his or her individual exercise of independent judgment with regard to the Company.

#### **AUDIT COMMITTEE**

The Audit Committee of the Board oversees the Company’s corporate accounting and financial reporting process. For this purpose, the Audit Committee performs several functions. The Audit Committee evaluates the performance of and assesses the qualifications of the independent registered public accounting firm; determines and approves the engagement of the independent registered public accounting firm; determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm; reviews and approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on the Company’s audit engagement team as required by law; confers with management and the independent registered public accounting firm regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and meets to review the Company’s annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operation” set forth in the Company’s quarterly reports on Form 10-Q and annual report on Form 10-K. In the fiscal year ended December 31, 2011, the Audit Committee met five times in executive session with the Company’s independent auditor.

The Audit Committee reviews with management and the Company’s auditors, the Company’s guidelines and policies with respect to risk assessment, risk management, financial risk exposure, and the steps that management takes in its risk assessment procedures and controls. The Audit Committee charter gives specific authority to the Audit Committee for this assessment of risk, and for oversight of the enterprise risk management of the Company.

The Audit Committee charter can be found on the Company’s website at <http://ir.web.com/documents.cfm>. The Board annually reviews the NASDAQ listing standards definition of independence for Audit Committee members and has determined that all members of the Company’s Audit Committee are independent (as required by Rule 5605 of the NASDAQ Listing Rules). The Board has determined that Mr. Maudlin qualifies as an “audit committee financial expert,” as defined in applicable SEC rules.

#### **COMPENSATION COMMITTEE**

The Compensation Committee of the Board generally reviews and approves the overall compensation policies, plans and programs for the Company. The Compensation Committee reviews and approves corporate performance goals and objectives relevant to the compensation of the Company’s independent directors, executive officers and other senior management; determines and approves the compensation and other terms of employment of the Company’s Chief Executive Officer; reviews and approves the compensation and other terms of employment of the other executive officers; administers the Company’s stock option and purchase plans, stock bonus plans, deferred compensation plans and other similar programs; and reviews succession planning for executive positions. However, the Compensation Committee may, at its discretion and in accordance with the philosophy of making information available to the Board, present executive compensation matters to the entire Board for its review and approval. Commencing this year, the Compensation Committee also began to review with management the Company’s Compensation Discussion and Analysis and to consider whether to recommend that it be included in proxy statements and other filings. The Compensation Committee charter can be found on the Company’s corporate website at <http://ir.web.com/documents.cfm>. All members of the Company’s Compensation Committee are independent (as independence is currently defined in Rule 5605 of the NASDAQ Listing Rules).

The Compensation Committee meets regularly in executive session. In addition, various members of management and other employees as well as outside advisors or consultants are invited by the Compensation Committee to make presentations, provide financial or other background information or advice or otherwise participate in Compensation Committee meetings. At the request of the Compensation Committee, the Chief Executive Officer may participate in or may be present during any deliberations of the Compensation Committee regarding his compensation and/or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of the Company, as well as authority to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors and consultants and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. In particular, the Compensation Committee has the authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the sole authority to approve the consultant's reasonable fees and other retention terms. During 2011 the Compensation Committee met four times in executive session.

In connection with setting board and executive compensation for the fiscal year ended December 31, 2011, the Compensation Committee engaged PRM Consulting Group ("PRM"), a compensation consulting firm, to evaluate the Company's existing compensation strategy and practices in supporting and reinforcing the Company's long-term strategic goals and to assist in refining the Company's compensation strategy. As part of its engagement, PRM helped the Compensation Committee develop a comparative group of companies and performed analyses of compensation levels for that group. The specific duties of PRM in 2011 are described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement. No additional services in excess of \$120,000 were performed by PRM.

Under its charter, the Compensation Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board to grant stock awards under the Company's equity incentive plans to persons who are not (a) "Covered Employees" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"); (b) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code or (c) then subject to Section 16 of the Exchange Act of 1934, as amended (the "Exchange Act"). The Compensation Committee generally acts on all equity awards to be granted under each of the Company's Equity Incentive Plans at its regularly scheduled meetings, although from time to time, grants may be made outside of these regularly scheduled meetings to accommodate special business needs.

Historically, the Compensation Committee has made most significant adjustments to annual compensation, determined bonus and equity awards and established new performance objectives at one or more meetings held during the first quarter of the year. However, the Compensation Committee also considers matters related to individual compensation as necessary throughout the year. The Compensation Committee solicits and considers evaluations and recommendations submitted to the Compensation Committee by the Chief Executive Officer. For all executives and directors, as part of its deliberations, the Compensation Committee may review and consider materials such as financial reports and projections, operational data, tax and accounting information, summary descriptions of the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, Company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and recommendations of the Chief Executive Officer and the Compensation Committee's compensation consultant.

The specific determinations with respect to executive compensation for fiscal 2011 are described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement.

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company, reviewing and evaluating incumbent directors, recommending to the Board for selection candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of the Board and developing a set of corporate governance principles for the Company. The Nominating and Corporate Governance Committee charter can be found on the Company's corporate website at <http://ir.web.com/documents.cfm>. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 5605 of the NASDAQ Listing Rules).

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. The Nominating and Corporate Governance Committee also intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee may consider age, skills, and such other factors as it deems appropriate given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability. During 2011, the Nominating Committee met one time in executive session.

When considering candidates for director, the Nominating Committee takes into account a number of factors, including whether the candidate is independent from management and the Company, whether the candidate has the relevant business experience, the composition of the existing board, and his/her contribution to the Company and its shareholders. In addition, all candidates must meet the requirements set forth in our Corporate Governance guidelines, such as business experience and qualification as independent. The candidates should be of the highest integrity, possess mature judgment essential to effective decision making, and be able to devote the required amount of time to the work of the Board, and one or more of its committees. The Nominating and Corporate Governance Committee does not have a formal policy on diversity. Candidates for board membership are evaluated using the criteria identified above.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee must be independent for NASDAQ purposes, which determination is based upon applicable NASDAQ listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider such candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote. To date, the Nominating and Corporate Governance Committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates, and has not rejected a timely director nominee from a stockholder or stockholders holding more than 5% of the Company's voting stock.

At this time, the Nominating and Corporate Governance Committee does not consider director candidates recommended by stockholders. The Nominating and Corporate Governance Committee believes that it is in the best position to identify, review, evaluate and select qualified candidates for Board membership, based on the comprehensive criteria for Board membership approved by the Board.

## COMPENSATION OF DIRECTORS

At its meeting on February 3, 2011, based on the study and recommendation of PRM, the independent consultant to the Compensation Committee, the Board, upon the recommendation by the Compensation Committee, agreed to a quarterly retainer fee for committee participation rather than a per meeting fee.

During 2011, the Company paid quarterly retainer and board meeting fees to its directors as follows:

Committee and Chair Fees	Quarterly Retainer (\$)	Per Meeting Fee (\$)
Board member . . . . .	5,000	
Lead director . . . . .	2,000	
Audit Committee member . . . . .	1,875	
Compensation Committee member . . . . .	1,000	
Nominating Committee member . . . . .	375	
Audit Committee Chair <sup>(1)</sup> . . . . .	1,250	
Compensation Committee Chair <sup>(1)</sup> . . . . .	750	
Nominating and Corporate Governance Committee Chair <sup>(1)</sup> . . . . .	375	
Board/per meeting fee – Tier I . . . . .		2,000
Board/per meeting fee – Tier II . . . . .		1,000

(1) Paid in addition to committee member fee.

Board member participation meeting fees were excluded from this quarterly retainer and are paid on a per meeting basis. During 2011, the Company paid per meeting board fees of \$2,000 for Tier I meetings and \$1,000 for Tier II meetings. The determination of Tier I and II meetings is at the discretion of the Chairman of the Board and is primarily based on the items to be reviewed and/or acted at the meeting. The members of the Board are also eligible for reimbursement for their expenses incurred in attending Board and committee meetings in accordance with Company policy.

The following table provides information for fiscal 2011 compensation for non-employee directors who served during fiscal 2011:

Name	Fees Earned or Paid in Cash	Restricted Stock Awards <sup>(1)</sup>	Stock Option Awards <sup>(2)</sup>	Total
Hugh M. Durden . . . . .	\$55,500	\$76,303	\$61,322	\$193,525
Philip J. Facchina . . . . .	\$43,500	\$67,321	\$72,031	\$182,852
Anton J. Levy . . . . .	\$ 7,000	\$ 6,791	\$ 8,362	\$ 22,153
Timothy I. Maudlin . . . . .	\$67,750	\$83,920	\$80,388	\$232,058
Robert S. McCoy, Jr. . . . .	\$50,750	\$76,703	\$52,776	\$180,229
Deborah H. Quazzo . . . . .	\$43,000	\$71,721	\$78,077	\$192,798

(1) The amounts shown reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Footnote 12 to the Company's audited financial statements for the year ended December 31, 2011, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2012. On May 4, 2011, each of Messrs. Durden, Facchina, McCoy, and Ms. Quazzo received 4,250 shares of restricted stock, and Mr. Maudlin received 5,000 shares of restricted stock. On January 6, 2011, Ms. Quazzo received 12,500 shares of restricted stock upon her appointment to the Board on that date, and on October 27, 2011, Mr. Levy received 12,500 shares of restricted stock upon his appointment to the Board on that date.

(2) For Mr. Durden, it includes an option to purchase 11,500 shares of common stock granted on May 4, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$76,245; for Mr. Facchina, it includes an option to purchase 8,500 shares of common stock granted on May 4, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$56,355; for Mr. Levy, it includes an option to purchase 25,000 shares of common stock granted on October 27, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$141,500; for

Mr. Maudlin, it includes an option to purchase 15,500 shares of shares of common stock granted on May 4, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$102,765; for Mr. McCoy, it includes an option to purchase 10,500 shares of shares of common stock granted on May 4, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$69,615; and for Ms. Quazzo, it includes an option to purchase 8,500 shares of shares of common stock granted on May 4, 2011, and an option to purchase 25,000 shares of common stock granted on January 6, 2011, with a grant date fair value (as calculated in accordance with FASBC ASC Topic 718 for financial reporting purposes) of \$181,790.

Only non-employee directors of the Company are eligible to receive options under the 2005 Non-Employee Directors' Stock Option (the "2005 Directors Plan"). Options granted under the 2005 Directors Plan are intended by the Company not to qualify as incentive stock options under the Internal Revenue Code.

During 2011, the Company granted under the 2005 Directors Plan 4,250 shares of restricted stock to each non-employee director. For Ms. Quazzo, it also includes 12,500 shares of restricted stock granted on January 6, 2011, the date of her appointment to the Board of Directors; and for Mr. Levy, it includes 12,500 shares of restricted stock granted on October 27, 2011, the date of his appointment to the Board of Directors, which restricted stock vests in three equal annual installments from the date of grant. In addition stock options were granted as follows: 11,500 stock options to Mr. Durden, Chairman of the Compensation Committee; 8,500 stock options to Mr. Facchina; 13,500 stock options to Mr. Maudlin, Chairman of the Audit Committee; 10,500 stock options to Mr. McCoy, Chairman of the Nominating and Corporate Governance Committee; and 8,500 to Ms. Quazzo, in each case, immediately following the 2011 Annual Meeting of Stockholders, at an exercise price of \$12.42 per share, the fair market value of such shares on the date of grant. For Mr. Levy, 25,000 stock options were granted on October 27, 2011, the date of his appointment to the Board of Directors, at an exercise price of \$9.80. Mr. Maudlin was also granted for his services as Lead Director, an additional grant of 750 shares of restricted stock and options to purchase 2,000 shares of common stock under the 2008 Equity Incentive Plan of the Company, immediately following the 2011 Annual Meeting of Stockholders, at an exercise price of \$12.42 per share. The shares subject to such options vest in a series of 12 successive monthly installments measured from the date of grant, and the shares of restricted stock vest on the first anniversary of the date of grant.

As of December 31, 2011, the non-employees directors, had the following equity awards outstanding:

	<b>Outstanding Restricted Stock Awards</b>	<b>Outstanding Restricted Stock Units Awards<sup>(1)</sup></b>	<b>Outstanding Stock Options Awards</b>	<b>Total</b>
Hugh M. Durden . . . . .	4,250	30,000	106,500	140,750
Philip J. Facchina . . . . .	12,584	—	33,500	46,084
Anton J. Levy . . . . .	12,500	—	25,000	37,500
Timothy I. Maudlin . . . . .	5,000	30,000	129,500	164,500
Robert S. McCoy, Jr. . . . .	4,250	30,000	84,500	118,750
Deborah H. Quazzo . . . . .	16,750	—	33,500	50,250

(1) Messrs. Durden, Maudlin and McCoy were granted 30,000 restricted stock units in 2009, vesting in equal annual installments over a three-year period from the grant date of February 5, 2009. As of December 31, 2011, 20,000 restricted stock units were vested.

## **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

From January 1, 2011 through February 3, 2011, the Compensation Committee consisted of Messrs. Durden (Chair), Maudlin and McCoy and from February 3, 2011 to December 31, 2011, the Compensation Committee was reconstituted to be: Messrs. Durden (Chair), Messrs. Maudlin and Facchina as members. No member of the Compensation Committee is an officer or employee of the Company, and none of the Company's executive officers serve as a member of a compensation committee of any entity that has one or more executive officers serving as a member of the Company's Compensation Committee. Each of the Company's directors holds Web.com's securities as set forth under the heading "*Security Ownership of Certain Beneficial Owners and Management.*"

## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board met nine times during the last fiscal year. Each incumbent Board member attended 75% or more of the aggregate of the meetings of the Board and of the committees on which he served, held during the period for which he was a director or committee member, respectively.

## **STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

The Company's Board has adopted a formal process by which stockholders may communicate with the Board or any of its directors. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to the Secretary of Web.com at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258. All communications will be compiled by the Secretary of the Company and submitted to the Board or the individual directors on a periodic basis. These communications will be reviewed by one or more employees of the Company designated by the Board, who will determine whether they should be presented to the Board. The purpose of this screening is to allow the Board to avoid having to consider irrelevant or inappropriate communications (such as advertisements, solicitations and communications not requiring Board consideration). The screening procedures have been approved by a majority of the independent directors of the Board. All communications directed to the Audit Committee in accordance with the Company's Whistleblower Policy that relates to questionable accounting or auditing matters involving the Company will be promptly and directly forwarded to the Audit Committee.

## **CODE OF ETHICS**

The Company has adopted the Web.com Group, Inc. Code of Conduct that applies to all officers, directors and employees. The Code of Conduct is available on the Company's website at <http://ir.web.com/documents.cfm>. If the Company makes any substantive amendments to the Code of Conduct or grants any waiver from a provision of the Code of Conduct to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

## **REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

*The following report of the Audit Committee shall not constitute “soliciting material,” shall not be deemed “filed” with the SEC and is not to be incorporated by reference into any of the Company’s other filings under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates this report by reference therein.*

The Audit Committee oversees the quality and integrity of our financial reporting processes and our systems of internal accounting controls. Management is responsible for preparing the financial statements and for establishing and maintaining adequate internal control over financial reporting. The external auditors are responsible for performing an independent audit of those financial statements and an independent audit of the effectiveness of our internal controls over financial reporting.

### ***Communications with Management and Independent Registered Public Accounting Firm***

The Audit Committee has reviewed and discussed the Company’s audited financial statements with management. In addition, the Audit Committee has discussed with Ernst & Young LLP, the Company’s independent registered public accounting firm, the matters required to be discussed by Statement of Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (“PCAOB”) in rule 3200T. The Audit Committee has also received written disclosures and the letter from Ernst & Young LLP required by the Public Company Accounting Oversight Board Rule No. 1, which relates to Ernst & Young LLP’s independence from the Company and its related entities, and has discussed their independence from the Company, including whether Ernst & Young LLP’s provision of non-audit services was compatible with that independence.

### ***Committee Member Independence and Financial Expert***

From January 1, 2011 until February 3, 2011, the Audit Committee was comprised of Messrs. Maudlin (Chair), Durden, and McCoy, and from February 3, 2011 to December 31, 2011, the Audit Committee was comprised of Messrs. Maudlin (Chair), Durden, and McCoy and Ms. Quazzo, all of whom satisfied the independence criteria of the NASDAQ listing standards for serving on an audit committee. SEC regulations require the Company to disclose whether its Board has determined that a director qualifying as a “financial expert” serves on the Company’s Audit Committee. The Board made a qualitative assessment of Mr. Maudlin’s level of knowledge and experience based on a number of factors, including, but not limited to, his formal education and previous experience as an audit manager with Arthur Andersen and as a chief financial officer, his understanding of internal controls and procedures for financial reporting, and an understanding of audit committee functions and responsibilities, and the Board has determined that Mr. Maudlin qualifies as a “financial expert” within the meaning of such regulations.

### ***Recommendation Regarding Financial Statements***

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the Company’s audited financial statements for the fiscal year ended December 31, 2011, be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

### **AUDIT COMMITTEE**

Timothy I. Maudlin, Chair  
Hugh M. Durden  
Robert S. McCoy, Jr.  
Deborah H. Quazzo

## INDEPENDENT AUDITORS

Ernst & Young LLP (“Ernst & Young”) audited the accounts of the Company and its consolidated entities and performed other services for the year ended December 31, 2011.

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to the Company for fiscal years ended December 31, 2010 and December 31, 2011, by Ernst & Young, the Company’s principal accountant (all fees described below were approved by the Audit Committee):

	Fiscal Year Ended December 31,	
	2011	2010
	(in thousands \$)	
Audit Fees . . . . .	973	999
Audit-Related Fees . . . . .	72	176
Tax Fees <sup>(1)</sup> . . . . .	107	107
All Other Fees <sup>(2)</sup> . . . . .	2	2

(1) It includes fees for tax compliance services.

(2) Subscription to EY Online, a research tool of Ernst & Young

## PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee pre-approves all audit and non-audit services rendered by the Company’s independent registered accounting firm, Ernst & Young. While the Audit Committee Charter permits the Audit Committee to delegate pre-approval authority to one or more individuals, as well as to the pre-approval of defined categories of services, the Audit Committee has not yet done so. To date, all pre-approval has been given as part of the Audit Committee’s approval of the scope of the engagement of the independent auditor or on an individual explicit case-by-case basis before the independent auditor is engaged to provide each service.

The Audit Committee has determined that the rendering of the services other than audit services by Ernst & Young is compatible with maintaining the principal accountant’s independence. In 2011, the Audit Committee approved 100% of all the services performed by Ernst & Young.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's common stock as of March 6, 2012 by: (i) each director; (ii) each of the executive officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent of its common stock.

Beneficial Owner	Beneficial Ownership <sup>(1)</sup>	
	Number of Shares	Percent of Total
<b>Greater Than 5% Holder:</b>		
NWS Holdings <sup>(2)</sup> c/o General Atlantic Service Company, LLC 2 Pickwick Plaza Greenwich, CT 06830 . . . . .	16,436,284	33.8
FMR, LLC 82 Devonshire Street Boston, MA 02109 . . . . .	6,146,086	12.6
NorthPointe Capital LLC 101 W. Big Weaver, Suite 745 Troy, MI 48084 . . . . .	2,539,577	5.2
<b>Executive Officers and Directors:</b>		
David L. Brown <sup>(3)</sup> . . . . .	2,384,479	4.9
Kevin M. Carney <sup>(4)</sup> . . . . .	666,286	1.3
Jason T. Teichman <sup>(5)</sup> . . . . .	129,688	*
Roseann Duran <sup>(6)</sup> . . . . .	294,222	
Hugh M. Durden <sup>(7)</sup> . . . . .	154,750	*
Philip J. Facchina <sup>(8)</sup> . . . . .	58,267	*
Anton J. Levy <sup>(9)</sup> . . . . .	16,441,359	33.9
Timothy I. Maudlin <sup>(10)</sup> . . . . .	243,562	*
Robert S. McCoy, Jr. <sup>(11)</sup> . . . . .	137,750	*
Deborah M. Quazzo <sup>(12)</sup> . . . . .	40,666	*
All current executive officers and directors as a group (10 persons) <sup>(13)</sup> . . . . .	4,126,337	8.5

(1) This table is based upon information supplied by officers, directors and stockholders and Schedules 13G filed with The Securities and Exchange Commission (the "SEC"). Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 48,498,689 shares outstanding as of March 6, 2012, adjusted as required by rules promulgated by the SEC.

(2) NWS Holdings, LLC has shared voting and shared dispositive power of the 16,426,284 shares of stock in conjunction with: GA-NWS Investor, LLC; General Atlantic Partners 82, L.P.; GAP-W, LLC; GapStar, LLC; GAPCO GmbH & Co. KG; GAP Coinvestments CDA, L.P.; GAP Coinvestments III, LLC; GAP Coinvestments IV, LLC; GAPCO Management GmbH; General Atlantic GenPar, L.P; and General Atlantic LLC.

(3) Includes 36,414 shares held by Atlantic Teleservices, L.P. ("Atlantic Teleservices"); 68 shares held by Mr. Brown's wife; 68 shares held by Mr. Brown's son; and 991,458 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012. Mr. Brown is a member of CIMC Atlantic II, LLC, which is the general partner of Atlantic Teleservices, and Mr. Brown has voting and investment power with respect to these shares together with Mr. Alton G. Keel, Jr.

- (4) Includes 424,228 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (5) Includes 2,188 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (6) Includes 153,538 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (7) Includes 106,500 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012, and 30,000 restricted stock units, issuable in stock upon retirement from the Board.
  - (8) Includes 20,305 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (9) Includes 4,167 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012, and includes 16,081,991 shares of stock held by GA-NWS Investor, LLC; General Atlantic Partners 82, L.P.; GAP-W, LLC; GapStar, LLC; GAPCO GmbH & Co. KG; GAP Coinvestments CDA, L.P.; GAP Covinvestments III, LLC; GAP Coinvestments IV, LLC; GAPCO Management GmbH; General Atlantic GenPar, L.P. (collectively, the “GA family”); and 352,701 shares held by NWS Holdings, for other members of NWS who are not in the GA family pursuant to the escrow agreement, for which Mr. Levy disclaims beneficial ownership of such shares beneficially owned by NWS Holdings, except to the extent of his pecuniary interest therein.
  - (10) Includes 129,500 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012; 40,972 shares held by Mr. Maudlin’s wife; and 30,000 restricted stock units, issuable in stock upon retirement from the Board.
  - (11) Includes 84,500 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (12) Includes 18,916 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
  - (13) Includes 1,935,300 shares issuable upon the exercise of options exercisable within 60 days after March 6, 2012.
- \* Less than 1%.

## EXECUTIVE OFFICERS

The following table sets forth certain information about the Company's executive officers, including their ages as of December 31, 2011.

Name	Age	Position
David L. Brown . . . . .	57	Chairman, Chief Executive Officer and President
Kevin M. Carney . . . . .	47	Executive Vice President and Chief Financial Officer
Jason T. Teichman . . . . .	37	Executive Vice President and Chief Marketing Officer
Roseann Duran . . . . .	60	Executive Vice President and Chief People Officer

**David L. Brown** has served as our Chief Executive Officer since August 2000, as Chairman of the Board since October 2000, and as a member of our Board since August 1999. Mr. Brown is also President of the Company and has served in that position since October 2009, and previously from August 1999 until March 2000, and from August 2000 until September 2007. Mr. Brown was a managing partner of Atlantic Partners Group, a private equity firm, from March 2000 until August 2000. Prior to joining us, Mr. Brown founded Atlantic Teleservices, a technology services company in 1997, and served as its Chief Executive Officer from 1997 until its acquisition by the Company in August 1999. Mr. Brown holds a B.A. from Harvard University. Mr. Brown has directed the Company's acquisitions, integration and product development efforts, and the growth of the Company since the Company went public in 2005.

**Kevin M. Carney** has served as the Company's Executive Vice President and Chief Financial Officer since October 27, 2011 and as Senior Vice President and Chief Financial Officer since January 2002. Mr. Carney served as director of finance from September 2000 until January 2002 and from August 1999 until June 2000. Mr. Carney was employed by Atlantic Partners Group, a private equity firm, from June 2000 until September 2000. Prior to joining us, Mr. Carney served as the chief financial officer of Atlantic Teleservices, a technology services company, from June 1998 until its acquisition by us in August 1999. Mr. Carney is a certified public accountant and holds a B.S. in accounting and finance from Boston College.

**Jason T. Teichman** has served as the Company's Executive Vice President and Chief Marketing Officer since October 27, 2011 and as its Chief Marketing Officer from August 2010. He was previously Senior Vice President of Marketing and Products at Register.com, a web domain company, from January 2010 until its acquisition by the Company in July 2010. Prior to Register.com, he was General Manager for Online at Affinova, a consumer analytics company. From 2004 to 2007, he held several management positions at American Express, a financial services company, with his most recent position being Vice President of Marketing of the Consumer Card Group. He has a B.A. degree from the University of Michigan.

**Roseann Duran** has served as the Company's Executive Vice President and Chief People Officer since October 27, 2011, and as its Senior Vice President and Chief People Officer from August 2010. From March 2002 until August 2010, she was Senior Vice President and Chief Marketing Officer. Ms. Duran was managing partner and founder of Odyssey, Inc., a Company specializing in strategic planning and marketing for small businesses and internet companies from January 2001 until March 2002. From August 2000 until January 2001, Ms. Duran was Vice President of e-dr.com, a business-to-business internet company for eye care practitioners. Ms. Duran holds an undergraduate degree from Pennsylvania State University and an MBA from the University of North Florida.

## EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

### *Introduction*

This Compensation Discussion and Analysis provides information regarding our compensation programs and policies for the following executives (these named executive officers are referred to in this Compensation Discussion and Analysis and in the subsequent tables as our “NEOs”):

David L. Brown	Chief Executive Officer and President
Kevin M. Carney	Executive Vice President and Chief Financial Officer
Jason T. Teichman	Executive Vice President and Chief Marketing Officer
Roseann Duran	Executive Vice President and Chief People Officer

### *Executive Summary*

During 2011, the Company completed the acquisition of Network Solutions, completed the integration of Register.com, and delivered on each of the Company’s key objectives, including accelerated revenue growth, Average Revenue Per User (ARPU) expansion, reduced customer churn and strong profitability and cash flow generation. By doing so, Web.com has become one of the leading providers of internet services and online marketing solutions for small businesses and in turn, created stockholder value. The Company generated \$199.2 million in GAAP revenue, a 66% increase over 2010 levels. Consistent with our philosophy of paying for performance, the compensation realized by our executives was closely linked to the achievements of the Company and increases in stockholder value. The Compensation Committee believes that the compensation program gives the executive officers appropriate incentives, based on each officer’s responsibilities, achievements and ability to contribute to Company’s performance, and that the executive officers and senior management make significant contributions toward creating stockholder value. The Compensation Committee believes that the Company’s compensation structure and practices encourage management to work for real innovation, business improvements and outstanding stockholder returns, without taking unnecessary or excessive risks.

The highlights of our 2011 compensation program include:

- Our annual cash incentive program is designed to reward our NEOs for achieving corporate and excellent individual performance, and as a result, a material portion of the cash incentives paid under our annual incentive program in 2011 was paid as a result the Company’s achievement of increasing revenues, reducing churn, increasing subscribers, and closing the Network Solutions transaction.
- Our equity program for our NEOs consisted of stock options with exercise prices equal to 100% of the fair market value on the date of grant and restricted stock, each vesting over four years based on continued service. This program promotes employee retention, encourages executives to focus on creating meaningful stock price appreciation that is sustained over multiple years and also provides a meaningful ownership opportunity for executives.
- Our 2008 Equity Incentive Plan prohibits the repricing of or the cancellation and re-granting of stock awards under the plan, unless our stockholders have approved such an action within 12 months prior to such event.
- Pursuant to our Stock Ownership Guidelines, as of the end of 2011, our Chief Executive Officer currently held equity with a value in excess of three times his base salary, our Chief Financial Officer held equity with a value in excess of two times his base salary, our Chief Marketing Officer held equity with a value in excess of one time his base salary and our Chief People Officer held equity with a value in excess of one time her base salary.
- Our NEOs are prohibited from engaging in short sales, transactions in put or call options, hedging transactions or other inherently speculative transactions in Web.com stock.

- Our Compensation Committee concluded that the risks arising from our employee compensation programs do not encourage excessive and unnecessary risk taking and that the level of risk they do encourage is not reasonably likely to have a material adverse effect on the Company because:
  - significant weighting towards long-term incentive compensation in our programs discourages short-term risk taking;
  - goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of potential (at risk) compensation; and
  - incentive awards are decided by the Compensation Committee.

### *Compensation Philosophy and Objectives*

The Company believes that compensation of the Company's NEOs should:

- provide a means for Web.com to attract, retain and reward high-quality executives who will contribute to the long-term success of the Company;
- inspire our NEOs to achieve the Company's business objectives; and
- align the financial interests of the NEOs with those of the stockholders.

To achieve these objectives, we use a mix of compensation elements, including:

- base salary;
- annual cash incentives;
- long-term equity incentives;
- employee benefits and limited perquisites; and
- change of control benefits and severance.

In determining the amount and form of these compensation elements, we may consider a number of factors in any given year, including:

- Compensation levels paid by companies in our peer group and as reflected in published survey data, with a particular focus on having the target total cash and equity compensation levels at or around the 75<sup>th</sup> percentile of the compensation paid to similarly situated officers if performance warrants. We believe this approach helps us to compete in hiring and retaining the best possible talent while at the same time maintaining a reasonable and responsible cost structure;
- Corporate and individual performance, as we believe this encourages our NEOs to focus on achieving the Company's business objectives;
- The need to motivate NEOs to address particular business challenges that are unique to any given year;
- Internal pay equity of the compensation paid to one NEO as compared to another — that is, the compensation paid to each executive should reflect the importance of his or her role to the Company as compared to the roles of the other executives — as we believe this contributes to retention and a spirit of teamwork among our executives;
- The experiences and individual knowledge of the members of our Board regarding compensation programs generally and at other companies on whose boards they may serve;
- The recommendations of our Chief Executive Officer and the Compensation Committee's independent compensation consultant;
- Broader economic conditions, to ensure that our pay strategies are effective yet responsible, particularly in the face of any unanticipated consequences of the broader economy on our business; and

- Individual negotiations with NEOs, particularly in connection with their initial compensation package, as these executives may be leaving meaningful compensation opportunities at their prior employer to come work for us, or foregoing other compensation opportunities with other prospective employers to continue to work for us, as well as negotiations upon their departures, as we recognize the benefit to our stockholders of seamless transitions.

Although the Compensation Committee reviews from time to time the values of vested equity awards held by, and equity award profits realized by executives, the increases or decreases in the value of equity awards that were previously granted have no significant impact in the determination of current levels of cash or equity-based compensation.

### *Role of our Compensation Committee*

The Company's Compensation Committee is generally responsible for reviewing, modifying, approving and otherwise overseeing the compensation policies and practices applicable to our executives and employees, including the administration of the Company's equity plans and employee benefit plans. As part of this responsibility, the Compensation Committee establishes, reviews and modifies the compensation structure for our NEOs. However, the Compensation Committee may, at its discretion and in accordance with the philosophy of making all information available to the Board, present executive compensation matters to the entire Board for their review and approval. With respect to the executive compensation decisions in 2011, due to the relatively small size of the Board, the Compensation Committee presented its recommendations on base salary, target bonus levels and equity awards for the NEOs to the Board for discussion and approval by the independent, outside, non-employee members of the Board. The Board approved the Compensation Committee's recommendations as presented.

As part of its deliberations, in any given year, the Compensation Committee may review and consider materials such as Company financial reports and projections, operational data, tax and accounting information, summary descriptions of the total compensation that may become payable to executives in various hypothetical scenarios, executive stock ownership information, Company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and the recommendations of the Chief Executive Officer and the Compensation Committee's compensation consultant.

In addition, last year we conducted our first advisory vote on executive compensation at our 2011 Annual Meeting. While this vote was advisory and therefore not binding on the Company, our board of directors or our Compensation Committee, we believe that it is important for our stockholders to have an opportunity to vote on this proposal on an annual basis as a means to express their views regarding our executive compensation philosophy, our compensation policies and programs, and our decisions regarding executive compensation, all as disclosed in our proxy statement. Our board of directors and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the compensation of our named executive officers as disclosed in the proxy statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

At the 2011 Annual Meeting, 98% of the votes cast on the advisory vote on executive compensation proposal (Proposal 2) were in favor of our named executive officer compensation as disclosed in the proxy statement, and as a result our named executive officer compensation was approved. The board of directors and Compensation Committee reviewed these final vote results and determined that, given the significant level of support, no changes to our executive compensation policies and decisions were necessary at this time based on the vote results.

### *Role of the Compensation Consultant*

In connection with making its recommendations for executive compensation for 2011, the Compensation Committee continued to engage PRM Consulting Group, Inc. ("PRM") to act as its compensation consultant. The Compensation Committee directed PRM to provide its analysis of whether the Company's existing

compensation strategy and practices were consistent with our compensation objectives and to assist the Compensation Committee in modifying our compensation program for executive officers to better achieve our objectives. As part of its duties, PRM provided the Compensation Committee with the following services:

- reviewed and provided recommendations on the composition of the peer group;
- provided compensation data for similarly situated executive officers at the peer group companies as well as compensation survey data from published survey sources;
- conducted an annual review of the compensation arrangements for the NEOs and other senior officers, including providing advice on the design and structure of the Company's annual management bonus plan and executive equity programs, including equity mix, and target grant levels;
- provided advice on compensation for all other senior officers;
- conducted a review of compensation for the Board, and provided recommendations to the Compensation Committee regarding the Board pay structure;
- updated the Compensation Committee on emerging trends and best practices in the area of executive and Board compensation; and
- reviewed the Compensation Discussion and Analysis for inclusion in the 2011 proxy statement. PRM does not regularly attend meetings of the Compensation Committee. In 2011, the Chairman of the Compensation Committee reviewed with all members of the Compensation Committee, without management present, the information that PRM provided to the Compensation Committee. As discussed below under "Role of Management," the Company's Human Resources, Finance and Legal departments worked with PRM to provide PRM with the information it needed about the Company and the Company's compensation programs for PRM to provide its services to the Compensation Committee.

The Company pays the cost for PRM's services. However, the Compensation Committee retains the sole authority to direct, terminate or continue PRM's services. PRM did not provide any other services to the Company in 2011.

### ***Role of Management***

The Compensation Committee solicits and considers the Chief Executive Officer's evaluation of the performance of each of the NEOs as well as his recommendations for adjustments to the compensation of each of the reporting NEOs. The evaluations and recommendations of the Chief Executive Officer are just one factor considered by the Compensation Committee, as further described above under "Compensation Philosophy and Objectives".

The Chief Executive Officer participated in the executive session of the Compensation Committee related to the amount of the 2011 compensation packages for each of the reporting NEOs, but was not present for the Compensation Committee's final recommendations or the Board's approval of his 2011 compensation. Other members of management, including the Chief Financial Officer and senior human resources officer may attend portions of meetings of the Compensation Committee and the Board to provide information about or explanation of compensation recommendations. However, no executive officer was present or participated directly in the Compensation Committee's or the Board's final determinations regarding the amount of any component of his or her own 2011 compensation package.

The Company's Human Resources, Finance and Legal departments work with our Chief Executive Officer to design and develop compensation programs applicable to NEOs and other senior executives that the Chief Executive Officer recommends to the Compensation Committee. These departments also work with the Chief Executive Officer to recommend changes to existing compensation programs, to recommend financial and other performance targets to be achieved under those programs, to prepare analyses of financial data, to prepare peer group data summaries, to prepare other Compensation Committee briefing materials and ultimately, to implement the decisions of the Compensation Committee. Members of these departments and the Chief Executive Officer also work separately with PRM to convey information on proposals that

management may make to the Compensation Committee, as well as to allow PRM to collect information about the Company necessary to perform its services to the Compensation Committee.

### ***Compensation Benchmarking***

As noted above under “Compensation Philosophy and Objectives”, the Compensation Committee reviews relevant market and industry practices on executive compensation to balance the need to compete for talent with the need to maintain a reasonable and responsible cost structure, as well as with the goal of aligning the executive officers’ interests with those of the stockholders.

To assist the Compensation Committee in its deliberations on executive compensation in 2011, PRM collected and analyzed compensation data from the peer group approved by the Compensation Committee. PRM drew this data for peer group companies from individual company proxy filings. PRM also provided data drawn from published surveys (including surveys prepared by Culpepper and Associates, Inc., and PRM Consulting Group Proprietary Data Base), covering a broader range of technology companies. When using this data, the Compensation Committee benchmarks the NEOs’ compensation only against the peer company group data. The Compensation Committee uses the broader survey data to review trends in compensation, as well as to provide a frame of reference for the information provided in the peer group data, but does not directly benchmark against this broader industry survey data. References in this Compensation Discussion and Analysis to the peer group company data are intended to also refer to the survey data, as applicable to the given decision.

### ***Peer Group***

In determining the peer group used for setting 2011 compensation, PRM worked with the Company’s Chief Executive Officer and Chief People Officer to develop a recommended list of peers for the Compensation Committee’s consideration. This recommended list contained companies that (1) PRM and the officers believed compete for talent with the Company, (2) were in the Internet software and services industry, and (3) were similar in size to the Company for 2011 — that is, in 2010 these companies had (i) median total assets of \$354.3 million, (ii) median total market capitalization of \$599.9 million, and (iii) median revenue growth of 9.8%. For fiscal year 2011, the Compensation Committee approved the recommended list of 33 peer group companies, without change from PRM’s recommendations:

Valueclick Inc.	Omniture Inc.	Ancestry.com Inc.
CNETNetworks Inc.	Interwoven Inc.	WebMD Health Corp.
Digital River Inc.	Intermap Network Sves Corp.	Move Inc.
Skillsoft plc — ADR	J2 Global Communications Inc.	Openwave Systems Inc.
Teremark Worldwide Inc.	Liquidity Services Inc.	MercadoLibre Inc.
Infospace Inc.	Switch & Data Facilities Co.	Bankrate Inc.
Perficient Inc.	Art Technology Group Inc.	Limelight Networks Inc.
Ipass Inc.	Vignette Corp.	Comscore, Inc.
Navisite Inc.	NCI Inc.	Knot Inc.
Constant Contact	Greenfield Online Inc.	
Napster Inc.	Dice Holdings Inc.	
Saba Software Inc.	Internet Brands Inc.	

### ***Competitive Positioning***

In general, the Compensation Committee tries to provide for target total direct compensation (cash plus equity) levels at or around the 75<sup>th</sup> percentile of the total direct compensation provided to similarly situated officers employed by the peer group companies for target level performance, with compensation above this level possible for exceptional performance. To achieve this 75<sup>th</sup> percentile positioning for target levels of compensation, the Compensation Committee generally sets the various compensation elements as follows:

- base salaries at or around the median for the peer group companies;
- target cash bonus compensation at a level such that, when combined with base salary, the target cash compensation is at the 75<sup>th</sup> percentile of the peer group companies; and

- target equity compensation at a level such that, when combined with target cash compensation, target total cash and equity compensation is at the 75<sup>th</sup> percentile of the peer group companies.

The Compensation Committee believes targeting total cash and equity compensation at the 75<sup>th</sup> percentile is necessary to achieve the primary objectives, as described above, of the Company's executive compensation program.

As can be seen from these percentages, the Compensation Committee's approach to allocating compensation among the various components places significant emphasis on target incentive compensation (both cash and equity), since base salaries are targeted at the median. By weighting incentive compensation more heavily than base salary, since base salaries are targeted at or around the peer group company median, the Compensation Committee makes a significant portion of the executive officers' total compensation performance-based, and therefore "at risk." This allocation helps to implement a culture in which the officers know that their compensation, to a large extent, depends on the Company's and their own individual performance. In assigning a value to target equity compensation, for these purposes, the Compensation Committee uses the actual grant value for restricted stock and restricted stock units and the estimated Black-Scholes value for options. Since incentive cash and equity awards have both upside opportunities and downside risks, the target percentages set at the beginning of a fiscal year may not equal the compensation actually earned later in that year.

However, as noted above under "Compensation Philosophy and Objectives," benchmarking is not the only factor the Compensation Committee considers in setting total compensation or any one element of total compensation. Other factors, such as economic conditions, performance, internal pay equity and individual negotiations may play an important role with respect to the compensation offered to any NEO in any given year. We believe this approach helps us compete in hiring and retaining the best possible talent while at the same time maintaining a reasonable and responsible cost structure.

### ***Compensation Elements and Determination of Compensation in 2011***

#### ***Base Salary***

We provide base salary as a fixed source of compensation for our executives, allowing them a degree of certainty in the face of having a significant portion of their compensation "at risk." The Compensation Committee recognizes the importance of base salaries as an element of compensation that helps to attract and retain our executives. Therefore, base salaries need to be at levels that are competitive with salaries provided by the peer group companies, and so we generally target base salary levels at the median of our peer group companies.

Each year, the Compensation Committee reviews the annual salaries for each of the Company's NEOs, considering whether existing base salary levels continue to be at the median for the peer group companies. In addition to considering the peer group data, the Compensation Committee may, but does not always, consider other factors, including the salary level negotiated by an executive in his existing employment agreement, broader economic conditions, the financial health of the Company, and whether the Compensation Committee is generally satisfied with an executive's past performance and expected future contributions.

In the first quarter of 2011, the Compensation Committee recommended for approval, and the independent, outside, non-employee members of the Board approved without change, increases to the base salaries for Messrs. Brown and Carney, as described in the table below. In making its determinations, the Compensation Committee considered the Chief Executive Officer's recommendations, the Company's financial performance during fiscal year 2010, and the determination, based on the compensation study, that base salaries were below the desired market positioning of the median of the peer group.

<u>Name</u>	<u>Position</u>	<u>2010 Base Salary</u>	<u>2011 Base Base Salary</u>	<u>% change from 2010</u>	<u>Market Position Percentile</u>	<u>Reason for Change</u>
David L. Brown	Chief Executive Officer and President	\$410,000	\$560,000 <sup>(1)</sup> \$445,000 <sup>(2)</sup>	27	Median	To bring to a level consistent with desired positioning.
Kevin M. Carney	Executive Vice President and Chief Financial Officer	\$265,000	\$350,000 <sup>(1)</sup> \$350,000 <sup>(2)</sup>	24	Median	To bring to a level consistent with desired positioning.
Jason T. Teichman	Executive Vice President and Chief Marketing Officer	\$225,000	\$315,000 <sup>(3)</sup> \$250,000 <sup>(2)</sup>	29	Median	To bring to a level consistent with desired positioning.
Roseann Duran	Executive Vice President and Chief People Officer	—	\$260,000 <sup>(4)</sup>	N/A	N/A	N/A

- (1) On October 27, 2011, upon the closing of the Acquisition of Network Solutions, the Compensation Committee approved a salary increase for Messrs. Brown, Carney and Teichman, in order to align their salaries with similarly-sized companies.
- (2) The 2011 base annual salary increases for Messrs. Brown and Carney became effective on February 2, 2011.
- (3) The base salary increase for Mr. Teichman became effective in July 1, 2011.
- (4) Ms. Duran became a named executive officer on February 9, 2012.

### ***Annual Cash Incentives***

***Variable Cash Compensation.*** In addition to earning a base salary, the NEOs are eligible to earn additional cash compensation through annual (that is, short term) variable cash bonuses. We have structured our annual cash bonus program so that our executives' cash compensation is significantly impacted by our overall financial performance, by rewarding our executives' achievement against, or contributions to, our corporate and individual performance objectives. The Compensation Committee sets target bonus levels at a level to motivate executives to achieve Company-wide operating and strategic objectives, and to perform at the highest levels of their individual abilities. The Compensation Committee also recognizes the important role that variable cash compensation plays in attracting and retaining our executives, and therefore sets target bonus levels so that target total cash compensation falls at or near the 75<sup>th</sup> percentile for total cash compensation at the peer group companies. By weighting cash compensation more heavily toward variable cash compensation (that is, since base salaries are targeted at the median), the Compensation Committee makes a significant portion of our executive officers' total cash compensation "at risk," helping us implement a culture in which the officers know that their compensation, to a large extent, depends on the Company's and their own individual performance. In addition, in determining the target bonus opportunity for each named executive officer, the Compensation Committee believes, consistent with market practices that the target annual cash incentive opportunity should make up a larger portion of the NEOs target total cash compensation as the executive's level of responsibility increases. Therefore, the target bonus percentage for the Chief Executive Officer is greater than the target bonus percentages for other NEOs.

The Compensation Committee generally starts the process of determining the target bonus levels, and the corporate and individual performance goals by which performance will be measured under the bonus program, in the last quarter before the start of the applicable year. As part of this analysis, the Compensation Committee considers the likely bonus payouts for the ongoing fiscal year. In the first quarter of the next year, the Compensation Committee reviews with the Company's Chief Executive Officer the prior year's financial results, budgets for the applicable year, and economic and the peer group data provided by PRM. The Chief Executive Officer then makes a recommendation to the Compensation Committee on the target bonuses that executives should be eligible to earn for the current year. The Compensation Committee reviews these recommendations, and makes the final determination of the corporate and individual performance goals for the applicable year, as well as the target bonus percentages.

In setting the goals for the year, the Compensation Committee generally considers corporate and individual performance but without reliance on specific formulas. The Compensation Committee may modify these goals at any time during the year. The Compensation Committee generally does not assign a particular weight to, or ascribe a specific dollar value to, any one of the corporate goals or individual performance achievements. Instead, at the close of the applicable fiscal year, the Compensation Committee comes to a general conclusion as to whether the corporate goals were met, whether the executive has performed his or her duties in a satisfactory manner, and whether there were any other extraordinary factors that should be considered in determining the amount of bonus earned for the year. The Compensation Committee may decide to pay bonuses to the executive officers even if the Company performance goals are not met in recognition of the executive's individual performance throughout the year. In making the final decision on the amount of bonuses earned, if any, the Compensation Committee considers the review of the year-end financial results, the performance reviews for the reporting executive officers given by the Chief Executive Officer, as well as the Committee's review of the Chief Executive Officer's performance.

In sum, the amount of variable compensation that is actually earned by the NEOs is a discretionary determination made by the Compensation Committee without the use of pre-determined formulas. The Compensation Committee believes that maintaining discretion to evaluate the Company's and the executive's performance at the close of the year based on the totality of the circumstances, and to award or fail to award bonus compensation without reliance on rote calculations under set formulas, is appropriate in responsibly discharging its duties.

In February 2011, the Compensation Committee selected the achievement of certain levels of non-GAAP earnings per share and revenue, as the primary corporate performance goals for 2011 (together, the "**Company Goals**"). The Compensation Committee picked these goals because it felt they were the best indicators of the achievement of the execution of the Company's operating plan in 2011, and the factors that would be most critical to increasing the value of our common stock, thereby aligning the financial interests of the NEOs with those of the stockholders. If the Company did not achieve both Company Goals, the Compensation Committee still had the discretion to award bonuses. Overachievement of both Company Goals would result in bonus payouts above the target levels. Non-GAAP earnings per share was calculated as GAAP earnings per share, without giving effect of stock-based compensation, amortization of intangibles, restructuring charges and revenue. Revenue was calculated as GAAP revenue, adjusted to add back the impact of the fair market value adjustment to deferred revenue acquired in connection with the Register.com acquisition. In light of the importance of the Company Goals and the critical nature of the NEOs' roles in achieving the Company Goals, the Compensation Committee did not set specific individual performance goals. Instead, the Compensation Committee decided that it would evaluate the individual's performance based on a holistic consideration of the officer's contributions over the course of the year, with the majority of the consideration in the determination of actual bonus size given to the achievement of the Company Goal.

In February 2011, the Compensation Committee also recommended to the Board for approval and the independent, outside, non-employee members of the Board approved without change, the 2011 target cash bonus levels for Messrs. Brown, Carney, Teichman and Ms. Duran. Messrs. Brown's and Carney's target bonus level were increased in 2011, as the Compensation Committee determined that these percentages should be increased to a level that, when taken together with target salary amount, were at approximately the 75th percentile for target cash compensation for the peer group companies. Mr. Teichman's and Ms. Duran's target bonus levels were set for the first time in 2011.

In determining the actual payouts of bonus compensation payable to the NEOs, the Compensation Committee considered the achievement of the Company Goals, as well as the individual performance of each reporting NEO. In evaluating Mr. Brown's individual performance, the Compensation Committee considered certain qualitative and intangible factors, such as Mr. Brown's leadership and his vision for the Company, which the Compensation Committee believes has played a vital part in the success of the Company to date. In particular, in 2011, Mr. Brown improved stockholder value by spearheading the acquisition of Network Solutions, driving the successful integration of Register.com with the Company following the acquisition, helping to preserve capital in a challenging economic climate, generating strong cash flow, stabilizing revenues, adding new partners to the Company, growing the Company's subscriber base, and further expanding the ecommerce business of the Company.

In evaluating Mr. Carney's performance, the Compensation Committee considered certain subjective, qualitative and intangible factors, such as Mr. Carney's financial and accounting expertise, his management of the Company's finances, his assistance in the acquisition of Network Solutions, including his role in obtaining the necessary financing to consummate the transaction, the integration of Register.com following the acquisition, and his continued development of the Company's Sarbanes-Oxley procedures, including the Company's risk management program. In particular, in 2011, Mr. Carney improved stockholder value by focusing on preserving capital in a challenging economic environment, generating strong cash flow, stabilizing revenues and maintaining a strong financial balance sheet.

Mr. Teichman's salary was increased in July 2011, upon his position having changed to that of Executive Vice President and Chief Marketing Officer. The Compensation Committee evaluated Mr. Teichman's contributions in the short time that he had been with the Company and his continued dedication and innovative methods which had greatly enhanced the Company's performance and value to the Company's stockholders.

Ms. Duran did not become an NEO until February 9, 2012 of this year, but the Compensation Committee, at its meeting of October 27, 2011, increased her previous salary in order to bring her in line with her increased responsibilities in similarly-sized companies.

Upon review of Company's performance against the Company Goals and each individual performance's, the Compensation Committee recommended, and the Board awarded bonuses to the NEOs for 2011, as set forth in the table below.

Name	Title	2010 Target Bonus	2011 Target Bonus	% Change From 2010	Market Position Percentile <sup>(1)</sup>	Rationale	Actual Bonus %	2011 Cash Bonus
David L. Brown	Chairman, CEO and President	100%	115%	15%	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.		\$500,000
Kevin M. Carney	EVP and Chief Financial Officer	75%	75%	0%	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.		\$210,000
Jason T. Teichman	EVP and Chief Marketing Officer	65%	65%	0%	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.		\$162,500
Roseann Duran	EVP and Chief People Officer	60%	60%	0%	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.		\$123,000

(1) Market positioning constitutes cash bonus compensation at the 75<sup>th</sup> percentile.

### *Long Term Equity Compensation*

The Compensation Committee believes that properly structured equity compensation works to align the long-term interests of stockholders and our executives by creating a strong, direct link between employee compensation and stock price appreciation. The Compensation Committee also believes that if the NEOs own shares of the Company's common stock with values that are significant to them, they will have an incentive to act to maximize long-term stockholder value instead of short-term personal gain. The Compensation Committee also believes that equity compensation is an integral component of the Company's efforts to attract and retain exceptional executives, senior management and employees.

The Compensation Committee generally makes awards of equity compensation so that, when the value of the equity is added to target total cash compensation, the target total cash and equity compensation opportunity falls at or near the 75<sup>th</sup> percentile for target total cash and equity compensation of similar executives at our peer group companies.

In addition, as noted above under "Compensation Philosophy and Objectives", benchmarking is not the only factor that may be considered when setting equity compensation levels. As with cash incentive opportunities, in determining the equity opportunity for each NEO, the Compensation Committee believes, consistent with market position that the incentive opportunity should make up a larger portion of a NEOs target total compensation as the executive's level of responsibility increases. Therefore, the equity awards for the Chief Executive Officer are generally greater than the equity awards granted to the other NEOs.

In determining the mix of equity — that is, as between options and stock awards, such as restricted stock and restricted stock units — the Compensation Committee generally considers the current market price of the common stock (and therefore the potential for gains under options as opposed to stock awards in the coming years), the mix of awards granted by the peer group companies, and the number of shares available in the stock plan reserves.

The Company has historically granted stock options to the NEOs. These options have an exercise price equal to the fair market value of the common stock on the date of grant, and vest based on continued service over a specified period (typically, four years). As a result of the way the stock options awards are structured, options provide a return to the executive only if he or she remains employed by the Company, and then only if the market price of the Company's common stock appreciates over the period in which the option vests.

In recent years, the Company has granted restricted stock awards to the executive officers, which have no exercise price and generally vest based on continued service over a specified period (typically, four years). Restricted stock awards provide some level of certain return, which the Compensation Committee believes has been necessary in recent years due to the volatility of the stock market generally, and in the Company's stock price in particular. The Compensation Committee believes that the four-year vesting period encourages executives to think about longer term stock price performance and provides a retention incentive. The vesting of restricted stock awards and stock options is accelerated in the event of death, disability, normal retirement (that is termination of service on or after age 65), and/or the consummation of a change of control. The Compensation Committee believes these accelerated vesting provisions are appropriate because these terms are consistent with the vesting provisions of the peer group companies, and therefore allow us to attract and retain high quality executives. In addition, in the case of accelerated vesting upon a change of control, the accelerated vesting allows the executives to focus on closing a transaction that may be in the best interest of the Company's stockholders, recognizing, it may otherwise result in a termination of their employment and therefore a forfeiture of their equity awards.

In the first quarter of 2011, the Compensation Committee recommended for approval, and the independent, outside non-employee directors approved, without change, the grant of options and restricted stock to Messrs. Brown and Carney as set forth in the table below. The Compensation Committee selected a mix of options and restricted stock awards covering an equal number of shares, because the Compensation Committee believes that by providing one-half of the executive's pay with an equity award, it better aligns the interests of the NEO's with those of the Company's stockholders, as they would share in the rewards in the Company's performance just as the Company's stockholders would be. In making its determinations as to the aggregate size of the awards, the Compensation Committee considered the Chief Executive Officer's recommendations for the other executive officers, the recommendations of PRM, peer data provided by PRM

regarding the target mix of equity awards granted by peer companies. In addition, the Compensation Committee asked PRM to create a special reference set of data showing target incentive compensation only (that is, cash bonus and equity for the peer group companies). Based on this data, the Compensation Committee chose to take the average of the value of the incentive compensation at the 75<sup>th</sup> percentile.

Name	Title	Options	Restricted Stock	Market Positioning (percentile) <sup>(1)</sup>	Rationale for Deviation from Target Market
David L. Brown	Chief Executive Officer and President	112,000	112,000	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.
Kevin M. Carney	EVP and Chief Financial Officer	38,000	38,000	Slightly below the 75 <sup>th</sup>	To bring to a level consistent with desired positioning.
Jason T. Teichman	EVP and Chief Marketing Officer	N/A <sup>(2)</sup>	N/A	N/A	NA
Roseann Duran	EVP and Chief People Officer	16,000 <sup>(3)</sup>	16,000	N/A	N/A

(1) Market positioning constitutes equity compensation at the 75<sup>th</sup> percentile.

(2) Mr. Teichman had received an equity grant of stock options and restricted stock in August 2010, after the acquisition of Register.com upon him becoming an officer of the Company and no additional awards were issued to him in 2011.

(3) Ms. Duran became a named executive officer in February 2012.

#### *Equity Compensation Policies*

*Grant Date Guidelines.* On March 19, 2007, the Company adopted written equity grant guidelines setting forth the grant practices and procedures for all equity awards. Pursuant to these guidelines, equity awards are generally made at regularly scheduled meetings. However, as necessary to meet business needs, the Compensation Committee or the Board may grant equity awards outside of those regularly scheduled meetings.

All stock option awards are granted with an exercise price equal to the fair market value of the underlying stock on the effective grant date (or, in accordance with the terms of our approved equity plans, the fair market value of the underlying stock on the date prior to the effective grant date, if an award is made on a non-trading day).

*Stock Ownership Guidelines.* As part of our overall corporate governance and compensation practices, the Company has always encouraged our directors and executive officers to hold a significant equity interest in the Company. In light of current best practices in this area, the Board adopted stock ownership guidelines for our NEOs and Board members, effective March 2010. Under these guidelines, Mr. Brown must maintain a Required Market Value of Qualifying Shares equal to three times his base salary; Mr. Carney two times his base salary; and Mr. Teichman and Ms. Duran one times their base salaries. All NEOs have three years to achieve the required share ownership. We review compliance with this policy at a meeting of the Board held during the first quarter of each year. As of the record date, all of our NEOs who have been executive officers for the last three years had met these required levels. Mr. Teichman became a named executive officer on February 3, 2011 and will have three years from that date to achieve and maintain his required share ownership. Ms. Duran became a named executive officer on February 9, 2012 and will have three years from that date to achieve and maintain her required share ownership. The definition of Qualifying Shares includes the following:

- Shares owned separately by the NEO, or owned either jointly with, or separately, by his immediate family members residing in the same household;
- Shares held in trust for the benefit of the NEO or his immediate family members;

- Shares purchased in the open market;
- Shares held through the Company's 401(k) Plan;
- 50% of vested stock options;
- 75% of restricted stock awards; and
- 75% of restricted stock units.

*Special Transactions.* The Company has a policy that prohibits its executive officers, directors and other members of management from engaging in short sales, transactions in put or call options, hedging transactions or other inherently speculative transactions with respect to the Company stock.

*Severance Benefits.* The employment of each of the NEOs is "at will." However, each of the NEOs is eligible to receive severance benefits upon certain involuntary terminations of employment under the terms of their respective employment agreements, in the case of Messrs. Brown and Carney, and under the terms of the Company's Executive Severance Plan, in the case of Mr. Teichman. The terms of the employment agreements with the NEOs are discussed more fully in the section below under the heading "Employment, Severance and Change of Control Agreements." The terms of the Company's Executive Severance Plan are discussed more fully in the sections below under the headings "Employment, Severance and Change of Control Agreements" and "Executive Severance Benefit Plan." These agreements reflect the negotiations of each of the NEOs with the Company. The agreements and the Executive Severance Plan reflect the Company's desire to maintain internal parity among the named executive officers with respect to their potential severance benefits. The Compensation Committee considers these severance benefits critical to attracting and retaining high caliber executives. In addition, the Compensation Committee believes that change of control severance benefits and accelerated vesting, if structured appropriately, serve to minimize the distractions to an executive and reduce the risk that an executive officer departs the Company before an acquisition is consummated. We believe that the existing arrangements allow the executive officers to focus on continuing normal business operations and, in the case of change of control benefits, on the success of a potential business combination, rather than worrying about how business decisions that may be in the best interest of the Company will impact their own financial security. That is, these existing arrangements help ensure stability among the executive officer ranks, and will help enable the executive officers to maintain a balanced perspective in making overall business decisions during periods of uncertainty.

We note that the tax "gross-up" payment provided in our Chief Executive Officer's executive severance rights agreement was negotiated in 2008, and we have not renegotiated that provision with him in connection with any other changes to his arrangements. We note that such a provision is viewed currently by some stockholders as a "poor pay practice". However, we are mindful that this provision was negotiated with our Chief Executive Officer in good faith by our Compensation Committee at the time it was entered into as part of a larger compensation package that was determined to be consistent with market practices at that time and necessary to retain the services of Mr. Brown, who has played such a central role in the Company's success in the last 15 years. We also mindful that stockholder positions on particular pay practices like gross ups were solidified and published years after our arrangements were approved and executed. We expect to continue, on a going-forward basis, as we have in the past, to take account of stockholder positions as appropriate in our considerations of compensatory matters.

*Personal Benefits.* Web.com provides only limited perquisites to the NEOs. In considering potential perquisites, the Compensation Committee reviews the cost to the Company as compared to the perceived value to the Company. Under the terms of his employment agreement, the Company continued the life insurance policy purchased in 2008 for Mr. Brown, who holds the right to receive any death benefits that are paid under this policy. The face value of the policy is \$2,000,000. In addition, the Company paid for the cost of a supplemental disability insurance policy for Mr. Brown, which policy provides coverage in addition to that provided under our broad based disability insurance policy, such that he will receive 75% of his salary in effect at the time the policy was issued in the event of a disability. These life and disability insurance policies were originally obtained as a result of negotiations with Mr. Brown over potential severance payments upon death or disability. The Compensation Committee decided that rather than pay severance upon disability or death out of the Company's general assets, it was more cost effective to provide for these payments through

insurance. The Compensation Committee believes that these limited perquisites are important for attracting and retaining key talent and are consistent with benefits provided by peer group companies. Mr. Brown also received a tax gross up payment of \$4,030 on the aggregate life insurance premiums for 2011, which the Compensation Committee felt was a minimal cost and consistent with the intention of providing Mr. Brown with the full value of the benefit of the insurance policies.

### ***Employee Benefits***

We provide the following benefits to the NEOs, on the same terms and conditions as provided to all other eligible employees:

- health, dental insurance and vision;
- basic life insurance;
- medical and dependent care flexible spending account;
- short-and long-term disability, accidental death and dismemberment; and
- 401(k) Plan, with discretionary, non-discriminatory Company matching contributions.

We believe these benefits are consistent with benefits provided by the peer group companies and help us to attract and retain high quality executives.

### ***Tax Deductibility of Executive Compensation***

Section 162(m) of the Code places a limit of \$1 million on the amount of compensation that Web.com may deduct in any one year with respect to its Chief Executive Officer and certain other highly compensated executive officers. Some types of compensation, including stock options and other compensation based on performance criteria that are approved in advance by stockholders, may be structured so as to be excluded from the deduction limit. We may grant and administer stock options in a manner that complies with the “qualified performance-based compensation” exemption under Section 162(m) of the Code. By contrast, because the vesting of the shares of restricted stock is not currently subject to the achievement of specified performance criteria, the current restricted stock awards do not qualify as performance-based compensation and accordingly the compensation expense related to such awards to the named executive officers will count toward the \$1,000,000 limit on deductibility.

To maintain flexibility in compensating the executive officers in a manner that promotes varying corporate goals, the Compensation Committee has not adopted a policy that all compensation must be deductible. The Compensation Committee will continue to evaluate the effects of the compensation limits of Section 162(m) and to grant compensation awards in the future in a manner consistent with the best interest of the Company and its stockholders.

### ***Accounting Considerations***

The Company accounts for equity compensation paid to our employees under the Financial Accounting Standards Board Accounting Standards Codification Topic 718, which requires us to estimate and record an expense over the service period of the equity award. Our cash compensation is recorded as an expense at the time the obligation is accrued. The accounting impact of our compensation programs is one of many factors the Compensation Committee considers in determining the structure and size of our executive compensation programs.

### ***Compensation Recovery Policy***

The Company has adopted a policy, in the form of clawback provisions in their employment agreements, to attempt to recover cash bonus payments paid to our Chief Executive Officer and Chief Financial Officer if the performance objectives that led to the determination of such payments were to be restated, or found not to have been met to the extent the Compensation Committee originally believed. Additionally, as a public company subject to the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, if we are required as a result of misconduct to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws, our Chief Executive Officer and Chief Financial

Officer may be legally required to reimburse us for any bonus or other incentive-based or equity-based compensation they receive. Further, we will comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and will modify our compensation recovery policy once the Securities and Exchange Commission adopts final regulations on the subject.

## COMPENSATION COMMITTEE REPORT

*The following report of the Compensation Committee shall not constitute “soliciting material,” shall not be deemed “filed” with the SEC and is not to be incorporated by reference into any of the Company’s other filings under the Securities Act or the Exchange Act, except to the extent we specifically incorporate this report by reference therein.*

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated into the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

### COMPENSATION COMMITTEE

Hugh M. Durden, Chair

Timothy I. Maudlin

Philip J. Facchina

Anton J. Levy

### *Risk Analysis of Compensation Plans*

The Compensation Committee reviews the compensation policies as generally applicable to the Company's employees as a whole, and believes that these policies do not encourage excessive and unnecessary risk-taking, and that the level of risk that they do encourage is not reasonably likely to have a material adverse effect on the Company. The design of the compensation policies and programs encourage the employees to remain focused on both the short-and long-term goals of the Company. For example, while the cash bonus plan measures performance on an annual basis, the equity awards typically vest over a number of years, which the Compensation Committee believes encourages the employees to focus on sustained stock price appreciation, thus limiting the potential for excessive risk-taking.

### COMPENSATION OF EXECUTIVE OFFICERS

The following table shows for the fiscal year ended December 31, 2011 compensation awarded or paid to, or earned by, the Company's Chief Executive Officer and President, Executive Vice President and Chief Financial Officer, Executive Vice President and Chief Marketing Officer, and Executive Vice President and Chief People Officer at December 31, 2011 (the "Named Executive Officers"):

#### SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Option Awards (\$)<sup>(7)</sup></u>	<u>Restricted Stock (\$)<sup>(7)</sup></u>	<u>All Other Compensation (\$)<sup>(8)</sup></u>	
David L. Brown Chief Executive Officer and President	2011	560,000 <sup>(1)</sup>	1,250,00 <sup>(3)</sup>	408,828	872,716	24,105	3,115,649
	2010	405,673	410,000	511,878	972,000	22,221	2,321,772
	2009	385,000	300,000	421,308	346,107	21,994	1,474,409
Kevin M. Carney Executive Vice President and Chief Financial Officer	2011	350,000 <sup>(1)</sup>	585,000 <sup>(4)</sup>	134,610	273,644	4,181	1,347,435
	2010	261,538	160,000	172,626	324,000	3,912	922,076
	2009	245,000	120,000	172,699	98,826	3,675	640,200
Jason T. Teichman Executive Vice President and Chief Marketing Officer	2011	315,000 <sup>(2)</sup>	162,000	44,273	89,117	2,183	612,573
	2010	90,461	408,451 <sup>(5)</sup>	180,135	342,750	—	1,021,797
Roseann Duran Executive Vice President and Chief People Officer	2011	260,000	123,000 <sup>(6)</sup>	73,467	175,373	3,751	635,591

- (1) Mr. Brown's annual salary was increased to \$445,000 on February 2, 2011, and to \$560,000 effective November 1, 2011, upon the closing of the acquisition of Network Solutions. Mr. Carney's annual salary was increased to \$285,000 effective February 2, 2011, and to \$350,000 on November 1, 2011 upon the closing of the acquisition of Network Solutions.
- (2) Mr. Teichman's 2011 annual salary was increased to \$225,000 on July 1, 2011 and to \$315,000 effective November 1, 2011 upon the closing of the acquisition of Network Solutions.
- (3) For Mr. Brown, in addition to the 2011 annual bonus amount of \$500,000 paid in February 2012, the Compensation Committee awarded a bonus of \$750,000 on August 9, 2011, as recognition of the successful integration of Register.com, Inc.
- (4) For Mr. Carney, in addition to the 2011 annual bonus amount of \$210,000 paid in February 2012, the Compensation Committee awarded a bonus of \$375,000 on August 9, 2011, as recognition of the successful integration of Register.com, Inc.
- (5) \$283,451 was the bonus earned upon the sale of Register.com and \$125,000 was a relocation bonus.
- (6) 2011 bonus paid in 2012.
- (7) Amounts shown reflect the aggregate grant date fair value computed in accordance with FASB ASC Topi 718. Assumptions used in the calculation of these amounts are included in footnote 12 to the Company's audited financial statements for the fiscal year ended December 31, 2012 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2012.

(8) All “Other Compensation” includes the following payments made on behalf of the executives:

Name	Year	Life Insurance/ Disability Annual Premiums (\$)	Gross Up of Life Insurance Premium (\$)	401(k) Match (\$)	Total (\$)
David L. Brown . . . . .	2011	13,247	4,030	6,828	24,105
	2010	13,248	2,997	5,976	22,221
	2009	17,009	—	4,985	21,994
Kevin M. Carney. . . . .	2011	—	—	4,181	4,181
	2010	—	—	3,912	3,912
	2009	—	—	3,675	3,675
Jason Teichman. . . . .	2011	—	—	2,183	2,183
	2010	—	—	—	—
Roseann Duran . . . . .	2011	—	—	3,751	3,751

### STOCK OPTION GRANTS AND EXERCISES

The Company grants options to its executive officers under the Company’s 2005 Stock Option Plan (the “2005 Plan”) and the 2008 Equity Incentive Plan (the “2008 Plan”). Prior to the adoption of the 2005 Plan, the Company granted options to its executive officers under the 1999 Equity Incentive Plan (the “1999 Plan”). On September 30, 2007, each outstanding stock option to purchase shares of common stock of Web.com, Inc. (“Legacy Web.com”) converted into and became an option to purchase Company common stock, and the Company assumed such option in accordance with the terms of the stock option plan under which such option was issued (the “Legacy Web.com Plan”) subject to an option exchange ratio calculated in accordance with the Agreement and Plan of Merger and Reorganization executed on June 26, 2007 by and among the Company, Augusta Acquisition Sub, Inc., a wholly owned subsidiary of the Company, and Legacy Web.com.

As of December 31, 2011, (i) options to purchase a total of 786,335 shares and 1,454,850 shares of restricted stock were outstanding under the 2008 Plan and 4,212,725 shares remain available for grant under the 2008 Plan; (ii) options to purchase a total of 2,841,292 shares were outstanding under the 2005 Plan and 105,599 shares remained available for grant under the 2005 Plan; (iii) options to purchase a total of 1,833,017 shares were outstanding under the 1999 Plan and no shares remain available for grant under the 1999 Plan; (iv) options to purchase a total of 59,377 remain outstanding under the 2009 Inducement Plan; 282,840 options, and 125,000 restricted stock remain outstanding under the 2010 Inducement Plan; 816,250 options remain outstanding under the 2011 Inducement Plan; and (v) options to purchase a total of 34,677 shares were outstanding that are governed by the terms of the Legacy Web.com Plan. No shares remain available for grant under the Legacy Web.com Plan. The Company has never granted any stock appreciation rights. Options granted generally vest monthly over four years, provided that the employee continues his or her employment with the Company. Accordingly, an option will provide a return to the employee only if he or she remains employed by the Company, and then only if the market price of the Company’s common stock appreciates over the option term. Restricted stock grants to executive officers will generally become unrestricted annually over a four-year period, provided that the executive officer continues to be employed by the Company.

The following tables show for the fiscal year ended December 31, 2011, certain information regarding options granted to, held at year end by, and exercised by the Named Executive Officers:

### GRANTS OF PLAN-BASED AWARDS IN 2011

Name	Grant Date	Estimated future payouts under non-equity incentive plan awards			All Other Stock Awards	All Other Option Awards	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Options Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Number of Shares of Stock or Units (#) <sup>(1)</sup>	Number of Securities Underlying Options (#)		
David L. Brown <sup>(1)</sup>	2/2/2011	—	—	—	112,000	112,000	9.97	1,705,760
Kevin M. Carney <sup>(1)</sup>	2/2/2011	—	—	—	38,000	38,000	9.97	518,740
Jason T. Teichman	—	—	—	—	—	—	—	—
Roseann Duran <sup>(1)</sup>	2/2/2011	—	—	—	16,000	16,000	9.97	243,680

(1) Award of restricted stock. Restrictions lapse in equal annual installments over a four-year period and is payable in Company stock.

### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

Name	OPTION AWARDS				STOCK AWARDS	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested <sup>(5)</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(6)</sup>
David L. Brown . . . . .	364,101	—	0.50	5/28/2012	525,750	6,019,838
	515,263	—	2.00	11/26/2013		
	200,000	—	9.00	4/6/2015		
	500,000	—	8.92	1/25/2017		
	141,351	6,149 <sup>(1)</sup>	8.74	5/13/2018		
	82,500	97,500 <sup>(2)</sup>	5.40	2/4/2020		
	23,333	88,667 <sup>(3)</sup>	9.97	2/2/2021		
Kevin M. Carney . . . . .	165,103	—	2.00	11/26/2013	158,600	1,815,970
	80,000	—	9.00	4/6/2015		
	25,000	—	11.25	2/24/2016		
	70,000	—	8.92	1/25/2017		
	44,082	1,918 <sup>(1)</sup>	8.74	5/13/2018		
	27,500	32,500 <sup>(2)</sup>	5.40	2/4/2020		
	7,917	30,083 <sup>(3)</sup>	9.97	2/2/2021		
Jason T. Teichman . . . . .	—	75,000 <sup>(4)</sup>	4.59	8/6/2020	75,000	858,750
Roseann Duran . . . . .	33,664	—	2.00	11/26/2013	100,000	1,145,000
	20,000	—	9.00	4/6/2015		
	15,000	—	11.25	2/24/2016		
	30,000	—	8.92	1/25/2017		
	23,957	1,043 <sup>(1)</sup>	8.74	5/13/2018		
	19,250	22,750 <sup>(2)</sup>	5.40	2/4/2020		
	3,333	12,667 <sup>(3)</sup>	9.97	2/2/2021		

(1) 1/48<sup>th</sup> of the shares vest on each monthly anniversary of February 15, 2008 until all of the shares are fully vested; provided that no shares shall vest on any vesting date if on such date the option holder is not providing Continuous Service (as such term is defined in the 2005 Plan) to the Company. The exercise price of these options was the closing price of the stock on May 13, 2008.

- (2)  $\frac{1}{48}$ <sup>th</sup> of the shares vest on each monthly anniversary of February 4, 2010 until all of the shares are fully vested; provided that no shares shall vest on any vesting date if on such date the option holder is not providing Continuous Service (as such term is defined in the 2005 Plan) to the Company. The exercise price of these options was the closing price of the stock on February 4, 2010.
- (3)  $\frac{1}{48}$ <sup>th</sup> of the shares vest on each monthly anniversary of February 2, 2011 until all of the shares are fully vested; provided that no shares shall vest on any vesting date if on such date the option holder is not providing Continuous Service (as such term is defined in the 2005 Plan) to the Company. The exercise price of these options was the closing price of the stock on February 2, 2011.
- (4) 50% of the stock options vest on the second anniversary measured from August 6, 2010, the date of grant, and the remaining 50% vest in equal monthly installments over the remaining 2 years. The exercise price of these stock options was the closing price of the stock on August 9, 2010.
- (5) Awards of restricted stock. For Mr. Brown, 59,000 shares vest in equal annual installments measured from February 15, 2008, of which 44,250 have already vested; 264,000 shares will vest on the 4th anniversary of the date of grant which was February 4, 2009; 180,000 shares vest in equal annual installments measured from February 4, 2010, of which 45,000 shares are already vested; and 112,000 shares vest in equal annual installments measured from February 2, 2011. For Mr. Carney, 18,400 shares vest in equal annual installments measured from February 15, 2008, of which 13,800 shares are already vested; 71,000 shares will vest on the 4<sup>th</sup> anniversary of the date of grant which was February 4, 2009; 60,000 shares vest in equal annual installments measured from February 4, 2010, of which 15,000 shares are already vested; and 38,000 shares vest in equal annual installments measured from February 2, 2011. For Ms. Duran, 10,000 shares vest in equal annual installments measured from February 15, 2008, of which 7,500 have already vested; 50,000 shares will vest on the 4th anniversary of the date of grant which was February 4, 2009; 42,000 shares vest in equal annual installments measured from February 4, 2010, of which 10,500 shares are already vested; and 16,000 shares vest in equal annual installments measured from February 2, 2011. For Mr. Teichman, 50% of the shares will vest on the second anniversary measured from the date of grant which was August 9, 2010, and the remaining 50% of the shares will vest in equal annual installments during the subsequent two years.
- (6) Based on \$11.45, the closing price of the stock on December 31, 2011.

#### OPTION EXERCISES AND STOCK VESTED

Name	OPTION AWARDS		STOCK AWARDS	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting #	Value Realized on Vesting (\$)
David L. Brown . . . . .	—	—	45,000 14,750	541,800 <sup>(1)</sup> 172,722 <sup>(2)</sup>
Kevin M. Carney . . . . .	1,428	9,939 <sup>(3)</sup>	15,000 4,600	180,600 <sup>(4)</sup> 53,866 <sup>(5)</sup>
Jason T. Teichman . . . . .	—	—	—	—
Roseann Duran . . . . .	—	—	10,500 2,500	126,420 <sup>(6)</sup> 29,275 <sup>(7)</sup>

- (1) Based on the closing price of \$12.04, the closing price of the stock on February 10, 2011. Mr. Brown surrendered 16,403 shares to cover the applicable tax obligation.
- (2) Based on the closing price of \$11.71 on February 15, 2011. Mr. Brown surrendered 5,376 shares to cover the applicable tax obligation.
- (3) Mr. Carney elected to have 2,304 shares withheld to cover the applicable tax withholding.
- (4) Based on the closing price of \$12.04, the closing price of the stock on February 10, 2011. Mr. Carney surrendered 3,697 shares to cover the applicable tax obligation.
- (5) Based on the closing price of \$11.71, the closing price of the stock on February 15, 2011. Mr. Carney surrendered 1,217 shares to cover the applicable tax obligation.
- (6) Based on the closing price of \$12.04, the closing price of the stock on February 10, 2011.
- (7) Based on the closing price of \$11.71, the closing price of the stock on February 15, 2011.

## EQUITY COMPENSATION PLAN INFORMATION

The number of shares issuable upon exercise of outstanding stock options, the weighted-average exercise price of the outstanding options, and the number of stock options remaining for future issuance for each of the equity compensation plans as of December 31, 2011 are summarized as follows:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders . . . . .	5,959,319	\$ 7.02	4,641,074
Equity compensation plans not approved by security holders . . . . .	1,158,467	\$12.62	0
Total . . . . .	7,117,786	\$ 7.35	4,641,074

On October 27, 2011, the Compensation Committee of the Board authorized the establishment of the Web.com 2011 Inducement Award Plan (“Inducement Plan”), exempt from the stockholder approval requirements of NASDAQ, for the purpose of awarding equity grants to employees of Network Solutions, LLC., a private entity being acquired by the Company. Such acquisition closed on October 27, 2011. The Company filed a registration statement on Form S-8 for 955,900 shares, and these shares were listed with NASDAQ.

Some key provisions of the Inducement Plan are: (i) the Board has the power to delegate the administration of the Inducement Plan to the Compensation Committee; (ii) the number of shares that may be issued pursuant to options shall not exceed 955,900; (iii) the exercise price of each option shall not be less than 100% of the fair market value of the common stock on the date of grant; (iv) the options shall be exercisable for a maximum period of 10 years or a shorter period as set forth in the grant agreement; (v) the options may vest in periodic installments that may or may not be equal, as determined in the grant agreement; (vi) no repricing, cancelling or regranting of options is allowed; (vii) shares that are forfeited or cancelled do not revert back to the Inducement Plan; (viii) withholding of shares to satisfy the tax obligation is permitted; (ix) the Board has the right to permit whether an option be granted in the manner of cash or in stock; (x) the Board has the right to accelerate the options; and (xi) the Board can amend, and suspend the Inducement Plan as it deems necessary. Of the 955,900 shares of common stock that were granted at closing 139,200 were cancelled and none have been exercised.

The following table sets forth information with respect to grants made in fiscal year 2011 under the 2005 Non-Executive Director Plan and the Amended and Restated 2008 Equity Incentive Plan to each of the named executive officers and the various indicated groups.

Name	Stock Options #	Restricted Stock #
David L. Brown*	112,000	112,000
Kevin M. Carney*	38,000	38,000
Jason Teichman*	—	—
Roseann Duran*	16,000	16,000
Hugh M. Durden**	11,500	4,250
Philip J. Facchina**	8,500	4,250
Anton J. Levy**	25,000	12,500
Timothy I. Maudlin**	15,500	5,000
Robert S. McCoy, Jr.**	10,500	4,250
Deborah H. Quazzo**	33,500	16,750
Total:	270,500	270,500
<hr/>		
* NEO's and other senior executives:	255,000	255,000
** Non-Employee Directors:	104,500	47,000
All other non-executive employees as a whole:	2,136,650	342,000

## EMPLOYMENT, SEVERANCE AND CHANGE OF CONTROL AGREEMENTS

### Employment Agreements

Effective October 28, 2009, Mr. Brown and Mr. Carney entered into amended employment agreements collectively, and effective July 28, 2010, Mr. Teichman entered into an employment letter (the "Agreements"). The Agreements provide as follows:

#### David L. Brown

##### *Salary*

Effective March 1, 2010, Mr. Brown's annual base salary was set at \$410,000 and is subject to annual review by the Compensation Committee of the Board (the "Committee"). Effective February 2, 2011, the Board of Directors at the recommendation of the Committee increased Mr. Brown's salary to \$445,000; and effective November 1, 2011, the Board of Directors also at the recommendation of the Committee increased Mr. Brown's salary to \$560,000.

##### *Annual Bonus*

Mr. Brown is eligible to earn an annual incentive bonus, as determined by the Committee. The annual target bonus amount will be set at 140%, or as amended by the Committee, of his annual base salary. Mr. Brown must remain an active employee through the time the Committee determines bonus amounts for him to earn a bonus.

##### *Benefits*

The Company will pay for the grossed up premiums for Mr. Brown, for a life insurance policy with coverage at a minimum of \$2,000,000 and for a disability insurance policy with coverage at a minimum of 75% of Mr. Brown's base salary in effect at the time the policy was issued.

### *Severance Benefits*

In the event that, prior to a Change of Control (as defined in the amended and restated employment agreement), Mr. Brown is terminated without cause (as defined in the applicable agreement) or resigns with good reason (certain material adverse changes in the terms and conditions of his employment), Mr. Brown is entitled to the following, subject to Mr. Brown's execution of an effective release of claims in favor of the Company, and Mr. Brown's observation of his continuing obligations to the Company following termination:

- (i) A lump sum severance payment to Mr. Brown in an amount equal to eighteen (18) months of Mr. Brown's then-current base salary plus 150% of the greater of (A) the Target Bonus for the year in which the termination occurs or (B) the prior year's Target Bonus actually earned by Mr. Brown, subject to withholdings and deductions, (ii) acceleration of the vesting of each then-outstanding, unvested equity award held by Mr. Brown as to that number of shares under each such award that would have vested in the ordinary course had Mr. Brown continued to be employed by the Company for an additional eighteen (18) months (or, if no shares would vest during such time under a specific award due to a cliff vesting provision, then the number of shares vesting and becoming exercisable pursuant to this paragraph shall equal the product of (A) the total number of shares subject to the award and (B) a fraction, the numerator of which is eighteen (18) plus the number of whole months that have elapsed between Mr. Brown's vesting commencement date and the date of termination, and the denominator of which is the total number of months in the vesting schedule), with such vesting occurring as of the date of Mr. Brown's termination, (iii) extension of the post-termination exercise period of all non-statutory stock options then held by Mr. Brown such that such options, to the extent vested, are exercisable until the earlier of (A) the original term expiration date for such award and (B) the first anniversary of Mr. Brown's termination date and (iv) if Mr. Brown timely elects COBRA health insurance coverage, payment by the Company of Mr. Brown's COBRA premiums for eighteen (18) months following the date his employment terminates or until such earlier date as he is no longer eligible for COBRA coverage or he becomes eligible for health insurance coverage from another source (provided that Mr. Brown must promptly inform the Company, in writing, if he becomes eligible for health insurance coverage from another source within eighteen (18) months after the termination).

### *280G Gross-Up*

The amended and restated employment agreement of Mr. Brown was modified such that he is entitled to receive a modified Code Section 280G gross-up in an amount not to exceed \$1,000,000.

### *Change of Control Benefits*

In the event the Company undergoes a Change of Control, Mr. Brown is entitled to receive the following benefits, subject to Mr. Brown's execution of an effective release of claims in favor of the Company, immediately as of the Change of Control:

- The Company shall make a lump sum payment to Mr. Brown in an amount equal to eighteen (18) months of Mr. Brown's then-current base salary plus 150% of the greater of (A) the Target Bonus for the year in which the transaction occurs or (B) the prior year's Target Bonus actually earned by Mr. Brown, subject to withholdings and deductions, and the vesting of each equity award held by Mr. Brown immediately prior to such Change of Control transaction shall accelerate as to all of the then-unvested shares subject to each such award, effective as of immediately prior to the effective time of such Change of Control.

## **Kevin M. Carney**

### *Salary*

Effective March 1, 2010, Mr. Carney's annual base salary was set at \$265,000 and is subject to annual review by the Committee. Effective February 2, the Committee increased Mr. Carney's salary to \$285,000, and on November 1, 2011 it was increased to \$350,000.

### *Annual Bonus*

Mr. Carney is eligible to earn an annual incentive bonus, as determined by the Committee. The annual target bonus amount will be set at 80%, or as amended by the Committee, of his annual base salary. Mr. Carney must remain an active employee through the time the Committee determines bonus amounts for him to earn a bonus.

### *Severance Benefits*

In the event that, prior to a Change of Control (as defined in the amended and restated employment agreement), Mr. Carney is terminated without cause (as defined in the applicable agreement) or resigns with good reason (certain material adverse changes in the terms and conditions of his employment), Mr. Carney is entitled to the following, subject to Mr. Carney's execution of an effective release of claims in favor of the Company, and Mr. Carney's observation of his continuing obligations to the Company following termination:

- (i) A lump sum severance payment to Mr. Carney in an amount equal to twelve (12) months of Mr. Carney's then-current base salary plus 100% of the greater of (A) the Target Bonus for the year in which the termination occurs or (B) the prior year's Target Bonus actually earned by Mr. Carney, subject to withholdings and deductions, (ii) the vesting of each then-outstanding, unvested equity award held by Mr. Carney will accelerate as to that number of shares under each such award that would have vested in the ordinary course had Mr. Carney continued to be employed by the Company for an additional twelve (12) months (or, if no shares would vest during such time under a specific award due to a cliff vesting provision, then the number of shares vesting and becoming exercisable pursuant to this paragraph with respect to such award shall equal the product of (A) the total number of shares subject to the award and (B) a fraction, the numerator of which is twelve (12) plus the number of whole months that have elapsed between Mr. Carney's vesting commencement and the date of termination, and the denominator of which is the total number of months in the vesting schedule), with such vesting occurring as of the date of Mr. Carney's termination (such vesting, the "12 Month Vesting"), (iii) extension of the post-termination exercise period of all non-statutory stock options then held by Mr. Carney such that such options, to the extent vested, are exercisable until the earlier of (A) the original term expiration date for such award and (B) the first anniversary of Mr. Carney's termination date and (iv) if Mr. Carney timely elects COBRA health insurance coverage, reimbursement by the Company of Mr. Carney's COBRA premiums for twelve (12) months following the date his employment terminates or until such earlier date as he is no longer eligible for COBRA coverage or he becomes eligible for health insurance coverage from another source (provided that Mr. Carney must promptly inform the Company, in writing, if he becomes eligible for health insurance coverage from another source within twelve (12) months after the termination).

### *Change of Control Benefits*

In the event the Company undergoes a Change of Control, Mr. Carney is entitled to receive the following benefits, subject to Mr. Carney's execution of an effective release of claims in favor of the Company, immediately as of the Change of Control:

- The vesting of each equity award held by Mr. Carney immediately prior to such Change of Control transaction shall accelerate as to 75% of his then-unvested shares subject to each such award, effective as of immediately prior to the effective time of such Change of Control. Notwithstanding the foregoing, in the event of a Change of Control in which either (A) the acquiring or surviving entity does not agree to assume or otherwise continue Mr. Carney's outstanding equity awards, or (B) the acquiring or surviving entity does assume or otherwise continue Mr. Carney's outstanding equity awards but such awards cease to cover shares of common stock that are readily tradable on

an established securities market, then 100% of the shares subject to each then-outstanding unvested equity award held by Mr. Carney shall become fully vested and, as applicable, exercisable, effective as of immediately prior to the effective time of such Change of Control.

- If following the effective date of a Change of Control (as defined in the employment agreement) either (x) the Company (or its successor) terminates Mr. Carney's employment without cause (and other than as a result of Mr. Carney's death or disability), or (y) Mr. Carney resigns with good reason, and in either such case such event constitutes a "separation from service", then Mr. Carney shall be eligible to receive the severance benefits described above in "Severance Benefits" section, except that the vesting acceleration of each then-outstanding, unvested equity award held by Mr. Carney will accelerate as to the greater of (A) the 12 Month Vesting or (B) 75% of Mr. Carney's then-unvested shares. Mr. Carney's receipt of these benefits is subject to his execution of an effective release of claims in favor of the Company.

### ***Jason Teichman***

#### *Salary*

Effective August 5, 2010, Mr. Teichman's annual base salary was set at \$225,000 and is subject to annual review by the Committee. Effective July 1, 2011, his salary was changed to \$250,000, and effective November 1, 2011, his salary was changed to \$315,000. Mr. Teichman's salary is subject to annual review by the Committee.

#### *Annual Bonus*

Mr. Teichman is eligible to earn an annual incentive bonus, as determined by the Committee. The annual target bonus amount will be set at 85%, or as amended by the Committee, of his annual base salary. Mr. Teichman must remain an active employee through the time the Committee determines bonus amounts for him to earn a bonus.

#### *Severance Benefits*

Mr. Teichman participates in the Executive Severance Benefit Plan of the Company (the "Severance Plan"). In the event that, prior to a Change of Control, Mr. Teichman is terminated without cause or resigns with good reason (certain material adverse changes in the terms and conditions of his employment), at any time during the period commencing on the effective date of a Change of Control and ending eighteen (18) months following the effective date of the Change of Control, and provided such termination constitutes a separation from service, Mr. Teichman, subject to the execution of an effective release of claims in favor of the Company and observation of his continuing obligations to the Company following termination, is entitled to the following:

- (a) The Company shall make a lump sum severance payment in an amount equal to six (6) months of his then current base salary, and (ii) 50% of the greater of (A) the Target Bonus (as defined in the Severance Plan) for the year in which the termination occurs and (B) the prior year's Target Bonus actually earned, subject to withholdings and deductions, *provided, however*, no payment shall be made prior to the effective date of Mr. Teichman's release of claims; (b) the vesting acceleration of the unvested shares of common stock and unexercised stock options that were issued pursuant to his or her compensatory equity awards, such that the Shares that would have vested under such awards had he remained employed by the Company for six (6) months following the termination of his employment shall vest, and in the case of stock options, become immediately exercisable, (and if no shares would vest during such time under a specific award due to a cliff vesting provision, then the number of shares vesting and becoming exercisable pursuant to this paragraph shall equal the product of (i) the total number of shares subject to the award and (ii) a fraction, the numerator of which is six (6) plus the number of whole months that have elapsed between the vesting commencement date and the date of his termination, and the denominator of which is the total number of months in the vesting schedule), with such vesting occurring as of the date of his termination of employment; Eligible Employee's termination; (c) extension of the post-termination exercise period of all non-statutory stock options then held by Mr. Teichman so that such options, to the extent vested, are exercisable until the earlier of (a) the original term expiration date for such

award and (b) the first anniversary of Mr. Teichman's termination date; and (d) continuation of coverage under a health, dental, or vision plan sponsored by the Company under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"). The Company will pay COBRA premiums for a period of up to six (6) months following his termination of employment (but in no event longer than the date on which he ceases to be eligible for COBRA). Upon the conclusion of such period of insurance premium payments made by the Company, Mr. Teichman will be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA period.

#### *Change of Control Benefits*

- Immediately prior to a Change of Control (as such term is defined in the Severance Plan), and subject to Mr. Teichman's continued employment with the Company through such time, 25% of the then-unvested shares subject to each then-outstanding equity award (or such lesser number as then remain unvested) held by Mr. Teichman shall become fully vested, and, as applicable exercisable.
- The vesting of each then-unvested equity award (including stock options) shall be accelerated as to that number of shares equal to the greater of (1) the 6 month acceleration and (2) fifty percent (50%) of the then-unvested shares subject to such award, such accelerated vesting and exercisability effective as of the date of Mr. Teichman's termination of employment.
- In addition, in the event of a Change of Control in which either (i) the acquiring or surviving entity does not agree to assume or otherwise continue Mr. Teichman's outstanding equity awards, or (ii) the acquiring or surviving company does assume or otherwise continue Mr. Teichman's outstanding equity awards but such awards cease to cover shares of common stock that are readily tradable on an established securities market, then 100% of the shares subject to each then-outstanding unvested equity award held by Mr. Teichman shall become fully vested, and as applicable, exercisable.

#### **Roseann Duran**

##### *Salary*

Prior to November 1, 2011, Ms. Duran's annual base salary was \$245,000 and on that date it was increased to \$260,000, and it is subject to annual review by the Committee.

##### *Annual Bonus*

Ms. Duran's is eligible to earn an annual incentive bonus, as determined by the Committee. The annual target bonus amount will be set at 75%, or as amended by the Committee, of his annual base salary. Ms. Duran must remain an active employee through the time the Committee determines bonus amounts for her to earn a bonus.

##### *Severance Benefits*

Ms. Duran participates in the Executive Severance Benefit Plan of the Company (the "Severance Plan"). In the event that, prior to a Change of Control, Ms. Duran is terminated without cause or resigns with good reason (certain material adverse changes in the terms and conditions of her employment), at any time during the period commencing on the effective date of a Change of Control and ending eighteen (18) months following the effective date of the Change of Control, and provided such termination constitutes a separation from service, Ms. Duran, subject to the execution of an effective release of claims in favor of the Company and observation of her continuing obligations to the Company following termination, is entitled to the following:

- (a) The Company shall make a lump sum severance payment in an amount equal to six (6) months of her then current base salary, and (ii) 50% of the greater of (A) the Target Bonus (as defined in the Severance Plan) for the year in which the termination occurs and (B) the prior year's Target Bonus actually earned, subject to withholdings and deductions, *provided, however*, no payment shall be made prior to the effective date of Ms. Duran's release of claims; (b) the vesting acceleration of the

unvested shares of common stock and unexercised stock options that were issued pursuant to her compensatory equity awards, such that the shares that would have vested under such awards had she remained employed by the Company for six (6) months following the termination of her employment shall vest, and in the case of stock options, become immediately exercisable, (and if no shares would vest during such time under a specific award due to a cliff vesting provision, then the number of shares vesting and becoming exercisable pursuant to this paragraph shall equal the product of (i) the total number of shares subject to the award and (ii) a fraction, the numerator of which is six (6) plus the number of whole months that have elapsed between the vesting commencement date and the date of her termination, and the denominator of which is the total number of months in the vesting schedule), with such vesting occurring as of the date of her termination of employment; Eligible Employee's termination; (c) extension of the post-termination exercise period of all non-statutory stock options then held by Ms. Duran so that such options, to the extent vested, are exercisable until the earlier of (a) the original term expiration date for such award and (b) the first anniversary of Ms. Duran's termination date; and (d) continuation of coverage under a health, dental, or vision plan sponsored by the Company under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"). The Company will pay COBRA premiums for a period of up to six (6) months following her termination of employment (but in no event longer than the date on which she ceases to be eligible for COBRA). Upon the conclusion of such period of insurance premium payments made by the Company, Ms. Duran will be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA period.

#### *Change of Control Benefits*

- Immediately prior to a Change of Control (as such term is defined in the Severance Plan), and subject to Ms. Duran's continued employment with the Company through such time, 25% of the then-unvested shares subject to each then-outstanding equity award (or such lesser number as then remain unvested) held by Ms. Duran shall become fully vested, and, as applicable exercisable.
- The vesting of each then-unvested equity award (including stock options) shall be accelerated as to that number of shares equal to the greater of (1) the 6 month acceleration and (2) fifty percent (50%) of the then-unvested shares subject to such award, such accelerated vesting and exercisability effective as of the date of Ms. Duran's termination of employment.
- In addition, in the event of a Change of Control in which either (i) the acquiring or surviving entity does not agree to assume or otherwise continue Mr. Teichman's outstanding equity awards, or (ii) the acquiring or surviving company does assume or otherwise continue Ms. Duran's outstanding equity awards but such awards cease to cover shares of common stock that are readily tradable on an established securities market, then 100% of the shares subject to each then-outstanding unvested equity award held by Ms. Duran shall become fully vested, and as applicable, exercisable.

#### *Clawback*

On March 7, 2011, all of the employment agreements, including the Severance Plan, were amended to provide for a clawback provision which basically states that notwithstanding the terms of the agreement to the contrary, any portion of the payments and benefits provided under the agreement, as well as any other payments and benefits which the NEOs and other senior executives receive pursuant to a Company plan or other arrangement, shall be subject to a clawback to the extent necessary to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any Securities and Exchange Commission rule.

#### *2005 Equity Incentive Plan*

Under the 2005 Plan, in the event of specified significant corporate transactions, such as a sale of all or substantially all of the Company's assets, a sale of at least 90% of the Company's outstanding securities, a merger in which the Company is not the surviving entity, or a merger in which the Company is the surviving

entity, but the Company's common stock outstanding immediately prior to the transaction is exchanged or converted into other property, all outstanding stock awards under the 2005 Equity Incentive Plan may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by individuals whose service with us or the Company's affiliates has not terminated more than three months prior to the effective date of the corporate transaction, the vesting and exercisability provisions of such stock awards will be accelerated in full and such awards will be terminated if not exercised prior to the effective date of the corporate transaction, and (ii) all other outstanding stock awards will terminate if not exercised prior to the effective date of the corporate transaction. The Company's Board may also provide that the holder of an outstanding stock award not assumed in the corporate transaction will surrender such stock award in exchange for a payment equal to the excess of (i) the value of the property that the optionee would have received upon exercise of the stock award, over (ii) the exercise price otherwise payable in connection with the stock award.

### ***2008 Equity Incentive Plan***

Under the 2008 Plan, in the event of specified significant corporate transactions, such as a sale of all or substantially all of the Company's assets, a sale of at least 90% of the Company's outstanding securities, a merger in which the Company is not the surviving entity, a merger in which the Company is not the surviving entity, or a merger in which the Company is the surviving entity, but the Company's common stock outstanding immediately prior to the transaction is exchanged or converted into other property, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all outstanding stock awards under the 2008 Plan or may substitute similar stock awards for stock awards outstanding under the 2008 Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the specified corporate transaction), and any reacquisition or repurchase rights held by the Company in respect of common stock issued pursuant to stock awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such specified corporate transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of a stock award or substitute a similar stock award for only a portion of a stock award. The terms of any assumption, continuation or substitution shall be set by the Board.

Except as otherwise stated in the 2008 Plan, in the event of a specified corporate transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding stock awards or substitute similar stock awards for such outstanding stock awards, then with respect to stock awards that have not been assumed, continued or substituted and that are held by participants in the 2008 Plan whose continuous service with the Company has not terminated prior to the effective time of the specified corporate transaction, the vesting of such stock awards (and, with respect to options and stock appreciation rights, the time at which such stock awards may be exercised) shall be accelerated in full to a date prior to the effective time of such specified corporate transaction (contingent upon the effectiveness of the corporate transaction) as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five (5) days prior to the effective time of the corporate transaction), and such stock awards shall terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by the Company with respect to such stock.

### ***2005 Non-Employee Director's Stock Option Plan***

Under the 2005 Directors' Plan, in the event of specific significant corporate transactions, such as a sale of all or substantially all of the Company's assets, a sale of at least 90% of the Company's outstanding securities in a merger, consolidation or similar transaction in which the Company is not the surviving entity, or a merger, consolidation or similar transaction in which the Company is the surviving entity but the Company's common stock outstanding immediately prior to the transaction is exchanged for or converted into other property, all outstanding awards under the 2005 Non-Employee Directors' Stock Option Plan may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such awards, then (i) with respect to any such awards that are held by optionees then performing services for the Company or any of the Company's affiliates, the vesting and exercisability of such awards will be accelerated

in full and such awards will be terminated if not exercised prior to the effective date of the corporate transaction, and (ii) all other outstanding awards will terminate if not exercised prior to the effective date of the corporate transaction. The Board may also provide that the holder of an outstanding award not assumed in the corporate transaction will surrender such award in exchange for a payment equal to the excess of (i) the value of the property that the holder would have received upon exercise of the award, over (ii) the exercise price otherwise payable in connection with the award.

### ***Executive Severance Benefit Plan***

The Severance Plan was amended on March 7, 2011. The Severance Plan covers certain officers (other than David Brown and Kevin Carney), and certain others who have employment agreements, and some of other key employees, as designated by the Board, are also eligible for severance benefits, including cash severance payments and accelerated vesting of outstanding stock and options.

*Termination Without Cause or Resignation for Good Reason.* Under the Severance Plan, if an Eligible Employee's (as such term is defined in the Severance Plan), employment with the Company terminates without cause, or the Eligible Employee terminates his or her employment with good reason, the Eligible Employee is entitled to a lump sum severance payment to the Eligible Employee in an amount equal to six months of the Eligible Employee's then-current base salary (as defined in the Severance Plan), and 50% of the greater of (i) the Eligible Employee's Target Bonus (as such term is defined in the Severance Plan) for the year in which the termination occurs and (ii) the prior year's Target Bonus actually earned, subject to withholdings and deductions. Additionally, the Eligible Employee would be entitled to acceleration of six months' worth of vesting of the shares of stock held by the Eligible Employee and the shares of stock subject to any options held by the Eligible Employee, subject to adjustment in the event that no shares would vest under an award due to a cliff vesting provision. Further, we will pay any Consolidated Omnibus Budget Reconciliation Act of 1985, or COBRA, payments for six months.

*Termination Without Cause or Resignation for Good Reason Following a Change of Control.* Under the Severance Plan, if within eighteen months following a change of control an Eligible Employee's employment with the Company terminates without cause, or if the Eligible Employee terminates his or her employment with good reason, the Eligible Employee is entitled to the same benefits as would be received in the event of a termination without cause or resignation for good reason (described above), except that instead of the acceleration of six months' worth of vesting of shares of stock held by the Eligible Employee, the vesting (and in the case of options' exercisability) of each then-unvested equity award held by the Eligible Employee shall be accelerated as to that number of shares equal to the greater of (i) the acceleration of six months' worth of vesting (and exercisability) and (ii) 50% of the then-unvested shares subject to such award, with such accelerated vesting (and exercisability) effective as of the termination of employment.

### ***Change in Control Benefits***

- Immediately prior to a Change of Control (as such term is defined in the Severance Plan), and subject to the Eligible Employee's continued employment with the Company through such time, 25% of the then-unvested shares subject to each then-outstanding equity award (or such lesser number as then remain unvested) held by the Eligible Employee shall become fully vested, and, as applicable exercisable.
- The vesting of each then-unvested equity award (including stock options) shall be accelerated as to that number of shares equal to the greater of (1) the 6 month acceleration and (2) fifty percent (50%) of the then-unvested shares subject to such award, such accelerated vesting and exercisability effective as of the date of the Eligible Employee's termination of employment.
- In addition, in the event of a Change of Control in which either (i) the acquiring or surviving entity does not agree to assume or otherwise continue the Eligible Employee's outstanding equity awards, or (ii) the acquiring or surviving company does assume or otherwise continue the Eligible Employee's outstanding equity awards but such awards cease to cover shares of common stock that are readily tradable on an established securities market, then 100% of the shares subject to each then-outstanding unvested equity

*Conditions to Receipt of Benefits.* To be eligible to receive benefits under the Severance Plan, the Eligible Employee must execute a general waiver and release of claims in favor of the Company. If an Eligible Employee is terminated for cause or resigns without good reason, the Eligible Employee is ineligible for benefits under the Executive Severance Benefit Plan. Award held by the Eligible Employee shall become fully vested, and as applicable, exercisable.

**Summary of Estimated Amounts Payable Upon a Separation or Change of Control**

The table below estimates amounts payable upon a separation, change of control and a separation following a change of control as of December 31, 2011 for Messrs. Brown, Carney, Teichman and Ms. Duran using \$11.45, the closing price of the stock on that date:

Name	Termination Without Cause or Resignation for Good Reason	Change of Control	Termination Without Cause or Resignation for Good Reason Following a Change of Control
David L. Brown			
Separation Benefit <sup>(1)</sup> . . . . .	\$1,455,000	\$1,455,000	\$ —
Stock Options . . . . .	\$ 431,120 <sup>(2)</sup>	\$ 666,799 <sup>(3)</sup>	\$ —
Restricted Stock . . . . .	\$4,863,388 <sup>(2)</sup>	\$6,019,838 <sup>(3)</sup>	\$ —
COBRA Premiums <sup>(4)</sup> . . . . .	\$ 17,868	—	\$ 17,868
Total . . . . .	\$6,767,376	\$8,141,637	\$ 17,868
Kevin M. Carney			
Separation Benefit <sup>(5)</sup> . . . . .	\$ 590,000 <sup>(5)</sup>	—	\$ 590,000
Stock Options . . . . .	\$ 98,122 <sup>(7)</sup>	\$ 168,240 <sup>(8)</sup>	\$ 168,240 <sup>(9)</sup>
Restricted Stock . . . . .	\$ 333,195 <sup>(7)</sup>	\$1,361,978	\$1,261,978 <sup>(9)</sup>
COBRA Premiums <sup>(6)</sup> . . . . .	\$ 16,411	—	\$ 16,411
Total . . . . .	\$ 1,039,15	\$1,530,218	\$2,036,629
Jason M. Teichman <sup>(10)</sup>			
Separation Benefit . . . . .	\$ 238,000 <sup>(10)</sup>	—	\$ 238,000
Stock Options . . . . .	\$ 24,806 <sup>(12)</sup>	\$ 26,203	\$ 52,407 <sup>(14)</sup>
Restricted Stock . . . . .	\$ 411,490	\$ 214,688 <sup>(13)</sup>	\$ 429,375 <sup>(14)</sup>
COBRA Premiums <sup>(11)</sup> . . . . .	\$ 8,205	—	\$ 8,205
Total . . . . .	\$ 682,501	\$ 240,891	\$ 727,987
Roseann Duran <sup>(10)</sup>			
Separation Benefit . . . . .	\$ 191,500 <sup>(10)</sup>	—	\$ 191,500
Stock Options . . . . .	\$ 28,312 <sup>(12)</sup>	\$ 29,548 <sup>(13)</sup>	\$ 59,096 <sup>(14)</sup>
Restricted Stock . . . . .	\$ 194,650	\$ 286,250	\$ 572,500 <sup>(14)</sup>
COBRA Premiums <sup>(11)</sup> . . . . .	\$ 2,917	—	\$ 2,916
Total . . . . .	\$ 417,379	\$ 315,798	\$ 826,012

- (1) Lump sum severance payment in an amount equal to 18 months of then-current base salary plus 150% of prior year's bonus.
- (2) Unvested equity awards held will accelerate as to the same extent as such awards would have been vested had employment continued for an additional 18 months.
- (3) Unvested equity awards held will accelerate and become immediately and fully vested.
- (4) Payment by the Company of COBRA premiums for a maximum of 18 months.
- (5) Lump sum severance payment in an amount equal to 12 months of then-current base salary plus 100% prior year's bonus.
- (6) Reimbursement of COBRA premiums for a maximum of 12 months.

- (7) Unvested equity awards held will accelerate as to the same extent as such awards would have been vested had employment continued for an additional 12 months.
- (8) Unvested equity awards held will accelerate as to 75% of the then-unvested awards.
- (9) Unvested equity awards held will accelerate as to the greater of (A) the same extent as such awards would have been vested had employment continued for an additional 12 months or (B) 75% of the then-unvested awards.
- (10) Severance payment in an amount equal to six months' salary, payable in accordance with the Company's standard payroll practices.
- (11) Reimbursement of COBRA premiums for a maximum of six months.
- (12) Unvested equity awards held, will accelerate as to the same extent as such awards would have been vested had employment continued an additional six months.
- (13) Unvested equity awards held will accelerate as to 25% of the then unvested awards.
- (14) Unvested equity awards will accelerate as to the greater of (A) the same extent as such awards would have been vested had employee continued for an additional six months or (B) 50% of the then-unvested awards.

## **PROPOSAL 2**

### **RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012 and has further directed that management submit the selection of the independent registered public accounting firm for ratification by the stockholders at the annual meeting. Ernst & Young LLP has audited the Company's financial statements since 2002. Representatives of Ernst & Young LLP are expected to be present at the annual meeting at which they will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. However, the Audit Committee of the Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee of the Board will reconsider whether to retain Ernst & Young LLP as the Company's independent registered public accounting firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting will be required to ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"  
THE RATIFICATION OF ERNST & YOUNG AS THE COMPANY'S INDEPENDENT AUDITORS  
FOR YEAR ENDED DECEMBER 31, 2012**

## PROPOSAL 3

### ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and Section 14A of the Exchange Act, the Company's shareholders are now entitled to vote to approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement in accordance with SEC rules. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's named executive officers and the philosophy, policies and practices described in this proxy statement.

We are requesting our stockholders' advisory approval of the compensation of our NEOs, as disclosed in the "Compensation Discussion and Analysis," the compensation tables, and the narrative discussion set forth on pages 20 to 33 of this proxy statement. This non-binding advisory vote is commonly referred to as a "say on pay" vote.

The Compensation Committee, which is responsible for designing and administering our executive compensation program, continuously refines the Company's executive compensation structure and processes, consistent with evolving corporate governance practices and the views of our stockholders. The Compensation Committee designs our executive compensation programs to focus executive decision making on our overall business strategy, reinforce a pay for performance culture, remain responsible in the face of economic adversity, and allow the Company to attract and retain executives with the skills critical to the Company's long-term success. The executives were rewarded at the beginning of 2012 with variable cash compensation reflecting the Company's non-GAAP earnings per share and revenue of over \$1.05 and over \$199 million, respectively during 2011. We believe that our compensation philosophy provides a very real linkage between Company results, stockholder value and executive compensation. We encourage you to carefully review the "Compensation Discussion and Analysis" beginning on page 20 of this proxy statement for additional details on our executive compensation, including our compensation philosophy and objectives, as well as the processes the Compensation Committee used to determine the structure and amounts of the compensation of our NEOs in fiscal 2011.

We are asking our stockholders to indicate their support for our NEOs' compensation as described in this proxy statement. Accordingly, we are asking you to vote, on an advisory basis, "For" the following resolution at the Annual Meeting of Stockholders:

"RESOLVED, that the compensation paid to Web.com Group, Inc.'s named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules, including the Compensation Discussion and Analysis, compensation tables and narrative discussion set forth on pages 20 to 33 of this proxy statement, is hereby approved."

Because the vote is advisory, it is not binding on the Board of Directors or the Company. Nevertheless, the views expressed by the shareholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting.

**THE BOARD OF DIRECTORS RECOMMENDS A NON-BINDING ADVISORY VOTE "FOR"  
THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AS DISCLOSED  
IN THIS PROXY STATEMENT.**

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

On October 27, 2011, the Company acquired all the assets and stock of NetSol Parent, LLC, and all of its subsidiaries, including Network Solutions, LLC. In connection with that acquisition, the Company issued 18,000,000 shares of Common Stock to NWS Holdings, Inc., an entity owned and controlled by General Atlantic Service Company, LLC. Mr. Anton Levy, a managing partner of General Atlantic was named as a member of the Board of Directors and the Compensation Committee of the Company. Mr. Levy is also a director with Red Ventures, which is a business partner of the Company. With this exception, from the beginning of fiscal 2011 until the present, there have been no (and there are no currently proposed) other transactions involving an amount in excess of \$120,000 in which the Company was (or is to be) a participant and any executive officer, director, 5% beneficial owner of the common stock or member of the immediate family of any of the foregoing persons had (or will have) a direct or indirect material interest, except the compensation arrangements described above for the named executive officers and directors and compensation arrangements with the other executive officers not required to be disclosed in this section by SEC rules and regulations.

## **RELATED TRANSACTIONS — POLICY AND PROCEDURES**

The Audit Committee has authority to review and approve all related party transactions as set forth in the Audit Committee Charter. To identify related party transactions, each year, the Company submits and require its directors and officers to complete Director and Officer Questionnaires identifying any transactions with us in which the executive officer or director or their family members have an interest. The related party transactions are reviewed due to the potential for a conflict of interest. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, with the Company's interests. In addition, the Nominating and Corporate Governance Committee determines, on an annual basis, which members of the Board are independent (as independence is currently defined in Rule 4200(a) (15) of the NASDAQ listing standards). The Nominating and Corporate Governance Committee reviews and discusses any relationships with directors that would potentially interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director. Finally, the Company's Code of Conduct establishes the standards of behavior for all employees, officers, and directors.

The Audit Committee, in the first quarter of 2011, approved hiring Brown & Associates, an entity owned by a relative of the Company's Chief Executive Officer and Chairman of the Board, on a contingency based fee for a sales tax review and study. The total amount of fees paid to Brown & Associates for successful refunds of sales tax totaling \$104,000 was \$31,000, of which \$31,000 was paid during the year ended December 31, 2011.

## **HOUSEHOLDING OF PROXY MATERIALS**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are Web.com's stockholders will be "householding" the Company's proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement and annual report, please either notify your broker or direct your written request to the Secretary, Web.com Group, Inc., 12808 Gran Bay Parkway West, Jacksonville, Florida 32258. You may also make these requests by calling the Secretary at (904) 680-6600. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request "householding" of their communications should contact their broker.

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, is available without charge at <http://www.ir.web.com> or by mail upon written request to: Secretary, Web.com Group, Inc., 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.

**OTHER MATTERS**

The Board knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors



**Matthew P. McClure**  
Secretary

Date: March 23, 2012

[This page intentionally left blank.]

[This page intentionally left blank.]

[This page intentionally left blank.]



