NEUSTAR INC
Form PRE 14A
April 02, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under §240.14a-12

NeuStar, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

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

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

¨ Fee paid previously with preliminary materials.

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

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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Fellow Stockholders:

We are pleased to invite you to attend the 2015 Annual Meeting of Stockholders of NeuStar, Inc. to be held on Wednesday, May 27, 2015 at 5:00 p.m. local time, at the Hyatt Regency Reston, 1800 Presidents Street, Reston, Virginia 20190. Details regarding admission to the Annual Meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting of Stockholders and the 2015 Proxy Statement.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote over the Internet, by telephone or by mailing a Proxy or Voting Instruction Card. Voting over the Internet, by telephone or by written proxy will ensure your representation at the Annual Meeting regardless of whether you attend in person. Please review the instructions on the Proxy or Voting Instruction Card regarding each of these voting options.

We are pleased to furnish proxy materials to stockholders primarily over the Internet. This process expedites stockholders receipt of proxy materials, while lowering the costs of our Annual Meeting and conserving natural resources. On or around April 17, 2015, we will mail our stockholders a notice containing instructions on how to access our 2015 Proxy Statement and 2014 Annual Report and vote online. The notice also will include instructions on how you can receive a paper copy of your Annual Meeting materials, including the Notice of Annual Meeting, 2015 Proxy Statement and Proxy Card. If you receive your Annual Meeting materials by mail, the Notice of Annual Meeting, 2015 Proxy Statement and Proxy Card will be enclosed. If you receive your Annual Meeting materials via e-mail, the e-mail will contain voting instructions and links to the 2015 Proxy Statement and the 2014 Annual Report on the Internet, both of which are available at www.neustar.biz under the captions Company Investor Relations .

At this year s Annual Meeting, the agenda includes the following proposals:

Proposal	Board Recommendation
1. Election of Ross K. Ireland, Paul A. Lacouture and Michael J. Rowny as directors	FOR
2. Ratification of Ernst & Young LLP as our independent registered public accounting firm	FOR
3. Advisory resolution to approve executive compensation	FOR
4. Approval of the Amended and Restated NeuStar, Inc. 2009 Stock Incentive Plan	FOR
5. Approval of Amendments to the NeuStar, Inc. Restated Certificate of Incorporation to declassify the Board of Directors and to provide for annual election of all Directors	FOR

Thank you for your ongoing support of and continued interest in Neustar.

Sincerely,

Lisa A. Hook

President and Chief Executive Officer

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NEUSTAR, INC.

21575 RIDGETOP CIRCLE,

STERLING, VIRGINIA 20166

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 27, 2015

Time and Date	5:00 p.m. (local time) on May 27, 2015.
Place	Hyatt Regency Reston, 1800 Presidents Street, Reston, Virginia 20190
Items of Business	1. To elect the three directors named in the 2015 Proxy Statement to the Board of Directors to hold office until our Annual Meeting of Stockholders in 2018 and until their respective successors have been elected and qualified; 2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015; 3. To vote on an advisory resolution to approve executive compensation; 4. To approve the Amended and Restated NeuStar, Inc. 2009 Stock Incentive Plan; and 5. To approve amendments to the NeuStar, Inc. Restated Certificate of Incorporation to declassify the Board of Directors and to provide for annual election of all Directors. Stockholders also will transact any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.
Adjournments and Postponements	Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.
Record Date	You are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement that may take place only if you were a stockholder as of the close of business on March 30, 2015.
Proxy Materials and Annual Report	We are pleased to take advantage of Securities and Exchange Commission rules that allow us to furnish these proxy materials and our 2014 Annual Report to stockholders on the Internet.
Voting	Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible. You may submit your Proxy or Voting Instruction Card for the Annual Meeting by completing, signing, dating and returning your Proxy or Voting Instruction Card in the pre-addressed envelope provided, or, in most cases, by using the telephone or the Internet. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers beginning on page 1 of this Proxy Statement and the instructions on the Proxy or Voting Instruction Card. You can revoke a proxy prior to its exercise at the Annual Meeting by following the instructions in this Proxy Statement.

By order of the Board of Directors,

Leonard J. Kennedy

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Stockholders to Be Held on May 27, 2015:

This Notice of 2015 Annual Stockholders Meeting and Proxy Statement, and 2014 Annual Report and Form

10-K are available at http://www.astproxyportal.com/ast/25439.

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NEUSTAR, INC.

21575 RIDGETOP CIRCLE

STERLING, VIRGINIA 20166

PROXY STATEMENT

QUESTIONS AND ANSWERS

Why am I receiving these proxy materials?

We are making these proxy materials available to you on the Internet or, upon your request, by delivering printed versions of these materials to you by mail, in connection with the solicitation by the Board of Directors of NeuStar, Inc. of proxies for use at our 2015 Annual Meeting of Stockholders (the Annual Meeting) and at any adjournment(s) or postponement(s) that may take place. These materials will be sent or given to stockholders on or around April 17, 2015. Unless the context otherwise requires, the terms us, we, our, Neustar, and the Company include NeuStar, Inc. and its consolidated subsidiaries.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials?

Pursuant to the notice and access rules adopted by the Securities and Exchange Commission, we have elected to provide stockholders access to our proxy materials over the Internet. Accordingly, we sent a Notice of Internet Availability of Proxy Materials (the Notice) to all of our stockholders as of March 30, 2015 (the Record Date). The Notice includes instructions on how to access our proxy materials over the Internet and how to request a printed copy of these materials to the extent that you would prefer to receive paper copies of proxy materials. Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the cost of the Annual Meeting and conserve natural resources. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

Do I need a ticket to attend the Annual Meeting?

You will need an admission ticket or proof of ownership of our common stock to enter the Annual Meeting. If you are a stockholder of record and received a Notice, your Notice is your admission ticket. If you are a stockholder of record and received a printed copy of our proxy materials, you must bring the admission ticket portion of your Proxy Card to be admitted to the Annual Meeting. If you are a beneficial owner and your shares are held in the name of a broker, bank or other nominee, you must bring a brokerage statement or other proof of ownership with you to the Annual Meeting. If you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of Neustar stock, to:

NeuStar, Inc.

Attn: Corporate Secretary

21575 Ridgetop Circle

Sterling, Virginia 20166

All stockholders also must present a form of valid, government-issued photo identification in order to be admitted to the Annual Meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Holders of Neustar common stock at the close of business on the Record Date are entitled to receive the Notice and to vote their shares at the Annual Meeting. As of the Record Date, there were 56,115,949 shares of Class A common stock outstanding and entitled to vote and 3,082 shares of Class B common stock

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outstanding and entitled to vote. All holders of common stock shall vote together as a single class, and each holder of common stock is entitled to one vote per share of Class A common stock and one vote per share of Class B common stock on each matter properly brought before the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with Neustar s transfer agent, American Stock Transfer & Trust Company LLC, you are considered, with respect to those shares, the stockholder of record. The Notice was sent directly to you by the Company. If you requested printed copies of the proxy materials by mail, you received a Proxy Card.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. The Notice and, upon your request, the proxy materials have been forwarded to you by your broker, bank or other nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares by following their instructions for voting.

How do I vote?

The instructions for accessing proxy materials and voting can be found in the information you received either by mail or e-mail. Depending on how you received the proxy materials, you may vote by Internet, telephone or mail. We encourage you to vote by Internet.

For stockholders who received a Notice by mail about the Internet availability of the proxy materials, you may access the proxy materials and voting instructions over the Internet via the web address provided in the Notice. In order to access this material and vote, you will need the control number provided on the Notice you received in the mail. You may vote by following the instructions on the Notice or on the website.

For stockholders who received a Notice by e-mail, you may access the proxy materials and voting instructions over the Internet via the web address provided in the e-mail. In order to vote, you will need the control number provided in the e-mail. You may vote by following the instructions in the e-mail or on the website.

For stockholders who received the proxy materials by mail, you may vote your shares by following the instructions provided on the Proxy or Voting Instruction Card. If you vote by Internet or telephone, you will need the control number provided on the Proxy or Voting Instruction Card. If you vote by mail, please complete, sign and date the Proxy or Voting Instruction Card and mail it in the accompanying pre-addressed envelope. If the prepaid envelope is missing, please mail your completed Proxy Card to **NeuStar, Inc., 21575 Ridgetop Circle, Sterling, Virginia 20166, Attn: Corporate Secretary** .

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day, and will close at 11:59 p.m. Eastern Daylight Time on Tuesday, May 26, 2015. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other nominee. Therefore, we recommend that you follow the voting instructions in the materials you receive. If you vote by telephone or on the Internet, you do not need to return your Proxy or Voting Instruction Card.

All stockholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a legal proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other nominee and present it to the inspector of election with your ballot to be able to vote at the Annual Meeting.

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What can I do if I change my mind after I vote my shares?

If you are a stockholder of record, you can change your vote or revoke your proxy before it is exercised by:

- written notice to the Corporate Secretary of the Company;
- timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or
- voting in person at the Annual Meeting.

If you are a beneficial owner of shares, you should follow the instructions of your bank, broker or other nominee to change or revoke your voting instructions. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to the previous question.

All shares that have been properly voted and not revoked will be cast as votes at the Annual Meeting.

What shares can I vote?

You can vote all shares that you owned on the Record Date. These shares include (1) shares held directly in your name as the stockholder of record; and (2) shares held for you as the beneficial owner through a broker, bank or other nominee.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting for any purpose germane to the Annual Meeting, between the hours of 8:45 a.m. and 4:30 p.m. Eastern Daylight Time, at our principal executive offices at 21575 Ridgetop Circle, Sterling, Virginia 20166, by contacting the Corporate Secretary of the Company.

How many shares are required to constitute a quorum and to approve the proposals being voted upon at the Annual Meeting?

The holders of a majority of the outstanding shares of Class A common stock and Class B common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, shall constitute a quorum.

Under our bylaws, approval of proposals 1-4 requires the affirmative vote of a majority of votes cast. In addition, New York Stock Exchange rules contain separate approval requirements with respect to the approval of proposal 4. Under New York Stock Exchange rules, approval of proposal 4 requires the affirmative vote of a majority of votes cast; however, as described below, abstentions will be counted as votes cast on the proposal.

Approval of proposal 5 requires the affirmative vote of a majority of the shares of Class A common stock and Class B common stock outstanding and entitled to vote thereon.

How will broker non-votes and abstentions be treated at the Annual Meeting?

Generally, a broker non-vote occurs on a matter when a broker is not permitted to vote on the matter without voting instructions from the beneficial owner and voting instructions are not given. Under the rules of the New York Stock Exchange, without voting instructions from the beneficial owners, brokers will have discretion to vote on proposal 2 but not on proposals 1, 3, 4, or 5. Therefore, in order for your voice to be heard, it is important that you vote. **We strongly encourage you to vote every vote is** important.

Abstentions and broker non-votes will be considered present for purposes of determining the presence of a quorum. Under our bylaws, abstentions and broker non-votes will not be considered votes cast at the Annual Meeting and therefore will have no effect on the voting results on proposals 1-4. However, for purposes of

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approval of proposal 4 under New York Stock Exchange rules, abstentions will be counted as votes cast and, therefore, will have the same effect as a vote against the proposal, and broker non-votes will not be counted as votes cast and, therefore, will have no effect on the voting results on the proposal. With respect to proposal 5, abstentions and broker non-votes will have the same effect as a vote against the proposal.

Could other matters be decided at the Annual Meeting?

At the date of this Proxy Statement, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement.

If other matters are properly presented at the Annual Meeting for consideration, the proxy holders named on the Proxy Card will have the discretion to vote on those matters for you.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. We have retained Innisfree M&A Incorporated to aid in the solicitation of proxies for fees of approximately $20,000, plus expenses. In addition, our directors, senior executives or employees, acting without special compensation, may also solicit proxies. Proxies may be solicited by personal interview, mail, electronic transmission, facsimile transmission or telephone. We are required to send copies of proxy-related materials or additional solicitation materials to brokers, fiduciaries and custodians who will forward these materials to the beneficial owners of our shares. On request, we will reimburse brokers and other persons representing beneficial owners of shares for their reasonable expenses in forwarding these materials to beneficial owners.

Who will count the vote?

Representatives of our transfer agent, American Stock Transfer & Trust Company LLC, will tabulate the votes and act as inspector of election.

How may I obtain Neustar s Form 10-K and other financial information?

Stockholders may request a free copy of our 2014 Annual Report, which includes our 2014 Form 10-K, from:

NeuStar, Inc.

Attn: Corporate Secretary

21575 Ridgetop Circle

Sterling, VA 20166

Alternatively, current and prospective investors can access the 2014 Annual Report, which includes our 2014 Form 10-K, and other financial information on our website at *www.neustar.biz* under the captions Company Investor Relations or on the Securities and Exchange Commission s website at *www.sec.gov*.

We also will furnish any exhibit to the 2014 Form 10-K if specifically requested upon payment of charges that approximate our cost of reproduction.

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GOVERNANCE OF THE COMPANY

Our Principles of Corporate Governance

The Board of Directors (the Board) has adopted a set of corporate governance principles as a framework for the governance of the Company. The Nominating and Corporate Governance Committee annually reviews the principles and recommends changes to the Board as appropriate. Our Principles of Corporate Governance (the Principles) are available on our website at *www.neustar.biz* under the captions Company Investor Relations Corporate Information Principles. A free printed copy is available to any stockholder who requests it from us at the address on page 4.

Among other matters, the Principles contain the following items concerning the Board:

The Board, which is elected by the Company s stockholders, oversees the management of the Company and its business. The Board appoints the senior management team, which is responsible for operating the Company s business, and monitors the performance of senior management.

The Board may change its size to not less than three directors and not more than fifteen directors.

The Board regularly reviews Board and Company leadership as part of the succession planning process. The Board s leadership structure is discussed in more detail under Board Leadership below.

When a director s principal occupation or business association changes substantially during the director s tenure on the Board, the director must tender his or her resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee recommends to the Board the action, if any, to be taken with respect to the resignation.

Ordinarily, directors may not serve on the boards of more than four public companies so as not to interfere with their service as a director of the Company. Directors should also advise the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another corporate board.

Unless otherwise approved by the Nominating and Corporate Governance Committee, directors may not stand for reelection after age 72.

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

The Board reviews the Company s long-term strategic plan and business initiatives at least annually and monitors their implementation throughout the year.

In 2014, the Board had five standing committees: Audit, Nominating and Corporate Governance, Compensation, Finance, and Neutrality. The Audit, Nominating and Corporate Governance, Compensation, and Finance Committees consist solely of independent directors. All committees report to the full Board with respect to their activities.

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Corporate Governance, Compensation and Finance Committees has similar authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions.

The Board plans for succession to the position of CEO as well as certain other senior management positions. The CEO reports to the Board periodically on succession planning and management

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development and provides the Board with recommendations and evaluations of potential successors to fill senior management positions, including the position of CEO. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations in which the CEO or other members of senior management unexpectedly become unable to perform the duties of their positions.

The Company has an orientation process for Board members that is designed to familiarize new directors with the Company s business, operations, finances, and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Corporate Governance, and Compensation Committees also conduct annual self-evaluations to assess their performance. The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations.

Board Leadership

Neustar currently separates the positions of Chairman of the Board and CEO. Since November 2010, James G. Cullen, one of our independent directors, has served as our Chairman of the Board. Mr. Cullen s roles and responsibilities as Chairman include:

leading the Board in enhancing processes relating to Board communications and involvement, strategy development, succession planning, mergers and acquisitions, annual budgets and risk oversight. (The Board s role in risk oversight is discussed in more detail on page 15.)

setting the priorities of the Board and establishing agendas for Board meetings;

consulting with committee chairs on committee meeting frequency, length and agendas;

calling and presiding over meetings of the Board;

chairing regular executive sessions of the independent directors;

serving as a liaison between management and the other independent directors;

overseeing the CEO evaluation process (led by the Compensation Committee);

overseeing the Board evaluation process (led by the Nominating and Corporate Governance Committee) and providing feedback to directors regarding their individual performance and contributions;

leading the Board in anticipating and responding to crises; and

meeting regularly with the CEO between Board meetings.

Separating the positions of Chairman of the Board and CEO allows our CEO to focus on our day-to-day business, while providing the Board with independent leadership in its central role of advising and overseeing management. The Board believes that having an experienced and engaged independent director as Chairman is the most appropriate structure for the Board at this time. However, the Board annually completes self-evaluations to assess its performance and as part of the Company s succession planning process regularly reviews Company leadership, and believes that it is in the best interests of the Company to make a determination regarding whether or not to separate the roles of Chairman and CEO based on the needs and circumstances of the Company.

Director Independence

Our Principles include the following provisions concerning director independence:

A substantial majority of the Board is made up of independent directors.

An independent director is a director who meets the independence requirements of the New York Stock Exchange for directors, as determined by the Board. Specifically, an independent director is a director

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who has no material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company.

The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Corporate Governance Committee.

The Board has established standards to assist it in determining director independence. Under these standards, which are included as Appendix A to the Principles, a director is not independent if, within the preceding three years:

the director was employed by the Company, or an immediate family member of the director was employed by the Company as an executive officer;

the director or an immediate family member received more than $120,000 during any 12-month period in direct compensation from the Company, other than Board and committee fees, pensions or other forms of deferred compensation for prior service, and compensation received by an immediate family member for service as an employee (other than an executive officer);

the director or an immediate family member had specified employment relationships with the Company s independent auditor; or

the director or an immediate family member was part of an interlocking directorate in which the director or family member was employed as an executive officer of another company where any of the Company s executive officers served on the compensation committee.

In addition, a director is not independent if the director is an employee, or an immediate family member is an executive officer, of a company that made payments to, or received payments from, the Company in excess of specified amounts during the preceding three fiscal years.

Finally, a director is not independent if the director or the director s spouse is an executive officer of a nonprofit organization to which the Company made contributions in excess of specified amounts during the preceding three fiscal years.

The Board undertook its annual review of director independence in February 2015. Based on the independence requirements of the New York Stock Exchange rules and the standards set forth in our Principles, the Board affirmatively determined that current directors Gareth C. C. Chang, James G. Cullen, Joel P. Friedman, Mark N. Greene, Ross K. Ireland, Paul A. Lacouture, Michael J. Rowny, and Hellene S. Runtagh are independent. The Board determined that Lisa A. Hook is not independent as a result of her employment with the Company. In evaluating Mr. Lacouture s independence, the Board considered that Mr. Lacouture s son-in-law is a non-executive employee of a customer of the Company, and that Mr. Lacouture receives retirement benefits stemming from his own former employment with that customer. In evaluating Mr. Ireland s independence, the Board considered that Mr. Ireland s son is a non-executive employee of a different customer of the Company, and that Mr. Ireland receives retirement benefits stemming from his own former employment with that customer. The Board determined that these relationships were not material and did not preclude independence under the standards outlined above.

All members of the Audit, Compensation, Finance, and Nominating and Corporate Governance Committees must be independent directors as defined by our Principles. Members of the Audit Committee and the Compensation Committee must also satisfy additional, heightened independence requirements applicable to members of these committees under Securities and Exchange Commission and New York Stock Exchange rules, as applicable.

Director Elections

Our bylaws provide for majority voting in the election of directors. Specifically, in uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted for a director must exceed the number of shares voted against that director. The Board also has a policy providing that any

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director who is not reelected under our majority voting standard must tender his or her resignation within 30 days of certification of the stockholder vote. The Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken.

In deciding whether to recommend that the Board accept the resignation offer, the Nominating and Corporate Governance Committee will consider all factors deemed relevant, including the stated reasons why stockholders who cast against votes did so, any actions taken to address those stated reasons, the qualifications of the director, and whether the director s resignation from the Board would be in the best interests of the Company and its stockholders.

The Board will act on the Nominating and Corporate Governance Committee s recommendation within 90 days of certification of the stockholder vote and will promptly disclose its final decision and, if applicable, the reasons for rejecting the tendered resignation. Any director who tenders his or her resignation under this policy will not participate in the proceedings of either the Nominating and Corporate Governance Committee or the Board with respect to his or her own resignation offer. If the Board accepts a director s resignation under the policy, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or reduce the size of the Board.

Board and Committee Membership

Our Board of Directors currently has nine seats, divided into three classes: Class I (three seats), Class II (three seats) and Class III (three seats).

The Board met eighteen (18) times during 2014. During 2014, each of our directors attended 75% or more of the aggregate of (a) the total number of meetings of the Board held while a director and (b) the total number of meetings held by all committees on which the director served (during the period in which the director served on such committees). Our Board has adopted a policy that our directors are expected and strongly encouraged to attend each Annual Meeting of Stockholders absent compelling circumstances. All but one of our directors then serving on the Board attended our 2014 Annual Meeting of Stockholders.

The table below provides current membership information for the Board and each standing committee of the Board.

Name	Position	Year Current Term Expires	Audit Committee Member	Compensation Committee Member	Finance Committee Member	Neutrality Committee Member	Nominating and Corporate Governance Committee Member
Gareth C.C. Chang	Class III director	2016	X			X*	
James G. Cullen	Class I director	2017		X	X*		
Joel P. Friedman	Class I director	2017	X		X		
Mark N. Greene	Class I director	2017		X		X	
Lisa A. Hook	Class III director	2016				X	
Ross K. Ireland	Class II director	2015		X			X*
Paul A. Lacouture	Class II director	2015		X*			X
Michael J. Rowny	Class II director	2015	X*		X		X
Hellene S. Runtagh	Class III director	2016	X				X

* Chair

The Audit Committee

Under the terms of its charter, the Audit Committee meets at least quarterly, including periodic meetings in executive session with each of our management, our principal internal auditor, our independent registered public accounting firm (independent auditors), and our General Counsel, and reports regularly to the full Board with

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respect to its activities. The Audit Committee represents and assists the Board in overseeing the accounting and financial reporting processes of the Company and the audits of our financial statements, including the integrity of the financial statements; our compliance with legal and regulatory requirements; the independent auditors qualifications and independence; the performance of our internal audit function and independent auditors; and the preparation of a report of the Audit Committee to be included in our annual proxy statement. The Audit Committee is responsible for:

directly appointing, retaining, compensating, evaluating, overseeing, and terminating (when appropriate) the Company s independent auditors, who shall report directly to the Audit Committee;

reviewing and pre-approving all audit and permissible non-audit services to be provided by the independent auditors, and establishing policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the independent auditors;

at least annually, obtaining and reviewing a report by the independent auditors describing: (a) the auditors internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues;

at least annually, reviewing the qualifications, independence and performance of the independent auditors, and discussing with the independent auditors their independence;

reviewing and discussing with the independent auditors the matters required to be discussed by the independent auditors under PCAOB Auditing Standard No. 16, any audit problems or difficulties encountered (including restrictions on their work, cooperation received or not received, and significant disagreements with corporate management) and management s response;

meeting to review and discuss with corporate management and the independent auditors the annual audited financial statements, and the unaudited quarterly financial statements, including the Company s specific disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations, and the independent auditors reports related to the financial statements, and recommending to the Board whether the annual audited financial statements should be included in the Company s annual report on Form 10-K;

reviewing and discussing earnings press releases, and corporate practices with respect to earnings press releases, and financial information and earnings guidance provided to analysts and ratings agencies;

reviewing and discussing with management and the independent auditors the Company s major risk exposures, the Company s policies governing the risk management process, and the steps management has taken to monitor and control such exposure;

reviewing the adequacy and effectiveness of the Company s internal audit procedures and internal controls over financial reporting, and any programs instituted to correct deficiencies;

reviewing and discussing the adequacy and effectiveness of the Company s disclosure controls and procedures;

reviewing and concurring in the appointment, and dismissal when appropriate, of the principal internal auditor;

overseeing the Company s compliance systems with respect to legal and regulatory requirements and reviewing the Company s codes of conduct and programs to monitor compliance with such codes; and at least annually, meet to review the implementation and effectiveness of the Company s compliance program with the General Counsel;

establishing and overseeing procedures for the submission of complaints regarding accounting, internal accounting controls, auditing and federal securities law matters;

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investigating, or referring, matters brought to its attention as appropriate, with full access to all books, records, facilities and personnel of the Company;

reviewing the application of significant regulatory, accounting and auditing initiatives, including new requirements;

reviewing and approving, in appropriate circumstances and subject to such restrictions as may be imposed by the Audit Committee, potential conflicts of interest involving directors and executive officers, including related person transactions;

establishing policies for the hiring of employees and former employees of the independent auditors;

annually evaluating the performance of the Audit Committee and the adequacy of the Audit Committee s charter and recommending changes to the Board as appropriate; and

performing such other duties and responsibilities as are consistent with the purpose of the Audit Committee and as the Board or the Audit Committee deems appropriate.

The Audit Committee has the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions and shall receive appropriate funding, as determined by the Committee, from the Company for the payment of compensation to any such advisors.

The Audit Committee met nine times during 2014.

The members of the Audit Committee as of the date of this proxy statement are Messrs. Rowny (Chair), Chang and Friedman and Ms. Runtagh.

The Board has determined that each member of the Audit Committee is independent, as defined by the Company s director independence standards and the rules of the New York Stock Exchange and the Securities and Exchange Commission, and that Mr. Rowny is an audit committee financial expert as defined by the Securities and Exchange Commission.

The report of the Audit Committee is included on page 62. A copy of the Audit Committee Charter is available on our website at *www.neustar.biz*, under the captions Company Investor Relations Corporate Information Committee Composition. A free printed copy is available to any stockholder who requests it from us at the address on page 4.

The Nominating and Corporate Governance Committee

Under the terms of its charter, the Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become Board members, recommending to the Board director candidates for election at the annual meeting of stockholders, developing and recommending to the Board a set of corporate governance principles and undertaking a leadership role in shaping corporate governance. Specifically, the Nominating and Corporate Governance Committee is responsible for:

developing and recommending to the Board criteria for identifying and evaluating director candidates and periodically reviewing these criteria;

identifying, reviewing the qualifications of, and recruiting candidates for election to the Board;

assessing the criteria and independence of incumbent directors in determining whether to recommend them for reelection to the Board;

establishing a procedure for the consideration of Board candidates recommended by the stockholders;

recommending to the Board candidates for election or reelection to the Board at each annual stockholders meeting;

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- recommending to the Board candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;
- developing and recommending to the Board a set of corporate governance principles and annually reviewing and recommending changes to these principles, as appropriate;
- making recommendations to the Board concerning the size, structure, composition and functioning of the Board and its committees;
- recommending committee members and chairs to the Board for appointment and considering periodically rotating directors among the committees;
- reviewing and recommending to the Board retirement and other tenure policies for directors;
- reviewing directorships in other public companies held by or offered to directors and senior executives of the Company and consulting with the Company s Neutrality Committee regarding such directorships;
- reviewing and assessing the channels through which the Board receives information, and the quality and timeliness of information received;
- assisting the Board in reviewing the Company s succession plans relating to the Chief Executive Officer and other senior executives;
- overseeing the annual evaluation of the Board and its committees;
- reviewing the governance structure of the Company and the Board;
- receiving reports from management on areas of material risk within the Nominating and Corporate Governance Committee s purview, reporting to the Board on such areas of risk, and assisting the Board in evaluating and overseeing the management of governance-related risk;
- reviewing external developments in corporate governance matters;
- overseeing the orientation process for new directors and ongoing education for directors;
- annually evaluating the performance of the Nominating and Corporate Governance Committee and the adequacy of the Nominating and Corporate Governance Committee s charter and recommending changes to the Board as appropriate; and
- performing such other duties and responsibilities as are consistent with the purpose of the Nominating and Corporate Governance Committee and as the Board or the Committee deems appropriate.

The Nominating and Corporate Governance Committee has the authority to retain, at the Company s expense, such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions, including the authority to retain and terminate any search firm to be used to identify director candidates and to approve the search firm s fees and other retention terms.

The Nominating and Corporate Governance Committee met four times during 2014.

The members of the Nominating and Corporate Governance Committee as of the date of this proxy statement are Messrs. Ireland (Chair), Lacouture and Rowny and Ms. Runtagh.

The Board has determined that each member of the Nominating and Corporate Governance Committee is independent, as defined by the Company s director independence standards and the rules of the New York Stock Exchange.

A copy of the Nominating and Corporate Governance Committee Charter is available on our website at *www.neustar.biz*, under the captions Company Investor Relations Corporate Information Committee Composition. A free printed copy is available to any stockholder who requests it from us at the address on page 4.

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The Nominating and Corporate Governance Committee is responsible for recommending candidates for election to the Board and believes that director candidates should have certain minimum qualifications, including the highest level of integrity, maturity of judgment based on a record of senior-level experience, commitment to serving the interests of our stockholders, and a reputation and background that demonstrate that Neustar has a Board with experience that is appropriate for and consistent with our long-term vision. Candidates must also make a commitment to devote the time necessary to be active on the Board and have the desire and ability to work collegially and as a team with the Board and senior management. Pursuant to our Principles, the Nominating and Corporate Governance Committee also considers the number of other boards on which the candidate serves. Additionally, as part of the neutrality requirements to which we are subject under Federal Communications Commission rules and orders and certain of our contracts, directors cannot be employees or directors of a telecommunications service provider (TSP) or own more than 5% of the voting stock of a TSP.

The Nominating and Corporate Governance Committee believes that the Board, as a whole, should include members who collectively bring the following strengths and backgrounds to the Board:

- experience as a public company chairman, chief executive officer, chief marketing officer and/or chief information officer;
- senior-level experience with companies that have transaction-based or subscription-based business models, information services and data analytics companies, the communications industry generally (*e.g.*, wireline, wireless, Internet service providers and providers of Internet protocol and other next-generation communications services), media companies, systems integration/systems technology companies and/or software companies;
- experience with government and public policy;
- geographic diversity, with experience relating to the United States, Asia and Europe; and
- strengths in the functional areas of finance, corporate governance, financial statement auditing, business operations and strategic planning for information services and data analytics companies, and mergers and acquisitions.

While the Nominating and Corporate Governance Committee has not adopted a formal policy with regard to diversity, the Nominating and Corporate Governance Committee seeks to achieve a diversity of strengths and backgrounds on the Board, particularly in the areas described above. The Nominating and Corporate Governance Committee further aims to have gender and racial diversity on the Board. The Nominating and Corporate Governance Committee believes that the inclusion of diversity as one of many factors considered in selecting director nominees is consistent with our goal of maintaining a Board that best serves the needs of the Company and the interests of our stockholders.

The Nominating and Corporate Governance Committee uses a variety of methods to identify and evaluate nominees for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current and former Board members, management, professional search firms (to whom we pay a fee), stockholders or other persons. The Nominating and Corporate Governance Committee may, in the future, retain a third-party search firm to assist in identifying and evaluating potential nominees for the Board. The Nominating and Corporate Governance Committee evaluates candidates for the Board on the basis of the standards and qualifications set forth above. The Nominating and Corporate Governance Committee and the Board also evaluate the Board s collective qualifications (including diversity) as part of the Board s annual self-evaluation process. Additional information about the skills and qualifications of our current directors is set forth on pages 56-59.

The Nominating and Corporate Governance Committee will also consider candidates for director recommended by our stockholders. Any stockholder recommendations proposed for consideration by the Nominating and Corporate Governance Committee should include the candidate s name and qualifications for Board membership and should be addressed to the Nominating and Corporate Governance Committee, care of our Corporate Secretary, at Neustar, Inc., 21575 Ridgetop Circle, Sterling, VA 20166. Properly submitted candidates who meet the criteria outlined above will be evaluated by the Committee in the same manner as candidates recommended by other sources.

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In addition, our bylaws permit stockholders to nominate individuals for election at annual stockholder meetings. The process for nominating directors in accordance with our bylaws is discussed below under the heading Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders.

The Compensation Committee

Under the terms of its charter, the Compensation Committee is to assist the Board in discharging its responsibilities relating to compensation of our senior executives. The Compensation Committee is specifically responsible for:

- overseeing the Company s overall compensation structure, policies and programs, and assessing whether that structure establishes appropriate incentives for management and employees, and at least annually determining whether any compensation policies and practices for the Company s management and employees are reasonably likely to have a material adverse effect on the Company;
- assessing the results of the Company s most recent advisory vote on executive compensation;
- receiving reports from management on areas of material risk within the Compensation Committee s purview, reporting to the Board on such areas of risk, and assisting the Board in evaluating and overseeing the management of compensation-related risk;
- administering and making recommendations to the Board with respect to the Company s incentive-compensation and equity-based compensation plans;
- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the Company s and the CEO s performance in light of those goals and objectives with input from the independent directors, and recommending the CEO s compensation level to the independent directors for approval based on this evaluation;
- overseeing the evaluation of other senior executives and setting their compensation based, in part, on consideration of the recommendations of the CEO;
- approving the terms and grant of stock option and other stock incentive awards for senior executives;
- reviewing and approving the structure of other benefit plans pertaining to senior executives;
- reviewing and recommending to the Board employment and severance arrangements for senior executives;
- approving, amending or modifying the terms of any compensation or benefit plan pertaining to senior executives that does not require stockholder approval;
- reviewing and discussing with management the Company s Compensation Discussion and Analysis (CD&A) and related disclosures, recommending to the Board based on the review and discussions whether the CD&A should be included in the annual report and proxy statement, and overseeing the preparation of the compensation committee report required by Securities and Exchange Commission rules for inclusion in the Company s annual report and proxy statement;

monitoring compliance by senior executives and directors with stock ownership guidelines adopted by the Company;

reviewing the compensation of directors for service on the Board and its committees and recommending changes in compensation to the Board;

at least annually, assessing whether the work of compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company s annual report and proxy statement;

annually evaluating the performance of the Compensation Committee and the adequacy of the Compensation Committee s charter and recommending changes to the Board as appropriate;

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determining the Company s policy with respect to the application of Section 162(m) of the Internal Revenue Code of 1986, as amended, and when compensation may be paid by the Company to senior executives that is not deductible for federal income tax purposes;

approving or making recommendations to the Board with respect to the adoption or modification of any clawback policy allowing the Company to recoup compensation paid to senior executives and other employees;

recommending to the Board for approval the frequency with which the Company will include in its proxy statement a management proposal permitting stockholders to have an advisory vote on executive compensation (Say on Pay);

reviewing and recommending to the Board whether and how the Company should respond to Say on Pay outcomes; and

performing such other duties and responsibilities as are consistent with the purpose of the Compensation Committee and as the Board or the Compensation Committee deems appropriate.

The Compensation Committee has the authority, in its sole discretion, to retain or obtain the advice of such outside counsel, consultants, experts and other advisors as it determines appropriate to assist it in the full performance of its functions, and shall receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors.

The Compensation Committee met eleven (11) times in 2014.

The members of the Compensation Committee as of the date of this proxy statement are Messrs. Lacouture (Chair), Cullen and Ireland and Dr. Greene.

The Board has determined that each member of the Compensation Committee is independent, as defined by the Company s director independence standards and the rules of the New York Stock Exchange.

In addition, as required by the Compensation Committee Charter, all members of the Compensation Committee meet the additional requirements necessary to qualify as non-employee directors for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Additional information regarding the processes and procedures of the Compensation Committee, the scope of the Compensation Committee s authority, and the role of senior executives and compensation consultants in determining or recommending compensation is set forth below under the heading Compensation Discussion & Analysis.

A copy of the Compensation Committee Charter is available on our website at *www.neustar.biz*, under the captions Company Investor Relations Corporate Information Committee Composition. A free printed copy is available to any stockholder who requests it from us at the address on page 4.

The Finance Committee

Pursuant to the resolutions authorizing the formation of the Finance Committee, the Finance Committee meets from time to time to evaluate and approve, on behalf of the Board, the Company s strategies, plans, policies and significant actions related to corporate financings, mergers and acquisitions and other strategic actions. Specifically, the Finance Committee is responsible for reviewing and approving, on behalf of the Board:

capital structure plans and strategies and specific equity or debt financings;

capital expenditure plans and strategies and specific capital projects;

strategic and financial investment plans and strategies and specific investments;

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- mergers, acquisitions and divestitures;
- cash management plans and strategies and activities relating to cash accounts and cash investment portfolios;
- plans and strategies for managing foreign currency exchange exposure and other exposure to economic risks;
- repurchases of the Company s capital securities;
- joint ventures, partnerships and other strategic alliances; and
- establishing, amending, extending or terminating credit or debt arrangements.

The Finance Committee has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist in the full performance of its functions.

The members of the Finance Committee as of the date of this proxy statement are Messrs. Cullen (Chair), Friedman and Rowny.

The Neutrality Committee

Under Federal Communications Commission rules and orders and certain of our contracts, we are required to comply with neutrality regulations and policies. We are examined periodically on our compliance with these requirements by independent third parties. The Neutrality Committee is responsible for receiving reports from the Company s Neutrality Officer with respect to his or her neutrality functions; reviewing the quarterly attestation reports of the accountants who perform the neutrality procedures; reviewing and approving, as necessary, specific corrective actions based on the findings of the accountants; and reviewing and approving any changes or amendments to the Company s neutrality compliance procedures.

The members of the Neutrality Committee as of the date of this proxy statement are Mr. Chang (Chair), Dr. Greene and Ms. Hook. The Neutrality Committee met four times during 2014.

Executive Sessions

Neustar s independent directors meet in executive session without management present at least quarterly. Our independent Chairman of the Board, James G. Cullen, chairs these executive sessions. The independent directors met in executive session eleven (11) times during 2014.

Risk Oversight

Enterprise Risk Management (ERM) is a company-wide initiative that involves identifying, assessing and managing risks that could affect our ability to meet business objectives or execute our corporate strategy. As part of our ERM process, the Board receives regular reports from management on a broad range of potential risks (including operational, financial, legal and regulatory, human capital, and strategic and reputational risks) and the steps management is taking to manage those risks.

While the full Board has general oversight responsibility for ERM, the Board has allocated and delegated certain responsibilities to its committees. Consistent with New York Stock Exchange rules, the Audit Committee reviews and discusses with management and our independent auditors the Company s major risk exposures, the Company s policies governing the risk management process, and the steps management has taken to monitor and control such exposure. In addition, the Compensation Committee and the Nominating and Corporate Governance Committee receive reports from management and assist the Board in evaluating risks within their purview, as set forth in their charters. When a committee receives a report on material risk, the chair of the relevant committee reports on the discussion at the next full Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

The Board s allocation of risk oversight responsibility, and our overall ERM process, may change from time to time based on the evolving needs of the Company.

Communications with Directors

Stockholders and other interested parties may communicate with the Board by writing in care of the Corporate Secretary, Neustar, Inc., 21575 Ridgetop Circle, Sterling, Virginia 20166. Communications intended for a specific director or directors, including the Chairman of the Board or the independent directors as a group, should be addressed to the attention of the relevant individual(s) in care of the Corporate Secretary at the same address. Our Corporate Secretary will review all correspondence intended for the Board and will regularly forward to the Board a summary of such correspondence and copies of correspondence that, in the opinion of the Corporate Secretary, is of significant importance to the functions of the Board or otherwise requires the Board s attention. Directors may at any time review a log of all correspondence received by the Corporate Secretary that is intended for the Board and request copies of any such correspondence.

In addition, the Audit Committee of our Board has established a procedure for parties to submit concerns regarding what they believe to be questionable accounting, internal accounting controls, and auditing matters. Concerns may be reported through our Compliance Hotline at (888) 396-9033, by email to the Audit Committee at CorporateCode@neustar.biz, or through a confidential web form, available at *www.neustar.biz* under the captions Company Investor Relations Corporate Information Contact the Board. To the extent permitted by applicable law, concerns may be submitted anonymously and confidentially.

Code of Business Conduct

Our Board has adopted a Corporate Code of Business Conduct (the Code) applicable to all of our directors, senior executives, employees and contractors providing services to or on behalf of the Company.

The Code embodies general principles such as compliance with laws, acting with honesty and integrity, avoidance of conflicts of interest, maintenance of accurate and timely financial and business records, use of the Company s assets, working with customers, suppliers and governments, prohibition of political contributions on behalf of the Company, and protecting the Company s information and information regarding other companies. All directors, senior executives, employees and contractors are obligated to report violations and suspected violations of the Code in accordance with the reporting procedures described in the Code.

Our Code is available on our website at *www.neustar.biz* under the captions Company Investor Relations Corporate Information Code of Conduct. We intend to disclose on this website any amendments to the Code or grants of waivers from provisions of the Code that require disclosure under applicable Securities and Exchange Commission rules. A free printed copy is available to any stockholder who requests it from us at the address on page 4.

Compensation Committee Interlocks and Insider Participation

The members of our Compensation Committee during 2014 were Messrs. Cullen, Ireland and Lacouture and Dr. Greene. No member of the Compensation Committee during 2014 has been an officer or employee of Neustar or any of our subsidiaries at any time. None of our senior executives serves as a member of the board of directors or compensation committee of any other company that has one or more senior executives serving as a member of our Board or our Compensation Committee.

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COMPENSATION

COMPENSATION DISCUSSION & ANALYSIS

Executive Summary

Our Pay-for-Performance Philosophy and Compensation Practices

Our senior executive compensation programs are focused primarily on providing pay-for-performance, which encourages senior executives to make decisions that are consistent with the priorities of long-term stockholders. In 2014, we made significant progress in achieving our strategy to become a leading provider of real-time information services and analytics (IS&A). Our executive compensation programs are designed to recruit, retain and motivate senior executives and other key employees who can drive our financial and strategic growth objectives and build long-term stockholder value. These guiding principles apply to all of our executive pay practices discussed herein.

In addition to aligning senior executive compensation with performance, our senior executive compensation program is intended to be consistent with corporate governance best practices. This is demonstrated by the following:

- robust management and director stock ownership guidelines and selling restrictions;
- no employment contracts for senior executives;
- use of objective, performance-based criteria in our incentive plans;
- double-trigger change-in-control arrangements;
- no excise tax gross-ups;
- no special retirement benefits designed solely for senior executives;
- limited perquisites;
- expressly prohibiting employees and directors from hedging and pledging our securities;
- advice from independent compensation consultants retained by the Compensation Committee;
- strong risk management program:
  - equity plans expressly prohibit option repricing without stockholder approval;

- equity plans prohibit share recycling for options and stock appreciation rights;
- equity plans expressly prohibit exchanges of underwater options for cash;
- equity plans do not contain evergreen provisions;
- none of our equity plans contain a liberal definition of a change in control (e.g., a trigger linked to stockholder approval of a transaction, rather than its consummation, or an unapproved change in less than a substantial proportion of the board, or acquisition of a low percentage of outstanding common stock); and
- none of the Company s senior executives are party to arrangements providing multi-year guarantees on annual cash incentive awards;

compensation recovery (also known as clawback) provisions in our compensation plans/programs;

each non-employee director meets the independence requirements of the NYSE; and

each member of our Audit, Compensation, and Nominating and Corporate Governance Committees meets the independence requirements of the NYSE.

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Named Executive Officers

Our named executive officers (NEOs) for 2014 are: our President and Chief Executive Officer, Lisa Hook; our Senior Vice President and Chief Financial Officer, Paul Lalljie; our Senior Vice President Data Strategy, Steven Edwards; our Senior Vice President Sales, Alex Berry; and our Senior Vice President and General Counsel, Leonard J. Kennedy. Mr. Berry was a NEO for 2014; however on January 2, 2015, Mr. Berry became a Senior Advisor to the Company.

In addition, our former SVP and Chief Technology Officer, Dr. Mark Bregman, is considered a NEO for 2014 under the Security and Exchange Commission s rules.

Business Results and Key Events

In 2014, we outperformed our financial and operating targets. In particular, our revenue growth exceeded the rate of growth in IS&A markets that we serve, including Marketing Services and Security Services. We also continued to position the Company for future growth in the IS&A space by introducing innovative services and completing strategic acquisitions and partnerships.

Revenue for the year totaled $963.6 million, up from $902.0 million in 2013. Security Services grew 24% and contributed 15% to our total revenue. This growth was driven by strong demand for our threat intelligence services and the addition of more than 20 top-level domain names, including .CO Internet S.A.S, the exclusive operator of the worldwide registry for the .CO top-level domain. Marketing Services grew 17% and contributed 15% of our total revenue. This performance was driven by our differentiated complete workflow solutions for marketing departments, including our launch of PlatformOne, a one-stop shop where marketing departments are able to plan, launch, and measure media campaigns and more effectively manage both their offline and online media spend. Data Services revenue, representing 21% of our total revenue, declined 7% to $201.4 million. Although we had strong growth in carrier provisioning services, this growth was offset by price reductions on a few long-term caller identification contracts and the elimination of premium common short codes.

Executing upon our strong business fundamentals, we generated over $250 million in free cash flow, and reported adjusted net income per share of $4.33, an increase of 23% compared to 2013. A reconciliation of our U.S. generally accepted accounting principles (GAAP) results to our non-GAAP results can be found in Table 1 in Annex A to this Proxy Statement. Through our disciplined capital allocation strategy, we returned $200 million to our stockholders in 2014 by repurchasing 7.1 million shares of our common stock at an average price of $28.30. During the same period, the average end-of-day price of our common stock was $29.55.

The following graph shows our total shareholder return over a five-year period as compared to the Company s 2014 peer group, as set forth on page 24 below (the 2014 Peer Group), the Dow Jones Industrial Average (DJIA) and the Standard & Poor s 500 Stock Index (S&P 500) (based on an initial $100 investment and assuming reinvestment of all dividends).

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The graphs above show the five-year compounded annual growth rate of our revenue, adjusted net income, and adjusted earnings per share, which was 16%, 15% and 26%, respectively.

Performance and NEO Compensation

We believe the 2014 compensation awarded to our NEOs was consistent with our pay-for-performance philosophy. We have designed a substantial portion of our overall senior executive compensation program using performance-based elements to tie compensation to achievement of financial goals and performance objectives and execution of our strategy to become a leading provider of information and analytics. The performance targets for both our annual cash incentive compensation and our long-term incentive awards were set by the Compensation Committee based on its evaluation of our strategic plan. The Compensation Committee sets targets at the beginning of the year based on then-current expectations of the business environment and strategic goals. Because a significant portion of our business is characterized by numerous large, fixed fee contracts and relatively long sales cycles, we have a highly predictable, recurring revenue and underlying cost structure. However, as our IS&A business becomes a larger portion of our revenue, we are seeing a seasonal ramp up of revenue throughout the year. As a result, the funding of our incentive plans may be adjusted upward or downward based upon small variances from our performance targets. These factors were considered in how the Compensation Committee designed the funding for our performance-based compensation discussed below.

Annual Cash Incentive Compensation

The 2014 annual cash incentive compensation was funded based on our performance on two financial metrics: total revenue and EBITDA, each adjusted for predefined measures (the 2014 Annual Cash Incentive Metrics). A reconciliation of our GAAP results to our non-GAAP results can be found in Table 2 and Table 3 in Annex A to this Proxy Statement. The targets for the 2014 Annual Cash Incentive Metrics were set by the Compensation Committee to align the senior executives interests with the stockholders interests in top-line growth and strong profitability. The table below shows how our 2014 performance compared with the target goals set by the Compensation Committee.

	Target	**Performance**	**Achievement(2)**
	(in thousands, except percentages)		
Total Revenue	$ 953,375	$ 950,652	99.7%
EBITDA(1)	$ 460,543	$ 463,877	100.7%

(1) EBITDA is net income plus depreciation and amortization, interest expense and income, other predetermined expense (income), provision for income taxes, stock-based compensation expense, and is adjusted for the impact associated with the annual cash incentive achievement above or below 100% of targets and predefined adjustments, including fees associated with the NPAC vendor selection process.

(2) In the event that a percent of target achieved yields a number where the first two decimal places are between 0.50 0.99, such number is rounded up to the next whole number.

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Based on the Committee s review and approval of the Company s performance against the targets for our 2014 Annual Cash Incentive Metrics, the 2014 annual cash incentive compensation was funded at 102.3% of target. The funding pool increases linearly up to 3.2% for every 1% of incremental EBITDA achievement between 100% and 102%.

Actual annual cash incentive awards for our senior executives, including the NEOs, were determined based on the annual cash incentive compensation funding set forth above and adjusted for individual performance. More detail regarding the determination of the annual cash incentive awards for our NEOs is provided under *Annual Cash Incentive Compensation* beginning on page 28 below. No discretionary awards were awarded to any of our NEOs for 2014.

On February 11, 2015, under the Company s Corporate Bonus Plan, the Compensation Committee approved a new long-term performance-based cash incentive compensation program for the NEOs and other senior executives to incentivize and reward performance. If certain performance goals are achieved during fiscal year 2015, these incentive awards would become payable in two installments, in July of 2016 and 2017, respectively.

Long-Term Incentive Awards

In 2012, the Compensation Committee developed and approved a multi-year long-term incentive grant, with annual performance targets, for our senior executives, including our NEOs, to support our strategic plan to become an IS&A company. The 2012 awards were designed to motivate and retain senior executives to achieve strategic, financial, and operational targets over a five-year period, which align their interests with those of our long-term stockholders. These multi-year awards are a combination of performance-based restricted stock units (PVRSUs) and restricted stock units (RSUs). For each of the NEOs, 80% of the value of their 2012 equity compensation award was in the form of PVRSUs, and 20% was in the form of RSUs. This weighting provided a dual focus for our NEOs on both stockholder value creation and long-term operating performance. The RSUs granted in 2012 vest ratably over five years. One-fifth of the PVRSUs awarded in 2012 was allocated to each of five single-year performance periods, the first of which began on January 1, 2012 and ended December 31, 2012, and the last of which begins on January 1, 2016 and ends on December 31, 2016. The portion of the PVRSUs earned with respect to the first three performance periods vested on January 1, 2015 and the portion of the award, if any, earned with respect to the final two performance periods will vest on January 1, 2016 and January 1, 2017, respectively.

As a result of our multi-year equity awards in 2012, no additional equity was awarded to our NEOs in 2014.

The Compensation Committee sets each annual performance target at the start of the respective performance period. This permits the Compensation Committee, on an annual basis, to continue to align the performance targets with the strategic goals and the priorities of long-term stockholders as they evolve.

The Compensation Committee determined that the portion of the PVRSU awards granted in 2012 allocated to performance in 2014 would be tied to three metrics: total revenue, non-NPAC revenue, and net income, each adjusted for predefined measures (the 2014 PVRSU Metrics). A reconciliation of our GAAP results to our non-GAAP results can be found in Table 2, Table 4 and Table 5 in Annex A to this Proxy Statement. The targets for the 2014 PVRSU Metrics were set by the Compensation Committee to align the senior executives interests with the stockholders interests of diversifying revenue, driving top-line growth and delivering strong profitability. The table below shows how our 2014 performance compared with the targets set by the Compensation Committee.

	Target	Performance	Percentage Weighting	Payout Percentage	Funding
	(in thousands, except percentages)				
Total Revenue(1)	$ 953,375	$ 950,652	15%	97.1%	14.6%
Non-NPAC Revenue(2)	$ 478,711	$ 475,808	35%	97.0%	33.9%
Net Income(3)	$ 236,502	$ 265,469	50%	150.0%	75.0%
2014 PVRSU Funding					123.5%

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(1) Payout percentage is the product of the actual performance and the linear interpolation of payouts ranging from 50% to 150% for corresponding performances between 95% and 105%.

(2) Total revenue excluding revenue derived under our contracts with the NAPM, LLC, NPAC-related connection services fees and system enhancements. Payout percentage is the product of the actual performance and the linear interpolation of payouts ranging from 50% to 150% for corresponding performances between 90% and 110%.

(3) Net income, adjusted for non-cash items, acquisitions and divestitures, and other defined non-recurring items, including fees associated with the NPAC vendor selection process. Payout percentage is the product of the actual performance and the linear interpolation of payouts ranging from 50% to 150% for corresponding performances between 90% and 110%.

More detail regarding the equity awards granted to our NEOs is provided under *Equity Compensation (Long-Term Incentive Plan)* beginning on page 30 below.

Pay-for Performance Analysis

Consistent with our executive compensation philosophy, a significant majority of our NEOs total direct compensation for 2014 was at risk and tied directly to corporate performance metrics (consisting of our PVRSUs and annual cash incentive compensation). This emphasis on performance is designed to motivate our senior executives to work as a team to achieve performance goals aligned with stockholder interests. The charts below show the elements of 2014 compensation as a percentage of the total direct compensation (which we define as base salary, annual cash incentive awards, and the allocable portion of RSUs and PVRSUs) awarded to our CEO and our other NEOs:

Eighty percent of the Company s long-term incentives are in the form of performance-based awards, whereas only 51% of the 2014 Peer Group s long-term incentives are in the form of performance-based awards. This represents a stronger performance orientation than the 2014 Peer Group s average.

Compensation Objectives and Guiding Principles

Our senior executive compensation program is based on the following:

Pay for Performance: The primary objective of our compensation programs is to motivate and reward superior performance.

Alignment of Interests: We seek to align the interests of our senior executives with those of our stockholders.

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Attraction, Motivation, and Retention of Talent: Our senior executive compensation programs are designed to help us attract, motivate and retain key management talent who drive profitability and the creation of stockholder value.

Elements of Compensation

The following table describes each element of our senior executive compensation program and how these elements achieve our compensation objectives: