NEUSTAR INC
Form DEFM14A
February 03, 2017
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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

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

Check the appropriate box:

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 Rule 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):

No fee required.

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

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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21575 Ridgetop Circle

Sterling, Virginia 20166

February 3, 2017

Dear Stockholder:

You are cordially invited to attend a special meeting of the stockholders of NeuStar, Inc., a Delaware corporation (Neustar), which we will hold at the offices of Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001, on Tuesday, March 14, 2017, at 5:00 p.m., local time.

At the special meeting, holders of our Class A common stock and Class B common stock will be asked to consider and vote on a proposal to adopt an Agreement and Plan of Merger, dated as of December 14, 2016, among Neustar, Aerial Topco, L.P., a Delaware limited partnership (Parent), and Aerial Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (Merger Sub), and other related proposals. Parent and Merger Sub were formed by Golden Gate Private Equity, Inc. (Golden Gate) to facilitate the participation of investment funds advised by Golden Gate and Hux Investment Pte. Ltd. in the transaction. As a result of the merger, Neustar will become a subsidiary of Parent, and each share of Neustar common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Parent and Neustar and certain of their affiliates, and shares held by stockholders who have perfected their statutory rights of appraisal under the Delaware General Corporation Law), will be converted into the right to receive $33.50 in cash, without interest.

Our board of directors has unanimously approved the merger agreement and determined that the merger agreement is advisable and in the best interests of Neustar and its stockholders. The board unanimously recommends that stockholders vote FOR the proposal to adopt the merger agreement and the related proposals described in the enclosed proxy statement.

The proxy statement describes the merger agreement, the merger and related agreements and provides specific information concerning the special meeting. In addition, you may obtain information about Neustar from documents filed with the Securities and Exchange Commission. We urge you to read the entire proxy statement carefully, including the annexes, as it sets forth the details of the merger agreement and other important information related to the merger.

Your vote is very important. The merger cannot be completed unless holders of a majority of the outstanding shares of our common stock vote in favor of the adoption of the merger agreement. Whether or not you plan to attend the special meeting, we ask you to submit a proxy to have your shares voted in advance of the special meeting by using one of the methods described in the proxy statement. If you hold your shares in street name, you should instruct your broker, bank, trust or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your broker, bank, trust or other nominee.

Thank you for your continued support.

Very truly yours,

Lisa A. Hook
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This proxy statement is dated February 3, 2017 and is first being mailed to stockholders on or about February 7, 2017.

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NEUSTAR, INC.

21575 Ridgetop Circle

Sterling, Virginia 20166

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of NeuStar, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of NeuStar, Inc., a Delaware corporation (Neustar), will be held at the offices of Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001, on Tuesday, March 14, 2017, at 5:00 p.m., local time, for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the merger agreement), dated as of December 14, 2016, among the Company, Aerial Topco, L.P., a Delaware limited partnership (Parent), and Aerial Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent;

2. To approve, on an advisory (non-binding) basis, specified compensation that may become payable to the named executive officers of Neustar in connection with the merger;

3. To approve one or more adjournments of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and

4. To act upon other business as may properly come before the special meeting or any adjournment or postponement of the special meeting by or at the direction of the board of directors.

The holders of our Class A common stock and Class B common stock, each with a par value of $0.001 per share, at the close of business on January 30, 2017, are entitled to notice of and to vote at the special meeting or at any adjournment or postponement of the special meeting. All holders of our common stock will vote together as a single class, and each stockholder is entitled to one vote for each share of common stock held on the record date.

Our board of directors has unanimously approved the merger agreement and determined that the merger agreement is advisable and in the best interests of Neustar and its stockholders. The board unanimously recommends that stockholders vote FOR the proposal to adopt the merger agreement. The board further unanimously recommends that stockholders vote FOR the advisory (non-binding) proposal to approve specified compensation that may become payable to our named executive officers in connection with the merger, and FOR the adjournment proposal.

Your vote is important, regardless of the number of shares of common stock you own. The merger cannot be completed unless holders of a majority of the outstanding shares of our common stock vote in favor of the adoption of the merger agreement. Whether or not you plan to attend the special meeting in person, please sign, date and return, as

promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the special meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares in street name, you should instruct your broker, bank, trust or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your broker, bank, trust or other nominee. Your broker, bank, trust or other nominee cannot vote on any of the proposals, including the proposal to adopt the merger agreement, without your instructions.

BY ORDER OF THE BOARD OF DIRECTORS

Leonard J. Kennedy
Corporate Secretary

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SUMMARY

This summary discusses the material information contained in this proxy statement, including with respect to the merger agreement, the merger and the other agreements entered into in connection with the merger of Aerial Merger Sub, Inc. with and into NeuStar, Inc., which we refer to as the merger . We encourage you to read carefully this entire proxy statement, its annexes and the documents referred to in this proxy statement, as this summary may not contain all of the information that may be important to you. The items in this summary include page references directing you to a more complete description of that topic in this proxy statement.

In this proxy statement, the terms we, us, our, the Company, and Neustar refer to NeuStar, Inc., the term Parent refers to Aerial Topco, L.P., the term Merger Sub refers to Aerial Merger Sub, Inc., the term merger agreement refers to the Agreement and Plan of Merger, dated as of December 14, 2016, among Neustar, Parent and Merger Sub, and the term common stock refers to the Class A common stock and Class B common stock, each with a par value of $0.001 per share, of Neustar.

The Companies (page 16)

NeuStar, Inc. Neustar is a Delaware corporation that offers authoritative, hard-to-replicate data sets and proprietary analytics that provide insights to help clients promote and protect their businesses. Our proprietary, cloud-based platforms and differentiated data sets offer informative, real-time analytics, which enable clients to make actionable, data-driven decisions. We provide chief marketing officers a comprehensive suite of services to plan their media spend, identify and locate desired customers, invest effectively in marketing campaigns, deliver relevant offers and measure the performance of these activities. Security professionals use our solutions to maximize web performance and protect against malicious attacks. We enable the exchange of essential operating information across multiple carriers to provision and manage services, assisting clients with fast and accurate order processing and immediate routing of customer inquiries. We also provide communications service providers in the United States with critical infrastructure that enables the dynamic routing of calls and text messages.

Our principal executive offices are located at 21575 Ridgetop Circle, Sterling, Virginia 20166, and our telephone number at that address is (571) 434-5400. Our website address is *www.neustar.biz*. The information contained in, or that may be accessed through, our website is not intended to be incorporated into this proxy statement.

Aerial Topco, L.P. and Aerial Merger Sub, Inc. Parent is a Delaware limited partnership, and Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Parent. Both Parent and Merger Sub were formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, and have not engaged in any business except for activities incidental to their formation and as contemplated by the merger agreement. Parent and Merger Sub were formed by Golden Gate Private Equity, Inc. (who we refer to as Golden Gate) to facilitate the participation of investment funds advised by Golden Gate and Hux Investment Pte. Ltd. (who we refer to as Hux) in the transaction. The address for Parent and Merger Sub is c/o Golden Gate Private Equity, Inc., One Embarcadero Center, 39th Floor, San Francisco, California 94111, and their telephone number at that address is (415) 983-2700.

Golden Gate Private Equity, Inc. Golden Gate is a San Francisco-based private equity investment firm with over $15 billion of capital under management. Investment funds advised by Golden Gate invest across a wide range of industries and transaction types, including going-privates, corporate divestitures, and recapitalizations, as well as debt and public equity investments. The principal executive offices of Golden Gate are located at One Embarcadero Center, 39th Floor, San Francisco, California 94111, and its telephone number at that address is (415) 983-2700.

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Hux Investment Pte. Ltd. Hux is a private limited company affiliated with GIC Special Investments Pte. Ltd. (who we refer to as GIC SI), the private equity arm of GIC Pte. Ltd. (who we refer to as GIC). GIC is a leading global investment firm established in 1981 to manage Singapore s foreign reserves. GIC has investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. The principal executive offices of GIC are located at 168 Robinson Road, #37-01 Capital Tower, Singapore 068912, and its telephone number at that address is (65) 6889 8888.

The Special Meeting (Page 17)

The special meeting of stockholders will be held at the offices of Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001, on Tuesday, March 14, 2017, at 5:00 p.m., local time. At the special meeting, you will be asked to consider and vote upon:

- a proposal to adopt the merger agreement;
- a proposal to approve, on an advisory (non-binding) basis, specified compensation that may become payable to our named executive officers in connection with the merger;
- a proposal to approve one or more adjournments of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and
- such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting by or at the direction of our board of directors.

We are not currently aware of any other business to come before the special meeting.

Record Date and Quorum (Page 17)

The holders of record of our Class A and Class B common stock as of the close of business on January 30, 2017 (the record date for determination of stockholders entitled to notice of and to vote at the special meeting), are entitled to receive notice of and to vote at the special meeting or at any adjournment or postponement of the special meeting. All holders of our common stock shall vote together as a single class, and each stockholder is entitled to one vote for each share of common stock held on the record date. As of the record date, there were 54,980,773 shares of common stock outstanding and entitled to vote at the special meeting. The presence at the special meeting, in person or by proxy, of the holders of at least a majority of all outstanding shares of common stock on the record date will constitute a quorum, permitting the Company to conduct its business at the special meeting.

Voting and Proxies (Page 18)

Any stockholder of record entitled to vote at the special meeting may submit a proxy by telephone, via the Internet, by returning the enclosed proxy card by mail, or by voting in person at the special meeting. If you intend to submit your proxy by telephone or via the Internet, you must do so no later than the date and time indicated on the applicable proxy card. Even if you plan to attend the special meeting, if you hold shares of common stock in your own name as

the stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card or by using the telephone number printed on your proxy card or by using the Internet voting instructions printed on your proxy card.

If you give your proxy, but do not indicate how you wish to vote, your shares will be voted **FOR** the proposal to adopt the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, specified compensation that may become payable to our named executive officers in connection with the merger, and **FOR** the adjournment proposal.

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If your shares of common stock are held in street name, you should instruct your broker, bank, trust or other nominee on how to vote such shares of common stock using the instructions provided by your broker, bank, trust or other nominee. If your shares of common stock are held in street name, you must obtain a legal proxy from such nominee in order to vote in person at the special meeting. If you fail to provide your nominee with instructions on how to vote your shares of common stock, your nominee will not be able to vote such shares at the special meeting.

Required Vote (Page 17)

For Neustar to complete the merger, stockholders holding at least a majority of the shares of common stock outstanding at the close of business on the record date must vote **FOR** the proposal to adopt the merger agreement. A failure to vote your shares of common stock, an abstention from voting or failure to give voting instructions to your broker, bank, trust or other nominee, will have the same effect as a vote against the proposal to adopt the merger agreement.

Approval of each of the advisory (non-binding) proposal on specified compensation payable to the Company s named executive officers in connection with the merger and the adjournment proposal requires the affirmative vote of a majority of votes cast on such proposal at the special meeting. Under our bylaws, abstentions will not be considered votes cast at the special meeting and, therefore, will have no effect on the voting results for these proposals.

Revocation of Proxies (Page 18)

A stockholder of record may revoke his or her proxy at any time before the vote is taken at the special meeting by:

- submitting a new proxy with a later date, by using the telephone or Internet proxy submission procedures described above, or by completing, signing, dating and returning a new proxy card by mail to the Company;
- attending the special meeting and voting in person; or
- delivering to the Corporate Secretary of the Company a written notice of revocation c/o NeuStar, Inc., 21575 Ridgetop Circle, Sterling, Virginia 20166, Attn: Corporate Secretary.

Attending the special meeting without taking one of the actions described above will not in itself revoke your proxy.

If you hold your shares in street name through a broker, bank, trust or other nominee, you will need to follow the instructions provided to you by your broker, bank, trust or other nominee in order to revoke your voting instructions or submit new voting instructions.

The Merger (Page 21)

The merger agreement provides that, subject to the satisfaction or waiver of the conditions in the merger agreement, Merger Sub will merge with and into Neustar. Neustar will be the surviving corporation (which we refer to as the surviving corporation) in the merger and will continue as a subsidiary of Parent.

If the merger is completed, at the effective time of the merger, each outstanding share of common stock (other than shares owned by Parent and Neustar and certain of their affiliates, and shares held by stockholders who have perfected

their statutory rights of appraisal under the Delaware General Corporation Law (which we refer to as the DGCL)) will be automatically converted into the right to receive $33.50 in cash, without interest and less applicable withholding taxes. We refer to this amount as the merger consideration.

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Upon completion of the merger, shares of Neustar common stock will no longer be listed on any stock exchange or quotation system. You will not own any shares of the surviving corporation. The merger agreement is attached as *Annex A* to this proxy statement. Please read it carefully.

Recommendation of the Board and Reasons for the Merger (Page 36)

Our board of directors has unanimously approved the merger agreement and determined that the merger agreement is advisable and in the best interests of Neustar and its stockholders. **The board unanimously recommends that stockholders vote FOR the proposal to adopt the merger agreement. The board further unanimously recommends that stockholders vote FOR the advisory (non-binding) proposal to approve specified compensation that may become payable to our named executive officers in connection with the merger, and FOR the adjournment proposal.**

For the factors considered by our board in reaching its decision to approve the merger agreement, see *The Merger (Proposal 1) Reasons for the Merger* beginning on page 32 of this proxy statement.

Opinion of the Company s Financial Advisor (Page 36 and *Annex B*)

Neustar retained J.P. Morgan Securities LLC, which we refer to in this proxy statement as J.P. Morgan, to act as its financial advisor in connection with the proposed merger. On December 13, 2016, J.P. Morgan rendered to the Neustar board its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in rendering its opinion as set forth in its written opinion, the per share merger consideration to be received by the holders of Neustar common stock pursuant to the merger agreement was fair from a financial point of view to the holders of Neustar common stock.

The full text of J.P. Morgan s written opinion to the Neustar board, dated December 13, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in rendering its opinion, is attached to this proxy statement as *Annex B* and is incorporated herein by reference. The summary of the opinion of J.P. Morgan in this proxy statement is qualified in its entirety by reference to the full text of the opinion. We encourage you to read J.P. Morgan s opinion and the summary of J.P. Morgan s opinion below carefully and in their entirety. J.P. Morgan s opinion was directed to, and rendered for the benefit of, the Neustar board, in its capacity as such, and addressed only the fairness from a financial point of view of the per share merger consideration to be received by the holders of Neustar common stock pursuant to the merger agreement as of the date of the opinion. It does not address any other aspect or implications of the merger. The opinion does not constitute advice or a recommendation to any holder of Neustar common stock as to how to vote at the special meeting to be held in connection with the merger or any other matter.

Conditions to the Merger (Page 68)

Each party s obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

- the adoption of the merger agreement by the required vote of Neustar stockholders;

the absence of any temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction, or law that prohibits or makes illegal the consummation of the merger; and

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the expiration or termination of any applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to as the HSR Act) and receipt of all approvals or the expiration of all applicable waiting periods required under other applicable antitrust laws.

The respective obligations of Parent and Merger Sub to complete the merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the Company made in the merger agreement will be accurate as of the closing date (other than those representations and warranties that were made only as of a specified date, which need only be accurate as of such specified date), except that, subject to certain exceptions, any inaccuracies in the Company s representations and warranties will be disregarded if such inaccuracies (disregarding materiality and material adverse effect qualifiers in the related representations and warranties) have not had and would not reasonably be expected to have a material adverse effect on the Company;

the Company s performance in all material respects of all obligations required to be performed by it under the merger agreement at or prior to the effective time;

since the date of the merger agreement, there shall not have occurred any event, change, circumstance, occurrence, effect or state of facts that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the Company;

the holders of not more than 8.5% of the common stock shall have validly demanded appraisal of their shares under the DGCL;

the issuance by the Committee on Foreign Investment in the United States (which we refer to as CFIUS) of a written notification to the parties to the merger agreement, without the imposition of any burdensome condition, that it has concluded a review of the notification voluntarily provided pursuant to the Defense Production Act of 1950, as amended (which we refer to as the Defense Production Act), and determined not to conduct a full investigation of the transactions contemplated by the merger agreement or, if a full investigation is deemed to be required, notification that the U.S. government will not take action to prevent the transactions contemplated by the merger agreement from being consummated; and

the receipt of such filings with and/or consents of the Federal Communications Commission (which we refer to as the FCC) and other governmental entities as required to complete the merger and the transactions contemplated thereby without the imposition of a burdensome condition.

The obligation of the Company to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Parent and Merger Sub made in the merger agreement will be accurate as of the closing date (other than those representations and warranties that were made only as of a specified date, which need only be accurate as of such specified date), except that any inaccuracies in such representations and warranties will be disregarded if such inaccuracies (disregarding materiality and material adverse effect qualifiers in the related representations and warranties) have not had and would not reasonably be expected to have a material adverse effect on Parent;

the performance in all material respects by Parent and Merger Sub of all obligations required to be performed by them under the merger agreement at or prior to the effective time; and

the receipt of such filings with and/or consents of the FCC and other governmental entities as required to complete the merger and the transactions contemplated thereby.

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Treatment of Company Equity Awards (Page 56)

Company Stock Options. At the effective time, each Company stock option, whether or not vested and exercisable, that is outstanding and unexercised immediately prior to the effective time will be canceled automatically in exchange for the right to receive an amount in cash (less any applicable tax withholdings) equal to the product of (1) the excess, if any, of $33.50 over the per share exercise price of such Company stock option and (2) the total number of shares of common stock otherwise issuable upon exercise of such Company stock option immediately prior to the effective time.

Restricted Stock Unit Awards. At the effective time, each outstanding Neustar restricted stock unit, or RSU, that is subject only to time-based vesting will vest in full and will be canceled in exchange for the right to receive an amount in cash (less any applicable tax withholdings) equal to the product of (1) $33.50 and (2) the number of shares of common stock subject to such RSU.

Performance-Vested Restricted Stock Unit Awards. At the effective time, the performance-based conditions to which each outstanding Neustar restricted stock unit subject to performance-based vesting, or PVRSU, is subject will be deemed satisfied at the target levels for any performance period not completed prior to closing as specified in the applicable equity plans and award agreements, and the resulting number of PVRSUs will be canceled in exchange for the right to receive an amount in cash (less any applicable tax withholdings) equal to the product of (1) $33.50 and (2) the number of PVRSUs.

Restricted Stock. At the effective time, each outstanding share of Neustar restricted stock will become fully vested and the restrictions with respect thereto shall lapse, and such shares will be treated in the merger in the same manner as the other shares of common stock.

Interests of the Company s Directors and Executive Officers in the Merger (Page 47)

In considering the recommendation of our board with respect to the merger agreement, you should be aware that some of the Company s directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Neustar stockholders generally. Interests of our directors and executive officers that may be different from or in addition to the interests of Neustar stockholders include:

- The merger agreement provides for the accelerated vesting and cash-out of all Company equity awards.
- The Company s executive officers are participants in the Company s 2016 Key Employee Severance Pay Plan that provides for severance benefits in the event of certain qualifying terminations of employment in connection with or following the merger.
- In connection with the merger, certain of the Company s executive officers will receive accelerated payment of existing cash retention awards.
- The Company s directors and executive officers are entitled to continued indemnification and insurance coverage under indemnification agreements and the merger agreement.

These interests are discussed in more detail in the section entitled *The Merger (Proposal 1) Interests of the Company s Directors and Executive Officers in the Merger* beginning on page 47. The board was aware of the different or additional interests set forth in this proxy statement and considered such interests along with other matters in approving the merger agreement and the transactions contemplated by the merger agreement, including the merger.

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Financing (Page 45)

The Company and Parent estimate that the total amount of funds required to complete the merger and related transactions and pay related fees and expenses will be approximately $2.9 billion. Parent expects this amount to be funded through a combination of the following:

- Bank of America Merrill Lynch, UBS, Jefferies and Angel Island have committed to provide debt financing for the merger consisting of a $1.4 billion senior secured first lien credit facility and a $350 million senior secured second lien credit facility on the terms and subject to the conditions set forth in a debt commitment letter, dated as of December 14, 2016 and delivered to Neustar in advance of execution of the merger agreement.

- An investment fund advised by Golden Gate and Hux (who we refer to as the Investors/Guarantors) have committed, pursuant to equity commitment letters dated as of December 14, 2016, to capitalize Parent, at or prior to the effective time, with an aggregate equity contribution in an amount of $1.24 billion, on the terms and subject to the conditions set forth in the equity commitment letters.

The completion of the merger is not subject to any financing condition, although funding of the debt and equity financing is subject to the satisfaction of the conditions set forth in the commitment letters under which the financing will be provided.

Limited Guarantees (Page 47)

The Investors/Guarantors have executed limited guarantees in favor of the Company to guarantee, on a several basis, Parent s obligations to pay any termination fee to the Company under the merger agreement and certain other expense and indemnification obligations under the merger agreement.

Alternative Acquisition Proposals; No Solicitation (Page 62)

Pursuant to the merger agreement, until 11:59 p.m., Eastern time on January 13, 2017, the Company and its respective representatives were permitted to:

- initiate, solicit and encourage proposals for an alternative transaction, including by providing access to non-public information pursuant to an acceptable confidentiality agreement;

- engage in, enter into, continue or otherwise participate in any discussions or negotiations with any person or group of persons who has entered into an acceptable confidentiality agreement with respect to any alternative acquisition proposal; and

- otherwise cooperate with, assist, participate in or facilitate any such inquiries, proposals, offers, discussions or negotiations or any effort or attempt to make any alternative acquisition proposal.

Thereafter, except as expressly permitted in the merger agreement, the Company may not, and must cause its subsidiaries and its and their respective representatives not to, among other things:

initiate, solicit or knowingly encourage any inquiry or the making of any alternative acquisition proposal;

engage in, enter into, continue or otherwise participate in any discussions or negotiations regarding, or provide any non-public information regarding the Company or its subsidiaries with respect to, an alternative acquisition proposal;

grant any waiver, amendment or release under any standstill provision unless our board determines in good faith, after consultation with its outside legal counsel, that the failure to do so would be inconsistent with its fiduciary duties under applicable law; or

grant any waiver under any anti-takeover laws.

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Notwithstanding the restrictions described above, prior to the adoption of the merger agreement by Neustar stockholders, the Company may (1) provide non-public information in response to a request from a third party who has made a *bona fide* written acquisition proposal that did not result from a material breach of the merger agreement and that our board determines in good faith, after consultation with its financial advisor and outside legal counsel, constitutes or would reasonably be expected to lead to a superior proposal and (2) engage or participate in any discussions or negotiations with a third party who has made such an acquisition proposal, but in each case, only if our board determines in good faith, after consultation with its outside legal counsel, that failure to take such action would be inconsistent with its fiduciary duties under applicable law.

In addition, our board may not effect any change of its recommendation to Neustar stockholders to adopt the merger agreement, or cause or permit the Company or any of its subsidiaries to enter into any letter of intent, memorandum of understanding, acquisition or merger agreement or other analogous agreement relating to or providing for any alternative proposal (except for acceptable confidentiality agreements). However, if our board concludes in good faith, after consultation with its financial advisor and outside legal counsel, that an alternative acquisition proposal constitutes a superior proposal, our board is permitted to (a) make a change of recommendation with respect to the adoption of the merger agreement by Neustar stockholders or (b) terminate the merger agreement to enter into an alternative acquisition agreement in response to the superior proposal.

Intervening Event (Page 62)

Our board is permitted to make a change in its recommendation to Neustar stockholders with respect to the adoption of the merger agreement if our board concludes in good faith, after consultation with its financial advisor and outside legal counsel, that the failure to do so would be inconsistent with its fiduciary duties under applicable law in response to an intervening event. An intervening event means a material event, change, circumstance, occurrence, effect or state of facts (other than an alternative acquisition proposal) that was neither known to, nor reasonably foreseeable by, our board prior to the execution of the merger agreement, which event, change, circumstance, occurrence, effect or state of facts, or any consequence thereof, becomes known to the board after such date. The parties have agreed that any manifest event, change, occurrence or development (or any consequences thereof) resulting or arising after the date of the merger agreement from an announcement by the North American Portability Management LLC (which we refer to as NAPM) or the FCC with respect to the provision of transition services by the Company under the seven regional contracts between Neustar and NAPM under which Neustar provides Local Number Portability Administrator (which we refer to as LNPA) services in the United States (which we refer to collectively as the NPAC Contract) or any material judicial or agency determination with respect to the Company s ongoing litigation with the FCC regarding the process by which the NPAC Contract was awarded to a competitor of the Company may be taken into consideration by our board of directors in determining whether an intervening event has occurred (which we refer to as an NPAC Intervening Event).

Termination (Page 69)

The Company and Parent may terminate the merger agreement by mutual written consent at any time before the effective time of the merger. In addition, either the Company or Parent may terminate the merger agreement if:

- the merger shall not have been consummated on or before June 14, 2017, subject to extension by either party for a period of up to three months if the required regulatory approvals have not been obtained by that date;

any court of competent jurisdiction has issued or entered an injunction or similar order permanently enjoining or otherwise prohibiting the completion of the merger and such injunction has become final and non-appealable; or

if Neustar stockholders vote on and fail to adopt the merger agreement at the special meeting.

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The Company may also terminate the merger agreement:

- if Parent or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or other agreements contained in the merger agreement which would result in the failure to satisfy a closing condition and such breach has not been timely cured;

- at any time prior to the adoption of the merger agreement by Neustar stockholders, if (1) the board has authorized the Company to enter into an alternative acquisition agreement with respect to a superior proposal, (2) substantially concurrently with such termination, the Company enters into an alternative acquisition agreement with respect to such superior proposal, and (3) the Company has paid the related termination fee to Parent; or

- if (1) the merger has not been completed as required pursuant to the merger agreement, (2) at the time of such termination, all conditions to Parent s obligation to complete the closing (other than those conditions that are to be satisfied by action taken at the closing) have been satisfied, and (3) the Company is ready, willing and able to complete the merger on such date.

Parent may also terminate the merger agreement:

- if the Company has breached or failed to perform any of its representations, warranties, covenants or other agreements contained in the merger agreement which would result in the failure to satisfy a closing condition and such breach has not been timely cured;

- in the event of an adverse recommendation change (as described in the section entitled *The Merger Agreement Other Covenants and Agreements Alternative Proposals; No Solicitation; Intervening Event*); or

- if the Company has materially breached or failed to perform in any material respect any of its obligations with respect to the go-shop/no solicitation provisions under the merger agreement (other than any unauthorized and materially cured breaches or failures).

Termination Fees (Page 70)

The Company will be required to pay a termination fee in cash to Parent upon the termination of the merger agreement under certain circumstances. The amount of the termination fee would have been $20 million in the event that the Company terminated the merger agreement on or prior to February 12, 2017 to enter into an acquisition agreement related to a superior proposal with a person or group that submitted an alternative acquisition proposal during the go-shop period that our board determined would reasonably be expected to lead to a superior proposal. If Parent terminates the merger agreement following an adverse recommendation change relating to an NPAC Intervening Event, the amount of the termination fee will be $120 million. In all other cases in which the Company is obligated to pay a termination fee to Parent, the amount of such fee will be $60 million.

Parent will be required to pay to the Company a reverse termination fee of $120 million in cash in the event that the Company has terminated the merger agreement due to (1) the breach or failure by Parent or Merger Sub to perform any of its representations, warranties, covenants or other agreements contained in the merger agreement which would result in the failure to satisfy a closing condition and such breach has not been timely cured; or (2) the merger not being completed as required pursuant to the merger agreement, and at the time of such termination, all conditions to Parent s obligation to consummate the closing (other than those conditions that are to be satisfied by action taken at the closing) have been satisfied and the Company is ready, willing and able to complete the merger on such date.

Reimbursement of Expenses (Page 71)

The Company will be required to reimburse Parent for all reasonable out-of-pocket expenses incurred by Parent, Merger Sub and their respective affiliates in connection with the merger agreement and the related

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transactions up to a maximum amount of $7.5 million if Parent has terminated the merger agreement under certain circumstances. If the Company subsequently becomes obligated to pay a termination fee to Parent, any such expense reimbursement paid by the Company will be credited against such termination fee.

Regulatory Approvals (Page 53)

Under the HSR Act and related rules, certain transactions, including the merger, may not be completed until notifications have been given and information furnished to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission (which we refer to as the FTC) and all statutory waiting period requirements have been satisfied. On January 17, 2017, the FTC granted early termination of the waiting period under the HSR Act applicable to the merger. The merger is also conditioned on the expiration or termination of any applicable waiting period (and any extension thereof) or receipt of any necessary approval or clearance required under the German Act against Restraints of Competition.

The merger is conditioned on the issuance by CFIUS of a written notification to the parties to the merger agreement, without the imposition of any burdensome condition, that it has concluded a review of the voluntary notification provided pursuant to the Defense Production Act and determined not to conduct a full investigation of the transactions contemplated by the merger agreement or, if a full investigation is deemed to be required, notification that the U.S. government will not take action to prevent the transactions contemplated by the merger agreement from being consummated. The merger is also subject to the receipt of a no-objection notification from the Treasurer of the Government of Australia after review of the merger by the Foreign Investment Review Board of Australia (FIRB).

The merger is further subject to the FCC approving the new owner of the North American Numbering Plan Administrator, LNPA, Pooling Administrator and TRS Numbering Administrator referred to in the merger agreement.

Material U.S. Federal Income Tax Consequences of the Merger (Page 51)

If you are a U.S. holder, the receipt of cash in exchange for shares of common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. You should consult your own tax advisors regarding the particular tax consequences to you of the exchange of shares of common stock for cash pursuant to the merger in light of your particular circumstances (including the application and effect of any state, local or foreign income and other tax laws).

Appraisal Rights (Page 78 and *Annex C*)

Under Delaware law, holders of our common stock who do not vote in favor of the adoption of the merger agreement, who properly demand appraisal of their shares of common stock and who otherwise comply with the requirements of Section 262 of the DGCL will be entitled to seek appraisal for, and obtain payment in cash for the judicially determined fair value of, their shares of common stock in lieu of receiving the merger consideration if the merger is completed, but only if they comply with all applicable requirements of the DGCL. This value could be more than, the same as, or less than the merger consideration. Any holder of common stock intending to exercise appraisal rights must deliver a written demand for appraisal to us prior to the vote on the proposal to adopt the merger agreement, not vote in favor of the proposal to adopt the merger agreement, and otherwise strictly comply with all of the procedures required by Delaware law. The relevant provisions of the DGCL are included as *Annex C* to this proxy statement. Please read these provisions carefully. Failure to strictly comply with these provisions will result in loss of the right of appraisal.

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Completion of the Merger (Page 56)

We anticipate completing the merger no later than the end of the third calendar quarter of 2017. We cannot predict the exact timing of the completion of the merger or whether the merger will be completed. In order to complete the merger, Neustar stockholders must adopt the merger agreement at the special meeting and the other closing conditions under the merger agreement, including receipt of required regulatory approvals, must be satisfied or, to the extent legally permitted, waived.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers address briefly some questions you may have regarding the special meeting, the merger agreement and the merger. These questions and answers may not address all questions that may be important to you as a Neustar stockholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to in this proxy statement.

Q: Why am I receiving this proxy statement?

A: On December 14, 2016, Neustar entered into the merger agreement providing for the merger of Merger Sub, a wholly-owned subsidiary of Parent, with and into Neustar, with Neustar surviving the merger as a subsidiary of Parent. You are receiving this proxy statement in connection with the solicitation of proxies by our board in favor of the proposal to adopt the merger agreement and the other matters to be voted on at the special meeting.

Q: What is the proposed transaction?

A: The proposed transaction is the merger of Merger Sub with and into Neustar pursuant to the merger agreement. Following the effective time of the merger, the Company would be privately held as a subsidiary of Parent.

Q: What will I receive in the merger?

A: If the merger is completed, you will be entitled to receive $33.50 in cash, without interest and less any applicable withholding taxes, for each share of our common stock that you own. For example, if you own 100 shares of common stock, you will be entitled to receive $3,350 in cash in exchange for your shares of common stock, less any applicable withholding taxes. You will not be entitled to receive shares in the surviving corporation or any equity interests in Parent.

Q: Where and when is the special meeting?

A: The special meeting will take place at the offices of Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001 on Tuesday, March 14, 2017, starting at 5:00 p.m., local time.

Q: What matters will be voted on at the special meeting?

A: You will be asked to consider and vote on the following proposals:

a proposal to adopt the merger agreement;

a proposal to approve, on an advisory (non-binding) basis, specified compensation that may become payable to our named executive officers in connection with the merger;

a proposal to approve one or more adjournments of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and

such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting by or at the direction of our board of directors.

We are not currently aware of any other business to come before the special meeting.

Q: What vote of our stockholders is required to adopt the merger agreement?

A: Under Delaware law, stockholders holding at least a majority of the shares of common stock outstanding at the close of business on the record date for the determination of stockholders entitled to

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vote at the special meeting must vote **FOR** the proposal to adopt the merger agreement. In addition, under the merger agreement, the receipt of such required vote is a condition to the completion of the merger. A failure to vote your shares of common stock, an abstention from voting or failure to give voting instructions to your broker, bank, trust or other nominee, will have the same effect as a vote against the proposal to adopt the merger agreement.

As of January 30, 2017, the record date for the special meeting, there were 54,980,773 shares of our common stock outstanding and entitled to vote at the special meeting.

Q: How will our directors and executive officers vote on the proposal to adopt the merger agreement?

A: The directors and executive officers of the Company have informed the Company that as of the date of this proxy statement, they intend to vote in favor of the proposal to adopt the merger agreement. As of January 30, 2017, the record date for the special meeting, our directors and executive officers owned, in the aggregate, approximately 1.4% of the outstanding common stock of the Company entitled to vote at the special meeting.

Also, affiliates of Golden Gate own 2,428,260 shares of our common stock, which Parent has agreed to cause to be voted in favor of the proposals set forth in this proxy statement.

Q: What is a quorum?

A: A quorum will be present if holders of a majority of the shares of our common stock outstanding on the record date are present in person or represented by proxy at the special meeting. If a quorum is not present at the special meeting, the special meeting may be adjourned or postponed from time to time until a quorum is obtained.

If you submit a proxy but abstain or fail to provide voting instructions on any of the proposals listed on the proxy card, your shares will be counted for purposes of determining whether a quorum is present at the special meeting.

If your shares are held in street name by your broker, bank, trust or other nominee and you do not tell the nominee how to vote your shares, these shares will not be counted for purposes of determining whether a quorum is present for the transaction of business at the special meeting.

Q: What vote of our stockholders is required to approve other matters to be considered at the special meeting?

A: Approval of each of the advisory (non-binding) proposal on specified compensation payable to the Company s named executive officers in connection with the merger and the adjournment proposal requires the affirmative vote of a majority of votes cast on such proposal at the special meeting. Under our bylaws, abstentions will not be considered votes cast at the special meeting and, therefore, will have no effect on the voting results for these proposals.

Q: How does the board recommend that I vote?

A: Our board unanimously recommends that Neustar stockholders vote **FOR** the proposal to adopt the merger agreement. The board further unanimously recommends that stockholders vote **FOR** the advisory (non-binding) proposal to approve specified compensation that may become payable to the named executive officers of the Company in connection with the merger, and **FOR** the adjournment proposal.

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Q: What effects will the merger have on Neustar?

A: Our Class A common stock is currently registered under the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act), and is quoted on the New York Stock Exchange (which we refer to as the NYSE) under the symbol NSR. As a result of the merger, the Company will cease to be a publicly-traded company and will become a subsidiary of Parent. Following the merger, the registration of our Class A common stock and our reporting obligations under the Exchange Act will be terminated. In addition, upon completion of the merger, our Class A common stock will no longer be listed on any stock exchange or quotation system, including the NYSE.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by Neustar stockholders, or if the merger is not completed for any other reason, Neustar stockholders will not receive any payment for their shares of common stock in connection with the merger. Instead, we will remain a public company and shares of our Class A common stock will continue to be listed and traded on the NYSE. Under specified circumstances, the Company may be required to pay Parent a termination fee or reimburse Parent for reasonable out-of-pocket expenses incurred by Parent, Merger Sub and their affiliates in connection with the merger agreement.

Q: What will happen if stockholders do not approve the advisory proposal on specified compensation payable to the Company s named executive officers in connection with the merger?

A: The approval of this proposal is not a condition to the completion of the merger. The vote on this proposal is an advisory vote and will not be binding on the Company or Parent. Further, the underlying plans and arrangements are contractual in nature and not, by their terms, subject to stockholder approval. Therefore, regardless of whether Neustar stockholders approve this proposal, if the merger is completed, the specified compensation will still be paid to the Company s named executive officers to the extent payable in accordance with the terms of the merger agreement and pre-existing compensation and severance arrangements.

Q: What do I need to do now? How do I vote my shares of common stock?

A: We urge you to read this proxy statement carefully, including its annexes and the documents referred to in this proxy statement. Your vote is important. If you are a stockholder of record, you can ensure that your shares are voted at the special meeting by submitting your proxy by:

mail, using the enclosed postage-paid envelope;

telephone, using the toll-free number listed on each proxy card; or

the Internet, at the address provided on each proxy card.

If you hold your shares in street name through a broker, bank, trust or other nominee, you should follow the directions provided by your broker, bank, trust or other nominee regarding how to instruct your nominee to vote your shares. Without those instructions, your shares will not be voted, which will have the same effect as voting AGAINST the proposal to adopt the merger agreement.

Q: Can I revoke my proxy?

Yes. You can revoke your proxy at any time before the vote is taken at the special meeting. If you are a stockholder of record, you may revoke your proxy by notifying the Company s Corporate Secretary in writing at NeuStar, Inc., 21575 Ridgetop Circle, Sterling, Virginia 20166, Attn: Corporate Secretary, or by submitting a new proxy by telephone, the Internet or mail, in each case, dated after the date of the

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proxy being revoked. In addition, you may revoke your proxy by attending the special meeting and voting in person (simply attending the special meeting will not cause your proxy to be revoked). Please note that if you hold your shares in street name and you have instructed a broker, bank, trust or other nominee to vote your shares, the above-described options for revoking your voting instructions do not apply, and instead you must follow the instructions received from your broker, bank, trust or other nominee to revoke your voting instructions or submit new voting instructions.

Q: What happens if I do not vote?

A: The vote to adopt the merger agreement is based on the total number of shares of our common stock outstanding on the record date, not just the shares that are voted. If you do not vote, it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.

Q: Will my shares held in street name or another form of record ownership be combined for voting purposes with shares I hold of record?

A: No. Because any shares you may hold in street name will be deemed to be held by a different stockholder than any shares you hold of record, any shares so held will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an individual retirement account must be voted under the rules governing the account.

Q: What happens if I sell my shares of common stock before completion of the merger?

A: If you transfer your shares of common stock, you will have transferred your right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares of common stock through completion of the merger.

The record date for stockholders entitled to vote at the special meeting is earlier than the closing of the merger. So, if you transfer your shares of common stock after the record date but before the closing of the merger, you will have transferred your right to receive the merger consideration in the merger, but retained the right to vote at the special meeting.

Q: Should I send in my stock certificates or other evidence of ownership now?

A: No. After the merger is completed, you will receive a letter of transmittal from the paying agent for the merger with detailed written instructions for exchanging your shares of common stock for the merger

consideration. If your shares of common stock are held in street name by your broker, bank, trust or other nominee, you may receive instructions from your broker, bank, trust or other nominee as to what action, if any, you need to take to effect the surrender of your street name shares in exchange for the merger consideration. **Please do not send in your certificates now.**

Q: I do not know where my stock certificate is how will I get the merger consideration for my shares?

A: If the merger is completed, the transmittal materials you will receive after the completion of the merger will include the procedures that you must follow if you cannot locate your stock certificate. These procedures will include an affidavit that you will need to sign attesting to the loss of your stock certificate. Parent may also require that you provide indemnity to the surviving corporation in order to cover any potential loss.

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Q: Am I entitled to exercise appraisal rights instead of receiving the merger consideration for my shares of common stock?

A: Stockholders who do not vote in favor of the proposal to adopt the merger agreement and otherwise comply with the requirements of Section 262 of the DGCL are entitled to statutory appraisal rights under Delaware law if the merger is completed. This means that if you comply with the requirements of Section 262 of the DGCL, you are entitled to have the fair value (as defined pursuant to Section 262 of the DGCL) of your shares of common stock determined by the Court of Chancery of the State of Delaware and to receive payment based on that valuation instead of receiving the merger consideration. The ultimate amount you would receive in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the merger agreement. To exercise your appraisal rights, you must strictly comply with the requirements of the DGCL. See *Appraisal Rights* and the text of the Delaware appraisal rights statute, Section 262 of the DGCL, which is reproduced in its entirety as *Annex C* to this proxy statement. Please read it carefully.

Q: Will I have to pay taxes on the merger consideration I receive?

A: If you are a U.S. holder, the receipt of cash in exchange for shares of common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. You should consult your own tax advisors regarding the particular tax consequences to you of the exchange of shares of common stock for cash pursuant to the merger in light of your particular circumstances (including the application and effect of any state, local or foreign income and other tax laws).

Q: What does it mean if I get more than one proxy card or voting instruction card?

A: If your shares are registered differently or are held in more than one account, you will receive more than one proxy card or voting instruction card. Please complete and return all of the proxy cards or voting instruction cards you receive (or submit each of your proxies by telephone or the Internet, if available to you) to ensure that all of your shares are voted.

Q: What is householding and how does it affect me?

A: The Securities and Exchange Commission (which we refer to as the SEC) permits companies to send a single set of proxy materials to any household at which two or more stockholders reside, unless contrary instructions have been received, but only if the applicable company provides advance notice and follows certain procedures. In such cases, each stockholder continues to receive a separate notice of the meeting and proxy card. Certain brokerage firms may have instituted householding for beneficial owners of common stock held through brokerage firms. If your family has multiple accounts holding our common stock, you may have already received a householding notification from your broker. Please contact your broker directly if you have any questions or require additional copies of this proxy statement. The broker will arrange for delivery of a separate copy of this proxy statement promptly upon your written or oral request. You may

decide at any time to revoke your decision to household, and thereby receive multiple copies.

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Q: Who can help answer my other questions?

A: If you have additional questions about the merger, or require assistance in submitting your proxy or voting your shares or need additional copies of the proxy statement or the enclosed proxy card, please contact our proxy solicitor, Innisfree M&A Incorporated, at:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

If a broker, bank, trust or other nominee holds your shares, you should also call your broker, bank, trust or other nominee for additional information.

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CAUTIONARY STATEMENT CONCERNING

FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are identified by the use of the words believe, expect, anticipate, intend, estimate, will, contemplate, would and similar expressi contemplate future events. These statements are only predictions. You should be aware that forward-looking statements involve a number of assumptions, risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including, without limitation:

- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the failure to obtain the required vote of Neustar stockholders to adopt the merger agreement;
- the inability to obtain regulatory approvals required for the merger or the imposition of burdensome conditions in connection with such approvals;
- the failure to satisfy other required closing conditions or complete the merger in a timely manner;
- the failure to obtain the necessary financing arrangements set forth in the debt and equity commitment letters delivered pursuant to the merger agreement;
- risks related to disruption of management s attention from the Company s ongoing business operations due to the pendency of the merger;
- the effect of the announcement of the merger on our operating results and businesses generally and our relationships with employees, customers, suppliers and regulators;
- the outcome of any legal proceedings that may be instituted against the Company and others relating to the merger agreement;
- the impact of the pending merger on our strategic plans and operations and our ability to respond effectively to competitive pressures, industry developments and future opportunities;

uncertainty regarding the amount of time that we will serve as the Local Number Portability Administrator and the outcome of our ongoing litigation with the FCC regarding the process by which the NPAC Contract was awarded to a competitor of the Company; and

other risks detailed in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q. See *Where You Can Find Additional Information.*

You should not place undue reliance on forward-looking statements. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement are based on the information available to us as of the date of this proxy statement, and you should not assume that the statements made in this proxy statement remain accurate as of any future date. Moreover, except as required by law, we assume no obligation to update forward-looking statements or update the reasons actual results could differ materially from those anticipated in forward-looking statements.

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THE COMPANIES

NeuStar, Inc.

Neustar is a Delaware corporation that offers authoritative, hard-to-replicate data sets and proprietary analytics that provide insights to help clients promote and protect their businesses. Our proprietary, cloud-based platforms and differentiated data sets offer informative, real-time analytics, which enable clients to make actionable, data-driven decisions. We provide chief marketing officers a comprehensive suite of services to plan their media spend, identify and locate desired customers, invest effectively in marketing campaigns, deliver relevant offers and measure the performance of these activities. Security professionals use our solutions to maximize web performance and protect against malicious attacks. We enable the exchange of essential operating information across multiple carriers to provision and manage services, assisting clients with fast and accurate order processing and immediate routing of customer inquiries. We also provide communications service providers in the United States with critical infrastructure that enables the dynamic routing of calls and text messages.

A detailed description of the Company s business is contained in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See *Where You Can Find Additional Information.*

Our principal executive offices are located at 21575 Ridgetop Circle, Sterling, Virginia 20166, and our telephone number at that address is (571) 434-5400. Our website address is *www.neustar.biz*. The information contained in, or that may be accessed through, our website is not intended to be incorporated into this proxy statement.

Aerial Topco, L.P. and Aerial Merger Sub, Inc.

Parent is a Delaware limited partnership, and Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Parent. Both Parent and Merger Sub were formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, and have not engaged in any business except for activities incidental to their formation and as contemplated by the merger agreement. Parent and Merger Sub were formed by Golden Gate to facilitate the participation of investment funds advised by Golden Gate and Hux in the transaction. The address for Parent and Merger Sub is c/o Golden Gate Private Equity, Inc., One Embarcadero Center, 39th Floor, San Francisco, California 94111, and their telephone number at that address is (415) 983-2700.

Golden Gate Private Equity, Inc.

Golden Gate is a San Francisco-based private equity investment firm with over $15 billion of capital under management. Investment funds advised by Golden Gate invest across a wide range of industries and transaction types, including going-privates, corporate divestitures, and recapitalizations, as well as debt and public equity investments. The principal executive offices of Golden Gate are located at One Embarcadero Center, 39th Floor, San Francisco, California 94111, and its telephone number at that address is (415) 983-2700.

Hux Investment Pte. Ltd.

Hux is a private limited company affiliated with GIC SI, the private equity arm of GIC. GIC is a leading global investment firm established in 1981 to manage Singapore s foreign reserves. GIC has investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. The principal executive offices of GIC are located at 168 Robinson Road, #37-01 Capital Tower, Singapore 068912, and its telephone number at that address is (65) 6889 8888.

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THE SPECIAL MEETING

Date, Time and Place of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held at the offices of Goodwin Procter LLP, 901 New York Avenue, N.W., Washington, D.C. 20001, on Tuesday, March 14, 2017, at 5:00 p.m., local time, or at any adjournment or postponement of such meeting. This proxy statement is first being mailed to our stockholders on or about February 7, 2017.

Purpose of the Special Meeting

The purpose of the special meeting is for our stockholders to consider and vote upon the proposal to adopt the merger agreement. Neustar stockholders must adopt the merger agreement for the merger to be completed. A copy of the merger agreement is attached to this proxy statement as *Annex A* and the material provisions of the merger agreement are described under *The Merger Agreement.* Neustar stockholders are also being asked to approve one or more adjournments of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

In addition, in accordance with Section 14A of the Exchange Act, we are providing stockholders with the opportunity to cast an advisory (non-binding) vote on specified compensation that may be payable to the Company s named executive officers in connection with the merger, the value of which is disclosed in the table in the section of the proxy statement entitled *The Merger (Proposal 1) Interests of the Company s Directors and Executive Officers in the Merger Golden Parachute Compensation for the Company s Named Executive Officers*. The vote on specified compensation payable in connection with the merger is a vote separate and apart from the vote to adopt the merger agreement. Accordingly, a stockholder may vote to approve the adoption of the merger agreement and vote not to approve the specified compensation and vice versa. Because the compensation vote is advisory in nature only, it will not be binding on either the Company or Parent. Accordingly, because the Company is contractually obligated to pay the specified compensation, such compensation will be payable, subject only to the conditions applicable to such payment, if the merger is completed and regardless of the outcome of the advisory vote.

Record Date and Quorum

The holders of record of our Class A common stock and Class B common stock as of the close of business on January 30, 2017, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. All holders of our common stock will vote together as a single class, and each stockholder is entitled to one vote for each share of common stock held on the record date. On the record date, 54,980,773 shares of common stock were outstanding and entitled to vote at the special meeting.

The presence at the special meeting, in person or by proxy, of the holders of a majority of shares of common stock outstanding on the record date will constitute a quorum, permitting the Company to conduct its business at the special meeting. Treasury shares, which are shares owned by the Company itself, are not voted and do not count for this purpose. Proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the special meeting. The Company does not anticipate any broker non-votes in connection with the special meeting. See *Voting; Proxies; Revocation Submitting a Proxy or Providing Voting Instructions Shares Held in Street Name* below.

Required Vote

For the Company to complete the merger, under Delaware law, stockholders holding at least a majority of the shares of common stock outstanding at the close of business on the record date must vote **FOR** the

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proposal to adopt the merger agreement. A failure to vote your shares of common stock, an abstention from voting or failure to give voting instructions to your broker, bank, trust or other nominee, will have the same effect as a vote against the proposal to adopt the merger agreement.

Approval of each of the advisory (non-binding) proposal on specified compensation payable to the Company s named executive officers in connection with the merger and the adjournment proposal requires the affirmative vote of a majority of votes cast on such proposal at the special meeting. Under our bylaws, abstentions will not be considered votes cast at the special meeting and, therefore, will have no effect on the voting results for these proposals.

Voting by the Company s Directors and Executive Officers

The directors and executive officers of the Company have informed the Company that as of the date of this proxy statement, they intend to vote in favor of the proposal to adopt the merger agreement, although none of them has an obligation to do so. At the close of business on the record date, our directors and executive officers owned, in the aggregate, approximately 1.4% of the outstanding common stock of the Company entitled to vote at the special meeting.

Also, affiliates of Golden Gate own 2,428,260 shares of our common stock, which Parent has agreed to cause to be voted in favor of the proposals set forth in this proxy statement.

Voting; Proxies; Revocation

Attendance. All holders of shares of common stock as of the close of business on January 30, 2017, the record date for voting at the special meeting, including stockholders of record and beneficial owners of common stock registered in the street name of a broker, bank, trust or other nominee, are invited to attend the special meeting. If you are a stockholder of record, please be prepared to provide proper identification, such as a driver s license. If you hold your shares in street name, you will need to provide proof of ownership, such as a recent account statement or voting instruction form provided by your broker, bank, trust or other nominee or other similar evidence of ownership, along with proper identification.

Voting in Person. Stockholders of record will be able to vote in person at the special meeting. If you are not a stockholder of record, but instead hold your shares in street name through a broker, bank, trust or other nominee, you must provide a proxy executed in your favor from your broker, bank, trust or other nominee in order to be able to vote in person at the special meeting.

Submitting a Proxy or Providing Voting Instructions. To ensure that your shares are voted at the special meeting, we recommend that you provide voting instructions promptly by proxy, even if you plan to attend the special meeting in person.

Shares Held by Record Holder. If you are a stockholder of record, you may submit a proxy using one of the methods described below.

Submit a Proxy by Telephone or via the Internet. This proxy statement is accompanied by a proxy card with instructions for submitting voting instructions. You may vote by telephone by calling the toll-free number or via the Internet by accessing the Internet address as specified on the enclosed proxy card. Your shares will be

voted as you direct in the same manner as if you had completed, signed, dated and returned your proxy card, as described below.

Submit a Proxy Card. If you complete, sign, date and return the enclosed proxy card by mail so that it is received in time for the special meeting, your shares will be voted in the manner directed by you on your proxy card.

If you sign, date and return your proxy card without indicating how you wish to vote on a proposal, your proxy will be voted in accordance with our board s recommendation i.e., in favor of the

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proposal to adopt the merger agreement, the advisory (non-binding) proposal to approve specified compensation that may become payable to the named executive officers of the Company in connection with the merger, and the adjournment proposal. If you are a stockholder of record and fail to return your proxy card, unless you attend the special meeting and vote in person, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote against the proposal to adopt the merger agreement, but will not affect the other proposals.

Shares Held in Street Name. If your shares of common stock are held in street name, you will receive instructions from your broker, bank, trust or other nominee that you must follow in order to have your shares voted. Your broker, bank, trust or other nominee will vote your shares only if you provide instructions on how to vote. Please follow the directions on the voting instruction form sent to you by your broker, bank, trust or other nominee with this proxy statement. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker, bank, trust or other nominee, as the case may be. Brokers who hold shares of common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from the beneficial owner. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that are non-routine, such as adoption of the merger agreement, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are present in person or represented at the meeting, but with respect to which the broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. Because all proposals for the special meeting are non-routine and non-discretionary, Neustar anticipates that there will not be any broker non-votes.

Revocation of Proxies. Any person giving a proxy pursuant to this solicitation has the power to revoke and change it any time before it is voted. If you are a stockholder of record, you may revoke your proxy at any time before the vote is taken at the special meeting by:

- submitting a new proxy with a later date, by using the telephone or Internet proxy submission procedures described above, or by completing, signing, dating and returning a new proxy card by mail to the Company;
- attending the special meeting and voting in person; or
- delivering to the Corporate Secretary of the Company a written notice of revocation c/o NeuStar, Inc., 21575 Ridgetop Circle, Sterling, Virginia 20166, Attn: Corporate Secretary.

Attending the special meeting without taking one of the actions described above will not in itself revoke your proxy. Please note that if you want to revoke your proxy by mailing a new proxy card to the Company or by sending a written notice of revocation to the Company, you should ensure that you send your new proxy card or written notice of revocation in sufficient time for it to be received by the Company before the special meeting.

If you hold your shares in street name through a bank, broker, trust or other nominee, you will need to follow the instructions provided to you by your bank, broker, trust or other nominee in order to revoke your voting instructions or submit new voting instructions.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. We are submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to adopt the merger agreement at the time of the special meeting. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite

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stockholder approval to adopt the merger agreement. Neustar retains full authority to the extent set forth in its bylaws and Delaware law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any Neustar stockholder.

If the special meeting is adjourned, we are not required to give notice of the time and place of the adjourned meeting if announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days or our board fixes a new record date for the special meeting. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting. All proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the time the proxy is voted at the reconvened meeting.

Solicitation of Proxies

Our directors, officers and employees may solicit proxies on our behalf in person, by telephone, email or facsimile. These persons will not be paid additional remuneration for their efforts. Neustar has also retained Innisfree M&A Incorporated to assist in the solicitation of proxies at a fee estimated not to exceed $25,000, plus reasonable out-of-pocket expenses. We also will request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of common stock that the brokers and fiduciaries hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses. Neustar will pay all expenses of filing, printing and mailing this proxy statement, including solicitation expenses.

Stockholder List

A list of Neustar stockholders entitled to vote at the special meeting will be available for inspection at the special meeting and for ten days prior to the special meeting for any purpose germane to the special meeting, between the hours of 8:45 a.m. and 4:30 p.m., local time, at our principal executive offices at 21575 Ridgetop Circle, Sterling, Virginia 20166, by contacting the Corporate Secretary of the Company.

Other Information

You should not return your stock certificate or send documents representing common stock with the proxy card. If the merger is completed, the paying agent for the merger will send you a letter of transmittal and instructions for exchanging your shares of common stock for the merger consideration.

Questions and Assistance

If you have questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please contact our proxy solicitor at:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Stockholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

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THE MERGER (PROPOSAL 1)

General

If the merger agreement is adopted by Neustar stockholders and all other conditions to the closing of the merger are either satisfied or waived, Merger Sub will be merged with and into the Company with the Company being the surviving corporation in the merger. Upon the completion of the merger, each share of common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Parent and Neustar and certain of their affiliates, and shares held by stockholders who have perfected their statutory rights of appraisal under the DGCL) will be converted into the right to receive $33.50 in cash, without interest and less any applicable withholding taxes.

Our Class A common stock is currently registered under the Exchange Act and is quoted on the NYSE under the symbol NSR. As a result of the merger, the Company will cease to be a publicly-traded company and will become a subsidiary of Parent. Following the completion of the merger, the registration of our Class A common stock and our reporting obligations under the Exchange Act will be terminated. In addition, upon the completion of the merger, our common stock will no longer be listed on any stock exchange or quotation system, including the NYSE.

Background of the Merger

The following chronology summarizes the key meetings and events that led to the signing of the merger agreement. The following chronology does not purport to catalogue every conversation among our board, the Transaction Committee, members of our management or our representatives and other parties.

Our board of directors and senior management periodically review our long-term strategy and objectives in light of developments in the markets and industries in which we operate. This process has included evaluating prospects and options pertaining to our business, such as organic growth initiatives, separation of our information services and order management and numbering services businesses, possible acquisitions, investments in our company by financial sponsors, and potential business combination transactions, in each case with a view towards enhancing stockholder value. In addition, from time to time, we have received unsolicited inquiries from various parties who have expressed a desire to discuss whether there would be mutual interest in a potential strategic transaction with our company.

During 2015, the FCC approved the selection by the North American Numbering Council of a competitor to serve as the next Local Number Portability Administrator and provide LNPA services in the United States. We are currently the LNPA and the only provider of such services under seven regional contracts between Neustar and the North American Portability Management, LLC (the NAPM), which we refer to collectively as the NPAC Contract. We will continue to provide services and transition services under the NPAC Contract at the current pricing terms until the NAPM provides at least one termination notice to us, which must establish a termination date that is 180 days after the date of notice. Once the transition of the LNPA services to this competitor are completed, we expect to lose approximately $500 million of annual revenue, which loss will adversely impact our income from operations and operating margin. We believe the FCC order approving the North American Numbering Council s selection of this competitor as the next LNPA violates the notice and comment rulemaking requirements of the Administrative Procedure Act, violates the FCC s rules by selecting an entity that is not impartial or neutral to serve as the next LNPA, and is arbitrary, capricious, an abuse of discretion or otherwise contrary to law. On April 6, 2015, we filed a Petition for Review asking the U.S. Court of Appeals for the District of Columbia Circuit to hold unlawful, vacate, enjoin, and set aside the FCC order. Oral argument before the Court of Appeals took place in September 2016.

During the spring of 2016, our board held meetings at which members of management and representatives of its financial advisor, J.P. Morgan Securities LLC (J.P. Morgan), and its outside counsel, including

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representatives of Goodwin Procter LLP (Goodwin), were present. At these meetings, the board discussed the strategic, financial and operational challenges of having two businesses in different industries with divergent needs, and the impact of the uncertainties surrounding the NPAC Contract on our information services business. The board also reviewed the strategic alternatives that may be available to our company, including the potential risks and benefits of separating these businesses. Based on these discussions, the board asked management to work on a potential tax-free spin-off in which our company would be divided into two independent, publicly-traded companies, with one company consisting of a majority of our information services business and the other focused on providing order management and numbering services. In addition, the board considered the potential for the public announcement regarding a proposed spin-off to elicit interest from third parties regarding a possible sale or other strategic transaction. The board concluded that in light of the risks and challenges facing our company, we should consider any inquiries by third parties and assess their potential interest in a strategic transaction with us as a possible alternative to either our stand-alone strategy or proceeding with the proposed spin-off. In addition, the board engaged in a general discussion concerning whether and when it might be advisable to approach and explore a potential strategic transaction with third parties other than those who may contact us, noting the potential disruptions to our business, the risk of leaks that might arise from making contact with other parties, the potential impact on our business of such leaks, including the loss of customers, partners and employees, and the potential need to disclose sensitive, proprietary and confidential information to competitors and potential competitors. Based on the risks discussed and the fact that the board had not determined to engage in a sale process, the board concluded that approaching parties at that time would not be prudent.

On June 20, 2016, we retained J.P. Morgan, at the direction of our board, pursuant to a formal engagement letter to act as our financial advisor for the purpose of advising the board in connection with the proposed spin-off and a potential transaction such as a merger and to evaluate whether the consideration in a merger was fair, from a financial point of view, to the holders of our common stock.

On June 21, 2016, we announced our intention to separate Neustar into two independent, publicly-traded companies through a tax-free spin-off, subject to final approval of our board. Thereafter, we engaged in activities to prepare for the separation of our two businesses, which was expected to take approximately 12 months to complete. Following the public announcement of the proposed spin-off, we and J.P. Morgan received inquiries from a number of third parties, some of whom expressed potential interest in the acquisition of all or a portion of our company. At the direction of our board, all parties were instructed, if interested, to provide a written indication of interest to us. These third parties included the six financial sponsors (Party A, Party C, Party D, Party E, Party F and Party G) and one strategic acquiror (Party B) described below who expressed further interest.

In early July 2016, after individually expressing potential interest in our company following public announcement of the proposed spin-off, Party A, Party B and Party C had discussions with J.P. Morgan and each other, which resulted in Party A, Party B and Party C becoming a group (collectively, Group ABC) for the purpose of exploring a potential strategic transaction with Neustar.

On July 14, 2016, we received an indication of interest from Group ABC with respect to a potential sale transaction with our company. The indication of interest did not include a proposed price or price range, but did indicate that the consideration would be a combination of cash and a contingent value right (CVR) with respect to the NPAC Contract for a period of up to three years following the closing. A CVR is a derivative security or contract right that provides payments to holders upon the occurrence of specified contingencies.

On July 16, 2016, we entered into a confidentiality agreement with Party B, which agreement included customary non-disclosure and standstill provisions that allow Party B to make confidential proposals to us at any time. We had an existing confidentiality agreement with Party A as a result of prior discussions with Party A regarding our company

in early 2016. Also, we had an existing confidentiality agreement with Party C as a result of prior discussions with Party C regarding a potential investment in our company in 2015. The confidentiality

agreements with Party A and Party C had similar non-disclosure and standstill provisions as those included in the confidentiality agreement with Party B, including providing Party A and Party C with the ability to make confidential proposals to us at any time.

On July 20, 2016, we received an indication of interest for a potential sale transaction with our company from Party D. The indication of interest did not include a proposed price or price range. We had an existing confidentiality agreement with Party D as a result of prior discussions with Party D regarding a potential investment in our company in 2015, which agreement included customary non-disclosure and standstill provisions that allow Party D to make confidential proposals to us at any time.

On July 22, 2016, our board held a telephonic meeting at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, management and J.P. Morgan reported the unsolicited interest regarding Neustar since the announcement of the proposed spin-off, including the indications of interest from Group ABC and Party D. Goodwin led a discussion regarding the fiduciary duties of the directors in the context of their consideration of our strategic alternatives, including a stand-alone strategy, the separation of Neustar into two publicly-traded companies, and the potential sale of Neustar to, or another strategic transaction with, a third party. The board discussed the reaction to our announcement of the proposed spin-off and whether it was a favorable time to consider a possible sale of our company. The board also discussed the potential impact of the transition of the NPAC Contract on both the proposed spin-off and a possible sale of our company, and the resources required to concurrently explore both alternatives. At the conclusion of this discussion, the board determined that we should pursue the spin-off in parallel with an exploration of a possible sale transaction with Group ABC, Party D and potentially other third parties who subsequently expressed unsolicited interest in a sale or other strategic transaction, and authorized J.P. Morgan and management to facilitate due diligence by the interested parties, including holding management meetings.

Also on July 22, 2016, members of our management team, including Lisa A. Hook, our President and Chief Executive Officer, and Paul S. Lalljie, our Senior Vice President and Chief Financial Officer, met with representatives of Group ABC in Washington, D.C., and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On July 25, 2016, the FCC published its order approving the proposed contract between the NAPM and the competitor selected to serve as the next LNPA.

On July 26, 2016, we received an indication of interest for a potential sale transaction with our company from Party E. The indication of interest did not include a proposed price or price range.

On July 29, 2016, we entered into a confidentiality agreement with Party E, which agreement included customary non-disclosure and standstill provisions that allow Party E to make confidential proposals to us at any time.

On August 5, 2016, we provided Group ABC, Party D and Party E and their respective advisors with access to a virtual data room containing business and legal due diligence materials. Thereafter, the parties and their advisors had discussions, and we provided answers to questions posed by such parties and their respective advisors, regarding the due diligence materials.

Also on August 5, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Group ABC in San Francisco, California, and continued the previously provided overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a

potential sale transaction.

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On August 9, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Party D in Washington, D.C., and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On August 10, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Group ABC in New York, New York, and continued the previously provided overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On August 11, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Party E in New York, New York, and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On August 17, 2016, our board held a telephonic meeting at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, J.P. Morgan provided an update on the recent interactions with the interested parties, including the indication of interest from Party E. Goodwin led a discussion concerning the fiduciary duties of the directors in the context of their consideration of our strategic alternatives, including a potential sale of Neustar. The board discussed how to best enhance stockholder value in connection with the various strategic alternatives available to us, and the process for continuing to pursue the spin-off in parallel with an exploration of a possible sale transaction. The board also discussed the impact of Neustar s neutrality requirements on a possible sale transaction, and the potential use of a CVR to obtain value for Neustar stockholders with respect to the NPAC business given the current uncertainty surrounding the duration of the NPAC Contract and our ongoing litigation regarding the FCC order at that time. In addition, the board engaged in a general discussion concerning whether it might be advisable to approach and explore a potential strategic transaction with third parties other than those parties who had contacted us. In particular, the board expressed its desire to avoid a protracted process given the potential disruptions to our business and the proposed spin-off, and to focus on potential buyers who could make the financial commitment necessary to acquire a company of our size and consummate a transaction expeditiously. The board also discussed the risk of leaks that might arise from making contact with other parties, the potential impact on our business of such leaks, including the loss of customers, partners and employees, and the potential need to disclose sensitive, proprietary and confidential information to competitors and potential competitors if additional parties were to be contacted. The board also considered our ability to potentially solicit interest of additional third parties through a go-shop provision (*i.e.*, the right to actively solicit alternative acquisition proposals for a specified period following execution of a definitive agreement) in the event that the board were to decide to pursue a sale transaction with one of the interested parties. Based on the benefits and risks discussed, the board concluded that approaching additional parties at such time would not be prudent, but that we should continue discussions with Group ABC, Party D, Party E and potentially other parties who subsequently expressed unsolicited interest in a possible strategic transaction.

Also at the August 17th meeting, our board formed a special committee (referred to as the Transaction Committee) consisting of independent and disinterested directors as a result of the submission of initial indications of interest by certain financial sponsors and the board s decision to pursue discussions with these parties regarding a potential sale transaction. The Transaction Committee was authorized to consider and evaluate any proposals that might be received by us regarding a potential sale transaction, participate in and direct the negotiation of the material terms and conditions of any such transaction, and recommend to the board the advisability of entering into any such transaction or pursuing another strategic alternative. The Transaction Committee consisted of James G. Cullen (Chairman), Joel P. Friedman, Mark N. Greene and Paul A. Lacouture.

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Throughout the Transaction Committee s evaluation of a potential sale of our company, the Transaction Committee conducted formal meetings, but its members were also in regular informal communication with Neustar s advisors and with each other. In addition, the Transaction Committee, as well as the board, frequently met in executive session with only the independent directors and outside counsel present.

On August 26, 2016, J.P. Morgan, at the direction of our board, sent an instruction letter to Group ABC, Party D and Party E setting forth the timing and procedures for submitting preliminary offers to acquire our company. The letter requested that preliminary offers be submitted by September 14, 2016, and address, among other things, price and form of consideration, sources of financing, and material conditions to a sale transaction, including required approvals. In addition, the letter requested that each bidder acknowledge its understanding that final transaction terms would include a go-shop period beginning immediately after execution of a definitive agreement.

On August 27, 2016, a member of the public equity arm of Golden Gate contacted Ms. Hook and indicated that Golden Gate was acquiring an equity position in Neustar. A potential strategic transaction was not discussed at that time.

On August 29, 2016, J.P. Morgan, at the direction of our board, sent a term sheet for a CVR to Group ABC, Party D and Party E to facilitate discussions with any potential bidder who wished to pursue an alternative structure with respect to the NPAC business.

On August 31, 2016, the NAPM Transition Oversight Manager published a transition timeline (with dates subject to change) providing for the transition of services under the NPAC Contract to extend through May 25, 2018.

In early September 2016, each of Party F and Party G indicated its interest in commencing discussions with us regarding a potential sale transaction. Each of these parties had made inquiries of J.P. Morgan or directly to us shortly after the public announcement of the proposed spin-off, but had not submitted indications of interest.

On September 8, 2016, Ms. Hook and Mr. Lalljie had meetings with representatives of Golden Gate in San Francisco, California, which meetings were similar to those that management has from time to time with our public stockholders. The discussions were limited to publicly-available information regarding Neustar. During these meetings, a representative of Golden Gate indicated that Golden Gate might be interested in discussing a potential transaction with us. Ms. Hook indicated that if Golden Gate was in fact interested in exploring such a transaction then representatives of Golden Gate should contact J.P. Morgan, who was advising the board in connection with the proposed spin-off. The parties did not discuss price or any other terms for a possible transaction during these meetings.

On September 14, 2016, Group ABC submitted a preliminary, non-binding proposal to acquire all of our outstanding equity for consideration consisting of $25.00 per share in cash payable at the closing and a CVR representing the right to receive a pro rata portion of the after-tax free cash flow generated by the NPAC Contract, net of any restructuring costs. Potential payments under the CVR would start upon the closing of the transaction and continue for a period of up to three years following the closing. Group ABC estimated that the CVR could deliver additional value to Neustar stockholders of up to $10.27 per share over the three-year term, assuming that we continued to provide LNPA services under the NPAC Contract for the full three years following the closing with annual revenue of approximately $500 million throughout that three-year period. The proposal also indicated that Group ABC intended to finance the merger consideration with a combination of debt and equity capital from Group ABC, included a list of remaining due diligence items, and noted that Group ABC expected to be in a position to sign and announce a transaction within four to six weeks. In addition, the proposal acknowledged that Group ABC would be willing to discuss and consider a go-shop period.

On September 15, 2016, Party D submitted a preliminary, non-binding proposal to acquire all of our outstanding equity at a per share price in the range of $31.00 to $32.50 payable in cash upon the closing of the

transaction. The proposal also indicated that Party D intended to finance the merger consideration with a combination of debt and equity capital from Party D, included a list of remaining due diligence items, and noted that Party D expected to complete its due diligence within six weeks.

Also on September 15, 2016, Party E contacted J.P. Morgan to report that Party E would not be submitting a proposal for a potential sale transaction with us. Party E indicated it was unlikely that Party E would be able to achieve its required return given its outlook on our information services business and difficulty in validating the profitability of these business lines given the lack of an operating history on a stand-alone basis.

On September 18, 2016, our board held a telephonic meeting at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, Ms. Hook informed the board of her recent discussions with Golden Gate, and J.P. Morgan provided an update on the recent interactions with the interested parties, including the fact that Party E had chosen not to submit a proposal. J.P. Morgan also reviewed a comparison of the preliminary, non-binding proposals received from Group ABC and Party D. The board discussed each bidder s initial offer price, proposed transaction and financing structure, position on the inclusion of a go-shop provision in the definitive agreement, and proposed timeline. The board also discussed the terms of the CVR proposed by Group ABC and the impact of the transition of the NPAC Contract and the uncertainty of our ongoing litigation regarding the FCC order at that time on the potential value of the CVR. In particular, the board discussed with management the feasibility of the assumptions being made by Group ABC with regard to the level of annual revenue and period during which we would continue to provide services under the NPAC Contract, noting that management estimated a transition date for the NPAC Contract of approximately September 30, 2018 based on available information at that time and management s judgment regarding potential delays in the transition process. The board also discussed potential payout scenarios for the CVR with J.P. Morgan on a risk-adjusted basis and taking into account management s estimates of future cash flows generated by the NPAC business and the time value of money. Based on these discussions, the board concluded that the value of the CVR was likely significantly less than the $10.27 per share attributed to such CVR in Group ABC s proposal. Taking into account all of the risks and benefits of proceeding with discussions with the interested parties, however, the board determined that it was in the best interests of Neustar stockholders to invite Group ABC, as well as Party D, to participate in a second round of the process consisting of, among other things, continued due diligence by the parties and the drafting and negotiation of legal documentation. The board also requested that J.P. Morgan determine the level of interest of Party F and Party G in a possible sale transaction given the proposed process timeline.

On September 20, 2016, we entered into a confidentiality agreement with Party F, which agreement included customary non-disclosure and standstill provisions that allow Party F to make confidential proposals to us at any time. J.P. Morgan subsequently provided Party F with a bid instruction letter and CVR term sheet.

On September 21, 2016, we provided Party F and its advisors with access to the virtual data room containing business and legal due diligence materials. Thereafter, the parties and their advisors had discussions, and we provided answers to questions posed by Party F and its advisors, regarding the due diligence materials.

Also on September 21, 2016, we entered into a confidentiality agreement with Party G, which agreement included customary non-disclosure and standstill provisions that allow Party G to make confidential proposals to us at any time.

On September 22, 2016, representatives of Golden Gate contacted J.P. Morgan, and inquired whether we would be interested in engaging in discussions regarding a potential sale transaction.

On September 23, 2016, we provided Party G and its advisors with access to the virtual data room containing business and legal due diligence materials. Thereafter, the parties and their advisors had discussions, and we provided answers

to questions posed by Party G and its advisors, regarding the due diligence materials.

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On September 25, 2016, J.P. Morgan provided Party G with a bid instruction letter and a copy of the CVR term sheet.

Also on September 25, 2016, we provided the interested parties with forecasts for our company that had been prepared by management, as more fully described under the heading *Projected Financial Information* below.

On September 26, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Party F in San Francisco, California, and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On September 27, 2016, our board held a regularly-scheduled meeting in San Francisco, California, at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, J.P. Morgan provided an update on the recent interactions with the interested parties and reviewed certain key valuation parameters. The board again engaged in a discussion concerning whether it might be advisable to approach and explore a potential strategic transaction with third parties other than those parties who had contacted us. The board discussed the risk of leaks that might arise from making contact with other parties, the potential impact on our business of such leaks, including the loss of customers, partners and employees, and the potential need to disclose sensitive, proprietary and confidential information to competitors and potential competitors if additional parties were to be contacted. The board also considered our ability to solicit interest of additional third parties through a go-shop provision in the event that the board were to decide to pursue a sale transaction with one of the interested parties. Based on the benefits and risks discussed, the board again concluded that approaching additional parties at this time would not be prudent. Also at this meeting, the board continued its discussion of certain opportunities and risks facing us, and received status updates on the activities related to the proposed spin-off and our ongoing litigation regarding the FCC order. In addition, management reviewed our year-to-date performance and business outlook, including the impact of our acquisition of MarketShare in 2015.

On September 29, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Party G in Washington, D.C., and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On October 5, 2016, we entered into a confidentiality agreement with Golden Gate, which agreement included customary non-disclosure and standstill provisions that allow Golden Gate to make confidential proposals to us at any time. J.P. Morgan subsequently provided Golden Gate with a bid instruction letter and CVR term sheet.

Also on October 5, 2016, we provided Golden Gate and its advisors with access to the virtual data room containing business and legal due diligence materials. Thereafter, the parties and their advisors had discussions, and we provided answers to questions posed by Golden Gate and its advisors, regarding the due diligence materials.

On October 6, 2016, Party G contacted J.P. Morgan to report that Party G would not be submitting a proposal regarding a potential sale transaction with us. Party G indicated it was unlikely that Party G would be able to achieve its required return given its outlook on the information services business and highly competitive environment in the marketing services sector.

On October 7, 2016, Party F submitted a preliminary, non-binding proposal to acquire all of our outstanding equity at a per share price in the range of $29.00 to $30.00 in cash, subject to the completion of further due

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diligence. Party F noted to J.P. Morgan that it was unlikely that Party F would increase its price after conducting additional due diligence because Party F would be unable to achieve its required return above this price range.

Also on October 7, 2016, the Transaction Committee held a telephonic meeting at which members of management, other independent directors, and representatives of J.P. Morgan and Goodwin were present. At this meeting, J.P. Morgan provided an update on the recent interactions with the interested parties, including the fact that Party G had chosen not to submit a proposal. The Transaction Committee discussed the proposal by Party F in comparison to the other preliminary bids submitted, and Party F s acknowledgment that it was unlikely to increase its price. The Transaction Committee also discussed its desire to avoid a protracted process given the potential disruptions to our business and the proposed spin-off, and to focus on potential buyers who would be most likely to conclude a favorable transaction for Neustar stockholders. Based on these considerations, the Transaction Committee determined not to invite Party F into the second round of the process based on its $29.00 to $30.00 price range. Thereafter, J.P. Morgan, at the direction of the Transaction Committee, informed Party F of the Transaction Committee s decision.

On October 10, 2016, members of our management team, including Ms. Hook and Mr. Lalljie, met with representatives of Golden Gate in Washington, D.C., and presented an overview of our company, products and technology and a review of key financial highlights. Neither party made any proposals during this meeting, at which representatives of J.P. Morgan were present, or otherwise discussed the specific terms of a potential sale transaction.

On October 19, 2016, Golden Gate submitted a preliminary, non-binding proposal to acquire all of our outstanding equity at a per share price of $33.50 in cash payable upon the closing of the transaction. The proposal indicated that Golden Gate intended to finance the merger consideration with a combination of debt and equity capital from Golden Gate and potential co-investors, and generally noted the opportunities for management to participate with Golden Gate in the growth and success of our company through the implementation of a meaningful stock option plan (there were no specific discussions among the parties regarding this plan). The proposal included a list of remaining due diligence items and indicated that Golden Gate expected to be in a position to complete its due diligence and sign and announce a transaction by mid-November. In addition, Golden Gate acknowledged our request for the definitive agreement to include a go-shop period. In connection with the submission of its preliminary proposal, Golden Gate requested the ability to discuss the potential transaction with GIC as a possible source of equity financing. We agreed to permit discussions between Golden Gate and GIC.

Also on October 19, 2016, Group ABC, Party D and Golden Gate were provided with a form of merger agreement and accompanying disclosure schedules.

On October 24, 2016, our board held a telephonic meeting at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, Goodwin again led a discussion concerning the fiduciary duties of the directors in the context of their consideration of our strategic alternatives, including a potential sale of our company. The board discussed how to best enhance stockholder value in connection with the various strategic alternatives available to us, including a stand-alone strategy, the separation of Neustar into two publicly-traded companies, and a potential sale transaction. J.P. Morgan provided an update on the recent interactions with the interested parties, including a review of the preliminary, non-binding proposal received from Golden Gate. J.P. Morgan also reviewed with the board a preliminary estimate of the potential value creation in connection with the proposed spin-off, as well as certain preliminary financial analyses of the consideration offered by the bidders in the proposed sale transaction from a financial point of view. The board continued its discussion of certain risks and challenges facing our company, including operational execution risk, developing industry dynamics, competition, our ongoing litigation regarding the FCC order, the uncertainty surrounding the duration of the NPAC Contract, and the risks related to the proposed spin-off. The board also discussed a process timeline, including dates for the submission of final bids, that would be conducted in parallel with the activities related to the proposed spin-off.

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On October 26, 2016, J.P. Morgan, at the direction of our board, sent an instruction letter to Group ABC, Party D and Golden Gate setting forth the timing and procedures for submitting a definitive offer to acquire our company. The letter requested that proposals be submitted by November 28, 2016, with initial comments to the draft merger agreement to be provided by November 14th. The letter requested that each bidder address in its proposal, among other things, price and form of consideration, sources and structure of financing, and required approvals, and include a final mark-up of the merger agreement and commitment letters securing the necessary funding.

On November 2, 2016, the Transaction Committee held a telephonic meeting at which members of management and representatives of J.P. Morgan and Goodwin were present. At this meeting, the Transaction Committee discussed the CVR previously proposed by Group ABC, including the performance metric, payment terms, maturity date and certain rights of the CVR holders. The Transaction Committee also considered potential payout scenarios for the CVR on a risk-adjusted basis. Thereafter, J.P. Morgan, at the direction of the Transaction Committee, contacted Group ABC to discuss potential changes to the terms of the CVR, including allocating the cash generated by the NPAC business between signing and closing to the Neustar stockholders, defining the after-tax free cash flow generated by the NPAC Contract in a manner more favorable to the Neustar stockholders, and extending the maturity date.

On November 7, 2016, Party C contacted J.P. Morgan to report that Party C would not continue to participate in the process as part of Group ABC, citing a lack of sufficient resources due to the complexity of the potential transaction, competing demands and concern about the near-term and medium-term performance prospects for Neustar.

On November 9, 2016, J.P. Morgan provided a letter to our board regarding potential conflicts of interest with Party A, Party B, Party D and Golden Gate. The letter indicated that J.P. Morgan and its affiliates had provided corporate finance, treasury and/or asset management services to each such party and/or its affiliates during the prior two years, including portfolio companies of Golden Gate. See the section entitled *Opinion of the Company s Financial Advisor Other Information* for further information.

On November 12, 2016, Golden Gate, following its normal practices and pursuant to requirements of the Exchange Act, filed its Form 13F with the SEC disclosing its equity position in us as of September 30, 2016. The closing price of our common stock on the day prior to that filing was $23.05 per share. On the trading day following this disclosure, the price of our common stock rose by $1.10 (or 4.8%).

On November 14, 2016, we received initial comments to the merger agreement from Party A on behalf of Party A and Party B. The