

## NEUSTAR, INC.

### PRINCIPLES OF CORPORATE GOVERNANCE

The Board of Directors of the Company has adopted the corporate governance principles set forth below as a framework for the governance of the Company. The Nominating and Corporate Governance Committee reviews the Principles annually and recommends changes to the Board of Directors as appropriate.

#### 1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

##### *Role of the Board*

The Board of Directors, which is elected by the Company's shareholders, oversees the management of the Company and its business. The Board appoints the senior management team, which is responsible for operating the Company's business, and monitors the performance of senior management. The Board also designates which members of the senior management team will be deemed to be "officers" of the Company for purposes of Section 16 of the Securities Exchange Act of 1934 (the "Act") and "executive officers" of the Company for purposes of the Company's periodic filings with the Securities and Exchange Commission (the "SEC").

##### *Size, Composition and Membership Criteria*

A substantial majority of the Board is made up of independent directors. An "independent" director is a director who meets the independence requirements of the New York Stock Exchange ("NYSE") for directors, as determined by the Board. The Board has adopted the standards set forth in Attachment A to these Principles to assist it in assessing the independence of directors. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. The Company's Bylaws permit the Board to change its size to not less than three directors and not more than fifteen directors. The Board is divided into three classes, approximately equal in number, with staggered terms of three years each, so that the term of one class expires at each annual meeting of shareholders. Thus, directors typically stand for reelection every three years.

The Nominating and Corporate Governance Committee is responsible for establishing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board's criteria consist of certain minimum qualifications that every director candidate should have, including the highest level of integrity, maturity of judgment based on a record of senior-level experience, commitment to serving the interests of the Company's shareholders, and a reputation and background that demonstrate that the Company has a board with experience that is appropriate for and consistent with the Company's long-term vision. Candidates must also make a commitment to devote the time necessary to be active on the Board and have the desire and ability to work collegially and as a team with the Board and senior

management. The Nominating and Corporate Governance Committee also considers the number of other boards on which a director candidate serves. Additionally, as part of the neutrality requirements to which the Company is subject under Federal Communications Commission rules and orders and certain of its contracts, directors cannot be employees or directors of a telecommunications service provider (“TSP”) or own more than 5% of the voting stock of a TSP.

Additionally, the Board, as a whole, should include members who collectively bring the following strengths and backgrounds to the Board:

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

The Nominating and Corporate Governance Committee considers these criteria in the context of the perceived needs of the Board as a whole and seeks to achieve a diversity of strengths and backgrounds on the Board, particularly in the areas described above, and further aims to have gender and racial diversity on the Board. The priorities and emphasis of the Corporate Governance and Nominating Committee and of the Board with regard to these factors change from time to time to take into account changes in the company’s business and other trends, as well as the portfolio of skills and experience of current and prospective Board members.

The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications of director candidates in light of criteria approved by the Board and recommending candidates to the Board for election by the Company’s shareholders at the annual meeting. The Committee also considers director candidates recommended by the Company’s shareholders in accordance with the procedures set forth in the proxy statement.

### ***Board Leadership***

The Board regularly reviews Board and Company leadership as part of the succession planning process and believes that it is in the best interests of the Company to make a determination regarding whether or not to separate the roles of Chairman of the Board and Chief Executive Officer (“CEO”) based on the needs and circumstances of the Company. The Board believes that presently it is in the Company’s best interests to separate the roles of Chairman of the Board and CEO, and the Board has appointed an independent director to serve as Chairman of the Board.

### ***Change in Principal Occupation***

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

### ***Service on Other Boards***

Ordinarily, directors may not serve on the boards of more than four (4) public companies so as not to interfere with their service as a director of the Company. Directors should also advise the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another corporate board.

### ***Retirement***

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

## **2. FUNCTIONING OF THE BOARD**

### ***Agendas***

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

### ***Distribution and Review of Board Materials***

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

### ***Executive Sessions of Independent Directors***

The independent directors meet in executive session without management present at least quarterly. The Chairman of the Board chairs these executive sessions.

### ***Strategic Planning***

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

### ***Annual Meeting of Shareholders***

Directors are expected and strongly encouraged to attend each annual meeting of shareholders absent compelling circumstances.

### **3. STRUCTURE AND FUNCTIONING OF COMMITTEES**

#### ***Number, Structure and Independence of Committees***

The Board has five standing committees: Audit, Nominating and Corporate Governance, Compensation, Finance and Neutrality.

The Audit, Nominating and Corporate Governance, Compensation and Finance Committees consist solely of independent directors. In addition, directors who serve on the Audit and Compensation Committees must meet additional, heightened independence criteria applicable to members of these committees under NYSE rules.

The Board may also establish and maintain other committees from time to time, as it deems necessary and appropriate.

#### ***Assignment of Committee Members***

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairs are recommended to the Board by the Nominating and Corporate Governance Committee and appointed by the full Board.

#### ***Responsibilities***

Each of the Audit, Nominating and Corporate Governance, and Compensation Committees operates under a written charter and the Finance Committee operates pursuant to the resolutions authorizing its formation. Each of the committee charters and the authorizing resolutions, as applicable, set forth the respective purposes and responsibilities of the committee as well as qualifications for committee membership. Each of the Audit, Nominating and Corporate Governance, and Compensation Committees assess the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

#### ***Meetings and Agendas***

The chair of each committee, in consultation with the Chairman of the Board, determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

### **4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISORS**

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

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

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

## **5. DIRECTOR COMPENSATION**

The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee.

## **6. SUCCESSION PLANNING**

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

## **7. FORMAL EVALUATION OF THE CEO**

The Compensation Committee, in consultation with the Board, is responsible for reviewing and approving annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and recommending the CEO's compensation to the independent directors for review and approval. Both the goals and the evaluation are submitted to the independent directors meeting in executive session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in considering the CEO's compensation, which is approved by the independent directors meeting in executive session.

## **8. STOCK OWNERSHIP GUIDELINES**

In order to align the interests of directors and executive officers with the long-term interests of the Company's shareholders, the Board has adopted stock ownership guidelines for directors and executives who are required to file reports with the SEC under Section 16 of the Act ("Executives").

Under the guidelines, non-employee directors are expected to attain an investment position in the Company's stock equal to at least five times the annual retainer for Board service. Executives are expected to attain an investment position in the Company's stock as follows: CEO—5X base salary, and all other senior executives covered by the guidelines—3X base salary.

The guidelines provide that each Executive is expected to retain a percentage of the after-tax shares received under the Company's equity compensation program until his or her expected ownership level is achieved. Additional information about the stock ownership guidelines is set forth in the proxy statement.

## **9. SHAREHOLDER ADVISORY VOTE**

A management proposal related to executive compensation in the form approved by the Board is submitted annually to shareholders for a non-binding vote.

## **10. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Company has an orientation process for Board members that is designed to familiarize new directors with the Company's business, operations, finances, and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors. Continuing education programs for Board members may include a mix of in-house and third-party presentations and programs.

## **11. ANNUAL PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Corporate Governance, and Compensation Committees conduct annual self-evaluations to assess their performance.

The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations.

## **12. MAJORITY VOTING IN DIRECTOR ELECTIONS; DIRECTOR RESIGNATION**

The Company's bylaws provide for majority voting in the election of directors. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director. The Nominating and Corporate Governance Committee has established procedures for any director who is not elected to tender his or her resignation within 30 days of certification of the shareholder vote. The Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken. In deciding whether to recommend that the Board accept the resignation offer, the Nominating and Corporate Governance Committee will be entitled to consider all factors that the Committee believes to be relevant, including but not limited to the stated reasons why shareholders who cast "against" votes did so, any actions taken to address those stated reasons, the qualifications of the director, and whether the director's resignation from the Board would be in the best interests of the Company and its shareholders.

The Board will act on the Nominating and Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote and will promptly publicly disclose its final decision and, if applicable, the reasons for rejecting the resignation offer. In deciding whether to accept the resignation offer, the Board will consider the factors considered by the Nominating and Corporate Governance Committee and any additional information and factors that the Board believes to be relevant. Any director who tenders his or her resignation pursuant to this provision will not participate in the proceedings of either the Nominating and Corporate Governance Committee or the Board with respect to his or her own resignation offer.

If the Board accepts a director's resignation offer under this policy, the Nominating and Corporate Governance Committee will recommend to the Board, and the Board will thereafter determine, whether to fill such vacancy or reduce the size of the Board.

*As amended effective May 29, 2014*

## Appendix A

An “independent” director is a director whom the Board of Directors has determined has no material relationship with NeuStar, Inc. or any of its consolidated subsidiaries (collectively, the “Company”), either directly, or as a partner, shareholder or officer of an organization that has a relationship with the Company. For purposes of this definition, the Board has determined that a director is not independent if:

1. The director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company.
2. The director has received, or has an immediate family member who has received, during any 12-month period during the last three years, more than \$120,000 in direct compensation from the Company (other than Board and committee fees, and pension or other forms of deferred compensation for prior service). Compensation received by an immediate family member for service as an employee (other than an executive officer) of the Company is not considered for purposes of this standard.
3. (a) The director is a current partner or employee of the Company’s internal or external auditor; (b) an immediate family member of the director is a current partner of the Company’s internal or external auditor; (c) an immediate family member of the director is a current employee of the Company’s internal or external auditor and personally works on the Company’s audit; or (d) the director, or an immediate family member of the director, was within the last three years a partner or employee of the Company’s internal or external auditor and personally worked on the Company’s audit within that time.
4. The director, or an immediate family member of the director, is, or has been within the last three years, employed as an executive officer of another company where any of the Company’s present executive officers serves or served at the same time on that company’s compensation committee.
5. The director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount that, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company’s consolidated gross revenues; or
6. The director, or the director’s spouse, is an executive officer of a non-profit organization to which the Company has made contributions in an amount that, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of the non-profit organization’s consolidated gross revenues.

An “immediate family” member includes a director’s spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a domestic employee) who shares the director’s home.