



Corporate Board Member/FTI Consulting Survey Finds Companies Focusing on Rising Legal Risks

August 13, 2012

Annual Survey Cites Data Security and Operational Risks as Top Concerns for Directors and General Counsel

NEW YORK--(BUSINESS WIRE)--Aug. 13, 2012-- Escalating risk surrounding cyber security and IT strategy, operations and corporate reputation are top concerns for U.S. directors and general counsel as revealed in the 12th annual Law and the Boardroom Study by Corporate Board Member, an NYSE Euronext company, and FTI Consulting, Inc. (NYSE: FCN). Accordingly, the findings reflect changes, such as globalization of U.S. businesses and increased online communications and delivery channels, taking place in corporate America. The survey also suggests that proposed rule changes regarding shareholders' access to the proxy have contributed to the rise in concern over proxy access, private ordering and the manner in which companies manage their communications with shareholders.

With regard to the areas respondents find most challenging, it comes as no surprise that this year, more than half (55%) of general counsel rate data security as a major concern and 48% of directors feel likewise. Interestingly, this level of concern has nearly doubled in the last four years: In 2008, only 25% of directors and 23% of general counsel noted data security as a high area of concern.

"I hate to say this, but I think it is going to take several well-publicized security breaches before a majority of corporate boards finally embrace the fact that doing business today without a prudent crisis plan in place is a formula for disaster," said TK Kerstetter, President, Corporate Board Member. "While a number of companies are taking steps to become more educated on IT risks, the fact is that not enough are taking the appropriate actions to fully prepare their organization."

Concern about operational risk garnered the second-highest percentage of responses from both directors (40%) and general counsel (47%), while corporate reputation risk earned the third-highest prevalence of responses by directors (40%) and the fourth highest by general counsel (35%). Furthermore, an analysis of historical Law and the Boardroom data shows this level of concern has increased compared with 2007 results, when only 18% of directors and 25% of general counsel indicated concern about loss of reputation.

"Boards increasingly are concerned about operational risk in the context of emerging markets, where rising economic prosperity offers opportunities to expand operations and grow market share yet also poses heightened governance risk," said Neal Hochberg, Senior Managing Director and Global Leader of the FTI Consulting Forensic and Litigation Consulting practice. "To make informed decisions about these market opportunities, corporations increasingly are conducting proactive market risk assessments that identify and prioritize the risks that first need to be evaluated."

Looking ahead, directors were asked what type of information their board most needs to be as effective as possible in 2012. The five areas receiving the largest percentages of director responses were strategic planning (88%), executive compensation plans (48%), board/ management relations (41%), enterprise risk management (36%) and investor relations (33%).

For additional findings or to download a PDF version of the complete report on the Corporate Board Member/FTI Consulting 2012 Law and the Boardroom Study, please visit <https://www.boardmember.com/legalrisks/> or <http://www.fticonsulting.com/global2/critical-thinking/reports/legal-risks-on-the-radar.aspx>

About Corporate Board Member

Corporate Board Member, an NYSE Euronext company, is the leading information and education resource for senior officers and directors of publicly traded corporations, large private companies and Global 1000 firms. The quarterly publication, *Corporate Board Member* magazine, provides readers with decision-making tools to deal with the strategic and corporate governance challenges confronting their boards. Corporate Board Member further extends its governance leadership through an online resource center, conferences, roundtables and timely research. The magazine maintains the most comprehensive, up-to-date database of directors and officers serving on boards of publicly traded companies listed with the NYSE Euronext and The NASDAQ OMX Group, Inc. stock exchanges. www.boardmember.com

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The company generated \$1.56 billion in revenues during fiscal year 2011. More information can be found at www.fticonsulting.com.

Source: Corporate Board Member and FTI Consulting, Inc.

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