



FTI Consulting and NYSE Governance Services Study Identifies Key Legal Risks for Companies in 2014

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Annual Survey Reveals Mounting Concern toward IT/Cyber Risk and Data Security; Different Perspectives between Boardroom and General Counsel around Social Media

WASHINGTON, May 27, 2014 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, and NYSE Governance Services, publisher of [Corporate Board Member](#) magazine, released new findings from the 14th annual [Law in the Boardroom Study](#). This year's data revealed that emerging issues, including cyber threats, social media and shareholder engagement, are of increasing concern.

The study, which is the only one of its kind, asked directors and general counsel to identify the latest and most pressing governance trends and legal matters in today's boardroom. Notable findings include:

- Increasing Concern around Information Technology ("IT")/Cyber Risk and Data Security Threats

With 34 percent of general counsel and 27 percent of directors unconvinced their company is secure and impervious to hackers, 41 percent of directors and 33 percent of general counsel indicated IT/cyber risk as an issue upon which they will spend significant time this year. However, half of both directors and general counsel expressed confidence or extreme confidence in their board's ability to ask the right questions of management regarding the risk and status associated with the company's IT strategy.

- Varied Views on Social Media

While general counsel have a better grasp on the procedures and protocols around social media at their own company, with 73 percent of general counsel acknowledging the existence of a formal corporate social media policy, 27 percent of directors surveyed are unsure if their company even has a social media plan. Forty-five percent of directors indicated that they have discussed social media in the boardroom but need more information to have a good understanding of the strategies and risks, while only 22 percent of directors indicated that they have a good understanding of strategies and risks around social media.

- Directors Increasingly Engaging Shareholders

In the wake of continuing calls for board-level access over the past decade, 81 percent of directors believed their company is effective at responding to shareholder concerns in a constructive manner. Fifty-seven percent of directors reported their board had proactively engaged in dialogue with shareholders regarding mergers and acquisitions ("M&A") and growth strategies in the past 12 months.

- M&A Leads Boardroom Discussion

M&A ranked high in terms of overall time spent on boardroom discussions, replacing executive compensation as the issue that is likely to require a great time commitment according to 54 percent of directors and 51 percent of general counsel. M&A strategy also made directors' top-five list in terms of areas where the board needs better information and processes to be as effective as possible.

"Massive data breaches and other cyber-attacks against U.S. companies have captured some of the biggest headlines in the past year, and companies of every size and in every industry are taking note of the devastating impact these events have had on those businesses," said Thomas G.A. Brown, Senior Managing Director in FTI Consulting's Global Risk and Investigations Practice. "This year's findings demonstrate that boards are paying closer attention to this issue to mitigate the operational, reputational and financial risks associated with data breaches and cyber-attacks. Directors and general counsel will need to work together to address these areas of concern with better transparency and understanding of the company's protocols and response plans for such events."

Jean-Marc Levy, NYSE Euronext, Senior Vice President and Head of Global Issuer Services, said, "It's clear that there is a need for education in the boardroom around social media — from understanding risks and strategies to awareness of the policies that are in place. The bottom line is that social media cannot be ignored -- especially with the U.S. Securities and Exchange Commission recognizing social media channels as an appropriate means to communicate with shareholders -- and it will be integral to the success of every company to ensure that directors, executives and employees are on the same page."

About the Law in the Boardroom Study

The annual Law in the Boardroom Study, designed by FTI Consulting and NYSE Governance Services, was conducted between February and April of 2014. The survey reflects the responses to weigh in on and identify the latest and most pressing governance trends and legal matters in today's boardroom from nearly 500 directors and general counsel of U.S. publicly traded companies.

The full report can be accessed here: <http://www.fticonsulting.com/global2/critical-thinking/reports/law-in-the-boardroom-in-2014.aspx>.

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 4,200 employees located in 26 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 \$1.65 billion in revenues during fiscal year 2013. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

About NYSE Governance Services

NYSE Governance Services is an integrated suite of resources for public and privately held companies worldwide seeking to create a leadership advantage through corporate governance, risk, ethics and compliance practices. NYSE Governance Services leverages the expertise of Corpedia®, a leader in risk assessment and e-learning for ethics and compliance, and Corporate Board Member®, a trusted source on governance matters for company directors and C-level executives -- both NYSE Euronext companies. NYSE Governance Services offers a range of training programs, advisory services, benchmarking analysis and scorecards, exclusive access to peer-to-peer events, and thought leadership on key governance topics for company directors and C-level executives. www.nyse.com/governance

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