



FTI Consulting and NYSE Governance Services Study Identifies Key Risks and Legal Trends for Companies in 2015

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Annual Survey Finds IT/Cybersecurity as the Biggest Concern for Both Directors and General Counsel

WASHINGTON, May 21, 2015 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, and NYSE Governance Services (NYSE:ICE), a leading provider of corporate governance, risk, ethics and compliance services for public and privately held companies, today released findings from the [15th Annual Law in the Boardroom Study](#). This year's study revealed that Information Technology ("IT") and cybersecurity ("cyber") risks remain the top concern for directors and general counsel. Other concerns cited in this year's survey are increased shareholder engagement, escalating regulatory issues, merger and acquisitions ("M&A") and social media.

IT and cyber risks pose some of the most dangerous, elusive and costly threats to companies. This year's study found that 90 percent of directors and 86 percent of general counsel indicated they are either extremely concerned or concerned about cyber risk. More than three fourths (77 percent) of both directors and general counsel believe that the cyber liability risk at their company has increased over the last two years. Nearly all (98 percent) of directors and general counsel indicated that they do not have a high level of confidence that their companies are totally secure and impervious to hackers nor are they entirely confident that their company could quickly detect a cyber-breach. However, 64 percent of directors and 77 percent of general counsel are at least somewhat confident their board knows the right questions to ask management about their company's cyber strategy, marking increased confidence from last year's survey.

"Cyber risk poses a potentially devastating effect on a business' reputation and bottom line," said [Thomas G.A. Brown](#), Senior Managing Director in the Global Risk and Investigations Practice of FTI Consulting who specializes in cyber security and investigations. "Many companies don't realize the extent to which they are exposed to cyber risk until after they have suffered a cyber-attack. It is important for companies today to have a well prepared response plan in place so that they can quickly address the situation at hand."

Shareholder engagement was also cited as a key concern for directors and general counsel. Thirty-six percent of directors stated that they were either extremely concerned or concerned about shareholder activism and litigation this year, while 43 percent of general counsel expressed the same levels of concern. Also reflecting a rise in shareholder activism and the push for additional disclosure and transparency, 62 percent of directors and 68 percent of general counsel communicated that their company has formal shareholder engagement protocols in place.

While both directors and general counsel acknowledged that operational and market risks have increased for their companies, they stated that M&A due diligence is an area they feel fairly confident in their team overseeing. A critical area for confidence given that when asked which key areas will likely require the most substantive time commitment in 2015, 51 percent of directors and 42 percent of general counsel chose M&A.

"We have noticed that many companies have had to adjust to the heightened M&A risks," said [Michael Pace](#), Senior Managing Director and Global Leader of the Global Risk and Investigations Practice of FTI Consulting. "New levels of regulatory scrutiny around corruption in particular, involve acquiring companies to design certain anticorruption and compliance programs as well as to develop thorough monitoring and auditing capabilities within their systems."

Over the years, social media has been an emerging issue and continues to be a topic for debate in the boardroom. While a minority of directors (30 percent) and general counsel (35 percent) do not feel that social media poses any risks against their company, 91 percent of directors stated that their board does not have a thorough understanding of the risks related to social media for their company and 79 percent of general counsel stated that their legal department does not have a thorough understanding of the risks related to social media for their company.

"From cybersecurity to an increasingly complex regulatory landscape, the list of risks that keep directors and general counsel up at night is not getting any shorter," said Stacey Cunningham, NYSE Governance Services President. "As the only survey that draws on the experience and insights of both directors and general counsel, these results not only point to key topics for the boardroom to discuss but also provide a critical barometer for boards to measure their companies against."

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 2015. 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-2015.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 4,400 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 \$1.76 billion in revenues during fiscal year 2014. 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 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. <http://www.nyse.com/governance>

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