

The Importance of **Cybersecurity** Corporate Governance

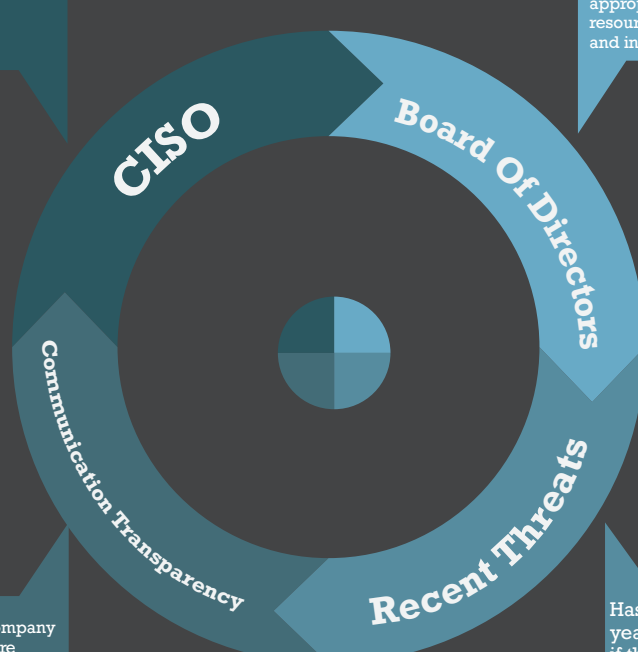
Aspects of Cybersecurity Corporate Governance

Has the company invested in a CISO? If so, what is their technical background and experience within cybersecurity? It is impossible for companies to have the necessary cyber expertise to ensure appropriate risk governance without having a CISO.

How many members of the company's board have a cybersecurity background? DOJ, DHS, SEC, and FINRA identify board involvement in enterprise-wide cybersecurity risk management as a crucial factor in companies' ability to appropriately establish priorities, facilitate adequate resource allocation, and effectively respond to cyberthreats and incidents.

Does the company have a method of communication established so that an external source could alert the company easily of a potential vulnerability or breach? Breaches are usually first brought to a company's attention from an external source. Having an easy method for external users to communicate with the cyber company shows their dedication to their cybersecurity practices.

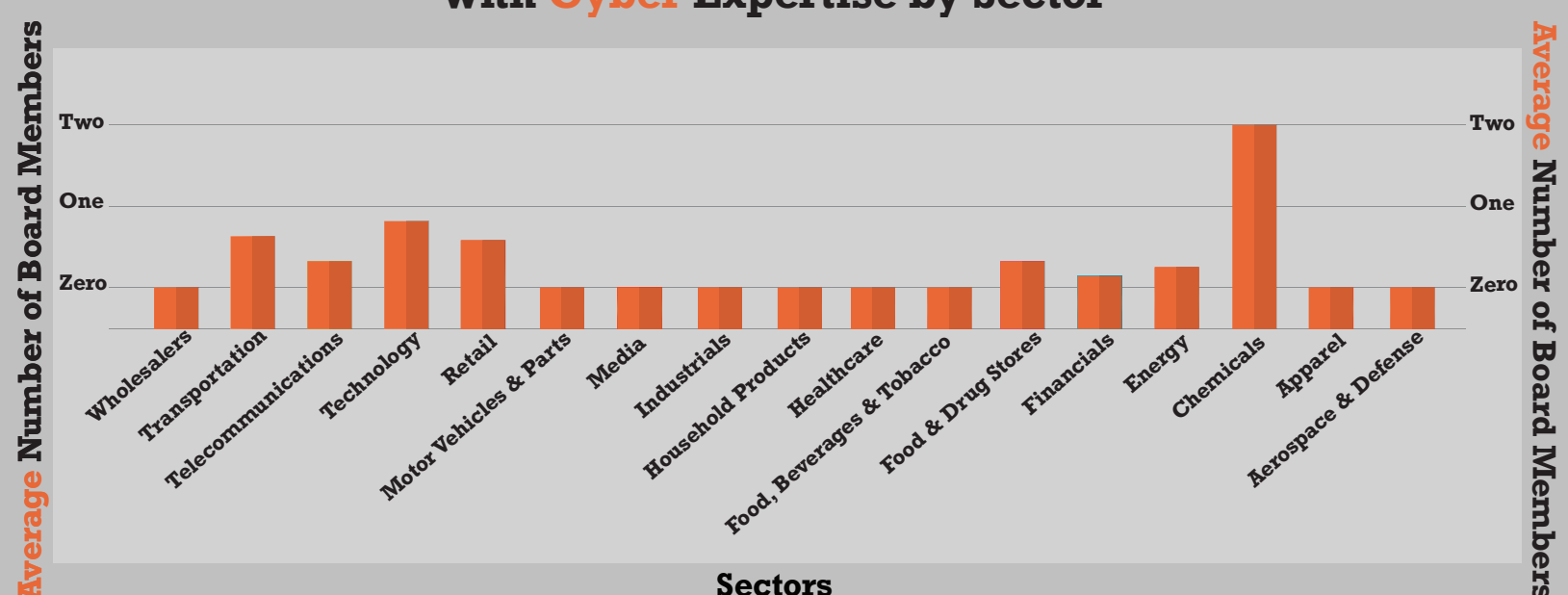
Has the company had a serious threat in the past ten years? Past experience says a lot about a company - if they have had a data breach, most likely it will be caused by inadequate cyber talent.



CURRENT FORTUNE 100 COMPANIES LACK THE APPROPRIATE LEVEL OF CYBER RISK GOVERNANCE

26% of Fortune 100 Companies have only one **board member** with cyber background

Average Number of Board Members with **Cyber** Expertise by Sector



83% of companies have had a serious data breach in the past 10 years.



50%

of Fortune 100 CISOs have some type of technical background.*

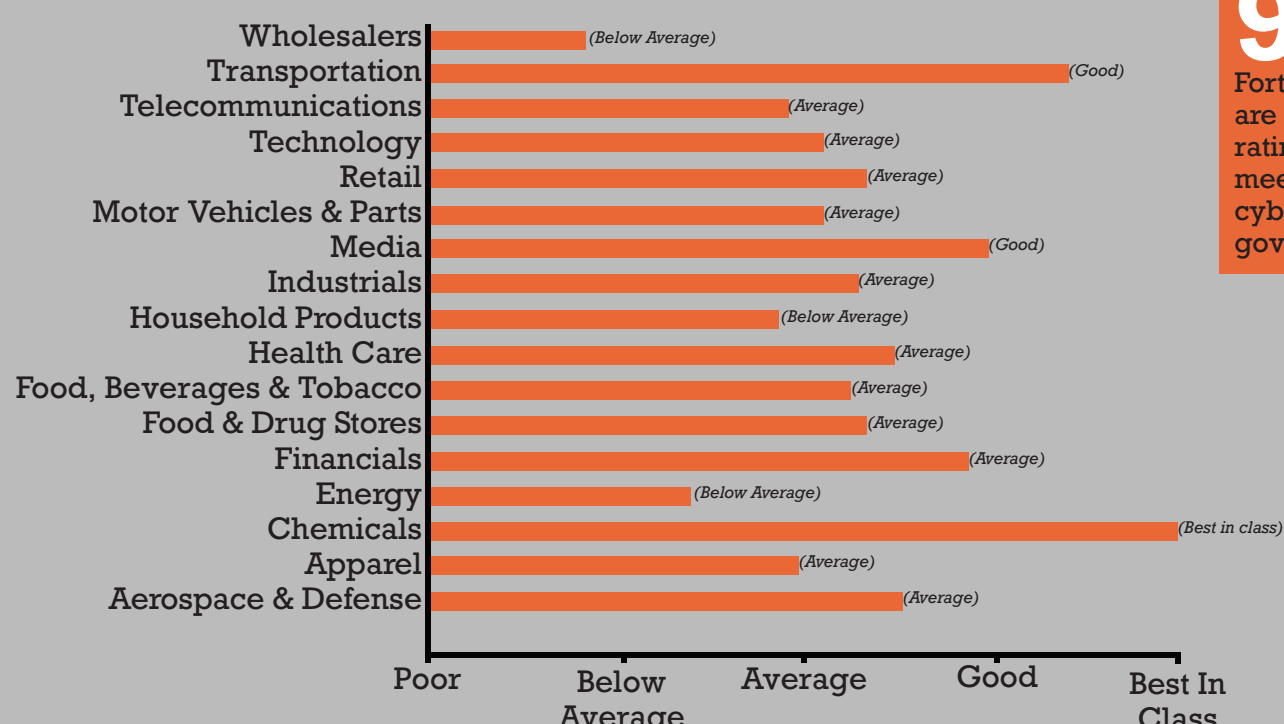
28 of the Fortune 100 companies do not have a CISO



CYBER GOVERNANCE BY SECTOR

An algorithm was developed based on the aspects of cybersecurity corporate governance above. To score below a "good" rating is defined by a company with either a CISO or board member with cyber expertise, but not both. Anything higher requires both CISO and board level cyber experience, and accounts for past breaches and communication transparency.

Average **Cyber** Governance by Sector



9% of the current Fortune 100 companies are achieving a "good" rating and are on track to meet the standards for cyber corporate governance.

CONCLUSION:

Organizations with the components above are less likely to fall victim to a data breach. **FACT:** the chemical industry has not had a serious data breach in the past ten years.

