

The Importance of **Cybersecurity** Corporate Governance

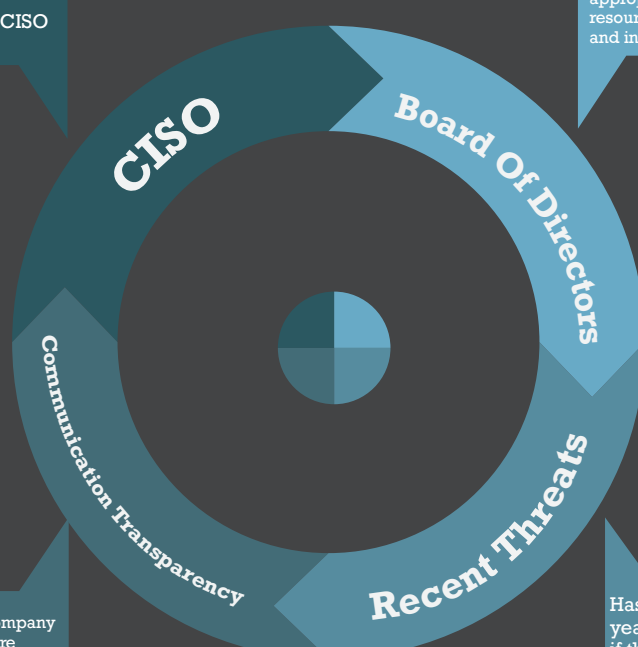
Aspects of Cybersecurity Corporate Governance

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, so 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 justified by inadequate cyber talent.



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

26% of Fortune 100 Companies have atleast 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

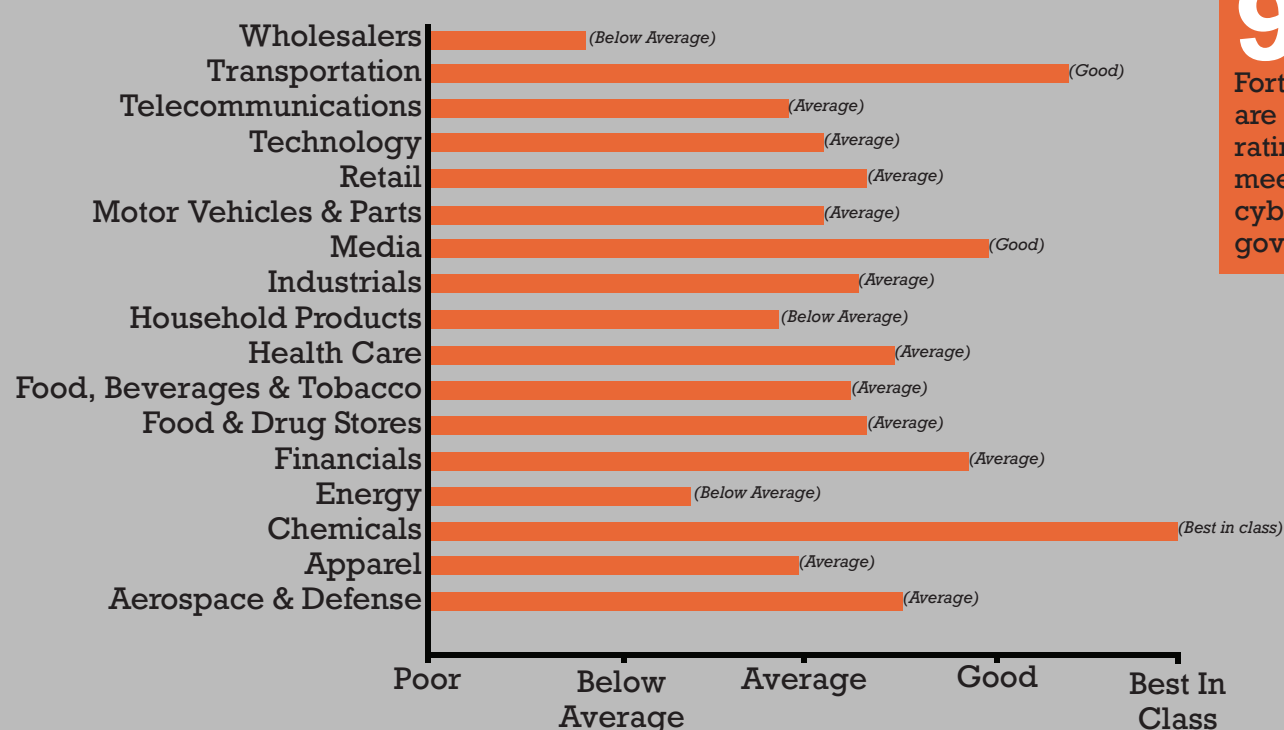
28 of the Fortune 100 companies do not have a CISO

50% of Fortune 100 CISOs have some type of technical background*

CYBER GOVERNANCE BY SECTOR

An algorithm was determined given 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 as well as takes into account 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 at less of a risk to fall victim to a data breach. This can be seen in situations such as the chemical sector who has not been the victim of a serious data breach within the past 10 years.

