

## Audit Committee Charter Provisions Regarding Cybersecurity Oversight

Set forth below are excerpts from the audit committee charters of 18 S&P 500 companies, categorized by industry, that charge their audit committees with specific duties for the oversight of privacy and data security risk. These precedents were identified in the course of a survey WilmerHale conducted of the audit committee charters of 62 S&P 500 companies. Underlined text emphasizes the portion of the charters addressing privacy and data security risk.

### Consumer Discretionary

#### 1. **Carnival Corporation**

- a. Review with the Boards, at least annually, the adequacy of the Companies' internal controls, including financial, operational and compliance controls; and risk management systems; and computerized information system controls and security.

#### 2. **Amazon.com, Inc.**

- a. The Committee discusses with management, the senior internal audit executive and the independent auditors the adequacy and effectiveness of the Company's disclosure controls and procedures, the adequacy and effectiveness of the Company's internal control over financial reporting, and the Company's risk assessment and risk management policies, including data privacy and security, business continuity, and operational risks.

### Energy

#### 3. **ConocoPhillips**

- a. Discuss with the independent auditors and internal auditors:
  - i. The adequacy and effectiveness of the Company's internal controls, including computerized information system controls and security, and consider any recommendations for improvement of such controls.

#### 4. **Hess Corporation**

- a. to meet with management, and, if appropriate, the independent registered public accountants and the director of the internal auditing department:
  - i. to review the adequacy of internal controls and disclosure controls, including controls over quarterly financial reporting, computerized information systems and security.

#### 5. **Spectra Energy Corp.**

- a. The Audit Committee (the "Committee") shall provide assistance to the Board of Directors ("Board") in fulfilling its responsibilities with respect to its oversight of . . . Information technology security and risk.
- b. Provide oversight for all matters related to the security of and risks related to information technology systems and procedures.

## Financials

### 6. **The Bank of New York Mellon Corporation**

- a. The Committee will review and discuss policies with respect to risk assessment and risk management. While it is the responsibility of management to assess and manage the Corporation's exposure to risk, the Committee will discuss guidelines and policies to govern the process by which this is handled. In addition, the Committee will review in a general manner the processes used by the Corporation to manage and assess its risk through the Risk Committee of the Board and the management-level risk committees. As appropriate, the Risk Committee will also report to the Committee regarding risks associated with technology.
- b. The Committee may meet in joint session with the Risk Committee of the Board from time to time to discuss areas of common interest and significant matters including, but not limited to, major investment portfolio issues, frauds, major regulatory enforcement actions, major litigation or whistleblower matters, and systemic technology issues.

### 7. **Citigroup Inc.**

- a. Receive and discuss reports from management on an annual and as needed basis relating to: significant reported ethics violations; compliance with regulatory internal control and compliance reporting requirements; compliance with OCC Bulletin 97-23 (business resumption and contingency planning, including disaster recovery); fraud and operating losses; internal and external fraud incidents, and associated control enhancements and remediation plans; technology and information security, including cybersecurity; data quality; and Citigroup's and subsidiaries' insurance.

### 8. **Morgan Stanley**

- a. Coordinate with management, including the Chief Risk Officer, and with the Operations and Technology Committee and the Risk Committee (which coordination may be through the Committee Chair) to help ensure that the committees have received the information necessary to permit them to fulfill their duties and responsibilities with respect to oversight of risk management and risk assessment guidelines and policies.

## Health Care

### 9. **Eli Lilly and Company**

- a. The committee shall have the following duties and responsibilities: Oversee the company's program, policies, and procedures related to information asset security and data protection.

## Industrials

### 10. **FedEx Corporation**

- a. The Audit Committee shall: . . . Periodically receive reports from and consult with the Information Technology Oversight Committee of the Board of Directors regarding IT systems and processes that relate to or affect the Company's internal control systems.



## **Information Technology**

### **11. eBay Inc.**

- a. With respect to financial reporting principles and polices and internal controls and procedures: . . . Review and discuss with management the Company's major risk exposures, including financial, operational, privacy, security, business continuity and legal and regulatory risks, the steps the Company has taken to monitor and control such exposures, and the Company's risk assessment and risk management policies; and regularly report to the Board the substance of such reviews and discussions.

### **12. Altera Corporation**

- a. As more specifically set forth in this Charter, the Committee shall have risk oversight responsibility relating to financial reporting risk, legal compliance risk, risks relating to treasury operations, tax compliance risk, and risks relating to the security and back-up of information systems. In fulfilling its risk oversight responsibilities, the Committee may ask for regular or periodic reporting from management.
- b. Annually, the Committee shall review management's assessments regarding the effectiveness of the security and back-up and contingency provisions of Altera's information systems.

### **13. Broadcom Corporation**

- a. The Committee also oversees and reports to the full Board on the Company's enterprise risk management framework that is designed to identify, evaluate and manage the Company's significant risks and exposures, including financial reporting, regulatory, credit, operational and technology risks.
- b. Inquire of management, the CFO and/or the Controller, and the Company's independent registered public accounting firm, about significant risks or exposures and assess the steps management has taken to minimize such risks. Oversee the Company's enterprise risk management system and discuss with management, the CFO and/or the Controller, and the Company's independent registered public accounting firm the Company's systems and policies with respect to risk monitoring, assessment and management.

### **14. Hewlett-Packard Company**

- a. The Committee will review risks facing HP and management's approach to addressing these risks, including significant risks or exposures relating to litigation and other proceedings and regulatory matters that may have a significant impact on HP's financial statements, and discuss policies with respect to risk assessment and risk management.
- b. The Committee will review the adequacy and effectiveness of HP's information security policies and the internal controls regarding information security.



#### 15. **Apple Inc.**

- a. Review and discuss with management:
  - i. management's program to identify, assess, manage, and monitor significant business risks of the Corporation, including financial, operational, privacy, security, business continuity, legal and regulatory, and reputational risks; and
  - ii. management's risk management decisions, practices, and activities.
- b. Review and discuss with management the Corporation's privacy and data security risk exposures, including:
  - i. the potential impact of those exposures on the Corporation's business, operations and reputation;
  - ii. the steps management has taken to monitor and mitigate such exposures;
  - iii. the Corporation's information governance policies and programs; and
  - iv. major legislative and regulatory developments that could materially impact the Corporation's privacy and data security risk exposure.
- c. Regularly report to the Board the substance of such reviews and discussions and, as necessary, recommend to the Board such actions as the Committee deems appropriate.

#### 16. **Google Inc.**

- a. The Audit Committee has responsibility for oversight of risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, investment guidelines and credit and liquidity matters, Google's programs and policies relating to legal compliance and strategy, and our operational infrastructure, particularly reliability, business continuity, capacity, security, and data privacy.

### **Telecommunications Services**

#### 17. **Verizon Communications Inc.**

- a. Assess and discuss with management the Corporation's significant business risk exposures (including those related to data privacy and network security) and management's program to monitor, assess and manage such exposures, including the Corporation's risk assessment and risk management policies.

### **Utilities**

#### 18. **Dominion Resources, Inc.**

- a. Review and discuss periodic reports from management pertaining to information technology security and controls, construction controls and such other appropriate reports as the Committee requests.

