

CtW Investment Group

November 14, 2017

Leo F. Mullin
Chairman of the Board
TransUnion
555 West Adams Street,
Chicago, Illinois 60661

Dear Chairman Mullin,

In light of the enhanced regulatory scrutiny and reputational risks that cyber security breaches present to credit reporting agencies, we request that TransUnion's board consider taking preemptive actions to examine TransUnion's policies and procedures related to cyber security protections and response plans.

The CtW Investment Group works with union-sponsored pension funds to enhance long-term stockholder value through active ownership. These funds have over \$250 billion in assets under management and are substantial TransUnion shareholders.

The recent data security breach at Equifax that could compromised nearly half the U.S. populations' personal identifiable information has prompted significant legislative scrutiny at both the federal and state level. The circumstances surrounding the breach, the delays in informing investors and consumers of material information regarding the company's operations, and the subsequent patchwork of consumer remedies are indicative of the ineffectiveness of Equifax's policies and a culture of noncompliance that has not gone unnoticed by legislators. Before the conclusion of Congressional hearings held in early October regarding the Equifax breach, several legislators had already introduced far-reaching legislation to regulate credit reporting agencies, including legislation that would require companies to notify consumers in the event of the breach, require credit reporting agencies to provide credit freezes and locks free of charge to consumers, and limit credit reporting agencies' ability to sell consumer data.¹

Given the likelihood of enhanced legislative and regulatory scrutiny over cyber security protection at credit reporting agencies, the board should commission a comprehensive review of TransUnion's cyber security and technology policies, disclosing its findings to shareholders, with particular emphasis on:

- Assessing the efficacy of the company's cyber security processes, including the adequacy of staffing related to cyber security threats, the effectiveness of any automated scans following a possible cyber security breach, the procedures related to escalating breaches to the applicable board committee and, if necessary, the board as a whole, and the timely disclosure to investors of any material information related to cyber security breaches.
- Examining the effectiveness of the company's crisis management strategies in response to large scale cyber security attacks or data breaches, including consumer communication plans, remedial offerings related to identity theft protection, credit freezes or locks, adequate, trained

¹ Hamza Shaban, "This is a travesty': Lawmakers grill former Equifax chief executive on breach response," Washington Post, October 3, 2017, available at https://www.washingtonpost.com/news/the-switch/wp/2017/10/02/what-to-expect-from-equifaxs-back-to-back-hearings-on-capitol-hill-this-week/?utm_term=.a7bfce483e3.

customer service staff for call centers, and backup servers in the event of server overload due to high website traffic.

- Ensuring that the company's executive pay policies and agreements enable the board to claw back compensation from executives responsible for business units whose activities result in regulatory enforcement actions and/or reputational harm to the company, with disclosure to shareholders of any such recoupments.
- Creating an independent technology committee to provide better risk oversight of threats to the company's technology.

If the board fails to act quickly to determine the extent, if any, to which the company's existing cyber security measures fail to address the financial, legal and reputational risks to the company, we will be very concerned that you and your fellow directors are being complacent in the face of significant but avoidable risks. Under such circumstances, we would likely be unable to support the re-election of directors at next year's annual meeting. We would be happy to discuss our recommendations with you at your convenience. Please contact my colleague Tejal K. Patel at (202) 721-6079 to pursue such a discussion.

Sincerely,



Dieter Waizenegger
Executive Director