

BOARD LEADERSHIP SUCCESSION

The 2024 NACD Board Practices and Oversight Survey collected data from board members about their practices in several critical areas. This Data Pack provides additional data that was not displayed on the page dedicated to the key findings related to board leadership succession practices of publicly traded company boards (accessible [here](#)). More information about the survey and the survey methodology can be found on the main survey page [here](#).

► What are your board's practices regarding the rotation of the following leadership positions?

Role	Mandatory rotation policy that specifies term limits	Policy to consider rotation, but not a requirement	No established policy	n
Board chair	3%	23%	74%	213
Lead independent director	6%	20%	74%	199
Audit committee chair	6%	34%	60%	209
Compensation committee chair	6%	36%	58%	199
Nominating and governance committee chair	6%	35%	59%	201

► What is the term limit contained in your mandatory rotation policy for the following leadership positions?

Only respondents indicating that they had a mandatory rotation policy for a given role in the previous question could respond to this question for that role

Role	Maximum number of terms	Term length (Years)
Board chair	1.5	5.2
Lead independent director	2.1	3.5
Audit committee chair	1.6	4.3
Compensation committee chair	1.5	4.5
Nominating and governance committee chair	1.6	4.3

► In practice, how frequently does your board rotate the following leadership positions?

Role	Every Year	Every two years	Every three years	At intervals greater than every 4 years	Not specified/ As needed	n
Board chair	0%	2%	3%	23%	72%	129
Lead independent director	0%	2%	6%	14%	78%	85
Audit committee chair	0%	0%	9%	21%	69%	206
Compensation committee chair	0%	2%	12%	19%	67%	196
Nominating/governance committee chair	0%	1%	13%	19%	68%	197

► Which are the top criteria that your board uses to select the next board leaders?
(Respondents could select one for each position.)

Role	Skills, expertise, background	Leadership attributes	Previous board or committee leadership	Willingness to serve	Relationship with board chair	Ability to think strategically	Tenure	Diversity	Track record	Availability	n
Board chair	42%	36%	11%	4%	2%	3%	2%	0%	2%	1%	199
Lead independent director	44%	28%	11%	4%	5%	2%	3%	2%	1%	0%	176
Audit committee chair	93%	2%	2%	2%	1%	0%	0%	0%	1%	1%	197
Compensation committee chair	69%	10%	6%	10%	2%	1%	1%	1%	1%	1%	188
Nominating/governance committee chair	54%	18%	10%	8%	2%	1%	3%	3%	1%	1%	192

► Which of the following are responsible for overseeing board and committee leadership succession planning?

(Respondents could select all that apply.)

Response	%
Nominating and governance committee	85%
Sitting board chair	41%
CEO	25%
Lead independent director	16%
Other	2%
Other management	1%
n=171	

► Which of the following succession planning activities did your board engage in over the past 12 months?

(Respondents could select all that apply.)

Activity	%
Aligned board and committee leadership refreshment to full board, committee, and/or individual evaluations	62%
Discussed short-term board and committee leadership succession planning (e.g., up to two years out)	59%
Performed a competency analysis against future strategic needs	53%
Recruited directors with experiences specifically suited to specific committee chair roles	44%
Discussed long-term board and committee leadership succession planning (e.g., three to five years out)	39%
Externally recruited for a board or committee leadership successor	38%
Developed or reviewed a formal board leadership succession plan	29%
Current committee chairs served as mentors to potential successors	27%
Communicated board and committee leadership succession planning efforts to investors	14%
Other	2%
n=143	

► To what extent do you agree with the following statements?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	n
I believe that the board chair and/or lead independent director on my board should be replaced because of diminished performance.	79%	6%	3%	8%	4%	205
I believe that at least one of the committee chairs on my board should be replaced because of diminished performance.	69%	12%	4%	10%	5%	205
My board has dedicated a sufficient amount of time to succession planning of committee chairs in the past 12 months.	7%	17%	16%	26%	33%	206
My board has dedicated a sufficient amount of time to board leadership (board chair, lead independent director) succession planning in the past 12 months.	7%	16%	16%	26%	35%	206
I am confident that my board's succession planning processes are sufficient to ensure that effective leadership is in place.	6%	15%	16%	31%	33%	206
Regarding my specific leadership role, I believe that succession planning processes are sufficient to ensure an effective successor.	8%	11%	13%	32%	37%	141