

BOARD LEADERSHIP SUCCESSION

The 2024 NACD Board Practices and Oversight Survey collected data from directors on their board's practices in several critical areas. This document provides data supplementary to the key findings on the Board Leadership succession practices of privately held 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?

	Mandatory rotation policy that specifies term limits	Policy to consider rotation, but not a requirement	No established policy	n
Board chair	15%	15%	70%	175
Lead independent director	10%	15%	75%	163
Audit committee chair	16%	28%	56%	106
Compensation committee chair	9%	28%	63%	99
Nominating and governance committee chair	15%	33%	52%	101

► 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 (Mean)	Term length (Years, Mean)
Board chair	2.5	4.5
Lead independent director	2.4	5.6
Audit committee chair	2.3	5.1
Compensation committee chair	2.4	3.1
Nominating and governance committee chair	2.7	5.0

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

	Every year	Every two years	Every three years	At intervals greater than every 4 years	Not specified/As needed	n
Board chair	4%	7%	10%	19%	60%	73
Lead independent director	3%	1%	8%	8%	80%	99
Audit committee chair	2%	5%	15%	19%	59%	106
Compensation committee chair	4%	5%	17%	8%	66%	99
Nominating/governance committee chair	2%	3%	23%	12%	60%	100

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

	Skills, expertise, background	Leadership attributes	Previous board or comm. leadership	Willingness to serve	Tenure	Relationship with board chair	Ability to think strategically	Track record	Other*	n
Board chair	35%	34%	9%	5%	8%	5%	4%	1%	0%	168
Lead independent director	49%	23%	6%	8%	5%	4%	3%	1%	1%	145
Audit comm. chair	87%	4%	1%	4%	3%	1%	0%	1%	0%	104
Compensation comm. chair	65%	10%	8%	8%	4%	2%	2%	0%	0%	96
Nominating/governance comm. chair	53%	14%	12%	11%	5%	1%	1%	1%	1%	98

* Other options presented to respondents included:

"Availability", selected by 1 percent of respondents as the top criteria for the Lead Independent director, and "Diversity", selected by 1 percent of respondents as the top criteria for the Nominating/governance committee chair.

► 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	46%
Discussed short-term board and committee leadership succession planning (e.g., up to two years out)	42%
Performed a competency analysis against future strategic needs	38%
Discussed long-term board and committee leadership succession planning (e.g., three to five years out)	37%
Recruited directors with experiences specifically suited to specific committee chair roles	36%
Developed or reviewed a formal board leadership succession plan	24%
Externally recruited for a board or committee leadership successor	21%
Current committee chairs served as mentors to potential successors	21%
Communicated board and committee leadership succession planning efforts to investors	16%
Other	3%

n=143