

POLICY

CEO SUCCESSION PLAN AND PROCESS

Preamble:

There are two types of CEO transition and, although they share some key elements, they differ in the challenges they present to the Board and in how they are implemented. One is the planned transition in which the CEO notifies the Board of an intent to leave, enough in advance to allow the Board and the organization to prepare. The second is a sudden departure whether by sudden change in circumstances, illness, death or termination by the Board.

In either case, the organization needs to be prepared. Selecting a new CEO may well be the most important task ever undertaken by the Board. It is a pivotal opportunity.

Statement:

Annually, as part of the CEO performance review, the CEO discusses his/her succession plan with the Executive or Governance Committee. The CEO, through this discussion, advises the Executive/Governance Committee what they should do in the event of a sudden departure in order to ensure organizational stability until a new CEO is appointed.

In addition, the CEO and Executive/Governance Committee ensure the organization always has in place:

- an up-to-date CEO position description;
- a current strategic and operating plan;
- an operating budget that includes adequate salary and benefits to attract a competent successor;
- knowledge of best practices in executive recruitment.

ORIGINAL EFFECTIVE DATE: September 27, 2005
LAST REVIEWED: February 2020
SUBJECT TO REVIEW: February 2025