

The Board's Role in CEO Transitions

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AGENDA

1. Boards' evergreen/ongoing CEO succession planning responsibility
2. Managing CEO transition events
3. CEO transitions: re-considering pay philosophy and amounts
4. Q&A
5. Key Takeaways
6. Additional resources

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Key Takeaways

In summary, here are the key success factors in effectively managing CEO transitions:



Ensure ongoing Board alignment around what you need from your CEO to achieve your strategy



Foster a robust annual CEO performance management process, with explicit goals and metrics



Ensure that compensation incentives are aligned with the CEO's value creation



Sustain ongoing dialogue with the CEO on his/her own professional plan and aspirations

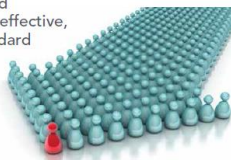


Establish a robust, Board-driven process to select the next CEO

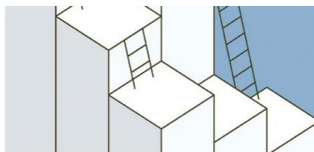
Getting It Right from the Start

Strong board leadership is required to ensure a new CEO's contract is effective, defensible, and sets the right standard for the whole organization

BY LARRY STEVENSON
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STEVE CHAN
Principal, Hugessen Consulting



<https://www.hugessen.com/sites/default/files/news/Stevenston-Chan%20ICD%20Article.pdf>



IN THEORY

Finding the Right CEO

The most promising candidates in your company may not be where you expect.

https://www.spencerstuart.com/-/media/2021/december/findingrightceo/ohbr/harvard_business_review_finding_the_right_ceo_jan_feb_2022.pdf

Going Deeper: Why the Future of Leadership is Beneath the Surface

A faster-paced and unpredictable world in which leaders have less direct control demands a new leadership mindset

MARCH 11, 2022



<https://www.spencerstuart.com/research-and-insight/going-deeper-why-the-future-of-leadership-is-beneath-the-surface>

Harvard Law School Forum on Corporate Governance

How the Best Boards Approach CEO Succession Planning

Posted by Maria Castañón Moats and Paul DeNicola, PricewaterhouseCoopers LLP on Monday, September 20, 2021

<https://corpgov.law.harvard.edu/2021/09/20/how-the-best-boards-approach-ceo-succession-planning/>

How the best boards approach CEO succession planning

And why it's become more critical than ever



<https://www.pwc.com/us/en/governance-insights-center/publications/assets/pwc-how-the-best-boards-approach-ceo-succession-planning.pdf>

SpencerStuart

The Last Mile to the Top: Future CEOs Who Beat the Odds

What Research Reveals About the Four Most Common CEO Steppingstones



<https://www.spencerstuart.com/research-and-insight/future-ceos-who-beat-the-odds>

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The Institute of Corporate Directors is the definitive 'go-to' resource for Canada's directors and boards. As the national community for directors, the ICD is a not-for-profit, member-based association. With more than 15,000 members and a network of 11 chapters across Canada, we are the only globally recognized director organization in Canada. Our vibrant community welcomes directors (seasoned and emerging), C-suite and senior executives who aspire to serve on boards in the for-profit, not-for-profit and Crown sectors. In offering a forum for engagement and dialogue, the ICD supports directors as they face a myriad of challenges. For more information, please visit: www.icd.ca.

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Hugessen Consulting helps Boards make the right decisions on executive compensation and its governance, within an environment of heightened complexity and scrutiny. Our people work with public and private company Boards who understand that experience and judgment, not just data, drive decision making. Since 2006, as a pioneering independent executive compensation advisory firm, our goal has been to create the deep and long-lasting relationships that result from the commitment we make to our clients and the value we deliver to them. To find out more, visit us at: www.hugessen.com

For additional resources and information on recent executive compensation trends, please visit <https://www.hugessen.com/en/news>