

Chart of the Week



CEO Succession Planning Disclosure

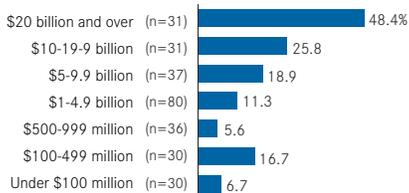
FROM *DIRECTOR COMPENSATION AND BOARD PRACTICES: 2013 EDITION*

Since the financial crisis, shareholders have pressed companies for regular, increased disclosure about succession planning practices. There is a direct correlation between succession disclosure practice and company size. Larger companies are more likely to include succession planning information in their annual reports. Nearly half of companies with revenue of \$20 billion or more and roughly 43 percent of financial companies with asset value of \$100 billion or greater indicate that they provide disclosure in their annual report. By industry, nearly a quarter of companies in the financial sector include information on CEO succession planning in their annual disclosure to shareholders. The use of disclosure is lower for manufacturing (19.9 percent) and nonfinancial services (14.5 percent) companies.

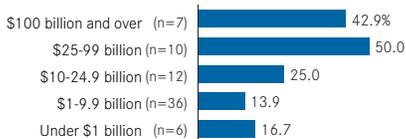
CEO Succession Planning Disclosure, by Company Size

Companies providing CEO succession planning disclosure

Annual Revenue



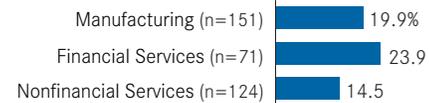
Asset Value



Source: The Conference Board/NASDAQ OMX/NYSE Euronext, 2013.

CEO Succession Planning Disclosure, by Industry

Companies providing CEO succession planning disclosure



Source: The Conference Board/NASDAQ OMX/NYSE Euronext, 2013.

Why it matters...

- Succession planning works best when it is conducted transparently within the organization and communicated openly to outside stakeholders.
- Transparency can be achieved by establishing proper communication channels throughout the organization and by including critical information on the role of the board and the main program features in disclosure documents filed annually with the Securities and Exchange Commission.

For more information on this and other 150 governance practices, download *Director Compensation and Board Practices: 2013 Edition* at: www.conference-board.org/boardpractices or contact Matteo Tonello at matteo.tonello@conference-board.org

In collaboration with
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