**1520.10: Succession Plan**

*Credit Unions should reach out to their League/Association to learn more about potential leadership development programs, mentorship programs, job boards to assist with recruitment, executive search services, volunteer training and governance guidance, and DEI initiatives for development and recruiting.*  
**Model Content Revised Date: 5/6/2025**

This Succession Plan is based on the credit union’s policy of ensuring a smooth transition of leadership positions within the organization in the event of a departure.

1. **Key Positions**  
   The credit union has identified the following positions as key positions:  
   1. CEO
   2. All Executive Vice Presidents
   3. Board of Directors
   4. Supervisory/Audit Committee (optional)
   5. Credit Committee (optional)
   6. Loan Officers (optional)
2. **Committee**  
   A designated committee will be created to assist the Board Chair, Chief Human Resources Officer, and CEO, who will work together to keep the plan up to date and to identify the strategy for leadership cultivation and training.
3. **Training**  
   In order to keep an active pool of potential leaders, the credit union will implement the following programs for qualified candidates:   
   1. Leadership Training
   2. Mentorship Program
   3. Educational Opportunities
   4. Cross Training program for exposure to different departments.
4. **Leadership and Proposed Succession**  
   The credit union has identified the following positions as current leaders within the organization. The credit union will continue to evaluate and provide training related to performance, leadership style and alignment with the credit union’s strategic priorities, values, and mission.   
   1. In the event key roles are vacated, the interim positions will be determined by the CEO in consultation with HR and the Committee. The following key positions and succession have been identified in the event there is a departure of a key position.  
         
      *{list the key positions and successions which have been identified. Example: EVP - AVP}*

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| --- | --- | --- | --- |
| **Title** | **Name** | **Anticipated Vacancy (if known)** | **Proposed Succession** |
| EVP of HR |  |  | AVP of HR, John Doe |
| EVP of Finance |  |  | AVP of Finance |
| EVP of Lending |  |  | AVP of Lending |
| EVP of Information Security |  |  | AVP of Information Security |
| EVP of Operations |  |  | AVP of Operations |

* 1. In the event of the CEO’s departure, the following positions in order, will be considered by the Board to fill the interim CEO role for the period of incapacitation or until a formal search for a replacement takes place:   
        
     *{list the positions (in order) which will be considered for interim CEO. Example: EVP}*  
     1. EVP of Lending, Jan Doe
     2. EVP of Information Security
     3. EVP of Operations

1. **Emergency Plan**  
   In the event of an emergency, as defined by the CEO and/or Board of Directors, the interim successors to key positions will be those outlined in this plan in order to maintain continuity and stability. The CEO, along with HR and the Committee also reserve the right to make appointments and changes to successors at their discretion if deemed appropriate. In the event that a departure is permanent for a key position, a formal search will take place to fill the position.   
   1. In the event of temporary incapacitation of the CEO, the following positions in order, will be considered by the Board to fill the interim CEO role for the period of incapacitation:  
         
      *{list the positions (in order) which will be considered for interim CEO during incapacitation. Example: EVP}*  
      1. EVP of Lending, Jan Doe
      2. EVP of Information Security
      3. EVP of Operations
2. **Board of Directors Succession**  
   In the event there is a departure on the Board of Directors, the Chair or Vice-Chair will consult the bylaws to determine method and means of a new appointment. The following qualified candidates will be considered as a potential replacement.

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| --- | --- | --- | --- |
| **Board Position** | **Name** | **End of Term** | **Proposed Succession** |
| Board Chair |  |  | Vice Chair |
| Vice Chair |  |  | Treasurer |
| Treasurer |  |  |  |
| Secretary |  |  |  |
| Board Member |  |  | Supervisory/Audit Committee Member |
| Board Member |  |  | Associate Board Member |
| Board Member |  |  |  |
| Board Member |  |  |  |

* 1. Supervisory/Audit Committee Member. Eligible members of the Supervisory/Audit Committee may be proposed candidates for replacement on the Board of Directors as a planned method of succession.
  2. Association Board Member. Eligible Associate Board members may be proposed candidates for replacement on the Board of Directors as a planned method of succession.

1. **Supervisory Committee/Audit Committee (optional)**

In the event there is a departure on the Supervisory/Audit committee, the Chair will follow appropriate governance documents to determine the methods of a new appointment/member to the committee.

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| **Position** | **Name** | **End of Term** | **Proposed Succession** |
| Chair |  |  |  |
| Secretary |  |  |  |
| Member |  |  |  |
| Member |  |  |  |

1. **Credit Committee (optional)**

In the event there is a departure on the Credit Committee, the Chair will follow appropriate governance documents to determine the methods of a new appointment/member to the committee.

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| **Position** | **Name** | **End of Term** | **Proposed Succession** |
| Chair |  |  |  |
| Secretary |  |  |  |
| Member |  |  |  |
| Member |  |  |  |

1. **Loan Officers (optional)**

In the event there is a departure of a Loan Officer, the EVP of Lending will work with management to find an additional loan officer.

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| **Position** | **Name** | **End of Term** | **Proposed Succession** |
| Loan Officer |  |  |  |
| Loan Officer |  |  |  |
| Loan Officer |  |  |  |

1. **Review**  
   This succession plan will be reviewed at least every 24 months to ensure key roles and designated succession leaders are up to date and accurate.
2. **Budget Impact**

The Board of Directors understands that executing this succession plan will include costs associated with new hiring, the potential use of recruiting firms, and the potential increase of compensation packages for retention of key employees. The Chief Human Resources Officer will provide an estimated budget impact for implementation of this succession plan at least every 24 months.