

## I. Purpose

The purpose of the CEO Succession Policy is to ensure that in the event of a crisis or vacancy in executive leadership at the Chief Executive Officer (“CEO”) level, a clear and rational plan exists to ensure continuity in leadership, thus mitigating the risk of interruptions in plan operations. This Policy ensures that there are qualified employees (or a means of recruiting them) who are able to take over when the CEO exits the agency to continue providing excellent service during times of transition.

## II. Objectives

- A. The loss of the CEO for any reason requires a swift and considered response in order to minimize potential disruptions to ACERA.
- B. ACERA accepts the need to maintain, whenever possible, a separation between the roles of the Board and management, even if the CEO should be unable or unwilling to carry on in his/her capacity as the senior executive officer of ACERA.

## III. Assumptions & Principles

- A. In the event that the CEO is unable or unwilling to carry out his/her duties due to death, illness, departure from employment, or other reason, the incumbents in the positions below shall, in the order listed, immediately assume the role of CEO and assume all responsibility and authority delegated to the CEO until the next scheduled board meeting:
  - 1. List of Incumbent Positions in Succession Order
    - a. Assistant CEO Benefits
    - b. Assistant CEO Fiscal & Information Services
    - c. Chief Counsel

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2. If one of the incumbents in the positions above assumes the duties of the CEO, at the next regularly scheduled Board meeting, the Board shall select an Interim CEO from the list above or any other candidate the Board deems qualified and appropriate to assume the duties of the CEO.
  3. If the incumbents in the positions above are unable or unwilling to carry out the responsibilities of the CEO until the next scheduled Board meeting, the Board shall promptly convene a special meeting of the Board to select an appropriate interim replacement from among senior management or any another candidate the Board deems qualified and appropriate.
- B. In selecting an Interim CEO, the Board shall give consideration to the skills and experience of the candidates and the extent to which they best match the minimum qualifications for the position and the needs of ACERA on an interim basis.
- C. Once the Board selects Interim CEO, the Board shall ratify the Interim CEO's authority.
- D. After selection and ratification of the Interim CEO's authority to assume the responsibilities of the CEO on an interim basis, the Board shall:
1. Negotiate with the Interim CEO concerning his/her compensation package within the established salary range of the CEO Position, and
  2. Initiate a process to select and appoint a permanent successor to the CEO.
- E. In the event that an Assistant CEO position should become vacant, the CEO shall promptly inform the Board of Trustees and initiate a process to identify a replacement for the Assistant CEO as soon as possible.
- F. When the Board meets to discuss and select or to evaluate the Interim CEO, the Board may meet in closed session under Gov't Code § 54957(b), but discussions regarding compensation will occur either in open session or in closed session under Gov't Code § 54957.6. Discussions regarding compensation must occur at a regular (not special) meeting. *See* Gov't Code § 54956(b).

- G. The CEO will establish a procedure for delegating an acting CEO in his/her absence in the event he/she will be temporarily unavailable due to vacation or attendance at a conference or training. Such procedures will include notice to the Board and permit the CEO to delegate duties and responsibilities to the acting CEO and other members of the Senior Management Staff.

#### IV. Policy Review

The Governance Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

#### V. Policy History

- A. The Board adopted this policy on July 17, 2001.
- B. The Board reviewed and adopted this policy without revisions on July 18, 2024.<sup>1</sup>

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<sup>1</sup> Previous amendment/adoption dates: January 19, 2006; March 20, 2008; June 17, 2010; December 15, 2011; December 19, 2013; December 17, 2015 (without revisions); November 16, 2017; and May 20, 2021.