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The AMF examines the transparency of executive succession plans as part of its 2025 Corporate Governance Report

In its report, the Autorité des Marchés Financiers (AMF) looked at the information disclosed by 53 listed companies on the preparation and implementation of succession plans for key executives - a major governance issue. It puts forward new recommendations and areas for discussion for improving the AFEP-MEDEF code and thereby enhancing market disclosure on this topic.

Executive succession is a key stage in the life of a company. The preparation, review and implementation of the succession process is therefore key information for the market, as it can boost investor confidence in a company's ability to anticipate changes in its governance and deal with unforeseeable situations. Listed companies must reconcile this disclosure requirement with the need for confidentiality, necessary to protect their interests.

Consequently, in its report on corporate governance and executive compensation, the AMF analysed the information provided to the market on the preparation and implementation of succession plans by 53 French listed companies (35 from the CAC 40 and 18 from the SBF 120). Between 1 July 2024 and 30 June 2025, 47% of them communicated on the implementation of their succession process for at least one of their key executives. On the basis of this study, the AMF issues recommendations to companies, and identifies good and poor practices seen in the Paris financial centre. It also suggests ways in which the AFEP, the



MEDEF and the Haut Comité de Gouvernement d'Entreprise (HCGE) can supplement the corporate governance code (the "AFEP-MEDEF Code").

Preparing succession plans

By not making specific reference to the existence of a succession plan for the chief executive or chair of the board, 9% of the companies in the sample do not comply with the requirements of the AFEP-MEDEF code. A third of the companies in the sample do not provide any information about the work carried out on succession plans during the previous financial year.

Preparing executive succession plans is one of the key tasks of a company's board of directors or supervisory board, and one of the main responsibilities of the appointments committee. In four companies in the sample, the board has entrusted this task or its implementation to an *ad hoc* committee. In such a case, the AMF recommends that companies provide information about the composition of this committee and the proportion of independent members. The AMF invites the AFEP, the MEDEF and the HCGE to consider the nature of the information to be provided about the composition of this committee.

Executive involvement

Among the companies in the sample that have appointed a non-executive chair, the AMF notes that two-thirds of them state that the chair of the board of directors or the supervisory board is involved in planning the succession of the executive director.

If the chair of the board is not independent, the AMF recommends that companies consider, as one of the means of ensuring checks and balances, whether it is appropriate to involve the lead director or an independent director in preparing and reviewing the succession plans. One good practice identified by the AMF is holding of at least one board or committee meeting a year without the executive directors present to discuss the preparation, review and, where appropriate, implementation of the succession plan.

Executive signing bonuses and severance pay

The AMF notes that practices vary widely in terms of the reference period used to set the maximum severance pay. It therefore calls on the AFEP, the MEDEF and the HCGE to clarify the scope of the recommendation in the AFEP-MEDEF code that "*severance pay should not exceed, where appropriate, two years' compensation (annual fixed and variable)*", in order to specify the information to be provided about the reference period used by issuers.

As in 2024, the AMF notes that some companies use "hybrid" components of compensation that combine features of exceptional pay, long-term variable pay and signing bonuses.

In addition, the AMF notes that three issuers in the sample do not comply with the requirements of the AFEP-MEDEF code on executive severance pay or signing bonuses.

Board member independence, a point of attention

Beyond the issue of succession plans, the AMF notes further progress in terms of transparency surrounding the application of corporate governance rules, executive remuneration, board evaluation and the holding of meetings without executives being present.

However, the independence of board members remains a point of attention. This year once again, a number of companies disregarded one or more of the independence criteria set out in the AFEP-MEDEF code without providing a detailed explanation, particularly in the case of intra-group mandates or mandates exceeding 12 years. The AMF calls on the AFEP, the MEDEF and the HCGE to clarify the scope of the independence criterion in relation to the length of the mandate, and to specify whether the board should also take into account the years during which the corporate officer attended board meetings and took part in deliberations, as a non-voting member or permanent representative of a legal entity board member for example.

Performance criteria adjustment conditions

For a company, triggering a performance criteria adjustment clause modifies the calculation of certain components of remuneration provided for in the remuneration policy approved by shareholders and may call into question the demanding nature of these conditions. The AMF points out that, under the AFEP-MEDEF code, companies must disclose any changes to performance criteria and ensure that "*the interests of shareholders and beneficiaries remain aligned*", as the activation of these clauses most often leads to an easing of the criteria.

« Good corporate governance of listed companies is one of the key factors in investor confidence and therefore in the attractiveness of a leading financial centre. As it does every year, the AMF has published its report on corporate governance and executive compensation in listed companies, which is a benchmark in the





subject. This year, we wanted to conduct an in-depth study of succession plans which represent a major issue and are attracting increasing attention from investors. The need to inform the market must be balanced with the confidentiality that must surround these processes. »

Marie-Anne Barbat-Layani, Chair of the Autorité des Marchés Financiers

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information.

The AMF also supervises the orderly operations of markets. Visit our website:

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