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Governance Code for Sport

Term of Office, Term Limits and Succession Planning

A Guidance Note

Disclaimer

Sport Ireland is making available a range of resources including guidance notes, policy documents and templates for selected areas aligned to the Governance Code for Sport which will support sport organisations, boards, management and staff in the development of relevant governance processes and procedures particular to their own organisation.

For the avoidance of doubt, the final decision on the nature, type, extent and format of approved governance policies, procedures and processes for each organisation is a matter for the board / highest governing structure of the organisation and the resources and material provided may assist the approval process.

This document is not, nor is it intended to be, a definitive statement of the law and it does not constitute legal advice. This document is not a substitute for professional advice from an appropriately qualified source and it is recommended that sport organisations consult their governing document or obtain their own independent legal advice where necessary. Sport Ireland does not accept any responsibility or liability for any errors, inaccuracies or omissions in this document.

Please note: To maintain consistency with The Governance Code for Sport – A Guide, the words ‘board’ and ‘board member’ and ‘director’ are used instead of ‘governing body’ and ‘member of the governing board’. If your organisation is not a limited company, it will likely not have board members/directors. In this case, the words will refer to the governing body, advisory committee, council, core group or relevant structure. The practices stay the same.

Term of Office, Term Limits & Succession Planning Guidance Note

Introduction: Purpose and Audience

This guidance note provides sports organisations, particularly at a national level in Ireland, with clear principles and practices for implementing term limits and succession planning at the board level. Effective board management is critical to enhancing diversity, accountability, and long-term success within the sports sector. Establishing clear term limits and planning for board succession ensures healthy turnover and leadership continuity, aligning your organisation with best governance practices.

1. Importance of Term Limits and Succession Planning

Term limits for board directors are crucial in ensuring a dynamic, innovative, and accountable leadership team. While every sports organisation has its unique needs, term limits help foster:

- **Diversity of thought** – bringing new perspectives and ideas.
- **Fresh leadership** – preventing stagnation and complacency.
- **Enhanced accountability** – maintaining checks on long-serving members' influence.
- **Reduced conflicts of interest** – avoiding over-alignment with leadership or stakeholders.
- **Demonstrates transparency and a commitment to good governance** – helps ensure that governance evolves alongside the needs of the sport and its participants.

Succession planning complements term limits by ensuring there is a steady pipeline of qualified candidates ready to step into leadership roles. Proactive succession planning helps avoid disruptions and prepares organisations for the future by nurturing potential board members with the necessary skills and experience.

2. Length of Term

The most common practice is that board directors are appointed for an initial term of at least three years. However, it is recommended that organisations stagger the cycle of retiring directors to avoid the risk of excessive "memory loss," ensuring continuity and stability.

Within the sector, different types of organisations may adopt varying practices regarding term length, as outlined below:

- **National Governing Bodies (NGBs):** Board members typically serve a three-year term, with the possibility of serving a second term.
- **Local Sports Partnerships (LSPs):** In some cases, board members may serve up to five years, with the option to extend for a second term if needed.

To strike a balance between continuity and board renewal, a two/three term cycle is commonly recommended. For instance, a director may serve up to six/nine years for NGBs or

ten years for LSPs, as referenced within the [draft letter of appointment resource](#). This ensures fresh perspectives while retaining valuable institutional knowledge.

3. Number of Terms

Many organisations allow board directors to be re-appointed for multiple terms, usually two or three. However, good governance practice suggests placing a limit on the number of terms a director can serve to encourage regular board renewal. Typically, this involves:

- **Two-term limit:** For a total of six years (for a three-year term system).
- **Three-term limit:** For a total of nine years (where necessary and if appropriate).

In most cases, a maximum service time of 9-10 years (depending on the structure and organisation) ensures the board maintains a healthy cycle of renewal and avoids the risk of entrenched leadership.

4. Succession Planning: Ensuring Continuity and Growth

Succession planning is integral to a successful governance structure. It ensures that when a director's term ends, the organisation has suitable, well-prepared candidates ready to step into leadership roles. A well-developed succession plan reduces leadership gaps, maintains organisational knowledge, and ensures alignment with the organisation's long-term vision.

Steps for effective succession planning:

1. **Identify future board members early:** Consider board members or other key volunteers who demonstrate leadership potential.
2. **Develop leadership skills:** Provide training and development opportunities, such as workshops or involvement in sub-committees, to prepare potential candidates for future roles.
3. **Diversify the board:** Ensure that succession planning includes considerations for diversity in gender, skills, experiences, and backgrounds.
4. **Formalise the nomination process:** Develop a formalised process for nominating and onboarding new directors, ensuring that these new leaders align with the strategic goals of the organisation.

This proactive approach ensures there is continuity on the board and reduces the risk of conflicts of interest by encouraging balanced, strategic thinking over the long term.

5. An Exception to the Rule

In certain circumstances, it may be in the organisation's best interest to reappoint a director beyond the recommended term limits. This might occur when a director has expertise or experience that remains critical to the organisation's ongoing development. However, it is essential that this decision be made transparently, with the board taking the following steps into consideration:

- **Formal vote:** The board (or AGM) may need to formally vote on whether to reappoint the director.

- **Document the reasoning:** The board must put a clear explanation on the record to justify the decision, citing why the reappointment serves the best interests of the organisation.
- **Stakeholder access:** This explanation should be accessible to any stakeholders assessing or reviewing the organisation's governance practices.

By following this process, the board ensures that any exceptions are handled transparently and with accountability, thus maintaining trust with stakeholders and adhering to good governance practices.

6. Developing a Policy if Not Stated in Your Governing Document

If your organisation's governing document (such as a constitution or articles of association) does not specify the length of board appointments or the number of terms, it is advisable to develop a formal policy on the matter. Consider adopting the following elements into your policy:

- Set clear term lengths (e.g., three years for NGBs or five years for LSPs).
- Limit the number of terms directors can serve to ensure board renewal.
- Include provisions for staggered director rotations to avoid significant gaps in board knowledge.
- Outline a process for making exceptions, with a requirement to justify and document any deviations from the set term limits.

Such a policy ensures that your organisation is aligned with best governance practices and operates within a framework of transparency and accountability.

7. Resources and Further Guidance

For further resources, templates, and guidance on the Governance Code for Sport, please visit the [Sport Ireland website](https://www.sportireland.ie). Here you will find additional tools to help ensure your organisation's compliance with the Governance Code and support your ongoing efforts to strengthen board governance.