

CEO TRANSITIONS 2017

Each year, Spencer Stuart tracks CEO transitions among S&P 500 companies. These transitions can be part of a planned succession or can arise unexpectedly, the result of company performance or personal issues. In addition to cataloging the reasons for CEO departures, based on company reporting, we also examine information about the successors, including whether or not they are internal candidates and whether they have been appointed chairman of the board in addition to CEO.

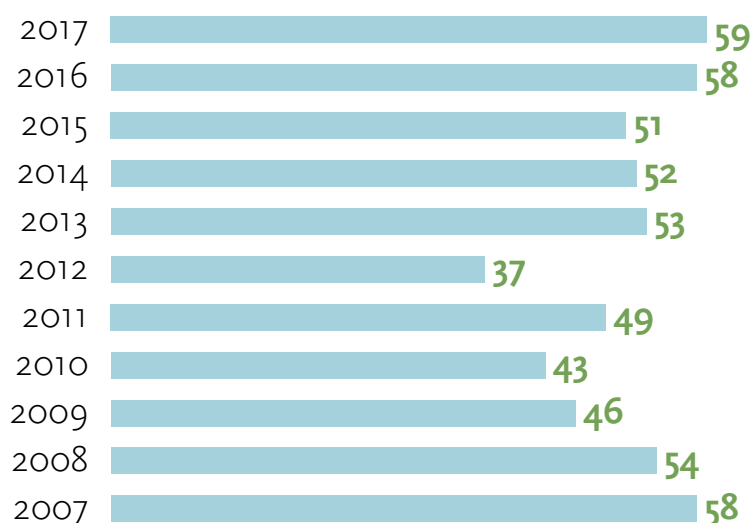
Our 2017 analysis revealed a small uptick in the number of CEO transitions among S&P 500 companies. In addition, we saw a significant decline in the number of internally promoted CEOs. Sixty-nine percent of the new CEOs were promoted from within the company, compared with 90% in 2016 and 84% in 2015.

69% of the new CEOs were promoted from **within** the company
vs. 90% in 2016 **and** 84% in 2015

CEO TRANSITION OVERVIEW

Fifty-nine S&P 500 companies installed a new chief executive in 2017, the highest number of transitions in the last 10 years. Since 2007, when 58 companies named new CEOs, the number of transitions generally declined before hitting a low of 37 in 2012.

S&P 500 CEO Transitions 2007 - 2017



The largest S&P 500 companies — the top 200 by revenue — were most likely to experience a CEO transition in 2017. Nearly 30% of companies ranked 101 to 200 in revenue and 20% of the top 100 companies named a new CEO in 2017.

Percentage of Transitions by S&P 500 Company Range



WHY DO CEOs LEAVE?

The vast majority — 73% — of CEO transitions were attributed in company reports to the former CEO's decision to retire or step down. This represents a decrease from 2016, when 88% of transitions were driven by CEOs retiring or stepping down. In 2017, 8% of CEOs left for health reasons and 15% resigned under pressure, versus 9% in 2016.

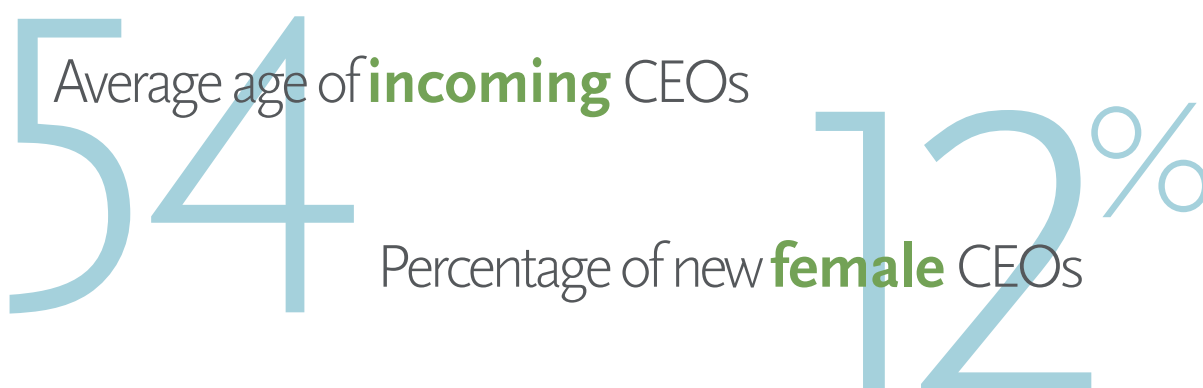
Reasons for CEO Transitions



CEO PROFILES

The average age of incoming CEOs is 54, just one year older than the average in 2016 (53). The average age of the outgoing CEOs is 60.

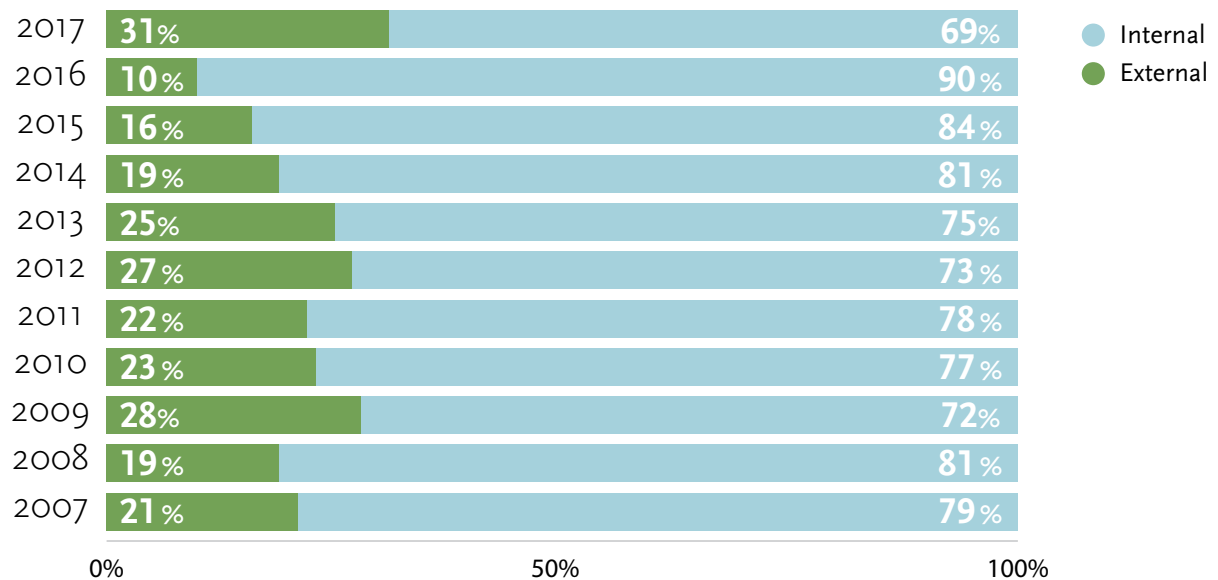
Seven of the new CEOs, 12%, are women, compared with four (7%) in 2016.



EXTERNAL VS. INTERNAL CANDIDATES

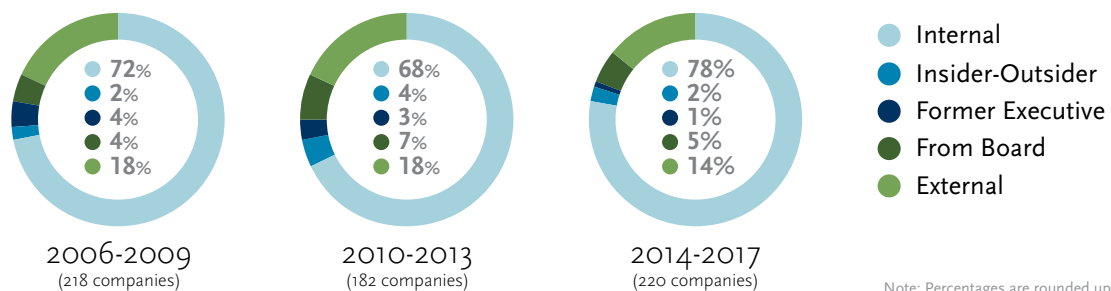
Sixty-nine percent (41) of the new CEOs were promoted from within the company, the lowest rate in a decade. In 2016, 90% of new CEOs were internal successors. All but nine of the internal CEO promotions resulted from a planned succession.

CEO Successors: Internal vs. External Placements



We further break down new CEO backgrounds into five categories: internally promoted CEOs; externally recruited CEOs; former company executives; board directors who take on the role of CEO; and “insider-outsiders” who were recruited from outside the company and promoted into the CEO role within 18 months. An analysis of three four-year periods since 2006 confirm that S&P 500 companies are increasingly likely to promote CEOs from within rather than hire from outside; 80% of new CEOs named between 2014 and 2017 were promoted from within.

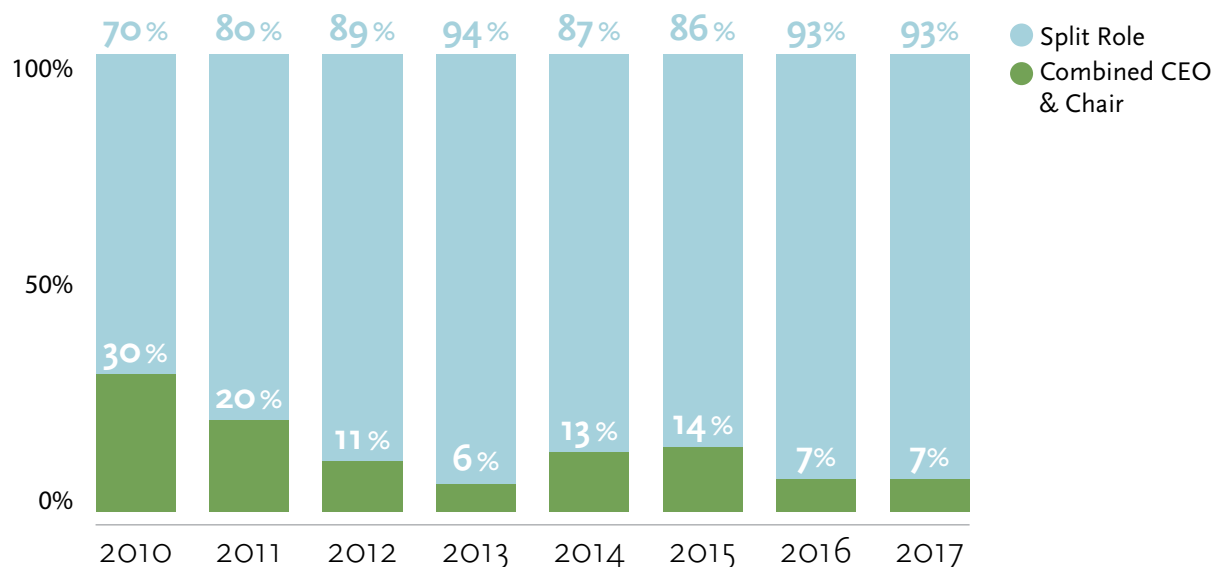
New CEO Backgrounds



SPLIT VS. SHARED CHAIRMAN AND CEO ROLES


Only four of the new CEOs, 7%, were also named chair of the board, the same as in 2016. Fifty-one percent of the outgoing CEOs stayed on to serve as board chair, compared with 60% in 2016.

Is the New CEO Also the Chair?



93% of companies chose to **divide the roles** of chief executive and board chair

51% of outgoing CEOs **continued with the company** in the role of board chair



Note: This data looks at the companies that have experienced a CEO transition, as defined by the replacement of an outgoing CEO with a permanent CEO. Data includes names of incoming and outgoing CEOs; the reason for the new appointment/departure of the former CEO; the ages of both the outgoing and incoming CEO; and whether the appointment was an internal or external one.

Prior to 2010, Spencer Stuart tracked CEO turnover, defined and recorded as any change in the CEO post. As of Jan. 1, 2010, we adjusted our methodology to track CEO transitions, defined as the change from a permanent outgoing CEO to a permanent incoming CEO. Open cases of turnover, defined as cases where no permanent CEO has been appointed, or cases where interim CEOs serve less than one year, are not included in year-end transition totals.

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2017 S&P 500 CEO Transitions
Total Number of Transitions: 59

Q1 2017 Transitions Total Q1: 22																	
S&P 500	Company	Company Revenue	Industry	Region	New CEO	Male or Female	New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO Now Chair?
400-500	Alexion Pharmaceuticals, Inc.	\$ 3,472.00	Life Sciences	New England	Ludwig N. Hantson	M	53	March 27, 2017	David R. (Dave) Brennan	Retired/Stepped Down	External	Yes	No	David L. Hallal	50	Yes	No
200-300	Biogen, Inc.	\$ 11,838.90	Life Sciences	New England	Michel Vounatsos	M	54	January 6, 2017		Retired/Stepped Down	Insider-Outsider	N/A	No	George A. Scangos	68	Yes	No
1-100	Caterpillar, Inc.	\$ 42,140.00	Industrial	Midwest	D. James (Jim) Umpleby III	M	58	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Douglas R. (Doug) Oberhelman	64	Yes	Yes, already was
200-300	CSX Corporation	\$ 11,582.00	Industrial	Southeast	E. Hunter Harrison	M	72	March 6, 2017		Resigned Under Pressure	External	N/A	Yes	Michael Ward	66	Yes	No
100-200	Eli Lilly and Company	\$ 22,471.10	Life Sciences	Midwest	David A. Ricks	M	48	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	John C. Lechleiter	62	Yes	Yes, already was
400-500	EQT Corporation	\$ 2,621.71	Energy	Mid-Atlantic	Steven T. (Steve) Schlotterbeck	M	51	March 1, 2017		Retired/Stepped Down	Internal	Yes	No	David L. (Dave) Porges	58	Yes	Yes, already was
400-500	Extra Space Storage, Inc.	\$ 1,098.67	Financial Services	Southwest	Joseph D. (Joe) Margolis	M	55	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Spencer F. Kirk	54	Yes	No
0-100	Exxon Mobil Corporation	\$ 222,508.00	Industrial	Southwest	Darren W. Woods	M	51	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Rex W. Tillerson	64	No	No
400-500	HCP, Inc.	\$ 1,945.06	Financial Services	West	Thomas M. (Tom) Herzog	M	53	January 1, 2017	Michael D. McKee	Resigned Under Pressure	Former Executive	N/A	No	Lauralee Martin	65	Yes	No
0-100	Honeywell International, Inc.	\$ 39,676.00	Industrial	Mid-Atlantic	Darius Adamczyk	M	51	March 31, 2017		Retired/Stepped Down	Internal	Yes	No	David M. Cote	63	Yes	Yes, already was
300-400	Host Hotels & Resorts, Inc.	\$ 5,401.00	Consumer	Mid-Atlantic	James F. (Jim) Risoleo	M	60	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	W. Edward (Ed) Walter	60	Yes	No
0-100	Macy's, Inc.	\$ 24,686.00	Consumer	Midwest	Jeffrey (Jeff) Gennette	M	55	March 23, 2017		Retired/Stepped Down	Internal	Yes	No	Terry J. Lundgren	64	Yes	Yes, already was
300-400	Mattel, Inc.	\$ 5,105.48	Consumer	West	Margaret H. (Margo) Georgiadis	F	53	February 8, 2017		Retired/Stepped Down	External	N/A	No	Christopher A. Sinclair	66	Yes	Yes, already was
300-400	Nasdaq, Inc.	\$ 3,914.00	Financial Services	New England	Adena Friedman	F	47	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Bob Greifeld	59	Yes	Yes
100-200	PG&E Corporation	\$ 2,001.74	Energy	West	Geisha J. Williams	F	55	March 1, 2017		Retired/Stepped Down	Internal	Yes	No	Anthony F. (Tony) Earley Jr.	67	Yes	Yes, already was
300-400	Pioneer Natural Resources Company	\$ 5,379.00	Energy	Southwest	Timothy L. Dove	M	59	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Scott D. Sheffield	63	Yes	Yes, already was
100-200	Reynolds American, Inc.	\$ 12,658.00	Consumer	Southeast	Debra A. Crew	F	45	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Susan M. Cameron	57	Yes	Yes
100-200	TE Connectivity Ltd.	\$ 13,113.00	TMT	Mid-Atlantic	Terrence R. Curtin	M	48	March 9, 2017		Retired/Stepped Down	Internal	Yes	No	Thomas J. (Tom) Lynch	61	Yes	Yes
200-300	The Hershey Company	\$ 7,546.03	Consumer	Mid-Atlantic	Michele G. Buck	F	54	March 1, 2017		Retired/Stepped Down	Internal	Yes	No	John P. Bilbrey	59	Yes	Yes, already was
200-300	The Priceline Group, Inc.	\$ 12,226.42	TMT	New England	Glenn D. Fogel	M	54	January 1, 2017	Jeffery H. (Jeff) Boyd	Resigned Under Pressure	Internal	No	No	Darren R. Huston	50	Yes	No
100-200	VF Corporation	\$ 12,186.48	Consumer	Southeast	Steven E. Rendle	M	57	January 1, 2017		Retired/Stepped Down	Internal	Yes	No	Eric C. Wiseman	60	Yes	Yes, already was
200-300	Xerox Corporation	\$ 10,252.00	Industrial	Mid-Atlantic	Jeffrey (Jeff) Jacobson	M	57	January 1, 2017		Retired/Stepped Down	Internal	Yes	Yes	Ursula M. Burns	58	Yes	Yes, already was

Noted "Interim" Cases for Q1 (not factored into quarterly count)																	
S&P500	Company	Company Revenue	Industry	Region	New CEO		New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO New Chair?
400-500	Autodesk, Inc.	\$ 1,981.60	TMT	West	Amar Hanspal and Andrew Anagnost (INTERIM CO-CEOs)	M	53; 51	February 8, 2017	Amar Hanspal and Andrew Anagnost	Retired/Stepped Down	Internal	No	No	Carl Bass	58	Yes	No
300-400	Tiffany & Co.	\$ 4,065.00	Consumer	Mid-Atlantic	Michael J. Kowalski (INTERIM)	M	64	February 5, 2017	Michael J. Kowalski	Resigned Under Pressure	Former Executive	No	Yes	Frederic Cumenal	56	No	No

Changes to S&P 500 Index in Q1 2017																	
				Additions:	Gartner	Computer Sciences		Synopsis	DISH Network	Incyte	CBOE	Regency Centers	IDEXX	Raymond James Financial	Advanced Micro Devices	Alexandra Real Estate Equities	
				Deletions:	Dun & Bradstreet	Southwestern Energy		Harman International Industries	Linear Technology	Spectra Energy	Pitney Bowes	Endo International	St. Jude	Frontier Communications	First Solar	Urban Outfitters	

Q2 2017 Transitions																	
Total Q2: 13																	
S&P 500	Company	Company Revenue	Industry	Region	New CEO	Male or Female	New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO Now Chair?
1-100	American International Group, Inc.	\$ 48,773.00	Financial Services	Mid-Atlantic	Brian Duperreault	M	70	May 14, 2017		Resigned Under Pressure	External	N/A	Yes	Peter D. Hancock	58	Yes	No
400-500	Autodesk, Inc.	\$ 1,955.90	TMT	West	Andrew Anagnost	M	52	June 19, 2017	Andrew Anagost and Amar Hanspal	Retired/Stepped Down	Internal	No	No	Carl Bass	58	Yes	No
400-500	F5 Networks, Inc.	\$ 2,090.04	TMT	West	Francois Locoh-Donou	M	46	April 3, 2017		Retired/Stepped Down	External	N/A	No	John McAdam	66	Yes	No
400-500	FLIR Systems, Inc.	\$ 1,780.39	TMT	West	James J. (Jim) Cannon	M	46	June 19, 2017		Retired/Stepped Down	External	N/A	No	Andrew C. (Andy) Teich	56	Yes	No
300-400	Flowserve Corporation	\$ 3,697.70	Industrial	Southwest	R. Scott Rowe	M	46	April 1, 2017		Retired/Stepped Down	External	N/A	Yes	Mark A. Blinn	55	Yes	No
1-100	Ford Motor Company	\$ 154,104.00	Consumer	Midwest	James P. (Jim) Hackett	M	62	May 22, 2017		Resigned Under Pressure	Insider-Outsider	No	Yes	Mark Fields	56	Yes	No
100-200	General Mills, Inc.	\$ 15,481.10	Consumer	Midwest	Jeffrey L. Harmening	M	50	June 1, 2017		Retired/Stepped Down	Internal	Yes	No	Kendall J. (Ken) Powell	63	Yes	Yes, already was
100-200	Halliburton Company	\$ 18,701.00	Energy	Southwest	Jeffrey A. (Jeff) Miller	M	53	June 1, 2017		Retired/Stepped Down	Internal	Yes	No	David J. (Dave) Lesar	63	Yes	Yes, already was
200-300	LKQ Corporation	\$ 9,417.46	Consumer	Midwest	Dominick P. (Nick) Zarcone	M	59	May 31, 2017		Health	Internal	No	No	Robert L. Wagman	52	Yes	No
100-200	Micron Technology, Inc.	\$ 20,322.00	TMT	Northwest	Sanjay Mehrotra	M	58	May 8, 2017		Retired/Stepped Down	External	N/A	Yes	D. Mark Durcan	56	Yes	No
100-200	Starbucks Corporation	\$ 22,386.80	Consumer	Northwest	Kevin R. Johnson	M	56	April 3, 2017		Retired/Stepped Down	Internal	Yes	Yes	Howard D. Schultz	64	Yes	Yes, already was
100-200	The Coca-Cola Company	\$ 37,307.00	Consumer	Southeast	James R. B. Quincey	M	52	May 1, 2017		Retired/Stepped Down	Internal	Yes	No	Muhtar A. Kent	64	Yes	Yes, already was
100-200	U.S. Bancorp	\$ 19,840.00	Financial Services	Midwest	Andrew J. (Andy) Cecere	M	56	April 18, 2017		Retired/Stepped Down	Internal	Yes	No	Richard K. Davis	59	Yes	Yes, already was

Noted "Interim" Cases for Q2 (not factored into quarterly count)																	
S&P500	Company	Company Revenue	Industry	Region	New CEO	Male or Female	New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO New Chair?
300-400	Patterson Companies, Inc.	\$ 5,532.30	Healthcare	Midwest	James W. Wiltz (<i>INTERIM</i>)	M	72	June 1, 2017	James W. Wiltz	Resigned Under Pressure	Former Executive		Yes	Scott P. Anderson	50	Yes	No
100-200	Arconic, Inc.	\$ 12,656.00	Industrial	Mid-Atlantic	David P. (Dave) Hess (<i>INTERIM</i>)	M	62	April 13, 2017	David P. Hess	Resigned Under Pressure	From Board		No	Klaus-Christian Kleinfeld	60	Yes	No

Changes to S&P 500 Index in Q2 2017																	
						Additions:		IHS Markit	Hilton Worldwide	Align Technology	ANSYS	Everest Re					
						Deletions:		TEGNA	Yahoo!	Teradata	Ryder Systems	Mead Johnson					

Q3 2017 Transitions																	
Total Q3: 11																	
S&P 500	Company	Revenue	Industry	Region	New CEO	Male or Female	New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO Now Chair?
100-200	Baker Hughes, a GE Company	\$ 15,012.00	Industrial	Southwest	Lorenzo Simonelli	M	44	July 3, 2017		M&A	Internal	Yes	No	Martin S. Craighead	57	Yes	No
400-500	Citrix Systems, Inc.	\$ 3,463.60	TMT	Southeast	David J. Henshall	M	49	July 10, 2017		Resigned Under Pressure	Internal	No	No	Kirill Tatarinov	52	Yes	No
100-200	Dollar Tree, Inc.	\$ 21,205.40	Consumer	Mid-Atlantic	Gary M. Philbin	M	60	September 18, 2017		Retired/Stepped Down	Internal	Yes	Yes	Bob Sasser	65	Yes	Yes
0-100	DowDuPont, Inc.	\$ 55,438.00	Industrial	Midwest	Edward D. Breen	M	61	August 31, 2017		M&A	Internal	Yes	Yes	Andrew Liveris	62	Yes	Yes
200-300	Expedia, Inc.	\$ 9,833.47	TMT	Northwest	Mark D. Okerstrom	M	44	August 30, 2017		Retired/Stepped Down	Internal	No	No	Dara Khosrowshahi	47	Yes	No
0-100	General Electric Company	\$ 121,134.00	Industrial	New England	John L. Flannery	M	55	August 1, 2017		Retired/Stepped Down	Internal	Yes	No	Jeffrey R. Immelt	61	Yes	Yes
0-100	Johnson Controls International	\$ 30,172.00	Industrial	Midwest	George R. Oliver	M	57	September 1, 2017		Retired/Stepped Down	Internal	Yes	Yes	Alex A. Molinaroli	58	No	N/A
300-400	Ralph Lauren	\$ 6,291.30	Consumer	Mid-Atlantic	Patrice Jean L. Louvet	M	52	July 17, 2017		Resigned Under Pressure	External	N/A	No	Stefan Larsson	42	Yes	No
300-400	Signet Jewelers Limited	\$ 6,541.60	Consumer	Midwest	Virginia C. (Gina) Drosos	F	54	August 1, 2017		Health	From Board	N/A	No	Mark S. Light	55	Yes	No
100-200	The Bank of New York Mellon	\$ 15,616.00	Financial Services	Mid-Atlantic	Charles W. (Charlie) Scharf	M	52	July 17, 2017		Retired/Stepped Down	External	N/A	Yes	Gerald L. Hassell	65	Yes	Yes, already was
0-100	UnitedHealth Group, Inc.	\$ 196,633.00	Healthcare	Midwest	David S. Wichmann	M	54	September 1, 2017		Retired/Stepped Down	Internal	Yes	No	Stephen J. Hemsley	65	Yes	Yes

Noted "Interim" Cases for Q3 (not factored into quarterly count)																	
S&P500	Company	Company Revenue	Industry	Region	New CEO	Male or Female	New CEO Age	New CEO Start Date	Name of Interim CEO (if applicable)	Reason for change	Placement	If Internal, Planned Succession?	Prior <i>Public</i> CEO?	Former CEO	Former CEO Age	CEO/Chair Split?	Former CEO New Chair?
300-400	Cerner Corporation	\$ 4,987.91	Healthcare	Midwest	Clifford W. Illig (<i>INTERIM</i>)	M	66	July 9, 2017	Clifford (Cliff) W. Illig	Health	Internal	No	No	Neal L. Patterson	67	No	N/A
400-500	Equifax, Inc.	\$ 3,324.90	TMT	Southeast	Paulino do Rego Barros (<i>INTERIM</i>)	M	60	September 26, 2017	Paulino do Rego Barros	Resigned Under Pressure	Internal	No	No	Richard F. Smith	57	Yes	No
400-500	H&R Block, Inc.	\$ 3,058.45	Financial Services	Midwest	Thomas A. Gerke (<i>INTERIM</i>)	M	61	August 1, 2017	Thomas A. Gerke	Retired/Stepped Down	Internal	No	No	William C. (Bill) Cobb	60	Yes	No
200-300	Zimmer Biomet Holdings, Inc.	\$ 7,762.90	Healthcare	Midwest	Daniel P. Florin (<i>INTERIM</i>)	M	53	July 11, 2017	Daniel P. Florin	Retired/Stepped Down	Internal	No	No	David C. Dvorak	53	Yes	No

Changes to S&P 500 Index in Q3 2017																	
			Additions:	Cadence Design Systems	Quintiles IMS Holdings		ResMed	Brighthouse Financial	MGM Resorts	SBA Communications	Packaging Corporation of America	A.O.Smith	Duke Realty				
			Deletions:	Staples	Whole Foods Market		DuPont	AutoNation	Reynolds American	Mallinckrodt	Murphy Oil	Bed Bath & Beyond	Transocean				

