

INTERNET APPENDIX FOR:

**At the table but can't break through the glass ceiling:
Board leadership positions elude diverse directors**

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Appendix B:

Identifying whether firms have a diversity policy on gender/race for director nominations

To identify whether firms have a diversity policy with respect to gender and/or race for director nominations, we used Python to search firms' proxy statements filed with the SEC on the EDGAR database. Specifically, we searched proxy statements for the following terms: "divers", "gender", "ethnic", or "race". We then read each of the flagged proxy statements to identify which firms have a diversity policy with respect to gender or race for director nominations. A firm is determined to have a diversity policy in a particular year if the proxy statement mentions that the board considers race and/or gender when it selects director nominees. If the firm does not specifically mention race and/or gender with regard to director selection, the firm is determined not to have a diversity policy. Note that the firm must specifically mention diversity in terms of gender, race, or ethnicity to be deemed to have a diversity policy. For example, consider the following excerpts from proxy statements of Republic Services, Inc. from 2012 and 2014:

Firm	No diversity policy	Has diversity policy
Republic Services, Inc.	2012: Although we have no formal policy regarding diversity relating to Board candidacy, our Corporate Governance Guidelines state that directors should be selected in the context of assessing the Board's needs at the time and with the objective of ensuring diversity in the background, experience and viewpoints of Board members. <i>The Board and Governance Committee value diversity as a factor in selecting Board members and believe that the diversity of opinions, perspectives, personal and professional experiences, and backgrounds reflected on our Board provides us significant benefits.</i>	2014: With respect to diversity relating to Board candidacy, our Corporate Governance Guidelines state that directors shall be selected in the context of assessing the Board's needs at the time and with the objective of ensuring diversity in the background, experience and viewpoints of Board members. The Corporate Governance Guidelines further state that Republic and the Board are committed to a policy of Board inclusiveness. <i>To assist in promoting such diversity, the Board shall, to the extent consistent with applicable legal requirements and its fiduciary duties, take reasonable steps to ensure that new Board nominees are drawn from a pool that includes diverse candidates, including women and minorities.</i>

In its 2012 proxy statement, Republic Services mentioned diversity as a factor in Board candidacy but did not explicitly discuss race and/or gender. Therefore, Republic Services does not have a diversity policy in 2012. However, as shown below, Republic Services made a conscious choice, described in its proxy statement, to explicitly address diversity of race and gender in 2013:

In February 2013, we revised our Corporate Governance Guidelines to make a more specific statement regarding diversity relating to Board candidacy. Before this, our Corporate Governance Guidelines already stated that directors shall be selected in the context of assessing the Board's needs at the time and with the objective of ensuring diversity in the background, experience and viewpoints of Board members. The Corporate Governance Guidelines now further state that Republic and the Board are committed to a policy of Board inclusiveness. To assist in promoting such diversity, the Board shall, to the extent consistent with applicable legal requirements and with its fiduciary duties, take reasonable steps to ensure that new Board nominees are drawn from a pool that includes diverse candidates, including women and minority candidates. Further, the Board will cause to be placed on Republic's website by October 2013, at reasonable expense and omitting proprietary information, a report on the Board's efforts to encourage diverse representation, inclusive of gender and race, on the Board.

Below, we provide several examples of firms that have never had a diversity policy on race or gender, firms that also switched, or were early adopters of diversity policies on race/gender for director nominations.

Appendix B (continued)
Examples of firms with no diversity policy on gender/race for board nominations

Berkshire Hathaway (Excerpt from 2017 Proxy Statement)

Berkshire does not have a policy regarding the consideration of diversity in identifying nominees for director. In identifying director nominees, the Governance Committee does not seek diversity, however defined. Instead, as previously discussed, the Governance Committee looks for individuals who have very high integrity, business savvy, an owner-oriented attitude and a deep genuine interest in the Company.

Alcoa Corporation (Excerpt from 2017 Proxy Statement)

Our policy on Board diversity relates to the selection of nominees for the Board. Our policy provides that while diversity and variety of experiences and viewpoints represented on the Board should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the Governance and Nominating Committee focuses on skills, expertise and background that would complement the existing Board, recognizing that the Company's businesses and operations are diverse and global in nature. For example, our directors are citizens of the United States, Mexico, Canada and the United Kingdom and we have four women directors as of the date of this Proxy Statement.

Cloud Peak Energy, Inc. (Excerpt from 2017 Proxy Statement)

We do not maintain a separate policy regarding the diversity of our Board members. However, the charter of the Governance Committee provides that in recommending potential nominees to the Board, the Committee will take diversity into account with the intent of creating a Board that consists of members with a broad spectrum of experience and expertise and with a reputation for integrity. Consistent with its charter, the Governance Committee and ultimately the Board seek nominees with distinct professional backgrounds, experience and perspectives so that the Board as a whole has the appropriate mix of skills, perspectives, personal and professional experiences and backgrounds necessary to fulfill the needs of the company with respect to the current issues it faces. When evaluating recommendations for potential nominees, the Governance Committee considers the contribution of existing directors, as well as the qualifications of new nominees.

Dollar General Corporation (Excerpt from 2017 Proxy Statement)

We have a written policy to endeavor to achieve a mix of Board members that represent a diversity of background and experience in areas that are relevant to our business. To implement this policy, the Committee assesses diversity by evaluating each candidate's individual qualifications in the context of how that candidate would relate to the Board as a whole and also considers more traditional concepts of diversity. The Committee periodically assesses the effectiveness of this policy by considering whether the Board as a whole represents such diverse experience and composition and by recommending to the Board changes to the criteria for selection of new directors as appropriate. The Committee recommends candidates, including those submitted by shareholders, only if it believes the candidate's knowledge, experience and expertise would strengthen the Board and that the candidate is committed to representing the long-term interests of all Dollar General shareholders.

The Nominating Committee assesses a candidate's independence, background and experience, as well as the current Board's skill needs and diversity.

Appendix B (continued)
Examples of firms adding a diversity policy on gender/race for board nominations

Firm name	No diversity policy	Has diversity policy
Bristol-Myers Squibb Co.	2013: Our Corporate Governance Guidelines contain Board membership criteria that apply to nominees for a position on our Board of Directors. Under these criteria, members of our Board should be persons of diverse backgrounds with broad experience in areas important to the operation of our company such as business, science, medicine, finance/accounting, law, education or government and should possess qualities reflecting integrity, independence, wisdom, an inquiring mind, vision, a proven record of accomplishment and an ability to work well with others. In addition, each director must represent the interests of all stockholders. <i>We do not have a formal policy on Board diversity as it relates to race, gender or national origin.</i>	2014: Our Corporate Governance Guidelines contain Board membership criteria that apply to nominees for a position on our Board of Directors, including candidates recommended by stockholders in accordance with the procedures described below. Under these criteria, members of our Board should be persons with broad experience in areas important to the operation of our company such as business, science, medicine, finance/accounting, law, business strategy, crisis management, corporate governance, education or government and should possess qualities reflecting integrity, independence, leadership, good business judgment, wisdom, an inquiring mind, vision, a proven record of accomplishment and an ability to work well with others. <i>The Board believes that its membership should continue to reflect a diversity of gender, race and ethnicity.</i>
Staples, Inc.	2012: Diversity has always been very important to us. It comprises one of the four pillars of what we call Staples' Soul. We strive to offer an inclusive business environment that offers diversity of people, thought, experience, and suppliers. This also holds true for our Board of Directors. Although we have no formal separate written policy, pursuant to our Corporate Governance Guidelines, the Board annually reviews the appropriate skills and characteristics of the Board members in light of the current composition of the Board, and diversity is one of the factors used in this assessment.	2013: Diversity has always been very important to us. It comprises one of the four pillars of what we call Staples' Soul. We strive to offer an inclusive business environment that offers diversity of people, thought, experience, and suppliers. This also holds true for our Board of Directors. Although we have no formal separate written policy, pursuant to our Guidelines, the Board annually reviews the appropriate skills and characteristics of the Board members in light of the current composition of the Board, and diversity is one of the factors used in this assessment. <i>Not only does the Board view diversity of experience, industry, skills and tenure as important, but also of gender and ethnic backgrounds. We exceed national averages in both women and minority representation on our Board. We also look to enhance our minority representation by our nomination of Raul Vazquez.</i>
Donaldson Company	2010: In recommending candidates for nomination by the Board as a Director of Donaldson, <i>the Corporate Governance Committee will consider appropriate criteria including current or recent experience as a Chairman of the Board, CEO or other senior Officer; business expertise and diversity; and general criteria such as independence, ethical standards, a proven record of accomplishment, and the ability to provide valuable perspectives and meaningful oversight.</i>	2011: In identifying and recommending candidates for nomination by the Board as a Director of Donaldson, the Corporate Governance Committee will consider appropriate criteria including current or recent experience as a Chairman of the Board, CEO or other senior Officer; business expertise, and diversity factors. <i>Diversity is meant to be interpreted broadly. It includes race, gender, and national origin and also includes differences of professional experience, global experience, education, and other individual qualities and attributes. The Committee will work periodically with one or more nationally recognized search firms to assist in identifying strong Director candidates and will seek candidates who are minorities and/or women.</i> We also will consider general criteria such as independence, ethical standards, a proven record of accomplishment, and the ability to provide valuable perspectives and meaningful oversight.

Appendix B (continued)
Examples of firms adding a diversity policy on gender/race for board nominations (continued)

Firm name	No diversity policy	Has diversity policy
Alaska Air Group, Inc.	2009: While there is no formal list of qualifications, the Governance and Nominating Committee considers, among other things, the prospective nominees' relevant experience, intelligence, independence, commitment, ability to work with the Chief Executive Officer and within the Board culture, prominence, <i>diversity</i> , age, understanding of the Company's business, and other factors deemed relevant.	2010: While there is no formal list of qualifications, the Governance and Nominating Committee considers, among other things, the prospective nominees' relevant experience, intelligence, independence, commitment, ability to work with the CEO and within the Board culture, prominence, diversity, age, understanding of the Company's business, and other factors deemed relevant to Alaska Air Group Board service. <i>Diversity is considered broadly, not merely with regard to race, gender, or national origin, but also with regard to general background, geographical location, and other facts.</i> The consideration of diversity is implemented through discussions at the Governance and Nominating Committee.
Owens-Illinois Inc.	2014: Pursuant to the Policies and Procedures, candidates for the Board must demonstrate strong leadership in their particular field, and have broad business experience and the ability to exercise sound business judgment. <i>In addition, candidates must possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the share owners.</i>	2015: The Policies and Procedures require the Committee to consider the contributions that a candidate can be expected to make to the collective functioning of the Board based on the totality of the candidate's background, skills, experience and expertise and the composition of the Board at the time. <i>The Policies and Procedures also state the Committee's belief that diversity is an important attribute of a well-functioning Board and the Policies and Procedures, the Guidelines and the Committee's Charter each require the Committee to take into consideration the benefits of having Board members who reflect a diversity of age, gender, ethnicity and country of citizenship.</i>
Papa John's International, Inc.	2015: Our Corporate Governance and Nominating Committee considers diversity in its nomination of directors to the Board, and in its assessment of the effectiveness of the Board and its committees. In considering diversity, the Corporate Governance and Nominating Committee looks at a range of different personal factors in light of the business, customers, suppliers and employees of the Company. <i>The range of factors includes diversity of personal and business backgrounds and prior board service, finance experience, international experience, industry experience, leadership skills, including prior management experience, and a variety of subjective factors.</i>	2016: Our Corporate Governance and Nominating Committee considers diversity in its nomination of directors to the Board, and in its assessment of the effectiveness of the Board and its committees. In considering diversity, the Corporate Governance and Nominating Committee looks at a range of different personal factors in light of the business, customers, suppliers and employees of the Company. <i>The range of factors includes diversity of race, ethnicity, gender, age, cultural background and personal and business backgrounds. This includes prior board service, finance experience, international experience, industry experience, leadership skills, including prior management experience, and a variety of subjective factors.</i>

Appendix B (continued)

Examples of early adopters with diversity policy on gender/race for board nominations

Charles River Laboratories (Excerpt from 2006 Proxy Statement)

The Corporate Governance and Nominating Committee has adopted guidelines regarding the qualifications required for Board nominees. These guidelines are designed to assure that the Board of Directors is composed of successful individuals who demonstrate integrity, reliability, knowledge of corporate affairs, and an ability to work well together. *Diversity in business background, area of expertise, gender and ethnicity are also considered.* The criteria for director nominees include: the candidate's professional experience and personal accomplishments; the candidate's independence from the Company and management; the ability of the candidate to attend Board and committee meetings regularly and devote an appropriate amount of effort in preparation for those meetings; the candidate's ability to function as a member of a diverse group; and an understanding of the Board's governance role.

The Coca Cola Company (Excerpt from 2006 Proxy Statement)

In its assessment of each potential candidate, the Committee on Directors and Corporate Governance will review the nominee's judgment, experience, independence, understanding of the Company's or other related industries and such other factors the Committee on Directors and Corporate Governance determines are pertinent in light of the current needs of the Board. *Diversity of race, ethnicity, gender and age are factors in evaluating candidates for Board membership.* The Committee on Directors and Corporate Governance will also take into account the ability of a Director to devote the time and effort necessary to fulfill his or her responsibilities to the Company.

Eastman Kodak Company (Excerpt from 2006 Proxy Statement)

Directors should be selected so that the Board of Directors is a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience.

ITT Educational Services, Inc. (Excerpt from 2006 Proxy Statement)

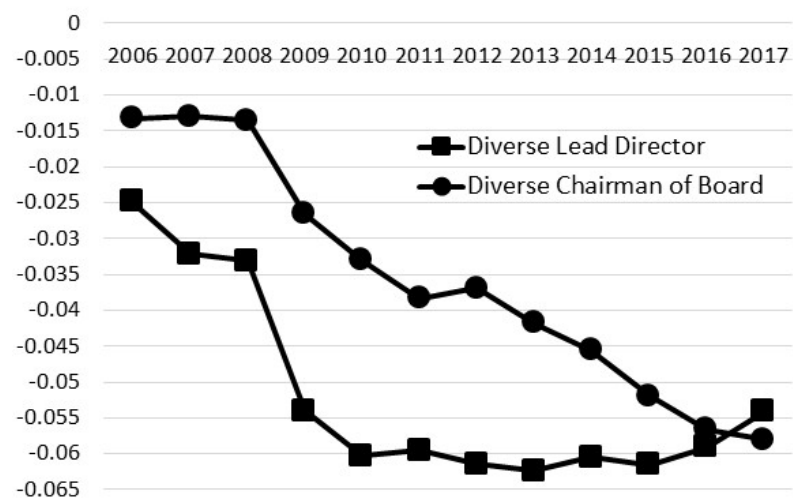
The Nominating and Corporate Governance Committee selects nominees for Directors on the basis of each candidate's broad experience, judgment, integrity, ability to make independent inquiries, understanding of our business environment and willingness to devote adequate time to the duties of our Board of Directors. *The Nominating and Corporate Governance Committee identifies possible nominees for a Director who meet specified objectives in terms of the composition of our Board of Directors that are established by law, the NYSE and/or our Board of Directors, taking into account such factors as geographic, occupational, gender, race and age diversity.* The only minimum specified qualities and skills that the Nominating and Corporate Governance Committee believes are necessary for one or more of our Directors to possess and the only specific standards for the overall structure and composition of our Board of Directors are those imposed by law and the NYSE or contained in our Corporate Governance Guidelines and the charters of the standing committees of our Board of Directors, such as independence, finance experience, and age.

Appendix C: Additional Tables and Figures

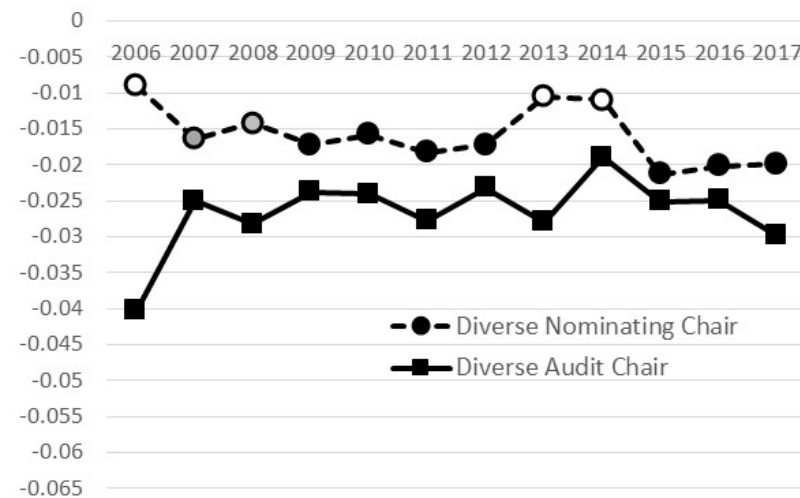
Figure C-1. Regression Coefficients by Year

This figure displays the coefficients on *Diverse Director* from regressions similar to those in Table 3, but run year by year. The specifications are identical to Table 3 with the exception of being run by year. Coefficients that are significant at the 1% or 5% level have a solid marker, coefficients significant at the 10% level have a shaded marker, and coefficients that are insignificant have a clear marker.

Panel A. Annual Coefficients for Lead Director/Chairman of Board



Panel B. Annual Coefficients for Nominating Chair/Audit Chair



Panel C. Annual Coefficients for Governance Chair/Compensation Chair

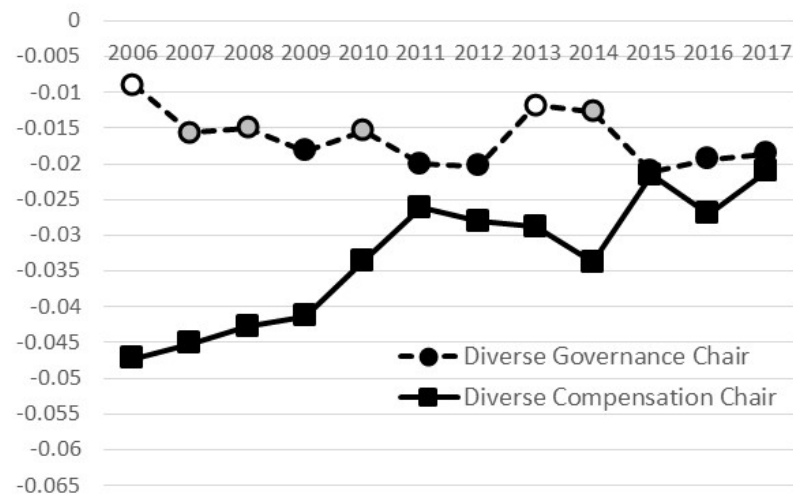
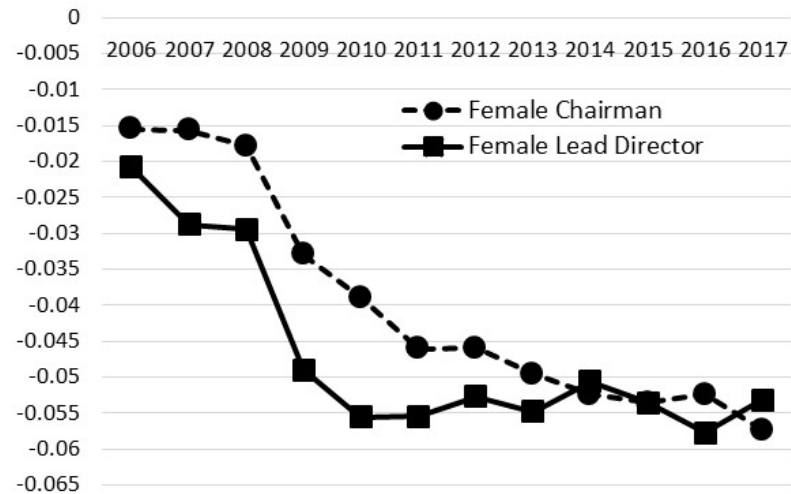


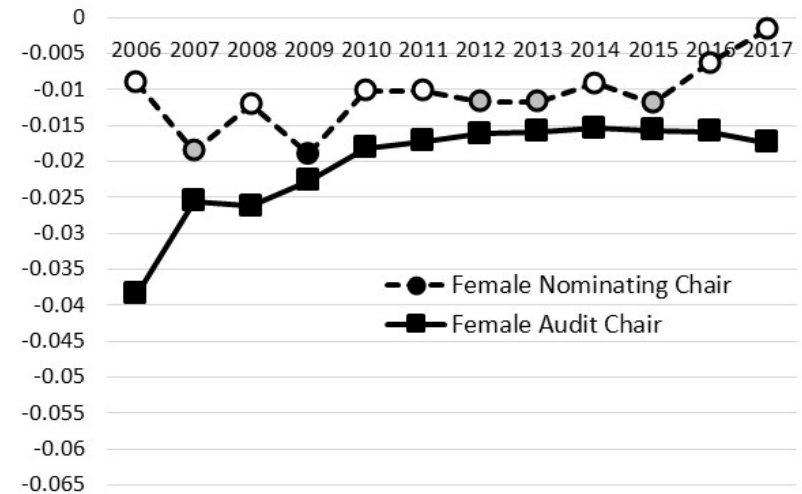
Figure C-2. Regression Coefficients by Year for Female Directors

This figure displays the coefficients on *Diverse director* from regressions similar to those in Table 3, but run year by year for female directors. The specifications are identical to Table 3 with the exception of being run by year for female directors. Coefficients that are significant at the 1% or 5% level have a solid marker, coefficients significant at the 10% level have a shaded marker, and coefficients that are insignificant have a clear marker.

Panel A. Annual coefficients for lead director/chairman of board



Panel B. Annual coefficients for nominating chair/audit chair



Panel C. Annual coefficients for governance chair/compensation chair

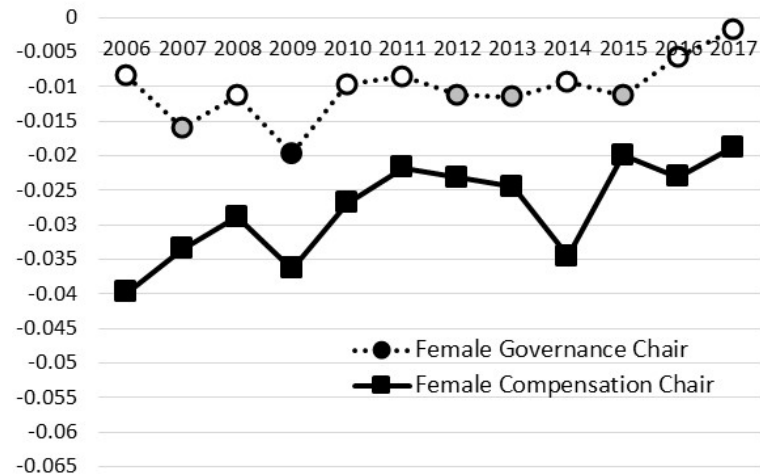
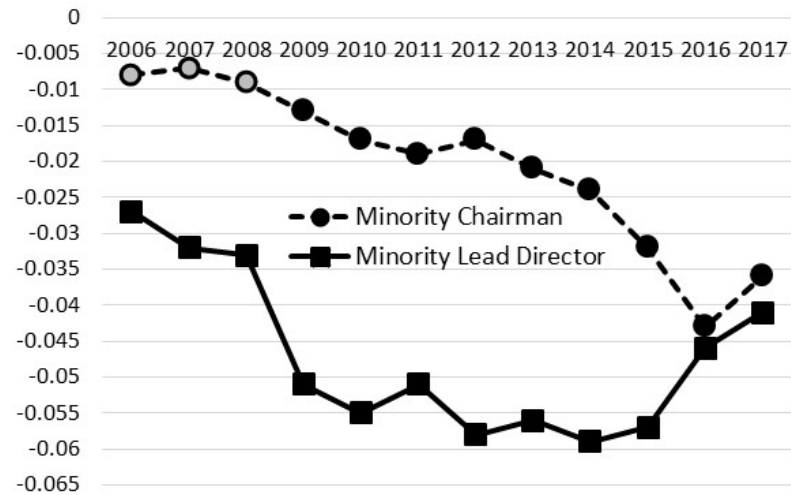


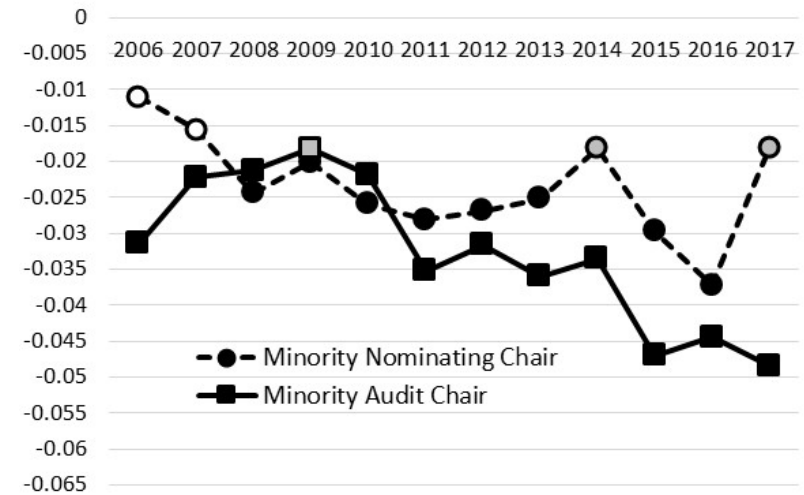
Figure C-3. Regression coefficients by year for minority directors

This figure displays the coefficients on *Diverse director* from regressions similar to those in Table 3, but run year by year for minority directors. The specifications are identical to Table 3 with the exception of being run by year for minority directors. Coefficients that are significant at the 1% or 5% level have a solid marker, coefficients significant at the 10% level have a shaded marker, and coefficients that are insignificant have a clear marker.

Panel A. Annual coefficients for lead director/chairman of board



Panel B. Annual coefficients for nominating chair/audit chair



Panel C. Annual coefficients for governance chair/compensation chair

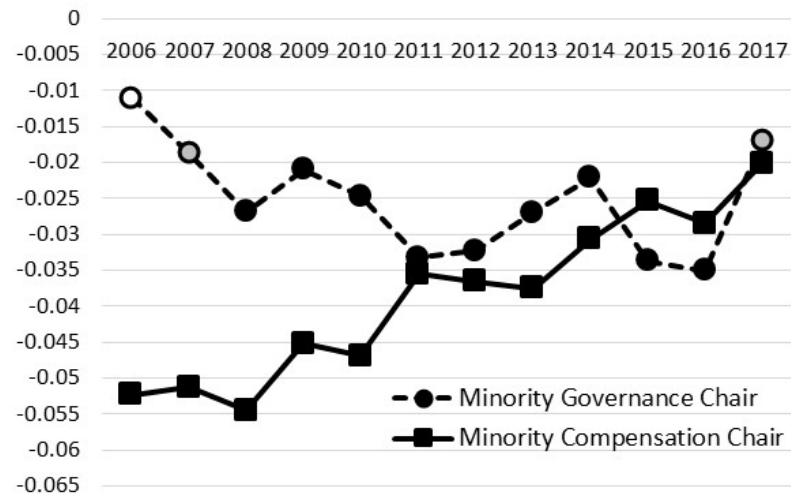
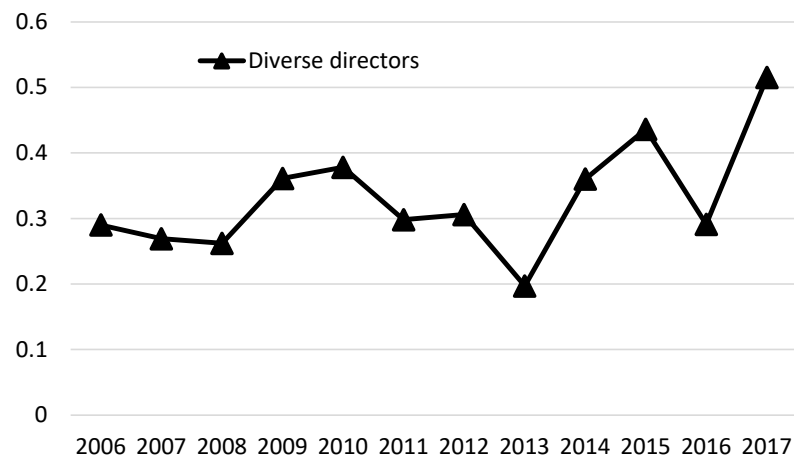


Figure C-4: Regression coefficients by year for votes in favor of minority and female directors

This figure displays the coefficients on *Diverse director* from regressions similar to those in Table 9, but run year by year. Panel A shows the annual coefficients for diverse director, while Panel B shows the annual coefficients for minority and female directors separately. Coefficients that are significant at the 1% or 5% level have a solid marker, coefficients significant at the 10% level have a shaded marker, and coefficients that are insignificant have a clear marker.

Panel A: Diverse directors



Panel B: Minority and female directors separately

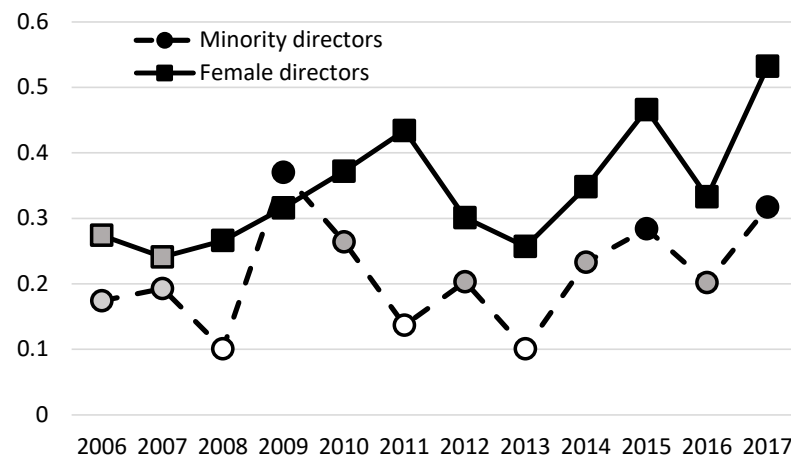


Table C-1. Service on Influential Board Committees

This table examines the characteristics of director appointments to committees for our full sample of 126,044 director-firm-year observations. Each column contains the results of a linear probability model, where the dependent variable takes a value of one if the director serves on the specified committee. Panel A considers all diverse directors, Panel B considers minority directors, and Panel C considers female directors. Panels B and C include the same controls as Panel A. Robust (Rogers, 1993) standard errors clustered by director are reported in brackets. ***, **, * indicate statistical significance at the 1%, 5%, 10% levels, respectively.

Panel A. Diversity on committees

	Member of which committee?			
	Audit (1)	Compensation (2)	Nominating (3)	Governance (4)
Diverse director	0.036** [0.006]	-0.027*** [0.008]	0.031*** [0.007]	0.035*** [0.007]
<i>Director qualifications not included in Adams and Ferreira (2009):</i>				
Finance experience	0.638*** [0.005]	-0.224*** [0.007]	-0.145*** [0.006]	-0.140*** [0.006]
Management experience	-0.055*** [0.005]	0.021*** [0.007]	-0.040*** [0.007]	-0.042*** [0.007]
Legal or consulting experience	0.014** [0.006]	-0.019** [0.008]	0.028*** [0.007]	0.029*** [0.007]
Political experience	0.006 [0.011]	-0.053*** [0.013]	-0.019 [0.013]	0.018 [0.012]
Academic experience	0.015 [0.012]	-0.066*** [0.013]	0.053*** [0.014]	0.055*** [0.014]
Military experience	0.026 [0.039]	-0.045 [0.043]	0.044 [0.038]	0.062 [0.038]
Experience on board in another industry	0.000 [0.001]	0.001 [0.001]	0.000 [0.001]	0.000 [0.001]
Other firm committee experience	0.006 [0.007]	0.038*** [0.008]	0.019** [0.008]	0.017** [0.008]
Director network size	-0.0013*** [0.0002]	0.0012*** [0.0003]	0.0012*** [0.0002]	0.0018*** [0.0002]
Undergrad degree	0.003 [0.008]	0.048*** [0.009]	0.030*** [0.009]	0.032*** [0.009]
MBA degree	0.027*** [0.008]	0.047*** [0.009]	-0.026*** [0.009]	-0.028*** [0.009]
Advanced graduate degree	-0.002 [0.008]	-0.039*** [0.009]	0.033*** [0.009]	0.036*** [0.009]
<i>Explanatory variables used in Adams and Ferreira (2009):</i>				
Percent of years with attendance problems	-0.091*** [0.014]	-0.085*** [0.017]	-0.048*** [0.016]	0.047*** [0.016]
Number of other major company boards	-0.005* [0.003]	-0.003 [0.003]	-0.008** [0.003]	-0.006* [0.003]
Board size	-0.011*** [0.001]	-0.020*** [0.002]	-0.019*** [0.002]	-0.018*** [0.002]
Percent independent directors	0.000 [0.000]	0.001** [0.0004]	0.001*** [0.0003]	0.001*** [0.0003]

(continued)

Table C-1, Panel A (continued)

Director tenure	-0.004*** [0.0003]	-0.003*** [0.001]	0.002*** [0.001]	0.001*** [0.001]
Director age	0.001** [0.0002]	0.001*** [0.0003]	0.002** [0.001]	0.002** [0.001]
ln(Sales)	-0.001 [0.006]	-0.008 [0.007]	-0.015** [0.007]	-0.011 [0.007]
Return on assets	-0.005 [0.014]	0.021 [0.017]	0.031* [0.017]	0.023 [0.017]
CEO is chairman	-0.003 [0.004]	0.003 [0.005]	-0.001 [0.005]	0.002 [0.005]
Volatility	2.159** [1.023]	-1.905* [1.140]	-1.765 [1.228]	-1.727 [1.215]
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.381	0.105	0.126	0.132
Number of observations	126,044	126,044	126,044	126,044

Panel B. Minorities on committees

	Audit member (1)	Compensation member (2)	Nominating member (3)	Governance member (4)
Minority director	0.029*** [0.009]	-0.052*** [0.011]	0.014 [0.010]	0.013 [0.010]
Additional controls	Yes	Yes	Yes	Yes
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.380	0.106	0.126	0.131
Number of observations	126,044	126,044	126,044	126,044

Panel C. Females on committees

	Audit member (1)	Compensation member (2)	Nominating member (3)	Governance member (4)
Female director	0.031*** [0.007]	-0.009 [0.009]	0.040*** [0.009]	0.045*** [0.009]
Additional controls	Yes	Yes	Yes	Yes
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.380	0.105	0.127	0.132
Number of observations	126,044	126,044	126,044	126,044

Table C-2. Robustness tests

This table contains additional tests on the robustness of Table 3 results. Panel A runs the same specifications with firm by year fixed effects. Panel B runs the specifications within committee (so, for example, Column 1 contains only members of the Audit Committee and estimates the likelihood of being appointed chair relative to other audit committee members). Panel C examines the choice of a new director appointment during years in which there is turnover in the specified leadership position. All specifications include robust (Rogers, 1993) standard errors with clustering by director reported in brackets. ***, **, * indicate statistical significance at the 1%, 5%, 10% levels, respectively.

Panel A. Multiplicative firm by year fixed effects

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Diverse director	-0.037*** [0.003]	-0.053*** [0.003]	-0.026*** [0.005]	-0.031*** [0.005]	-0.015*** [0.005]	-0.016*** [0.005]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm×year, committee →					
Adjusted R-squared	0.155	0.131	0.327	0.189	0.191	0.194
Number of observations	126,044	126,044	126,044	126,044	126,044	126,044

Panel B. Within-committee tests

	Chair of:			
	Audit (1)	Compensation (2)	Nominating (3)	Governance (4)
Diverse director	-0.048*** [0.008]	-0.074*** [0.009]	-0.031*** [0.009]	-0.033*** [0.009]
Additional controls	Yes	Yes	Yes	Yes
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.236	0.024	0.040	0.037
Number of observations	62,999	62,675	62,263	62,293

Panel C. Appointments during turnover years

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Diverse director	-0.111*** [0.009]	-0.084*** [0.007]	-0.023*** [0.007]	-0.028*** [0.007]	-0.011* [0.006]	-0.012* [0.006]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →					
Adjusted R-squared	0.311	0.214	0.311	0.052	0.049	0.049
Number of observations	7,634	14,092	11,769	16,230	16,626	15,994

Table C-3. Additional robustness tests separately for minority and female directors

This table reports the results similar to Table 3, but specifically for Minority and Female directors. Panels A and B examine leadership appointments with firm-year fixed effects. Panels C and D examine leadership appointments within members of the specified committee. Panels E and F examine new leadership appointments following turnover at the specified position.

Panel A. Multiplicative firm-by-year fixed effects, minority directors

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Minority director	-0.021*** [0.004]	-0.048*** [0.004]	-0.032*** [0.006]	-0.037*** [0.006]	-0.024*** [0.007]	-0.026*** [0.007]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm×year, committee →					
Adjusted R-squared	0.151	0.127	0.327	0.189	0.191	0.194
Number of observations	126,044	126,044	126,044	126,044	126,044	126,044

Panel B. Multiplicative firm-by-year fixed effects, female directors

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Female director	-0.042*** [0.003]	-0.048*** [0.004]	-0.017*** [0.005]	-0.026*** [0.005]	-0.009 [0.006]	-0.009 [0.006]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm×year, committee →					
Adjusted R-squared	0.155	0.129	0.327	0.189	0.191	0.194
Number of observations	126,044	126,044	126,044	126,044	126,044	126,044

Panel C. Within-committee tests, minority directors

	Chair of:			
	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)
Minority director	-0.055*** [0.011]	-0.092*** [0.013]	-0.049*** [0.012]	-0.053*** [0.013]
Additional controls	Yes	Yes	Yes	Yes
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.236	0.023	0.041	0.037
Number of observations	62,999	62,675	62,263	62,293

Table C-3 (continued)

Panel D. Within-committee tests, female directors

	Chair of:			
	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)
Female director	-0.035*** [0.009]	-0.060*** [0.011]	-0.018* [0.010]	-0.018* [0.010]
Additional controls	Yes	Yes	Yes	Yes
Fixed effects	Firm, year	Firm, year	Firm, year	Firm, year
Adjusted R-squared	0.235	0.022	0.040	0.036
Number of observations	62,999	62,675	62,263	62,293

Panel E. New appointments, minority directors

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Minority director	-0.070*** [0.013]	-0.075*** [0.009]	-0.033*** [0.010]	-0.047*** [0.009]	-0.016* [0.010]	-0.017* [0.010]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →					
Adjusted R-squared	0.093	0.055	0.312	0.053	0.049	0.050
Number of observations	7,634	14,092	11,769	16,230	16,626	15,994

Panel F. New appointments, female directors

	Non-exec. chair	Lead director	Chair of:			
			Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)	(6)
Female director	-0.120*** [0.009]	-0.076*** [0.008]	-0.016* [0.008]	-0.016** [0.008]	-0.008 [0.005]	-0.007 [0.005]
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →					
Adjusted R-squared	0.104	0.057	0.311	0.052	0.049	0.049
Number of observations	7,634	14,092	11,769	16,230	16,626	15,994

Table C-4: Alternative specifications to account for self-selection and unobserved heterogeneity

In this table we present three alternative specifications to account for potential endogeneity. In Panels A and B, we use an instrumental variables approach to control for potential endogeneity, where Columns 1 and 2 report a two-stage least squares model and models 3 and 4 report a Heckman treatment effects model. In Panel A, we report the full regressions shown in Table 4, with the following instruments: *Gender Equality Index*, following Huang and Kisgen (2013), is assigned an index value for the state where the director obtained their undergraduate degree and *Affirmative Action*, which takes a value of one if the director turned 18 following the Civil Rights Act of 1964 and zero otherwise. In Panel B, we report endogeneity tests using the following instruments: *Gender Equality Index (company HQ)*, following Huang and Kisgen (2013), is assigned an index value for the state where the company is headquartered and *Nonlocal Diverse Director Supply*, following Bernille et al. (2018). For both Panels A and B, the dependent variable in models (1) and (3) is an indicator variable for observing a *Diverse* director, while the dependent variable in models (2) and (4) is an indicator variable of whether the director is selected as Chairman of the Board, Lead Director, or one of the four committee chairs. In Panel C, we report the second stage regression from a propensity score matched sample, where each diverse director is matched to their closest non-minority male director within-board on the basis of qualifications.

Panel A. Full regressions from Table 4

<i>Dependent variable:</i>	Two-stage least squares models		Heckman models	
	First stage	Second stage	First stage	Second stage
	<i>I = Diverse</i>	<i>I = Leadership role</i>	<i>I = Diverse</i>	<i>I = Leadership role</i>
	(1)	(2)	(3)	(4)
Gender equality index	0.002*** [0.001]		0.008*** [0.001]	
Affirmative action	0.300*** [0.035]		0.392*** [0.015]	
Diverse director		-0.142*** [0.031]		-0.103*** [0.011]
λ				0.059 [0.038]
Finance experience	-0.039*** [0.008]	0.192*** [0.007]	-0.124*** [0.010]	0.195*** [0.003]
Management experience	-0.016* [0.009]	-0.066*** [0.007]	0.018* [0.011]	-0.068*** [0.004]
Legal or consulting experience	0.042*** [0.010]	0.013 [0.008]	0.110*** [0.012]	0.009** [0.004]
Political experience	0.045** [0.018]	-0.026** [0.013]	0.147*** [0.022]	-0.031*** [0.007]
Academic experience	0.097*** [0.019]	-0.085*** [0.014]	0.306*** [0.019]	-0.092*** [0.007]
Military experience	0.006 [0.050]	-0.049 [0.034]	-0.104 [0.064]	-0.045** [0.021]
Other industry experience	0.001 [0.001]	-0.002** [0.001]	-0.002** [0.001]	-0.002*** [0.000]
Other firm committee experience	0.001 [0.011]	0.068*** [0.009]	-0.020 [0.012]	0.068*** [0.004]
Director network size	-0.0001 [0.000]	0.003*** [0.000]	0.002*** [0.000]	0.003*** [0.000]
Undergrad degree	-0.006 [0.015]	0.048*** [0.014]	0.009 [0.024]	0.047*** [0.008]
MBA degree	-0.047*** [0.012]	0.032*** [0.009]	-0.133*** [0.013]	0.035*** [0.004]
Advanced graduate degree	0.039*** [0.012]	-0.010 [0.010]	0.124*** [0.014]	-0.013*** [0.005]

(Continued)

Table C-4 (continued)

Attended < 75% of meetings	0.009 [0.017]	-0.189*** [0.017]	0.009 [0.060]	-0.190*** [0.019]
Number of other major company boards	0.012*** [0.004]	0.014*** [0.004]	0.029*** [0.005]	0.012*** [0.002]
Board size	-0.0001 [0.001]	-0.024*** [0.002]	0.021*** [0.002]	-0.024*** [0.002]
Percent independent directors	0.001*** [0.000]	-0.0002 [0.000]	0.007*** [0.000]	-0.0003 [0.000]
Director tenure	0.004*** [0.001]	0.014*** [0.001]	0.004*** [0.001]	0.014*** [0.000]
Director age	0.006 [0.003]	0.002*** [0.000]	0.054*** [0.001]	0.002*** [0.000]
Ln(Sales)	0.014** [0.006]	-0.022*** [0.008]	0.090*** [0.004]	-0.024*** [0.006]
Return on assets	0.0001 [0.012]	0.009 [0.020]	0.187*** [0.056]	0.009 [0.021]
CEO is chairman	0.008* [0.004]	-0.019*** [0.006]	0.018* [0.010]	-0.019*** [0.005]
Volatility	0.760 [0.862]	1.251 [1.213]	-8.280 [5.230]	1.422 [1.771]
Fixed effects	Firm, year, committee		Firm, year	Firm, year, comm.
Partial R-squared	0.088			
Partial F-statistic	76.04			
Sargan-Hansen test p-value	0.510			
Number of observations	95,733	95,733	95,733	95,733

Panel B. Alternative instrumental variables models using company HQ-based instruments

<i>Dependent variable:</i>	Two-stage least squares models		Heckman models	
	First stage	Second stage	First stage	Second stage
	<i>I = Diverse</i>	<i>I = Leadership role</i>	<i>I = Diverse</i>	<i>I = Leadership role</i>
	(1)	(2)	(3)	(4)
Gender equality index (company HQ)	0.002*** [0.000]		0.008*** [0.001]	
Non-local diverse director supply	0.003** [0.001]		0.021*** [0.006]	
Diverse director		-0.207*** [0.068]		-0.282*** [0.036]
λ				0.104 [0.064]
Finance experience	-0.039*** [0.003]	0.200*** [0.005]	0.189*** [0.004]	-0.153*** [0.012]
Management experience	0.015*** [0.003]	-0.061*** [0.004]	-0.070*** [0.004]	-0.153*** [0.012]
Legal or consulting experience	0.041*** [0.004]	0.022*** [0.006]	0.038*** [0.005]	0.182*** [0.013]

(Continued)

*Table C-4 (continued)**Panel B (continued)*

Political experience	0.062*** [0.008]	-0.015 [0.011]	-0.004 [0.009]	0.162*** [0.026]
Academic experience	0.111*** [0.007]	-0.078*** [0.014]	-0.049*** [0.008]	0.341*** [0.022]
Military experience	0.051* [0.027]	-0.055* [0.031]	-0.033 [0.031]	0.295*** [0.091]
Other industry experience	-0.0002 [0.000]	-0.002*** [0.000]	-0.002*** [0.0003]	-0.003*** [0.001]
Other firm committee experience	-0.002 [0.004]	0.063*** [0.004]	0.0654*** [0.004]	0.033* [0.014]
Director network size	0.0002 [0.000]	0.002*** [0.000]	0.003*** [0.0004]	0.006*** [0.001]
Undergrad degree	0.015*** [0.005]	0.061*** [0.005]	0.0583*** [0.005]	-0.027 [0.017]
MBA degree	-0.026*** [0.004]	0.044*** [0.005]	0.0298*** [0.005]	-0.163*** [0.014]
Advanced graduate degree	0.038*** [0.004]	-0.013** [0.006]	0.000 [0.005]	0.153*** [0.015]
Attended <75% of meetings	0.016 [0.017]	-0.168*** [0.019]	-0.173*** [0.019]	-0.021 [0.058]
Percent independent directors	0.002*** [0.000]	-0.0002 [0.000]	0.000 [0.000]	0.005*** [0.001]
Director tenure	0.001*** [0.000]	0.009*** [0.000]	0.009*** [0.0004]	-0.009*** [0.001]
Director age	-0.001*** [0.000]	0.003*** [0.000]	-0.001 [0.001]	-0.048*** [0.001]
ln(Sales)	0.028*** [0.001]	-0.027*** [0.003]	-0.020*** [0.002]	0.071*** [0.002]
Return on assets	-0.008 [0.018]	-0.016 [0.020]	-0.032 [0.022]	-0.098 [0.069]
CEO is chairman	0.010*** [0.003]	-0.035*** [0.004]	-0.0317*** [0.004]	0.050*** [0.011]
Volatility	0.275 [1.472]	2.200 [1.647]	0.500 [1.699]	-28.068 [5.052]
Fixed effects	Industry, year, committee		Year, comm.	Ind, year, comm.
Partial R-squared	0.037			
Partial F-statistic	59.73			
Sargan-Hansen test p-value	0.418			
Number of observations	78,862	78,862	78,862	78,862

Table C-4 (Continued)

Panel C. Propensity score matching

<i>Dependent variable:</i>	<i>Second stage regression</i>
	<i>l=Leadership role</i>
Diverse director	-0.078*** [0.004]
Finance experience	0.179*** [0.004]
Management experience	-0.052*** [0.004]
Legal or consulting experience	0.016*** [0.004]
Political experience	-0.014 [0.008]
Academic experience	-0.095*** [0.008]
Military experience	-0.084*** [0.024]
Other industry experience	-0.002*** [0.001]
Other firm committee experience	0.063*** [0.005]
Director network size	0.003*** [0.0002]
Undergrad degree	0.085*** [0.006]
MBA degree	0.042*** [0.005]
Advanced graduate degree	-0.020*** [0.005]
Attended < 75% of meetings	-0.172*** [0.019]
# of other major company boards	0.014*** [0.002]
Board size	-0.021*** [0.002]
Percent independent directors	-0.0003 [0.0003]
Tenure	0.012*** [0.0003]
Director age	0.003*** [0.0003]
ln(Sales)	-0.025*** [0.008]
Return on assets	-0.028 [0.034]
CEO is chairman	-0.020*** [0.006]
Volatility	-0.855 [3.319]
Fixed effects	Firm, year, committee
Adjusted R-squared	0.156
Number of observations	64,780

Table C-5. Additional specifications for Table 5

This table reports the Table 5 specifications for the *Minority* and *Female* subsets. For brevity, we only report the interaction terms here. Other coefficients and R²s are generally similar to the tabulated specifications in Table 5. The panels in this table correspond to the panels in Table 5.

Panel A. Likelihood of diverse committee leadership based on past relevant committee experience

	Chair of:			
	(1) Audit	(2) Compensation	(3) Nominating	(4) Governance
Relevant committee experience × Minority director	-0.025** [0.010]	-0.023*** [0.010]	-0.028** [0.013]	-0.030** [0.013]
Relevant committee experience × Female director	-0.019** [0.009]	-0.015* [0.008]	-0.010 [0.010]	-0.011 [0.010]

Panel B. Likelihood of diverse committee leadership based on past relevant committee leadership experience on other boards

	Chair/lead director	Chair of:			
		Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Relevant chair experience × Minority director	-0.031* [0.019]	-0.079*** [0.026]	-0.027* [0.015]	-0.032*** [0.012]	-0.041*** [0.014]
Relevant chair experience × Female director	-0.066** [0.024]	-0.049** [0.021]	-0.021* [0.012]	-0.012 [0.010]	-0.005 [0.020]

Panel C. Likelihood of diverse audit committee leadership based on finance experience distinction

	Audit chair
Finance experience × Minority director	-0.128*** [0.019]
Finance experience × Female director	-0.072*** [0.015]

Panel D. Likelihood of diverse committee leadership based on committee tenure

	Chair/lead director	Chair of:			
		Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Committee tenure × Minority director	-0.002* [0.001]	-0.004*** [0.001]	-0.005*** [0.001]	-0.003** [0.001]	-0.003** [0.001]
Committee tenure × Female director	-0.004*** [0.001]	-0.005*** [0.001]	-0.007*** [0.001]	-0.005*** [0.001]	-0.004** [0.001]

Table C-6. Additional specifications for Table 6

This table reports the Table 6 specifications for the *Minority* and *Female* subsets. For brevity, we only report the coefficient on the variable of interest here. Other coefficients and R²s are generally similar to the fully tabulated specifications in Table 6. The panels in this table correspond to the panels in Table 6.

Panel A. Directors with no outside board appointments

	Chair/lead director	Chair of:			
		Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Minority director	-0.054*** [0.007]	-0.029*** [0.008]	-0.039*** [0.008]	-0.013* [0.008]	-0.017* [0.008]
Female director	-0.070*** [0.005]	-0.018*** [0.006]	-0.023*** [0.007]	-0.011* [0.006]	-0.010 [0.006]

Panel B. Directors with no outside board appointments and at least five years of service

	Chair/lead director	Chair of:			
		Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Minority director	-0.066*** [0.010]	-0.024*** [0.010]	-0.051*** [0.011]	-0.010 [0.008]	-0.013* [0.008]
Female director	-0.088*** [0.008]	-0.013* [0.008]	-0.024*** [0.009]	-0.008 [0.006]	-0.008 [0.006]

Panel C. Directors with at least three board appointments

	Chair/lead director	Chair of:			
		Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Minority director	-0.084*** [0.012]	-0.044*** [0.011]	-0.040*** [0.012]	-0.040*** [0.012]	-0.043*** [0.012]
Female director	-0.107*** [0.009]	-0.040*** [0.011]	-0.027** [0.011]	-0.015 [0.010]	-0.019** [0.010]

Table C-7. Additional specifications for Table 7

This table reports the Table 7 specifications for the *Minority* and *Female* subsets. Panels A and B are run on the sample of directors with leadership experience. Panels C and D are run on the sample of Northeast firms. For the fixed effects, F=firm, Y=year, C=committee.

Panel A. Minority director risk aversion

	Chair/lead	Chair of:			
	director	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Minority director	-0.089*** [0.012]	-0.035*** [0.012]	-0.035*** [0.012]	-0.050*** [0.012]	-0.048*** [0.013]
Additional controls	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →				
Adjusted R-squared	0.175	0.425	0.267	0.260	0.261
Number of observations	33,389	33,389	33,389	33,389	33,389

Panel B. Female director risk aversion

	Chair/lead	Chair of:			
	director	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Diverse director	-0.122*** [0.010]	-0.020** [0.010]	-0.022** [0.010]	-0.001 [0.011]	-0.001 [0.011]
Additional controls	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →				
Adjusted R-squared	0.182	0.425	0.267	0.258	0.260
Number of observations	33,389	33,389	33,389	33,389	33,389

Panel C. Minority directors in the Northeast

	Chair/lead	Chair of:			
	director	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Diverse director	-0.036*** [0.008]	-0.037*** [0.010]	-0.030*** [0.011]	-0.017* [0.010]	-0.017* [0.010]
Additional controls	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →				
Adjusted R-squared	0.083	0.291	0.160	0.161	0.166
Number of observations	33,389	33,389	33,389	33,389	33,389

Panel D. Female directors in the Northeast

	Chair/lead	Chair of:			
	director	Audit	Compensation	Nominating	Governance
	(1)	(2)	(3)	(4)	(5)
Diverse director	-0.039*** [0.007]	-0.016*** [0.009]	-0.044*** [0.008]	-0.015* [0.008]	-0.013 [0.009]
Additional controls	Yes	Yes	Yes	Yes	Yes
Fixed effects	← Firm, year, committee →				
Adjusted R-squared	0.084	0.290	0.161	0.161	0.166
Number of observations	33,389	33,389	33,389	33,389	33,389