1. A description of which author(s) handled the data and conducted the analyses.
Both authors were extensively involved in handling the data and conducting the data analyses.

2. A detailed description of how the raw data were obtained or generated, including data sources, the specific date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments).
Our data were obtained by conducting interviews with various compensation professionals. Specifically, we conducted 37 interviews with board directors, HR executives, and compensation consultants—this is the primary set of interviews on which we draw in the manuscript. In addition, we conducted six interviews with eight representatives from proxy advisory firms. All of the interviews occurred between July 2016 and April 2018. Both authors participated in all of the interviews (except for one) and, hence, both are able to vouch for the sources of the raw data. We followed a semi-structured interview script, which can be found within our Online Appendix. We digitally recorded all interviews except for five participants who preferred we did not record the interview. Next, we obtained professional transcriptions of all digitally recorded interviews.

With respect to our data analysis, we employed qualitative data analysis software (NVivo). Both authors and a research assistant coded the first five interviews independently. Once we felt comfortable with our coding scheme, the interviews were coded by the RA and one of the authors. Both authors have access to all digital recordings, all transcriptions, and our qualitative data analysis files.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors
All data was obtained directly by the authors, and not from an organization on a proprietary basis.
Before conducting any interviews, we obtained ethics approval from each of our Universities’ Institutional Review Boards (IRB / Office for the Protection of Research Subjects). We have appended a copy of this approval (and the related Consent Form provided to participants), which is customary for interview-based studies and is in lieu of any non-disclosure agreements or other restrictions.
We relied on the assistance of several individuals for help with securing qualified/willing interview participants. Such individuals provided introductions to interview participants from their personal and professional networks.

4. **A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper.**

The following steps were necessary to collect and process the data used in the paper:

   b. Recruit interview participants.
   c. Obtain informed consent from each participant.
   d. Conduct interview by phone and obtain audio recording (except when a participant preferred to not be recorded, in which case detailed handwritten notes were taken).
   e. Obtain professional transcription of the interview.
   f. Verify and correct transcription based on original audio recording (usually performed by a research assistant).

Please refer to the Online Appendix, which includes a sample interview script and additional evidence for the main findings in the paper.

5. **The computer programs or code used to convert the raw data into the final dataset used in the analysis plus a brief description that enables other researchers to use this program.**

Not applicable, since this is a qualitative study. NVivo, a qualitative data analysis software package, was used to facilitate data analysis, but no program or code was used for the analysis.

6. **An assurance that the data and programs will be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.**

The de-identified data will be retained for a period of six years by the corresponding author.
July 11, 2017

Christie Hayne
Accountancy

RE: Understanding Executive Compensation: A Field Study
IRB Protocol Number: 17811

Dear Dr. Hayne:

This letter authorizes the use of human subjects in your project entitled Understanding Executive Compensation: A Field Study. The University of Illinois at Urbana-Champaign Institutional Review Board (IRB) approved, by expedited review, the protocol as described in your IRB application. The expiration date for this protocol, IRB number 17811, is 07/09/2020. The risk designation applied to your project is no more than minimal risk.

Copies of the attached date-stamped consent form(s) must be used in obtaining informed consent. If there is a need to revise or alter the consent form(s), please submit the revised form(s) for IRB review, approval, and date-stamping prior to use.

Under applicable regulations, no changes to procedures involving human subjects may be made without prior IRB review and approval. The regulations also require that you promptly notify the IRB of any problems involving human subjects, including unanticipated side effects, adverse reactions, and any injuries or complications that arise during the project.

You were granted a three-year approval. If there are any changes to the protocol that result in your study becoming ineligible for the extended approval period, the IRB is responsible for immediately notifying the IRB via an amendment. The protocol will be issued a modified expiration date accordingly.

If you have any questions about the IRB process, or if you need assistance at any time, please feel free to contact me at the OPRS office, or visit our website at https://www.oprs.research.illinois.edu.

Sincerely,

[Signature]

Rebecca Miller, MSW
Human Subjects Research Specialist, Office for the Protection of Research Subjects

Attachment(s): 1 Research Team Application, 1 Waiver of Documentation, 1 Consent Form, 1 Collaborating Investigator Agreement

c: Marshall Vance
SOCIAL BEHAVIORAL RESEARCH CONSENT FORM

Research Information and Consent for Participation in Social Behavioral Research

Understanding Executive Compensation: A Field Study

You are being asked to participate in a research study. Researchers are required to provide a consent form such as this one to tell you about the research, to explain that taking part is voluntary, to describe the risks and benefits of participation, and to help you to make an informed decision. You should feel free to ask the researchers any questions you may have.

Investigators:
Christie Hayne   Marshall Vance
Department of Accountancy
Marshall School of Business
University of Illinois at Urbana-Champaign
University of Southern California
hayne@illinois.edu
mvance@marshall.usc.edu
1-540-315-5636   1-213-740-2768

Why am I being asked?

You are being asked to be a subject in a research study about executive compensation design and the role of proxy advisor firms. You have been asked to participate in the research because we believe that you will provide important anecdotes and key insights due to your executive compensation experience.

Your participation in this research is voluntary. Your decision whether or not to participate will not affect your current or future dealings with the University of Illinois at Urbana-Champaign. If you decide to participate, you are free to withdraw at any time without affecting that relationship.

Approximately 40 subjects may be involved in this research.

What is the purpose of this research?

The purpose of this research is to investigate executive compensation. We are interested in exploring topics such as the role of key stakeholders in the process of compensation design, the dynamics between these stakeholders, and, in particular, the role of proxy advisory firms in these processes.
Our general findings may be published in professional journals or presented at scientific conferences, but any such presentations will not breach individual confidentiality.
What procedures are involved?

We are interested in learning your experience with and perceptions of the stakeholders involved in your organization’s executive compensation design and, in particular, the role of proxy advisory firms. Should you agree to participate, an interview will be approximately 30-60 minutes in length and we will ask questions such as:

- How would you describe the typical roles of key stakeholders involved in the process of designing executive compensation?
- How would you describe the role of proxy advisory firms?
- Reflecting on your organization’s executive compensation design process, how much of this process do proxy advisory firms impact?

The interview will be scheduled at a date, time, and location of your choice. Should you consent, the interview will be digitally recorded for the purpose of data analysis.

Although it would be greatly appreciated if you would answer all material as frankly as possible, you should not feel obliged to answer any material that you find objectionable or that makes you feel uncomfortable.

After completing an interview, we may ask for the opportunity to conduct a follow up interview with someone else in your firm. Also, we may contact you by email with clarification or follow-up questions.

What are the potential risks and discomforts?

The research is designed to ensure that the risk to participants is minimal. To minimize the possibility for and effects of any risk, we will keep your responses confidential.

Are there benefits to taking part in the research?

Taking part in this research study may not benefit you personally, but we [researchers] may learn new things with respect to executive compensation design and the role of proxy advisors in this process.

We will be happy to provide you and your firm with an advanced copy of our study and its implications for practice.
**Will my study-related information be kept confidential?**

We will use all reasonable efforts to keep your personal information confidential, but we cannot guarantee absolute confidentiality. When this research is discussed or published, no one will know that you were in the study. But, when required by law or university policy, identifying information (including your signed consent form) may be seen or copied by:

- The Institutional Review Board that approves research studies;
- The Office for Protection of Research Subjects and other university departments that oversee human subjects research; and
- University and state auditors responsible for oversight of research.

**What are the costs for participating in this research?**

There are no costs to you for participating in this research.

**Will I be paid for my participation in this research?**

You will not be offered payment for being in this study.

**Can I withdraw from the study?**

If you decide to participate, you are free to withdraw your consent and discontinue participation at any time. Further, you are free not to answer any questions that you choose or respond to what is being asked of you without penalty.

**Who should I contact if I have questions?**

Contact Christie Hayne (540-315-5636 or hayne@illinois.edu) or Marshall Vance (213-740-2768 or mvance@marshall.usc.edu) if you have any questions about this study or your part in it; or if you have questions, concerns or complaints about the research.

**What are my rights as a research subject?**

If you feel you have not been treated according to the descriptions in this form, or if you have any questions about your rights as a research subject, including questions, concerns, complaints, or to offer input, you may call the Office for the Protection of Research Subjects (OPRS) at 217-333-2670 or e-mail OPRS at irb@illinois.edu
Participant’s Consent:

Your participation in this research is voluntary. Your decision whether or not to participate will not affect your current or future relations with the University. If you decide to participate, you are free to withdraw at any time without affecting that relationship.

I have read (or someone has read to me) the above information. I have been given an opportunity to ask questions and my questions have been answered to my satisfaction. I agree to participate in this research. I will be given a copy of this signed and dated form.

_________________________  ____________
Signature                  Date

_________________________
Printed Name

_________________________  ____________
Signature of Person Obtaining Consent Date (must be same as subject’s)

_________________________
Printed Name of Person Obtaining Consent