

CLEANING CORPORATE GOVERNANCE

CODEBOOK CCG LABELED DATASET

This codebook is a companion to the labeled charters data set for Frankenreiter, Hwang, Nili & Talley, *Cleaning Corporate Governance*, 170 U. Pa. L. Rev. 1 (2021). All users must complete the questionnaire and are bound by the use restrictions available at <http://publiccompanycharters.com/>. We ask users to alert us to any deficiencies they detect so that we may remedy them for future researchers.

Note on blank fields: In some cases the field has been left blank. This usually means that either the data field was not available, is irrelevant (e.g., it pertains to a label that is “nested” within another and made irrelevant), or we were unable to determine the label accurately. In certain of the explanations below we provide additional guidance on this front.

CIK

Central Index Key assigned by the SEC to the company. The CIK numbers functioned as the main identifying variable in the project. Accordingly, should there be a mismatch between CIKs and company names, treat CIKs as authoritative.

Charter_ID

Unique identifier for the charter. Use this variable to link Labeled Dataset and Corpus.

Date_Coded

Effective date of the charter (or alternatively, the date of adoption if effective date was not available). This variable was manually coded and is not available for all charters in the dataset

Date_Filing

Filing date of the filing from which the charter was obtained. This variable was automatically coded from meta-information available on EDGAR.

CompanyName

Name of the company. This variable is provided for informational purposes only and should not be treated as authoritative (see the caveat noted above ***CIKs***).

State

State of incorporation. Two letters indicate states in the U.S. Three letters indicate jurisdiction outside the U.S. (we follow ISO Alpha-3).

FullRestate

Variable indicating whether a charter document contains the full text of the charter (“Y”), or whether it merely restated parts of the charter text (“N”). This variable was manually coded.

EntityType

Variable indicating the type of entity. Manually coded.

MultiComm

Variable indicating the existence of multiple classes of common stock (Y/N). Manually coded. Question in coding rubric: “Does the charter allow for multiple classes of common stock?”

MultiCommUnequal

Variable indicating the whether different classes of common stock have unequal voting rights (Y/N). Manually coded. Question in coding rubric: “If the answer to the last question is “Y”, do the classes of common stock have unequal votes per share?”

MultiPreferred

Variable indicating the potential existence of more than one class of preferred stock (Y/N). Manually coded. Question in coding rubric: “Does the charter allow for multiple classes (or series) of preferred stock?”

PreferredVote

Variable indicating the existence of preferred stock with voting rights (Y/N). Manually coded. Question in coding rubric: “Does the charter require one or more preferred classes (or series) of stock to have voting rights?”

PreferredVoteLimited

Variable indicating whether voting rights of preferred stock holders are limited to certain issues (Y/N). Manually coded. Question in coding rubric: “If the answer to the last question is “Y” are these voting rights limited to only some issues?”

BankCheck1

Variable indicating whether the board has discretion to determine the rights associated with preferred stock (Y/N). Manually coded. Question in coding rubric: “Does the charter give the board the discretion (without shareholder approval) to determine the rights associated with any preferred stock?”

BustBankSHVote

Variable indicating whether the creation of new preferred stock (beyond the maximum amount stipulated in the charter requires SH approval (Y/N). Manually coded. Question in coding rubric: “Does the charter require a shareholder vote to authorize the creation of new shares of preferred stock (beyond the max totals given in the charter)?”

BustBankBoD

Variable indicating whether the board has the power to create preferred stock beyond the maximum amount stipulated in the charter (Y/N). Manually coded. Question in coding rubric: “Does the charter allow the board to authorize the creation of brand new shares of preferred stock (beyond the max totals given in the charter)?”

ReallocateComPref

Variable indicating whether the board has the power to reallocate the totals of commons and preferred stock stipulated in the charter (Y/N). Manually coded. Question in coding rubric: “Does the charter allow the board to reallocate the totals of common versus preferred stock?”

UnequalVote

Variable indicating whether the charter allows for unequal voting rights within one or more classes of common stock (Y/N). Manually coded. Question in coding rubric: “Does the charter permit unequal voting rights within a class of common stock (e.g., large or long-term holder get more votes / share)?”

WCTerm

Variable indicating whether the charter contains a provision dealing with Written Consent (Y/N). Manually coded. Question in coding rubric: “Does the charter have explicit language that governs stockholders’ ability to act by written consent?”

WCCond

Variable indicating whether the charter limits shareholders’ ability to act by written consent (Y/N). Manually coded.

WCProhibit

Variable indicating whether the charter prohibits shareholders acting by written consent (Y/N). Manually coded.

SMTerm

Variable indicating whether the charter contains a provision dealing with special meetings (Y/N). Manually coded. Question in coding rubric: “Does the charter have explicit language that governs stockholders’ ability to call a special meeting?”

SMCond

Variable indicating whether the charter limits shareholders’ ability to act call a special meeting (Y/N). Manually coded.

SMProhibit

Variable indicating whether the charter prohibits shareholders calling a special meeting (Y/N). Manually coded.

StaggeredBd

Variable indicating whether the charter stipulates a staggered board (Y/N). Manually coded. Question in coding rubric: “Does the charter provide that the current board will be staggered into overlapping terms, or classified for different classes of shareholders?”

StaggeredBdPhaseOut

Variable indicating whether (and when) a staggered board was phased out (YYYY). Manually coded. Question in coding rubric: “If the staggered board is phased out, please enter the year in which the staggered board becomes unstaggered?”

CumulativeVoting

Variable indicating whether a charter contained a provision allowing or disallowing the use of cumulative voting (N/Allow/Prohibit). N indicates that no such provision is present. Manually coded. Question in coding rubric: “Does the charter explicitly allow/prohibit the use of cumulative voting rights?”

CharterSupMaj

Variable indicating whether a charter amendment required a supermajority of SH votes (N/Partly/Y). Manually coded. Question in coding rubric: “Does the charter have a provision that requires a “super-majority” vote to approve a merger, acquisition, sale, combination, or business restructuring?”

MergerSupMaj

Variable indicating whether a merger or a similar transaction required a supermajority of SH votes (N/Partly/Y). Manually coded. Question in coding rubric: “Does the charter have a provision that requires a “super-majority” vote to approve a merger, acquisition, sale, combination, or business restructuring?”

CorpOppDirector

Variable indicating whether the charter permits directors to pursue corporate business opportunities (N/Y). Manually coded. Question in coding rubric: “Does the charter explicitly permit directors to pursue business opportunities themselves without offering them to the corporation?”

CorpOppOfficer

Variable indicating whether the charter permits officers to pursue corporate business opportunities (N/Y). Manually coded. Question in coding rubric: “Does the charter explicitly permit officers to pursue business opportunities themselves without offering them to the corporation?”

CorpOppSH

Variable indicating whether the charter permits shareholders to pursue corporate business opportunities (N/Y). Manually coded. Question in coding rubric: “Does the charter explicitly permit shareholders to pursue business opportunities themselves without offering them to the corporation?”

Directors102b7

Variable indicating whether the charter contains a 102(b)(7) waiver (N/Y). Manually coded. Question in coding rubric: “Does the charter exculpate directors from monetary liability for breach of fiduciary duty of care (a “102b7” waiver)?”

Officers102b7

Variable indicating whether the charter (attempts to) limit the liability of officers for breaches of the duty of care, analogous to a 102(b)(7) waiver for directors (N/Y). Manually coded. Question in coding rubric: “Does the charter exculpate officers from monetary liability for breach of fiduciary duty of care (a “102b7” waiver)?”

IndemnityDirector

Variable indicating whether the charter explicitly allows or requires indemnification for directors (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that specifically allows / requires indemnification of directors for liability?”

IndemnityOfficer

Variable indicating whether the charter explicitly allows or requires indemnification for officers (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that specifically allows / requires indemnification of officers for liability?”

AdvancementDirector

Variable indicating whether the charter explicitly allows or requires the advancement of fees in connection with the indemnification of directors (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that allows / requires advancement of fees of directors for liability?”

AdvancementOfficer

Variable indicating whether the charter explicitly allows or requires the advancement of fees in connection with the indemnification of officers (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that allows / requires advancement of fees of officers for liability?”

InsuranceDirector

Variable indicating whether the charter explicitly allows or requires the company to provide D&O insurance for directors (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that allows / requires the purchase of directors insurance against liability?”

InsuranceOfficer

Variable indicating whether the charter explicitly allows or requires the company to provide D&O insurance for officers (N/Allow/Require). Manually coded. Question in coding rubric: “Does the charter contain a provision that allows / requires the purchase of officers insurance against liability?”