

APPENDIX A – Description of Variables

Variable	Description	Source	References
<i>Panel A. Dependent variables</i>			
Turnover _{it}	Binary variable, which indicates 1 for the occurrence of CEO turnover for a given company <i>i</i> over period <i>t</i> ; and 0 otherwise. This independent variable was used to employ binary logistic regression.	CMV website (i) Reference Form (Item 12.6/8); (ii) Minutes of OGM/EGM and Board of Directors Meetings; and (iii) Material Facts. Parrino (1997)	Parrino (1997); Campbell et al. (2011); Hazarika et al. (2012); Matos & Colauto (2017); Chang et al. (2021)
Turnover_Type _{it}	Nominal variable, determined for each company <i>i</i> over period <i>t</i> , which assumes the following values for the following possibilities: 0 for no turnover; 1 for forced CEO turnover; and 2 for voluntary CEO turnover. This independent variable was used to employ multinomial logistic regression.		
<i>Panel B. Independent variables</i>			
<i>Independent Variable</i>			
PAS _{it}	Binary variable, which indicates whether an Administrative Sanctioning Proceeding (PAS) was initiated by the CVM against a given firm <i>i</i> – or any economic agent linked to its management in the performance of its activities – throughout year <i>t</i> .	CVM website: (i) Administrative Sanctioning Proceedings Judged; and (ii) Process Consultation	Dantas et al. (2011)
<i>Independent Control Variables</i>			
Size_BD _{it}	Numerical variable, obtained from the logarithm of the number of board members of company <i>i</i> throughout year <i>t</i> .	CVM site: (i) Reference Form (Item 13.2)	Pukthuanthong et al. (2018)
Remuneration_BD _{it}	Numerical variable, obtained from the logarithm of the total amount of remuneration attributed to board members of company <i>i</i> throughout year <i>t</i> .	CVM site: i) Reference Form (Item 13.2)	Chen et al. (2016)
Duality _{it}	Binary variable, which takes the value of 1 if the CEO also holds the position of chairperson of the board of directors for each company <i>i</i> throughout year <i>t</i> ; and 0 otherwise.	CVM site: (i) Reference Form (Item 12.6/8)	Chen <i>et al.</i> (2016); Dah & Frye (2017); Pukthuanthong et al. (2018)
Size _{it}	Numerical variable, obtained from the logarithm of the total assets of company <i>i</i> in year <i>t</i> .	Economatics	Brickley (2003); Chen et al. (2016); Dah & Frye (2017); Pukthuanthong et al. (2018)

APPENDIX B – Number of Administrative Sanctioning Processes (PAS) (2011 – 2021)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
A) PAS Initiated	78	84	116	95	89	113	138	105	102	83	111
Ordinary	50	77	114	95	89	113	134	100	96	77	99
Summary	28	7	2	0	0	0					
Simplified							4	5	6	6	12
B) PAS Completed	52	52	92	54	80	78	70	139	120	96	87
B.1) Completed by judgment*											
Ordinary	24	25	56	41	55	65	45	93	87	59	51
Simplified							6	16	11	4	5
B.2) Completed by Settlement Agreement *											
Ordinary	20	21	32	13	23	13	19	27	20	29	27
Simplified							0	0	0	0	1
B.3) Archived	8	6	4	0	2	0	0	3	2	4	3
C) Final Stock*	54	68	65	87	109	145	183	157	132	134	136
Ordinary	54	68	65	87	109	145	174	152	129	131	134
Simplified							9	5	3	3	2
D) Decisions											
D.1) Sanctions	75	123	181	111	130	175	124	307	310	175	111
Warnings	7	10	37	16	20	12	7	31	44	13	25
Fines	66	108	132	90	100	155	107	249	226	140	83
Suspension from holding office	0	0	1	0	1	0	1	5	1	3	0
Revocation of authorization or registration	2	5	11	5	9	8	9	9	18	14	1
Prohibition of acting in specific markets	0	0	0	0	0	0	0	13	21	5	2
D.2) Acquittals, Extinction of Punishment, and Other Decisions Without Sanction											
Acquittals	22	176	102	35	82	67	51	140	149	125	122
Extinction of Punishment and Other Decisions Without Sanction	22	176	102	35	82	67	51	140	138	110	114
	0	0	0	0	0	0	0	0	11	15	8

Note: The CVM does not disclose in its "Sanctioning Activity Reports" the evolution of the Administrative Sanctioning Processes that were conducted via summary procedure. Therefore, the lines marked by "*" only count the processes conducted by ordinary and simplified procedures.

Source: Elaborated by the authors based on information published in the "CVM Sanctioning Activity Report" available on its website (CVM, n.d.).