Online Appendix

I. CFO Board Membership, M&A Time to Closing, and Financial Advisory Fee

Our results indicate that firms can benefit from the financial expertise of CFOs in the boardroom, which is reflected in superior deal performance and stronger deal financing ability in the M&A process. Apart from financing costs, we also expect the financial expertise associated with CFO directors to be reflected in the merging firm's M&A time and monetary efficiencies. Supported by CFO directors, firms could possibly work through the process much faster given the enhanced financial expertise and firm-specialized knowledge in the boardroom. Moreover, investment banks are hired to identify suitable M&A targets and facilitate the transaction process (see McLaughlin (1990), (1992), Servaes and Zenner (1996), Golubov et al. (2012)). The investment banking service might be less necessary when CFO directors can utilize their financial expertise to identify targets with good strategy-fit and facilitate the financing arrangement of the deal.[1] In addition, CFO directors can utilize their financial expertise to assist in negotiating lower service fees for M&A transactions (see Huang et al. (2014)). Therefore, we implement the following test:

$$(4) \qquad \text{COST}_i = \beta_0 + \beta_1 \, \text{CFO\_ON\_BOARD}_i + \beta_2 \, F_i + \gamma_k + \mu_t + \varepsilon_{i,k,t}$$

where i indexes deals, k indexes industries, and t indexes time. We use TIME_TO_RESOLUTION and ACQUIRER_AND_TARGET_FA_FEES to measure the time to close and monetary costs (COST$_i$) associated with M&As. TIME_TO_RESOLUTION is the natural logarithm of one plus the number of days between the deal announcement and effective dates.

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[1] Brochet and Welch (2018) report that around 5% of CFOs have investment banking experience in their sample of US firms that announced at least one acquisition from 1990 to 2009.

ACQUIRER_AND_TARGET_FA_FEES is the natural logarithm of one plus the total investment banking fees paid by the acquirer and the target.

Columns 1 and 2 of Table A1 present the OLS regression results for the time used to close M&A transactions (TIME_TO_RESOLUTION). We first only control for the firm and deal characteristics in Column 1, and then additionally control for CFO- and CEO-level characteristics in Column 2. The coefficients on CFO_ON_BOARD are negative and statistically significant in both specifications. These findings suggest that acquirers whose CFOs serve on the board are able to complete an M&A deal faster than those without, all other things being equal. The OLS regression results on monetary costs (ACQUIRER_AND_TARGET_FA_FEES) are presented in Columns 3 and 4 of Table A1. Similarly, we first control for firm and deal characteristics in Column 3 and then additionally control for CFO- and CEO-level variables in Column 4. The regressions are performed for sample acquisitions where external financing is required and the target company is publicly traded. The coefficients on CFO_ON_BOARD are negative and statistically significant in both specifications.[2] This indicates that there is a significant reduction in investment banking fees for merging firms when the acquirers have their CFOs serving on their boards. The reduction of the monetary costs in the total fees paid by the acquirer and the target could be attributed to the fact that investment banking fees are charged on a task basis (see Golubov et al. (2012)), and extensive services are less needed for both the acquirer and the target sides due to the active involvement of the acquirer's CFO director.

Overall, our results show that when acquirer CFOs serve on the board, merging firms are able to reduce the time to closing and the financial advisory fees associated with their acquisitions, which provides further support for the positive role that the CFO plays in the boardroom.

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[2] The sample size is smaller for this test because the information about total investment banking fees is not always disclosed in SDC.

[Please Insert Table A1 About Here]

II. Robustness Tests: Controlling for Alternative Explanations

One of the notable issues concerning the conclusions we have drawn is the possibility that there are omitted factors not controlled for in our baseline tests in Section III of the main paper. In this section, we examine whether our results are robust after controlling for these additional factors.

A. Corporate Governance and Managerial Ability

Our results in Section III.A.4 show that firm's governance regime affects CFO's positive role in the boardroom. However, we have not controlled for its influence in our baseline tests. Failing to control for its influence may lead to biased estimations and inaccurate conclusions because the governance of a firm is closely related to the CFO's monitoring role over CEO's decisions as well as the firm's decision-making quality (see Core, Holthausen, and Larcker (1999), Masulis, Wang, and Xie (2007), and Bebchuk, Cohen, and Ferrell (2009)). To address this concern, we include CEO_PAYSLICE, BCF_INDEX, and CEO_DUALITY as additional controls in our baseline analysis in Columns 1–6 of Table A2 Panel A. CEO_DUALITY is an indicator variable that equals 1 if the acquirer's CEO is also the chairman of the board, and 0 otherwise.

Moreover, whether to allow the CFO to serve on the board can be correlated with the CEO's managerial ability (see Lorsch and Young (1990) and Jensen (1993)). If superior M&A deal performance is driven by CEOs with stronger ability who are also more likely to have their CFOs serving on the board, the documented results in Section III.A of the main paper can be biased. Therefore, we control for CEO managerial ability in Columns 7 and 8 in addition to the control variables in our baseline analysis. In particular, we use the manager's efficiency of utilizing firm resources to generate revenue (MANAGERIAL_ABILITY) to proxy for the managerial ability of

the acquirer CEO (see Demerjian, Lev, and McVay (2012)). As shown in Panel A of Table A2, we continue to find a positive effect of CFO board membership on acquirer announcement return and total synergy creation.[3]

B. Additional CEO and CFO Characteristics

Both the CEO and CFO play an important role in firm's acquisition decisions, and their attributes might be separately linked to acquisition performance and CFO board membership. In this section, we re-estimate the baseline regressions while controlling for a battery of additional CEO and CFO characteristics.

First, we control for the potential allegiance between the CEO and CFO. As pointed out by Coles, Daniel, and Naveen (2014), appointments to the board of directors are likely to be affected by firm CEOs, which threatens the monitoring role of those selected directors. The directors who are appointed after the CEO assumes office are likely to have allied interests with the CEO who has significant influence over their initial appointments. Accordingly, it is possible that the CFO is selected to serve on the board because the CEO needs the CFO to support their decisions, which threatens the CFO's monitoring role as a board member and ultimately distorts firm's acquisition decisions. To control for this concern, we additionally control for CEO_CFO_CO-OP, which is an indicator variable that equals 1 if the acquirer's CFO is appointed after its CEO assumed office, and 0 otherwise. As shown in Columns 1 and 2 of Panel B, our results remain qualitatively unchanged.

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[3] We find the coefficients on MANAGERIAL_ABILITY are either statistically insignificant or even turn negative, indicating the potential managerial hubris issue resulting from previous success (see Roll (1986) and Malmendier and Tate (2005)).

Second, we control for the effect of executive risk-taking incentives. Compared with that of their shareholders who normally hold diversified portfolios, executives' wealth is significantly affected by firm performance because their compensation and shareholding are significantly affected by firm performance. Consequently, executives may be discouraged from taking risks even if the project has a positive net present value, which gives rise to the underinvestment problem. Thus, options are granted to mitigate such problems by encouraging them to undertake risky but profitable projects (see Coles, Daniel and Naveen (2006)). To control for its impact, we additionally control for the risk-taking incentives of CEO and CFO in Columns 3–4 and Columns 5–6, respectively. CEO_(CFO_)INCENTIVE is the incentive ratio of the acquirer CEO (CFO) option holdings, which is computed as ONEPCT / (ONEPCT + SALARY + BONUS). The variable ONEPCT represents the dollar value change in acquirer CEO (CFO)'s option portfolio associated with a 1% change in the underlying stock price (see Core and Guay (2002) and Kim et al. (2011)). Our results remain qualitatively unchanged.

Third, we control the CFO's influence in the acquiring firm (see Ferris and Sainani (2021)). One alternative explanation of the positive relationship between CFO board membership and deal performance is that stronger CFO influence can drive a firm's decision to have its CFO on board and its M&A choices at the same time. Thus, it is possible that the CFO serving on board is simply a proxy for the stronger influence of the CFO in the acquiring firm which leads to improved deal performance. To mitigate such concerns, we additionally control the CFO's relative influence within the executive team of the acquirer firm. Specifically, we control for CFO_PAYSLICE, which is the ratio of the acquirer CFO's total compensation to the total compensation of the five highest-paid executives of the acquirer. As shown in Columns 7 and 8 of Panel B, our results remain unchanged.

C. Additional Deal Characteristics

Although we have controlled for numerous deal characteristics in our baseline regressions, some important deal characteristics might still be omitted, leading to biased estimation results. To address this concern, we additionally control for an array of deal characteristics including COMPLETION (see Jacobsen (2014)), COMPETITION (see James and Wier (1987) and Giliberto and Varaiya (1989)), HOSTILE_DEAL (see Baradwaj, Fraser, and Furtado (1990)), and TENDER_OFFER (see Dodd and Ruback (1977)) in the baseline model. COMPLETION is an indicator variable that equals 1 if the deal is successfully completed, and 0 otherwise. COMPETITION is an indicator variable that equals 1 if there are more than one bidder in the deal, and 0 otherwise. HOSTILE_DEAL is an indicator variable that equals 1 if the attitude of the deal is identified as hostile, and 0 otherwise. TENDER_OFFER is an indicator variable that equals 1 if the deal is a tender offer, and 0 otherwise. In Panel C, we show that our results remain robust after controlling for these deal-level factors.

[Please Insert Table A2 About Here]

III.   Robustness Tests: Controlling for Deal Size Effect

Our empirical tests so far rely on the sample of acquisitions where we require that the transaction value is at least $1 million and represents at least 1% of the bidder's market capitalization. However, it is possible that the results documented thus far are driven by minor acquisitions. In this section, we examine whether our results are robust to having a higher cutoff in the requirements of deal size.

We first plot the distribution of our sample acquisitions based on their transaction value and relative size in Figure A1. As shown in the figure, 35.60% of the sample transactions have a value

less than $100 million, and 60.98% of the sample transactions have a value less than 10% of the acquirer market value. In order to mitigate the concern that the results documented thus far are driven by minor acquisitions, we re-estimate our baseline tests by requiring that the transaction value be at least $100 million or account for at least 10% of the acquiring firm's market value. As shown in Table A3, our baseline results remain robust.

[Please Insert Table A3 About Here]

IV.   Robustness Tests: Alternative Event Windows and Estimation Models

Our estimation of acquirer announcement return (ACQUIRER_CAR) so far relies on the three-day event window (-1, +1) around the deal announcement based on the market model. In this section, we check the robustness of our baseline regression model on acquirer announcement returns using alternative event windows and estimation models.

First, we re-estimate our baseline regression model on ACQUIRER_CAR using alternative event windows (-2, +2) and (-3, +3). As shown in Panel A of Table A4, the estimated coefficients on CFO_ON_BOARD are all positive and statistically significant across different event windows. Second, we re-estimate ACQUIRER_CAR using the Fama-French three-factor model (see Fama and French (1993)) and the Carhart four-factor model (see Carhart (1997)) as the benchmark to eliminate the size and momentum effect from the estimated acquirer announcement return. As shown in Panel B of Table A4, CFO_ON_BOARD continues to exhibit positive and statistically significant effects on ACQUIRER_CAR when size and momentum effects are controlled in the estimation of acquirer announcement returns. Taken together, our results remain robust when estimating acquirer announcement returns using alternative event windows or estimation models.

[Please Insert Table A4 About Here]

Appendix B. Variable Definitions

Panel A. Dependent Variables

Variable	Definition	Source
TIME_TO_RESOLUTION	The natural logarithm of one plus the number of days between the deal announcement and effective dates.	SDC
ACQUIRER_AND_TARGET_FA_FEES	The natural logarithm of one plus the total investment banking fees paid by the acquirer and the target.	SDC
ACQUIRER_CAR	Acquirer cumulative abnormal return over the 3-day window (−1, +1) around the deal announcement based on the market model. The market model is estimated from acquirer daily returns over the estimation window (−300, −91), with at least 30-day non-missing observations. We use the CRSP value-weighted index as the benchmark.	CRSP
DEAL_SYNERGY	The combined cumulative abnormal returns of the acquirer and target over a three-day window (−1, +1) around the deal announcement. Market values are used as the weights, with adjustment made for the acquirer's toehold shareholding in the target before the deal announcement.	CRSP/SDC
ACQUIRER_REL_GAIN	The difference between the acquirer's and target's dollar gain over the three-day window (−1, +1) around the deal announcement, scaled by the sum of their market value.	CRSP/SDC

Panel B. Independent and Instrumental Variables

Variable	Definition	Source
CFO_ON_BOARD	Indicator variable that equals 1 if the acquirer's CFO serves on its own board.	RiskMetrics/ExecuComp/10-K/DEF 14A

Panel C. Deal Characteristics

Variable	Definition	Source
RELATED_INDUSTRY	Indicator variable that equals 1 if the acquirer and the target have the same first three-digit SIC code.	SDC
RELATIVE_SIZE	Deal value divided by the market value of the acquirer at the end of the fiscal year preceding deal announcement.	SDC/Compustat
STOCK_MAJOR	Indicator variable that equals 1 if the target is paid with over 50% stock.	SDC
PRIVATE_TARGET	Indicator variable that equals 1 if the target is private.	SDC
NEED_EXTERNAL_FINANCING	Indicator variable that equals 1 if the deal value exceeds the cash holdings of the acquirer at the end of the fiscal year preceding deal announcement.	SDC/Compustat
BORROWING_AMT	The total amount of the loan and bond credit facilities that secured by the acquirer during the transaction window, in billions of U.S. dollars.	DealScan/Global New Issue
COMPLETION	Indicator variable that equals 1 if the deal is successfully completed.	SDC
COMPETITION	Indicator variable that equals 1 if there are more than one bidder in the deal.	SDC
HOSTILE_DEAL	Indicator variable that equals 1 if the attitude of the deal is identified as hostile.	SDC
TENDER_OFFER	Indicator variable that equals 1 if the deal is a tender offer.	SDC/Compustat

Panel D. Firm and Executive Characteristics

Variable	Definition	Source
SIZE	The book value of acquirer's total assets at the end of the fiscal year preceding deal announcement, in 100 billion U.S. dollars.	Compustat
TOBIN'S_Q	The acquirer's Tobin's Q at the end of the fiscal year preceding deal announcement.	Compustat
LEVERAGE	The book value of acquirer's debt divided by its book value of total assets.	Compustat
CASH_HOLDING	The acquirer's cash holdings, including cash and short-term investments, divided by its book value of total assets.	Compustat
CASH_FLOW	The acquirer's cash flow divided by its market value of common shares. The acquirer's cash flow is equal to its income before extraordinary items plus depreciation and amortization, minus dividends paid for common and preferred stocks.	Compustat
BOARD_SIZE	The natural logarithm of the number of directors on the acquirer's board.	RiskMetrics
PPE	The acquirer's value of property, plant and equipment, divided by its book value of total assets.	Compustat
CAPEX	The acquirer's capital expenditures divided by its book value of total assets.	Compustat
CFO_GENDER	Indicator variable that equals 1 if the acquirer CFO is female.	ExecuComp
CEO_GENDER	Indicator variable that equals 1 if the acquirer CEO is female.	ExecuComp
CFO_ COMPENSATION	The total compensation of the acquirer CFO in millions of U.S. dollars, which equals the sum of their salary, bonus, and other annual compensation.	ExecuComp
CEO_ COMPENSATION	The total compensation of the acquirer CEO in millions of U.S. dollars, which equals the sum of their salary, bonus and other annual compensation.	ExecuComp
CEO_AGE	The natural logarithm of the acquirer CEO's age.	ExecuComp
CEO_PAYSLICE	The ratio of the acquirer CEO's total compensation to the total compensation of its five highest-paid executives.	ExecuComp
BCF_INDEX	The corporate governance index of the acquirer, constructed based on six provisions: classified boards, supermajority requirement to approve mergers, restrictions on shareholders' ability to amend bylaws and charter, poison pills, and golden parachutes (see Bebchuk et al. (2009)).	RiskMetrics
CEO_DUALITY	Indicator variable that equals 1 if the acquirer CEO is also the chairman of its board.	ExecuComp
MANAGERIAL_ ABILITY	The managerial ability of the acquirer, which is measured as the manager's efficiency in generating income from the available resources of the firm (see Demerjian et al. (2012)).	Peter Demerjian's Website
CEO_CFO_CO-OP	Indicator variable that equals 1 if acquirer CFO is appointed after its CEO assumed office.	ExecuComp
CEO_INCENTIVE	The incentive ratio of the acquirer CEO option holdings, which is computed as ONEPCT / (ONEPCT + SALARY	ExecuComp

	+ BONUS). The variable ONEPCT represents the dollar value change in the acquirer CEO's option portfolio associated with a 1% change in the underlying stock price (see Core and Guay (2002)).	
CFO_INCENTIVE	The incentive ratio of the acquirer CFO option holdings, which is computed as ONEPCT / (ONEPCT + SALARY + BONUS). The variable ONEPCT represents the dollar value change in the acquirer CFO's option portfolio associated with a 1% change in the underlying stock price (see Core and Guay (2002)).	ExecuComp
CFO_PAYSLICE	The ratio of acquirer CFO's total compensation to the total compensation of the acquirer's five highest-paid executives.	ExecuComp
TA_SIZE	The book value of target's total assets at the end of the fiscal year preceding deal announcement, in 100 billion U.S. dollars.	Compustat
TA_LEVERAGE	The book value of target's debt divided by its book value of total assets.	Compustat
TA_CAPEX	The target's capital expenditures divided by its book value of total assets.	Compustat
TA_CASH_FLOW	The target's cash flow divided by its market value of common shares. The target's cash flow is equal to its income before extraordinary items plus depreciation and amortization, minus dividends paid for common and preferred stocks.	Compustat
TA_PPE	The target's value of property, plant and equipment, divided by its book value of total assets.	Compustat

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Figure A1. Sample Distribution: Transaction Value and Relative Size

This figure illustrates the distribution of the sample M&A deals. The sample includes 4,118 M&A transactions announced by U.S. public companies between 1996 and 2018. The acquirers should have complete information from CRSP, Compustat, and RiskMetrics. Panel A presents the distribution of sample M&A deals by transaction value (TRANSACTION_VALUE) and Panel B by the relative size of the transaction value to acquirer market capitalization (RELATIVE_SIZE).

Panel A. Distribution of M&A Deals by Transaction Value

TRANSACTION_VALUE (in millions of $)
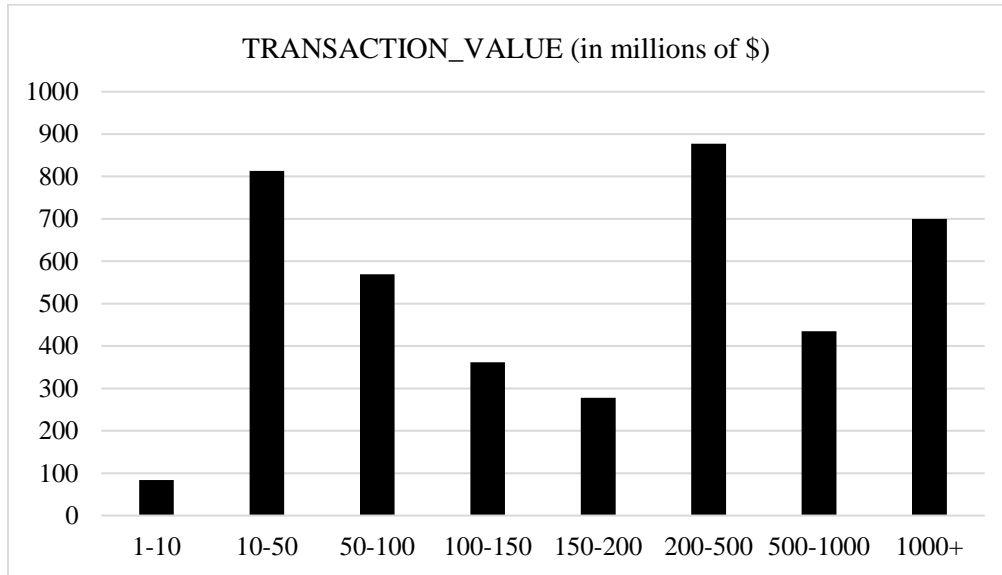
Panel B. Distribution of M&A Deals by Relative Size

RELATIVE_SIZE
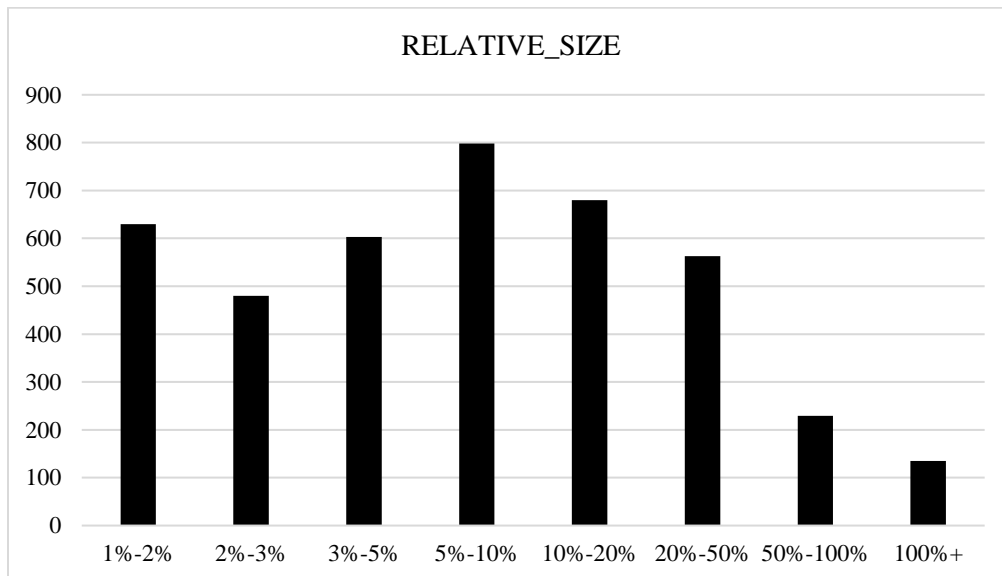
Table A1. CFO Board Membership, M&A Time to Closing, and Financial Advisory Fee

This table presents the impact of CFO board membership on M&A time to closing and financial advisory fee. TIME_TO_RESOLUTION is the natural logarithm of one plus the number of days between the deal announcement and effective dates. ACQUIRER_AND_TARGET_FA_FEES is the natural logarithm of one plus the total investment banking fees paid by the acquirer and the target. The independent variable of interest is CFO_ON_BOARD, which is an indicator variable that is equal to 1 if the acquirer's CFO serves on its own board, and 0 otherwise. The estimations, based on OLS regressions, utilize the full sample in Columns 1 – 2 and the sample acquisitions of public targets requiring external financing in Columns 3 – 4. P-values are reported in parentheses; *, **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively.

	TIME_TO_ RESOLUTION 1	TIME_TO_ RESOLUTION 2	ACQUIRER_AND_ TARGET_FA_FEE 3	ACQUIRER_AND_ TARGET_FA_FEE 4
CFO_ON_BOARD	-0.2755***	-0.2550**	-0.4454**	-0.3704*
	(0.003)	(0.012)	(0.014)	(0.069)
RELATED_INDUSTRY	0.1435***	0.1722***	-0.0114	0.1645
	(0.008)	(0.003)	(0.915)	(0.177)
RELATIVE_SIZE	1.3301***	1.4402***	0.8233***	0.8370***
	(0.000)	(0.000)	(0.000)	(0.000)
SIZE	0.6515***	0.5514***	0.9232***	0.8825***
	(0.000)	(0.000)	(0.000)	(0.000)
TOBIN'S_Q	0.0394***	0.0870***	0.0569*	0.0389
	(0.007)	(0.000)	(0.093)	(0.309)
LEVERAGE	0.3590**	0.4111**	-0.0548	0.1103
	(0.024)	(0.019)	(0.866)	(0.756)
STOCK_MAJOR	0.5537***	0.5009***	0.3380***	0.2343*
	(0.000)	(0.000)	(0.003)	(0.066)
PRIVATE_TARGET	-1.0634***	-1.0103***		
	(0.000)	(0.000)		
CASH_HOLDING	0.6931***	0.6490***	0.4910	0.3200
	(0.001)	(0.003)	(0.319)	(0.555)
CASH_FLOW	-0.1342	-0.0032	-1.4006*	-1.8546**
	(0.595)	(0.991)	(0.078)	(0.040)
BOARD_SIZE	1.0890***	1.0857***	1.3916***	1.4537***
	(0.000)	(0.000)	(0.000)	(0.000)
PPE	0.4827**	0.7452***	0.2458	0.1728
	(0.040)	(0.005)	(0.589)	(0.742)
CAPEX	-0.5366	-1.4525*	-1.9767	-1.8125
	(0.395)	(0.059)	(0.205)	(0.311)
CFO_GENDER		0.0202		-0.1259
		(0.848)		(0.550)
CEO_GENDER		-0.0266		0.0866
		(0.891)		(0.837)
CFO_COMPENSATION		0.0267*		-0.0205
		(0.069)		(0.390)
CEO_COMPENSATION		0.0077		0.0089
		(0.110)		(0.278)
CEO_AGE		-0.0649		-0.1929
		(0.763)		(0.691)
Intercept	0.4421	0.4105	-2.2338*	-1.4370
	(0.641)	(0.754)	(0.070)	(0.523)
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Observations	3,875	3,358	522	421
Adj R-Squared	0.2895	0.2924	0.4549	0.4624

Table A2. Robustness Test: Controlling for Alternative Explanations

This table presents the impact of CFO board membership on M&A deal performance and value creation with additional variables for alternative explanations. The dependent variables are ACQUIRER_CAR and DEAL_SYNERGY, and the independent variable of interest is CFO_ON_BOARD. In addition to the variables included in the baseline regressions, we also control for corporate governance and managerial ability variables in Panel A, additional CEO and CFO characteristics in Panel B, and extra deal characteristics in Panel C. Detailed definitions of each variable can be found in Appendix B. The coefficients on the other control variables included in our baseline regressions are suppressed for brevity. The estimations are based on OLS regressions. All regressions control for year and Fama-French 48 industry fixed effects. P-values are reported in parentheses; *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A. Corporate Governance & Managerial Ability

	ACQUIRER_ CAR 1	DEAL_ SYNERGY 2	ACQUIRER_ CAR 3	DEAL_ SYNERGY 4	ACQUIRER_ CAR 5	DEAL_ SYNERGY 6	ACQUIRER_ CAR 7	DEAL_ SYNERGY 8
CFO_ON_BOARD	0.0083**	0.0191**	0.0081**	0.0170*	0.0084**	0.0187**	0.0081**	0.0199**
	(0.029)	(0.044)	(0.033)	(0.073)	(0.028)	(0.049)	(0.033)	(0.039)
CEO_PAYSLICE	-0.0029	0.0075						
	(0.177)	(0.161)						
BCF_INDEX			-0.0013	-0.0043*				
			(0.214)	(0.096)				
CEO_DUALITY					-0.0016	-0.0018		
					(0.472)	(0.741)		
MANAGERIAL_ ABILITY							-0.0176**	-0.0181
							(0.031)	(0.327)
Other Controls	YES	YES	YES	YES	YES	YES	YES	YES
Target & Fin Controls	NO	YES	NO	YES	NO	YES	NO	YES
Year & Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Observations	3,497	645	3,498	645	3,498	645	3,469	637
Adj R-Squared	0.0466	0.1935	0.0465	0.1946	0.0463	0.1908	0.0468	0.1915

Panel B. Additional CEO & CFO Characteristics

	ACQUIRER_CAR 1	DEAL_SYNERGY 2	ACQUIRER_CAR 3	DEAL_SYNERGY 4	ACQUIRER_CAR 5	DEAL_SYNERGY 6	ACQUIRER_CAR 7	DEAL_SYNERGY 8
CFO_ON_BOARD	0.0087**	0.0190**	0.0073*	0.0190**	0.0080**	0.0203**	0.0085**	0.0180*
	(0.022)	(0.046)	(0.058)	(0.048)	(0.039)	(0.037)	(0.029)	(0.067)
CEO_CFO_CO-OP	0.0043**	0.0034						
	(0.048)	(0.507)						
CEO_INCENTIVE			-0.0012	-0.0162				
			(0.820)	(0.208)				
CFO_INCENTIVE					0.0011	-0.0301		
					(0.918)	(0.213)		
CFO_PAYSLICE							-0.0001	0.0029
							(0.987)	(0.796)
Other Controls	YES	YES	YES	YES	YES	YES	YES	YES
Target & Fin Controls	NO	YES	NO	YES	NO	YES	NO	YES
Year & Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Observations	3,498	645	3,447	638	3,384	630	3,497	645
Adj R-Squared	0.0472	0.1913	0.0437	0.1935	0.0434	0.1924	0.0461	0.1907

Panel C. Additional Deal Characteristics

	ACQUIRER_CAR 1	DEAL_SYNERGY 2	ACQUIRER_CAR 3	DEAL_SYNERGY 4	ACQUIRER_CAR 5	DEAL_SYNERGY 6	ACQUIRER_CAR 7	DEAL_SYNERGY 8
CFO_ON_BOARD	0.0084**	0.0187**	0.0085**	0.0183*	0.0085**	0.0183*	0.0085**	0.0188**
	(0.027)	(0.049)	(0.026)	(0.054)	(0.027)	(0.053)	(0.026)	(0.048)
COMPLETION	0.0118**	0.0022						
	(0.028)	(0.772)						
COMPETITION			-0.0020	0.0058				
			(0.769)	(0.517)				
HOSTILE_DEAL					-0.0057	0.0235*		
					(0.611)	(0.071)		
TENDER_OFFER							-0.0077*	-0.0098
							(0.079)	(0.106)
Other Controls	YES	YES	YES	YES	YES	YES	YES	YES
Target & Fin Ctrl.	NO	YES	NO	YES	NO	YES	NO	YES
Year & Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Observations	3,498	645	3,498	645	3,498	645	3,498	645
Adj R-Squared	0.0475	0.1907	0.0461	0.1912	0.0462	0.1953	0.0470	0.1944

Table A3. Robustness Test: Controlling for Deal Size Effect

This table presents the impact of CFO board membership on M&A deal performance and value creation after setting a much higher cutoff for deal size requirements than the baseline sample. We require that the transaction value be at least $ 100 million or account for at least 10% of the acquiring firm's market value. ACQUIRER_CAR is the acquirer cumulative abnormal return over the three-day window (-1, +1) around the deal announcement. DEAL_SYNERGY is the weighted average of the acquirer's and target's cumulative abnormal returns over the three-day window (-1, +1) around deal announcement based on their market values. ACQUIRER_REL_GAIN is the difference between the acquirer's and target's dollar gains over the three-day window (-1, +1), scaled by the sum of their market values. The independent variable of interest is CFO_ON_BOARD, which is an indicator variable that is equal to 1 if the acquirer CFO serves on its own board, and 0 otherwise. The estimations are based on OLS regressions. All regressions control for year and Fama-French 48 industry fixed effects. P-values are reported in parentheses; *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	ACQUIRER_CAR	DEAL_SYNERGY	ACQUIRER_REL_GAIN
	1	2	3
CFO_ON_BOARD	0.0117**	0.0205**	0.0008
	(0.018)	(0.040)	(0.933)
Firm Controls	YES	YES	YES
CEO & CFO Controls	YES	YES	YES
Target & Financing Controls	NO	YES	YES
Year FE	YES	YES	YES
Industry FE	YES	YES	YES
Observations	2,421	604	604
Adj R-Squared	0.0617	0.2133	0.1499

Table A4. Robustness Test: Alternative Event Windows and Estimation Models

This table presents the impact of CFO board membership on M&A deal performance using alternative event windows and estimation models when estimating acquirer announcement returns. The dependent variable ACQUIRER_CAR is the acquirer's cumulative abnormal return over the event window around the deal announcement. The independent variable of interest is CFO_ON_BOARD, which is an indicator variable that is equal to 1 if the acquirer CFO serves on its own board, and 0 otherwise. The estimations are based on OLS regressions. In Panel A, ACQUIRER_CAR is estimated based on event windows (-2, +2) and (-3, +3) in Columns 1–2 and 3–4, respectively. In Panel B, ACQUIRER_CAR is estimated based on the Fama-French three-factor model in Columns 1–2 and the Carhart four-factor model in Columns 3–4. The coefficients on the other control variables included in our baseline regressions are suppressed for brevity. All regressions control for year and Fama-French 48 industry fixed effects. P-values are reported in parentheses; *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A. Alternative Event Windows

	(-2, +2)		(-3, +3)	
	1	2	3	4
CFO_ON_BOARD	0.0093**	0.0086**	0.0108**	0.0082*
	(0.022)	(0.044)	(0.017)	(0.082)
Firm & Deal Controls	YES	YES	YES	YES
CEO & CFO Controls	NO	YES	NO	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Observations	4,044	3,498	4,044	3,498
Adj R-Squared	0.0355	0.0382	0.0342	0.0384

Panel B. Alternative Estimation Models

	Fama-French Three-Factor Model		Carhart Four-Factor Model	
	1	2	3	4
CFO_ON_BOARD	0.0070*	0.0064*	0.0075**	0.0069*
	(0.052)	(0.095)	(0.041)	(0.074)
Firm & Deal Controls	YES	YES	YES	YES
CEO & CFO Controls	NO	YES	NO	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Observations	3,924	3,395	3,924	3,395
Adj R-Squared	0.0421	0.0437	0.0407	0.0438