Session 301 | Are we there yet? The current landscape of female representation in Silicon Valley.

Depending on where one looks, female representation in corporate Silicon Valley is improving... or not. In October 2018, California legislature took the matter partly into its own hands by becoming the first state in the nation to require publicly traded companies based in the state to have at least one women on their board by the end of 2019. Inequality in numbers in the C-suite can also be found in the Fortune 500 landscape, largely occupied by technology companies, where there are 24 women CEOs and 61 CFOs. In the venture capital world, startups with all female founders are closing more late stage deals, doubling the deal value since 2017, but this represented just over 2 percent of total VC investments received on an annual basis. How are legal practitioners in the Valley detecting progress in female representation in various stages and positions of technology companies? We will have a lively conversation with attorneys who are navigating within or advising from the outside some of the nation's top technology companies – Salle Yoo (former Chief Legal Officer of Uber), Jamie Chung (SVP and General Counsel, Walmart eCommerce US) and John Kuo (SVP and General Counsel, Varian Medical Systems) will be leading the discussions. What are the changes they are seeing first-hand, how does this influence the way attorneys advise their internal and external clients, advance their personal career, and at the same exert pressures to push for advancement in female representation?

Moderator:
Stephanie Choo, Covington & Burling LLP

Speakers:
Salle Yoo, Former Chief Legal Officer of Uber
Jamie Chung, SVP and General Counsel, Walmart eCommerce US
John Kuo, SVP and General Counsel, Varian Medical Systems
ARE WE THERE YET?
A conversation on the current landscape of female representation in corporate Silicon Valley.
Introduction

- Moderator: Stephanie Choo, Corporate Associate, Covington & Burling LLP
- Speakers:
  - Salle Yoo, Former Chief Legal Officer of Uber
  - Jamie Chung, SVP and General Counsel, Walmart eCommerce US
  - John Kuo, SVP and General Counsel, Varian Medical Systems
Agenda

1. Women in the Silicon Valley Boardroom: Then and Now
2. Women in C-Suite & Other Executive Level Positions
3. Women in Venture Capital
4. Q&A

Focusing on... but Looking Beyond:

- Silicon Valley and the Technology/Life Sciences Sector
- Gender Diversity
- Female Representation in the Boardroom, VC, C-Suite
Women in the Boardroom

Percentage of Board Seats Held by Women Reaches All-Time High

Source: ISS Analytics

S&P 500: 14%, 16%, 16%, 17%, 18%, 19%, 20%, 21%, 24%, 27%
Russell 3000 (ex. S&P 500): 9%, 9%, 9%, 11%, 12%, 12%, 14%, 15%, 16%
California is the first state to pass a law in order to appoint more women to board of directors of publicly held companies.

Publicly held domestic or foreign corporations listed on a major US stock exchange with principal executive offices located in California to have at least one woman on their board by the end of 2019.

By no later than end of 2021: (i) at least one woman director if 4 or fewer board members, (ii) at least two women directors if 5 board members and (iii) at least three women directors if 6 or more board members.

Penalty: Companies that fail to comply would be fined $100,000 for initial violation and $300,000 for subsequent violations by the SoS. Failure to timely file board member information with the SoS is also subject to a fine of $100,000.
Silicon Valley vs. Rest of the World

### Highlighted bars reflect companies that would have too few women for their board size if a new law passes

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>HP</td>
<td>40%</td>
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<tr>
<td>Twitter</td>
<td>36%</td>
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<tr>
<td>Amazon**</td>
<td>33%</td>
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<tr>
<td>Microsoft**</td>
<td>29%</td>
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<tr>
<td>Apple</td>
<td>25%</td>
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<tr>
<td>Yelp</td>
<td>25%</td>
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<td>Salesforce</td>
<td>23%</td>
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<td>Facebook</td>
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<td>Snap</td>
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<td>Tesla</td>
<td>22%</td>
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<td>Intel</td>
<td>22%</td>
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<tr>
<td>Oracle</td>
<td>21%</td>
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<tr>
<td>Alphabet</td>
<td>18%</td>
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</tbody>
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**Not based in California so exempt from law

Source: Company websites

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### Women board directors in Fortune Global 200 Companies

<table>
<thead>
<tr>
<th>Country</th>
<th>2004</th>
<th>2018</th>
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<tbody>
<tr>
<td>France*</td>
<td></td>
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<tr>
<td>Italy*</td>
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<td>Germany*</td>
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<tr>
<td>Switzerland†</td>
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<td>U.S.</td>
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<tr>
<td>U.K.**</td>
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<tr>
<td>Netherlands†</td>
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<tr>
<td>Japan</td>
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<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Quota for women-held board seats
†Quota for women-held seats at state-owned firms
Non-binding quota for women-held board seats
**Commission-recommended target for women-held board seats

Source: Corporate Women Directors International
Counter-Arguments for State Quotas

Should the government tell the private sector who they should hire?

Unconstitutional to hire on the basis of gender under the California Constitution and the 14th Amendment Equal Protection Clause.

We can't require companies to be woke. They eventually suffer the consequences of failing.

Gender quota will become a ceiling, not a floor.

Violates Internal Affairs Doctrine.

Leaves out requirements around other aspects of diversity, such as race and sexual orientation.

Need to address root cause, which is thin ranks of female executives where board members are drawn from.

Gender quota will become a ceiling, not a floor.
Women in C-Suite and Executive Positions

Source: Gender Diversity in Silicon Valley (2018 Proxy Season), Fenwick & West
Do Women choose the Job or does the Job choose them?

Source: Gender Diversity in Silicon Valley (2018 Proxy Season), Fenwick & West
Women in VC

Total Value of VC Deals by Gender ($B)

Chart: Valentina Zarya • SOURCE: PitchBook

Total Number of VC Deals by Gender

Chart: Valentina Zarya • SOURCE: PitchBook

11% of US VCs are women

This includes partners, GPs and MDs with check-writing abilities at firms with fund size > $25M. Excludes life science & healthcare firms, as well as corporate VCs.

That's a grand total of only 214 female investing partners at US VC firms

Fund size > $25M