



Morningstar Index Product Committee

Morningstar Index Product Committee Charter

V.1 April 9, 2020

INTRODUCTION

The Morningstar Index Product Committee is responsible for governance of the creation and maintenance of all Morningstar branded Indexes, ensuring the highest standards are continuously met. The committee works with the Index Methodology Committee (IMeC), the Index Oversight Committee and additional Morningstar, Inc. committees, soliciting suggestions and feedback as needed. All groups are comprised of informed and qualified professionals who seek to challenge information provided to them and/or make recommendations based on information provided to them.

COMMITTEE RESPONSIBILITIES

The responsibilities of the Index Product Committee include:

- i. **New Index Design:** Review and approve methodologies for new Index families based on intended, expected or known usage of the Index and the materiality of existing or potential conflicts of interests.
- ii. **Methodology Changes:** Review and approve proposed major changes to index methodology. The Product Committee may request the index team to undertake a consultation with a user(s) on such changes as warranted.
- iii. **Methodology Reviews:** Provide input on any major methodology issues escalated by the Index Methodology Committee stemming from its annual or periodic index methodology reviews.
- iv. **Risk Management:** Take measures to remain informed about issues and risks to an index, as well as commissioning external reviews of an index or indexes (e.g., by the Morningstar Research Council) when deemed necessary.
- v. **Index Cessation:** Approve all major index cessations after assessing the circumstances, number of potentially impacted stakeholders, as well as the economic and financial impact of the cessation, as necessary.

- vi. **Market Classification:** Review and approve changes to Market Classification methodology, authorizing or requesting the index team to undertake a consultation with a user(s) on such changes.
- vii. **Contingency Planning:** Approve decisions made by the IMeC when contingency plans are triggered due to insufficient inputs, market stress or disruption, failure of critical infrastructure or other relevant factors.
- viii. **Research Alignment:** Ensure Morningstar branded index methodologies appropriately align with the principles of Morningstar Research.
- ix. **Values Alignment:** Oversee alignment of Morningstar Index Products with Morningstar's mission and values.

PARTICIPANTS

The committee is comprised of senior leaders who have significant backgrounds in research, index development and index methodology. The committee is comprised of senior leadership from Indexes, Research, Data, Operations and Client Solutions. A wide array of research backgrounds is represented to allow for diverse perspectives in evaluating all subjects in the committee's remit. Supplemental attendees may be invited to a meeting, when deemed necessary by the committee.

The current make-up of the committee is:

- Ron Bundy, Managing Director and Head of Morningstar Indexes, Chair
- Sanjay Arya, Head of Investable Products
- Laura Lutton, Head of Client Solutions, Asset Management
- Haywood Kelly, Head of Global Research
- Scott Burns, Head of Data Research and Index Products
- Elizabeth Collins, Head of Credit Operations
- Steve Croucher, Managing Director, Investment Management EMEA
- Libby Bernick, Head of Sustainability Research

At its discretion, the Morningstar Index Product Committee can appoint non-voting members with relevant index and research expertise from within the Index team.

Changes to voting members are proposed by the Morningstar Index Product Committee and ratified by the Morningstar Index Oversight Committee.

MEETINGS

The Index Product Committee has scheduled meetings each quarter and will meet ad-hoc as required. A quorum will be considered at four members, with decisions made by majority vote. If a quorum cannot be reached, the meeting will be rescheduled.

If it is not possible to convene an emergency meeting, voting may be conducted electronically for matters that must be decided before the next Index Product Committee meeting





Agenda items can be requested by Index Product Committee members, other Index Committees and other members of the Index team.

The secretary will distribute and archive minutes from each committee meeting (agenda, attendees, and vote details). The minutes will be shared with any relevant Morningstar, Inc. Committees as necessary.

Conflicts of Interest

Members of the committee must disclose any activities or engagements that could conflict with their position as a member of the Index Product Committee. The secretary will maintain and archive any potential conflicts of interest.

Appendix: Morningstar Indexes Oversight Committee Member Biographies

| Name | Brief Biography |
|---|--|
|  <p data-bbox="269 703 412 737">Sanjay Arya</p> | <p data-bbox="532 457 1409 703">Sanjay is a senior financial services executive with 25 years of experience and a track record of building and growing businesses for long-term financial success. He is passionate about designing investment solutions that are good not only for investors and business but for society as well. Sanjay established the Indexes business at Morningstar, and now holds the position of Head of Investable Products.</p> |
|  <p data-bbox="269 1039 412 1073">Ron Bundy</p> | <p data-bbox="532 793 1409 1052">Ron is a dynamic, intuitive, and results-driven senior executive with proven track record of innovating and executing business strategies that transform divisions and global markets, propel revenue growth, and support customer loyalty. He is dedicated to cultivating deep client relationships and advancing partnerships through solutions, growth opportunities, and value, a dedication he brings to his current role as Managing Director and Head of Indexes at Morningstar.</p> |
|  <p data-bbox="253 1379 428 1413">Libby Bernick</p> | <p data-bbox="532 1134 1430 1245">Libby Bernick joined Morningstar in September of 2019 as Head of Sustainability. In this role, she leads Morningstar’s global ESG strategy and the firm’s corporate sustainability program.</p> |
|  <p data-bbox="245 1711 436 1745">Haywood Kelly</p> | <p data-bbox="532 1465 1425 1759">Haywood, CFA, is head of research for Morningstar. He oversees the firm’s global fund, equity, and credit research and data operations. Haywood joined Morningstar in 1991 as an equity research analyst. He became director of equity analysis in 1998, served as head of equity and fund research from 2000 to 2008, and became head of equity and credit research in 2009. He has also served as editor of Morningstar® <i>StockInvestor</i> and interim president of Morningstar Credit Ratings, LLC. In 2013, he assumed responsibility for equity data and took on his current role in 2014.</p> |



Scott Burns

Scott joined Morningstar in 2004 as a senior equity analyst and served as an associate director of equity research. Since then, Scott has taken on many roles at Morningstar including serving as head of product solutions, leading global business strategy and solution development for asset management and advisor clients. Scott is currently head of data and research products for Morningstar, responsible for Morningstar's data delivery, research licensing and index businesses. He also oversees product strategy for Morningstar's Asset Management client segment.



Elizabeth Collins

Elizabeth Collins, CFA, is head of credit operations for DBRS Morningstar Credit Ratings. The credit operations group was created to support existing business teams while helping the organization pivot toward new opportunities nimbly and efficiently. She's also a leader of the team integrating Morningstar's and DBRS's credit ratings businesses after Morningstar acquired DBRS in July 2019, developing the scale and scope of the combined entity's work. Before being selected for this role, Collins was global head of equity research for Morningstar, focusing on in-depth, fundamental equity research based on sustainable competitive advantages and long-term valuation analysis.



Steve Croucher

Steve is responsible for managing key functional areas of the company's investment management business in the UK and Europe, Middle East, and Africa (EMEA) region. Steve works with global business leaders in the development and execution of strategy, managing areas that include product and account management, operations and trading, sales, distribution, and marketing. With more than 24 years of experience in the financial services industry, he most recently served as Chief Operations Officer at Rockfire Capital. Croucher has also held Chief Operations Officer roles at Border & Cie (UK) PLC, INSYNERGY Investment Management, and Skandia Investment Group.



Laura Pavlenko Lutton

Laura is Head of Client Solutions, Asset Management. Before assuming her current role, Lutton led the firm's manager research analyst teams in the United States and Canada. Lutton was instrumental in developing Morningstar's Target-Date Fund Series Ratings and Reports and the Morningstar Analyst Rating. She is also a founding member of Morningstar's Women's Initiative and co-chairs the group's professional development committee. Before joining Morningstar, Lutton was the Chicago bureau chief for American Banker.