



Morningstar Index Product Committee

Morningstar Index Product Committee Charter

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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.

This Charter may be amended or modified only with the majority approval of the full Index Product Committee.

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.

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.