



Corporate Governance Policy

1. Scope of this Policy

This Corporate Governance Policy applies to Morningstar Australasia Pty Ltd ("Morningstar Australasia"), and Morningstar Investment Management Australia Ltd ("Morningstar Investment Management") (together "Morningstar") and their directors, and officers, authorised representatives, and employees.

Morningstar is part of the Morningstar, Inc. group of companies. As such, this Policy is to be read together with Morningstar, Inc.'s various global policies and procedures, including but not limited to the [Morningstar, Inc. Code of Ethics](#). To the extent that there are discrepancies between Morningstar, Inc.'s global policies and procedures and this Policy, this Policy will take precedence in relation to Morningstar.

This Corporate Governance Policy is available on Morningstar's websites.

2. Executive Summary

This Corporate Governance Policy outlines Morningstar's commitment to establish and maintain corporate governance practices which reflect the requirements of the industry, the law and regulators, and meets the expectations of our clients, including those who subscribe to and use our information products and software and/or invest in Morningstar's Managed Portfolios and Managed Funds. It sets out:

- ▶ Information about who Morningstar is
- ▶ An overview of the corporate governance framework including the code of ethics, risk and compliance frameworks and complaint handling and whistleblower protection procedures
- ▶ Roles and responsibilities of the boards, committees and management
- ▶ How directors are remunerated, how conflicts of interest are managed by directors and director training

3. About Morningstar

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. Morningstar, Inc. is a publicly listed company (NASDAQ:MORN). The company offers an extensive line of products and services for individual investors, financial advisors, asset managers, retirement plan providers and sponsors, and institutional investors in the debt and private capital markets. Morningstar provides data and research insights on a wide range of investment offerings, including managed investment products, publicly listed companies, private capital markets, debt securities, and real-time global market data. Morningstar, Inc. also offers investment management services through its investment advisory subsidiaries. The company has operations in 29 countries.

Morningstar Australasia, based in Sydney, is a subsidiary of Morningstar, Inc. and has been serving the Australian and New Zealand markets since 1999. Morningstar Australasia operates on the belief that quality financial advice creates better outcomes for investors. We have operations spread across equity

research, managed fund, ETF, and LIC research, data, software development, product and solutions, client service, sales, marketing, and corporate services. While other companies may offer research, ratings, software, or data services, we are unique in delivering all of these specifically with the goal of helping investors achieve better outcomes. As a provider of independent research, Morningstar Australasia is able to provide truly objective information. We are always innovating, adding new data, analytics, metrics, and research methodologies that illuminate investing. The unique point of view represented in our research, paired with the way we use information design and technology to communicate complex financial information, sets us apart from other businesses in our space.

Morningstar Investment Management is a global leader in asset allocation, investment research and portfolio construction. Guided by seven investment principles: we put investors first; we're independent-minded; we invest for the long term; we're valuation-driven investors; we take a fundamental approach; we strive to minimise costs; and we build portfolios holistically. Our investment team applies a disciplined investment process that integrates proprietary research and leading investment techniques to build managed portfolios for financial advisors that cater to a broad range of investment objectives.

4. Roles and Responsibilities

The Board of Directors of Morningstar Investment Management and Morningstar Australasia are accountable for the Corporate Governance Policy. In performing their responsibilities, the Boards of Morningstar Investment Management and Morningstar Australasia are supported by various committees and roles, which each have their own accountabilities. These are set out in **Appendix 1 Roles and Responsibilities**.

Morningstar, Inc.'s General Counsel, with assistance from the local board chairperson(s) is responsible for determining appropriate Board composition and appointments. The General Counsel ensures the Boards comprise of competent executives who, as a group, have the necessary breadth of experience and diversity of skills to ensure that the boards can discharge its duties.

5. Corporate Governance Framework

Morningstar's corporate governance framework, including this Corporate Governance Policy assists the Board of Directors for Morningstar Investment Management and Morningstar Australasia in supervising the management of the business and affairs of each company.

In addition to this Corporate Governance Policy, Morningstar's corporate governance framework includes the following elements:

Board and Committee Charters

- ▶ Charters and constitutions set out the procedural and operational framework for the establishment and operation of Committees and Boards.

Code of Ethics

- ▶ All employees are expected to incorporate ethics into their daily work. All employees are required to adhere to the [Morningstar, Inc. Code of Ethics](#) and attest they have complied with it annually.
- ▶ Any employee who suspects that the Code of Ethics has been or may have been violated are required to immediately notify the Global Chief Compliance Officer and the regional Chief Compliance Officer. When in doubt about the appropriateness of any conduct, employees are encouraged to discuss with their manager, the regional Chief Compliance Officer or the legal department. to seek guidance before taking any action.
- ▶ If employees are not comfortable speaking to someone directly, we have established a confidential Ethics hotline which can be used to express concerns anonymously.

Compliance Program

- ▶ Morningstar has implemented a Compliance program that applies to all employees. The Compliance program incorporates several policies and a compliance handbook and is an important resource for employees. The goal and objective of the Compliance program is to ensure that Morningstar complies with its obligations arising from laws and regulations, internal policies and procedures, and contractual arrangements.
- ▶ The Compliance team is responsible for administering, maintaining and improving the Compliance program as well as providing guidance to the business teams on compliance matters. Key compliance obligations identified by Compliance are allocated to individual managers and monitored on a quarterly basis. The Compliance team reports to the respective Boards and the Morningstar Investment Management Compliance Committee on a quarterly basis.
- ▶ Key compliance obligations also include:
 - Personal trading requirements - such as a prohibition on trading securities that appear on a restricted list or during blackout periods, no front running or scalping, not to derive any advantage personally from information that is not generally available and obtained during the course of employment, to obtain pre-approval for participation in an initial public offering and to ensure personal trading does not contravene any legal requirements including laws concerning insider trading, price manipulation, false trading, market rigging and short selling. Relevant employees are required to provide holdings reports, transactions reports, and quarterly policy declarations to Compliance.
 - Conflicts of Interest considerations - ensuring conflicts of interest are addressed, evaluated and appropriately managed in accordance with our Conflicts of Interest Policy. Among other things, our compliance framework includes steps to prevent personal profit, direct or indirect, from knowledge about pending or currently considered securities transactions or unpublished investment research. Employees are also prohibited from accepting or offering any gift, entertainment, meal, or favour that would influence or potentially influence their conduct, or that could reasonably be viewed by an outside observer as affecting their judgment or actions in the performance of their duties on behalf of Morningstar. We

maintain registers that record all conflicts identified and reported to the Compliance team, as well as gifts and entertainment received and given by Morningstar.

- Risk and compliance incident management - Our Compliance program documents the framework and governance steps to be followed by employees when identifying and reporting errors, breaches and operational incidents. Once an incident is recorded, appropriate action is taken to rectify the incident and appropriate measures are implemented to prevent recurrence. There are no minimum thresholds or maximum limits embedded within our procedures and each incident is recorded by Compliance irrespective of impact caused.

Risk Management Framework

- ▶ The Risk Management Framework comprises a Risk Management Policy, a Risk Appetite Statement and the Risk Assessment process which includes risk profiling and assessments, monitoring and reporting. Our risk appetite guides our decision making and assists with prioritisation of risk mitigation strategies (including allocation of resources) for those risks beyond our Risk Appetite. Key risks identified by the Risk Management Committee are included in the business' risk register, are monitored by the risk owners in the business and the Director of Risk, APAC.

Remuneration policy

- ▶ We attract and retain employees through a market competitive remuneration structure and career development programs. The remuneration structure typically includes a fixed salary component based on skills and experience and variable components linked to key performance criteria and/or company performance. Restricted stock in Morningstar, Inc. may be awarded to high performing employees to encourage long-term thinking and to align with the interests of clients and shareholders.

Training and development

- ▶ Morningstar values the ongoing professional development of employees and encourages continuing education of employees in their chosen career paths. We also have compulsory risk and compliance training requirements in areas critical to Morningstar's business.
- ▶ We encourage employees to be responsible for managing their career and provide the support and tools to assist in this process. We offer a range of digital and in-person opportunities, events, and an annual stipend that supports employees in furthering their professional development both inside and outside of Morningstar. We cover the Certified Financial Analyst (CFA) exam and registration fees, have a Morningstar Scholar's program for employees wishing to pursue a job-related degree, and host a program dedicated to advancing leaders.
- ▶ Training is key to ensuring employees remain aware of the regulatory requirements and Morningstar's expectations of them. Compliance training is provided in a number of forms, including face to face presentations and workshops, dissemination of written material, intranet communication and online training.

Complaints and dispute resolution

- ▶ Morningstar aims to provide quality ongoing service and has established and documented procedures for dealing with service issues and complaints.
- ▶ If a client has a complaint, they are encouraged to contact or to advise the customer support teams within the business in the first instance. All complaints are registered in the Complaints register. All complaints received will be acknowledged within 1 business day of receipt or as soon as practicable. The business teams, with guidance from Compliance as necessary, will work with the client to arrive at a satisfactory resolution. Every effort is made to resolve the complaint within 20 days of receipt. In any event, we will finalise our response no later than 30 days after receipt.
- ▶ If a client is still not satisfied, they may refer the matter to the Australian Financial Complaints Authority (AFCA) which is an independent dispute resolution body whose services are free to complainants. Morningstar Investment Management and Morningstar Australasia are each members of AFCA. For New Zealand clients, they may refer the matter to Financial Services Complaints Limited (FSCL), which is an independent dispute resolution body in New Zealand. Morningstar Australasia and Morningstar Research Limited are each a member of FSCL.

Morningstar Investment Management has also implemented a Stewardship Policy which outlines its approach to effective asset stewardship on behalf of investors which can be found at morningstarinvestments.com.au

6. Board remuneration

Executive Directors do not receive additional remuneration for their executive director roles and are remunerated in accordance with their employment agreements.

7. Board Committees

The company constitutions enable the Board to delegate certain functions to relevant committees and management. The roles and responsibilities delegated to the Board Committees are captured in the charters of each of the five established committees namely:

- ▶ Morningstar Risk Management Committee
- ▶ Morningstar Investment Management Compliance Committee
- ▶ Morningstar Investment Management Due Diligence Committee
- ▶ Morningstar Investment Management Asia Pacific Investment Policy Committee
- ▶ Morningstar Product Governance Committee

A summary of each committee's responsibilities is set out in **Appendix 1 Roles and Responsibilities**.

8. Managing Conflicts of Interest – Directors and Officers

Directors must ensure that they comply with their legal obligations to disclose any material personal interest that they have in a matter that relates to the affairs of the company. As there is no legal definition of what constitutes a material personal interest, Morningstar considers that a matter may be material where the personal interests of a director or officer could interfere with, or could reasonably be perceived to interfere with, the exercise of a director or officer’s unfettered and independent judgement. The law requires that Directors do not allow a conflict of interest to compromise their position as a director of the company. Morningstar has in place procedures that requires directors and officers to disclose a material personal interest in a matter that relates to the affairs of Morningstar as soon as practicable after the director or officer become aware of their interest in the matter.

9. Director Training

Upon appointment directors are provided with information about their duties and obligations as a director.

On an ongoing basis, directors are expected to participate in continued professional development to maintain their professional skills and qualifications, and as required to meet any regulatory requirements. From time to time, Morningstar may provide dedicated training to directors and officers on an as needed basis.

10. Non-compliance

If you become aware of any non-compliance or potential non-compliance with this policy, please report it immediately to the Compliance department.

If you are not comfortable speaking to someone directly, Morningstar has established a confidential hotline called the Morningstar Ethics Hotline which you can use to express your concerns. The Morningstar Ethics Hotline is available 24 hours a day, seven days a week at <https://www.integrity-helpline.com/morn.jsp> or on the following telephone numbers if calling:

Australia	1800 141 924
New Zealand	0800 450 464

Breaches of this policy may lead to disciplinary action up to and including termination of employment.

11. Further information and advice

If you have any questions about this Policy, please contact a member of the Compliance department. For more information about the regulatory requirements applicable to this Policy please refer to:

- ▶ [ASIC Company Officeholder duties information page](#)
- ▶ [Corporations Act Sections 181-184](#)

12. Policy Review

This Policy will be reviewed every two years or as needed.

Any change in this Policy will be subject to approval by the Boards of Morningstar Investment Management and Morningstar Australia.

Version Number	Modified By	Modifications Made	Date Modified	Status
1.0	Fiona White	Initial Policy	December 2018	Approved
1.1	Fiona White	Annual Review <ul style="list-style-type: none">• Addition of NZ complaint requirements• Inclusion of risk culture as a board responsibility• Additional statement on proxy voting process for internally managed funds.	June 2020	Approved
1.2	Fiona White	Annual Review <ul style="list-style-type: none">• About Morningstar information• Removal of FSC standards• Update of complaint handling requirements	September 2021	Approved
1.3	Fiona White	Review <ul style="list-style-type: none">• Removal of Appendix 2 – MIM Asset Stewardship Principles. Separate policy has been established that outlines how MIM provide effective asset stewardship for its investors.• Update of Board responsibilities in line with Board charter.• Addition of the MIM Product Governance Committee.	December 2022	Approved

Appendix 1

Roles and Responsibilities

Role	Ongoing Accountability / Responsibility
Boards	<ul style="list-style-type: none">▶ Monitoring and guiding the culture, reputation and standards of conduct of Morningstar;▶ Providing direction to Senior Management by monitoring and reviewing Morningstar's financial and non-financial risks and setting the risk appetite statement;▶ Overseeing the risk management, conflict management and compliance management programs▶ Monitoring to ensure appropriately skilled resources are allocated to compliance and risk; management to provide assurances to the board and senior management that the compliance and risk management program is being implemented across the business;▶ Approving and monitoring the effectiveness of Morningstar's system of corporate governance, including the formation of Board committees and the terms of applicable charters;▶ Approving Morningstar Policies, monitoring their effectiveness and addressing any material breaches;
Board Chairperson	<ul style="list-style-type: none">▶ Providing appropriate leadership to the board▶ Assisting Morningstar, Inc's General Counsel with ensuring board membership is robust, balanced and appropriate to Morningstar's needs▶ Directing board discussion to ensure critical issues facing the business are addressed.▶ Monitoring the board's performance.▶ Approving the minutes and ensuring they are an accurate reflection of the board meeting.
Company Secretary	<ul style="list-style-type: none">▶ Establishing the agenda for each board meeting with input from the chairperson.▶ Recording the minutes and ensuring they are signed and maintained in accordance with Corporations Act.▶ Director appointment and resignation process including completing relevant fit and proper checks on all new director appointments including ASIC disqualified persons check and relevant police checks.▶ Maintaining the Directors and Officers conflict of interest register.

Role	Ongoing Accountability / Responsibility
Morningstar Risk Management Committee	<ul style="list-style-type: none"> ▶ Overseeing the implementation and operation of Morningstar’s Risk Management Program. ▶ Monitoring, reviewing and updating as necessary, Morningstar’s Risk Profile Report. ▶ Reviewing and endorsing changes to the Risk Management Program prior to Board approval. ▶ Receiving and reviewing risk monitoring reports. ▶ Reporting and escalation of any significant risk issues to the Board. ▶ Promoting a risk management culture within Morningstar.
Morningstar Investment Management Compliance Committee	<ul style="list-style-type: none"> ▶ Monitoring to what extent Morningstar complies with the Schemes’ Compliance Plans and to report on its findings to Morningstar. ▶ Report to the Board any actual or suspected breach of the Corporations Act involving the Schemes or any breach of the provisions which are prescribed by the Corporations Act to be included in the Schemes’ Constitution after it becomes aware of the relevant breach or suspected breach. ▶ Report to ASIC if the Committee is of the view that Morningstar has not taken or does not propose to take appropriate action to deal with a matter reported under the point noted above. ▶ Assess at regular intervals (determined by the Committee) whether the Schemes’ Compliance Plans are adequate, to report to Morningstar on the assessment and make recommendations to Morningstar about any changes that it considers should be made to the Compliance Plans. ▶ Do such other things as the Corporations Act requires.
Morningstar Investment Management Due Diligence Committee	<ul style="list-style-type: none"> ▶ Ensuring regulated Documents do not contain any statements which are misleading or deceptive. ▶ Ensuring there are no material omissions from the Regulated Documents. ▶ Ensuring no misleading or deceptive conduct is involved in the preparation of Regulated Documents and that all statements are appropriately qualified so as not to mislead. ▶ Ensuring regulated Documents satisfy all content requirements of the Law and include any other information which may be material to an investor’s decision to acquire a product. This requirement is circumscribed by: <ul style="list-style-type: none"> ○ the knowledge of the issuer and other involved parties including named advisors and directors; ○ the fact that information which could be expected to be generally known is not required to be disclosed; and ○ information which is not applicable to the product need not be disclosed. ▶ Ensuring all reasonable steps are taken to ensure that the Regulated Documents are not defective.

Role	Ongoing Accountability / Responsibility
Morningstar Investment Management Asia Pacific Investment Policy Committee	<ul style="list-style-type: none"> ▶ Ensuring investment management provided is consistent with global investment policies set by Morningstar’s Investment Management division. ▶ Resolving any conflicts of interest arising from investment advisory and investment management activities. ▶ Adopting, periodically reviewing and ratifying revised Investment Guidelines. ▶ Monitoring compliance with Investment Guidelines and the performance relative to objectives of underlying portfolios. ▶ Ratifying investment decisions taken by the investment sub-committees which encompass all matters relating to the investment management of the Model Portfolios including: <ul style="list-style-type: none"> ○ Investment strategy design, asset allocation, portfolio construction, and risk management.
Morningstar Investment Management Product Governance Committee	<ul style="list-style-type: none"> ▶ Reviewing and assessing any new product proposals and associated TMDs – prior to development, marketing and distribution and in accordance with MIMAL’s product development framework. ▶ Reviewing and assessing significant changes¹ to an existing product and associated TMD. ▶ Recommending to the Board approval of any new product or significant changes to an existing product and associated TMD ▶ Approving changes to existing products and associated TMDs that are not considered significant ▶ Reviewing existing products on a periodic basis to ensure they continue to deliver the outcomes intended to their defined target market and are distributed through the appropriate distribution channels. For further details refer to Appendix 1. ▶ Reviewing and assessing any potential significant dealing, as defined by the Product Governance Policy, and ensuring appropriate action is taken.
Management	<ul style="list-style-type: none"> ▶ Management of day-to-day operations of Morningstar in accordance with Board delegations of authority and Morningstar, Inc. corporate policies, and local policies.

¹ Significant Changes include (but are not limited to) change of fund name; change of responsible entity; new or amended fund constitutions; wind up of a fund