



CRSP[®] INDEXES

**CRSP INDEX
GOVERNANCE COMMITTEES**

TERMS OF REFERENCE



CRSP | CENTER FOR RESEARCH
IN SECURITY PRICES, LLC
An Affiliate of the University of Chicago Booth School of Business

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Introduction

CRSP is committed to the oversight and transparency of its Index governance structure. In order to provide effective review of its processes and procedures CRSP has established four separate governance committees.

The **Index Oversight Committee** is composed of CRSP employees and is responsible for the governance and oversight function. The Index Oversight Committee reviews and approves material changes to the index methodology, as well as all stages of the index determination process to ensure that the integrity of all CRSP Indexes is maintained.

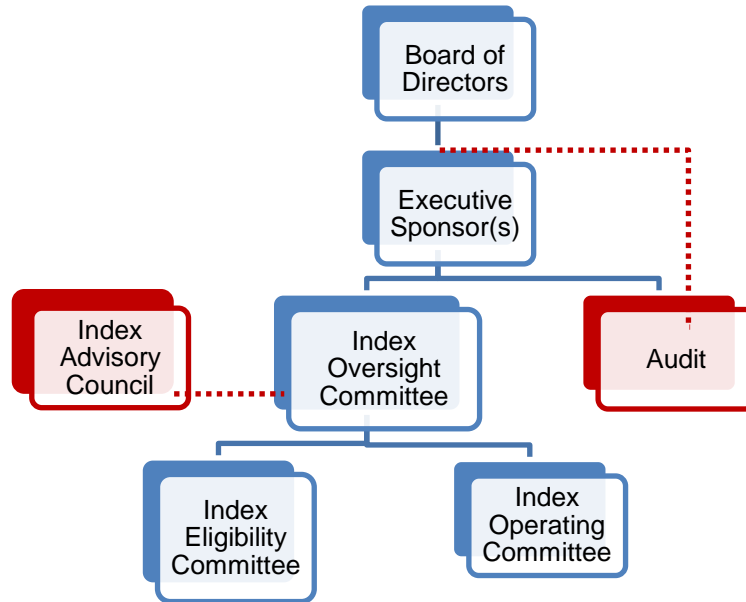
The **Index Eligibility Committee** is composed of CRSP employees and is responsible for reviewing securities whose eligibility is indeterminate after applying domicile rules at ranking or following the application of a corporate action.

The **Index Operating Committee** is composed of CRSP employees with extensive relevant operational experiences. This committee is responsible for ad hoc review of unusual corporate actions and immediate operational issues.

The **Index Advisory Council** is composed of CRSP employees, Booth School of Business faculty advisors and representatives from the financial service industry. The Index Advisory Council may provide guidance with respect to the construction, methodology and maintenance of the indexes. The Index Advisory Council may be consulted for input and advice to ensure the relevance of the CRSP Indexes and to ensure that the indexes meet the needs of CRSP's clients.

The Sr. Manager of Licensing & Compliance will be of counsel to all committees.

Governance and Oversight Control Framework



| Executive Sponsor(s) | Index Oversight Committee | Index Eligibility Committee | Index Operating Committee | Index Advisory Council | Audit |
|------------------------------|---|---|---|---|---------------------|
| CRSP Chief Executive Officer | CRSP Chief Executive Officer | CRSP Chief Executive Officer | CRSP Senior Director of Application Development | CRSP Chief Executive Officer | External audit firm |
| CRSP Chief Financial Officer | CRSP Senior Director of Application Development | CRSP Associate Director(s) of Index Analytics | CRSP Director of Index Operations | Booth School of Business faculty advisors | |
| | CRSP Senior Director of Research Product Group | CRSP Director of Index Operations (alternate/optional) | CRSP Senior Director of Data Operations | Client representatives | |
| | CRSP Senior Director of Data Operations | CRSP MD Bus Dev, Strategy & Index Analytics (alternate) | CRSP Chief Executive Officer (alternate) | | |
| | CRSP Director of Admin & Index Systems | | CRSP Associate Directors of Index Analytics (as needed) | | |
| | CRSP Director of Index Operations | | CRSP Assistant Director Index Software (as needed) | | |
| | CRSP MD Bus Dev, Strategy & Index Analytics | | | | |

Index Oversight Committee

The Index Oversight Committee is responsible for the oversight of matters related to Index design, integrity of the Index determination and control framework, and other matters related to the IOSCO Principles for Financial Benchmarks.

Member Composition

- The Index Oversight Committee is made up of senior leaders and staff who are positioned to review and challenge all aspects of the design and determination process.
- The Index Oversight Committee is composed of the following CRSP personnel:
 - Chief Executive Officer
 - Senior Director of Application Development
 - MD Bus Dev, Strategy & Index Analytics
 - Senior Director of Data Operations
 - Director of Index Operations
 - Director of Admin & Index Systems
 - Senior Director of Research Product Group
- Changes to the member composition of the Index Oversight Committee are approved by the Executive Sponsors and at least two other current members.
- Others may be asked to attend meetings, by Index Oversight Committee invitation only, if their input may be needed.

Responsibilities

- Oversee the Index design process in order to evaluate and address any potential risks to the integrity of the process, including the following:
 - Periodic review of the Index Methodology and material changes to the Index Methodology; and
 - Take appropriate measures to remain informed about issues and risks related to the Index and commission external reviews as appropriate.
- Oversee the Index determination and control framework process in order to evaluate and address any potential risks to the integrity of the process, including the following:
 - Oversee the management and operation of the Index;
 - Consider results of internal and external audits and the implementation of any remedial actions; and
 - Review situations when Expert Judgment is exercised, as defined in the IOSCO Principles for Financial Benchmarks.
- Review and approve Management Plans to eliminate, mitigate, or manage conflicts of interest.

Meetings

- The Index Oversight Committee meets bi-annually and on an as-needed basis.
- Meetings should be scheduled approximately one week before the Index Advisory Council meetings.
- Unless approved in advance by CRSP Chief Executive Officer, meetings require the attendance of the following members:
 - Chief Executive Officer
 - Senior Director of Application Development
 - Director of Admin & Index Systems
 - Director of Index Operations
 - Senior Director of Data Operations
 - Senior Director of Research Product Group
 - MD Bus Dev, Strategy & Index Analytics
- Meeting agendas should contain the date and time, expected attendees, and the topics to be discussed.
- Meeting minutes should contain the date and time, attendees, topics discussed and decisions made regarding the topic.
- Meeting agendas and minutes should be distributed to all Index Oversight Committee members.
- Meeting agenda and minutes will be retained for at least five years.

Index Eligibility Committee

The Index Eligibility Committee is responsible for reviewing securities whose eligibility is indeterminate after applying the domicile rules at ranking or following the application of a corporate action.

Member Composition

- The Index Eligibility Committee is composed of the following CRSP personnel:
 - Chief Executive Officer
 - Associate Directors of Index Analytics
 - Director of Index Operations (alternate, as needed)
 - MD Bus Dev Strategy & Index Analytics (alternate)
- Changes in the member composition of the Index Eligibility Committee are approved by CRSP's Chief Executive Officer.

Responsibilities

- Apply the domicile eligibility criteria as detailed in the U.S. Equity Indexes Methodology Guide.

Meetings

- The Index Eligibility Committee meets prior to each ranking and on an as-needed basis.
- Unless approved in advance by CRSP Chief Executive Officer, meetings require the following attendees:
 - Chief Executive Officer (*attendance required*)
 - Associate Directors of Index Analytics (*attendance required*)
 - Director of Index Operations (*alternate / optional attendee*)
 - MD Bus Dev Strategy & Index Analytics (alternate)
- The Index Eligibility Committee, after each meeting, documents which securities were reviewed, the eligibility decision, and the rationale for the decision.
- Documentation of Index Eligibility Committee's review will be retained for at least five years.

Index Operating Committee

The Index Operating Committee is responsible for the ad-hoc reviews of unusual corporate actions and immediate operational issues.

Member Composition

- The Index Operating Committee is composed of the following CRSP personnel:
 - Senior Director of Application Development
 - Director of Index Operations
 - Senior Director of Data Operations
 - Associate Director of Index Analytics (*two individuals with this title, only one individual needs to attend meetings upon request*)
- Alternate and substitute committee members include the following CRSP personnel:
 - Chief Executive Officer (alternate)
 - Assistant Directors of Index Operations (substitute for Director of Index Operations)
 - Assistant Director, Index Software (substitute for Senior Director of Application Development)
- Changes in members to the Index Operating Committee are approved by CRSP's Chief Executive Officer.
- Others may be asked to attend meetings, if their input may be needed.

Responsibilities

- Ad-hoc review of unusual corporate actions and immediate operational issues.

Meetings

- The Index Operating Committee meets on an as needed basis.
 - Unless approved in advance by CRSP Chief Executive Officer, meetings require the attendance of two of the three following members:
 - Senior Director of Application Development
 - Director of Index Operations
 - Senior Director of Data Operations
- The Index Operating Committee, after each meeting, documents the decision on how to handle the operational issues due to the unusual corporate action, the rationale for the decision, and the course of action(s) that needs to be implemented.
- Decision and rationale for the decision will be documented and retained for at least five years.

Index Advisory Council

The Index Advisory Council was formed to oversee and steer the construction, methodology and maintenance of CRSP Indexes.

Member Composition

- The Index Advisory Council, chaired by CRSP's Chief Executive Officer, includes CRSP employees as selected by CRSP's Chief Executive Officer depending on topics to be discussed, Booth School of Business faculty advisors, and representatives from the financial services industry, including Vanguard and other fund managers, if appropriate.
- Non-CRSP members of the Index Advisory Council are appointed by their respective institutions.

Responsibilities

- Provide guidance and advice with respect to the construction, methodology and maintenance of the Indexes.
- Identify issues, raise concerns, and offer suggestions for achieving the goals of the Indexes.
- Solicit and provide feedback to all involved parties on pertinent issues.
- Agree on rules regarding restatements of Indexes and other such policies.
- Engage in scheduled communications.
- Review and approve methodology changes prior to implementation.
- Approve each Index prior to publication.
- Commitment to the CRSP Indexes Mission Statement.

Meetings

- The Index Advisory Council meets on an as-needed basis.
- Topics for discussion should be submitted by members of the Index Advisory Council no later than the close of three business days prior to the meeting.
- CRSP Sr. Manager of Licensing & Compliance will serve as secretary to the Index Advisory Council and will maintain a record of members' attendance and council votes and actions, in addition to , preparing agendas, recording and distributing meeting minutes, and will following up with members, as necessary, on action items between meetings.
- Meeting agendas should contain the date and time, expected attendees, and the topics to be discussed.
- Meeting minutes should contain the date and time, attendees, topics discussed and decisions made regarding the topic.
- Meeting minutes should be distributed to all Index Advisory Council members and to the Oversight Committee.

- Meeting agenda and minutes will be retained for at least five years.

External Audits

A third-party audit firm will be consulted, as needed, to assess CRSP's governance, risk management, and management controls over operations.

Audit documents containing results and recommended remedial actions will be retained for at least five years.