

MSCI Real Estate - Risk and Regulatory Committee

Terms of Reference

December 2019

General

MSCI uses a committee structure to provide overall oversight and governance for the design, calculation and maintenance of MSCI indexes as follows:

- Oversight as required by the EU benchmark regulation and any similar post-Brexit UK regulation (collectively, the “BMR”) is provided by the BMR Oversight Committee (“OC”).
- A Risk and Regulatory Committee presides over operational and business risk and regulatory compliance matters.
- The Index Policy Committee (“IPC”) presides over major methodology developments and changes as well as equity market classification decisions, and is an escalation point for any index committee.
- An Index Committee presides over the development, review and interpretation of index methodologies and other matters described in the relevant terms of reference.

All of the committees are staffed solely by MSCI group company employees with extensive relevant experience.

All committee members are expected to act with integrity as is required of all our employees according to our Code of Ethics and Business Conduct posted on www.msci.com, and are subject to MSCI’s compliance policies, including with respect to confidential information and relevant Chinese Walls.

All decisions taken by the committees are the responsibility of their members.

MSCI believes that its editorial and operational independence is critical to its objectivity, efficiency and avoiding conflicts of interest.

The Real Estate – Risk and Regulatory Committee

DESCRIPTION

For the MSCI Private Real Estate Indexes the risk and regulatory committee is known as the MSCI Real Estate - Risk and Regulatory Committee (“RE-RRC”).

The RE-RRC presides over operational and business risks and regulatory compliance matters.

These terms of reference are reviewed and approved by the RE-RRC and reviewed by the MSCI BMR Oversight Committee (“OC”) annually.

RESPONSIBILITY

The key responsibilities of the RE-RRC include, but are not limited to, the following:

- Preside over the integrity of the MSCI Private Real Estate index processes. The aim is to ensure that there is in place an effective system reasonably designed to evaluate and control general risks within the MSCI Private Real Estate product line.
 - Review and approve the externally-facing “MSCI - BMR Control Framework - Private Real Estate Indexes”
 - Review the results of internal and external audits and recommend actions
 - Review and implement recommendations from the OC, as appropriate
- Highlight and address potential material risks and issues, including operational risks, changes in regulatory environment, and conflicts of interest.
- Review any formal MSCI Private Real Estate index complaints.
- Assess and manage the firm’s compliance with existing regulation or regulatory principles for existing, new and proposed indexes, as well as changes in processes.
- Discuss regulation and potential regulation and the impact on the MSCI Private Real Estate index product line.

Note that this committee has no authority over the REIC and IPC and their responsibilities.

COMPOSITION

The composition of the committee is determined by job function. Membership changes are proposed and approved by the RE-RRC. In addition, any changes to the voting membership are approved by the OC.

The RE-RRC is chaired by the Head of Real Estate and is comprised of at least six other members representing senior leadership selected from each of:

- Real Estate Research
- Real Estate Data Management
- Real Estate Product Management
- Real Estate IT
- Legal
- Regulatory Process and Procedures Management

Membership shall be revoked for the following reasons:

- The member notifies the committee of his or her decision to resign from the RE-RRC.
- The member is no longer an employee of an MSCI group company or his or her role changes significantly.
- The member does not fulfill or is not capable of fulfilling his or her responsibilities on the committee, including attendance at meetings.

MEETINGS

- Meetings are to be held at least quarterly and as needed and may be attended in person or by teleconference.
- The Chairperson and a member from each of the other functions must be present at any meeting¹. If a member is unable to attend, he or she must be represented by a delegate from his or her function to ensure that all relevant areas are present. Each voting member has one vote. A delegate can vote on behalf of the member.
- Decisions will be taken by simple majority² of the voting members present at the meeting.
- In instances when a RE-RRC decision is required and scheduling an ad-hoc RE-RRC meeting is not possible, such decision may be reached via email communication, provided at least three members of the RE-RRC explicitly approve a proposal.

¹ In case of an unexpected delay of the Chairperson for an RE-RRC meeting, the RE-RRC Secretary will chair the meeting. However, decisions required from the RE-RRC will be made only in presence of the Chairperson by simple majority. Should the Chairperson be delayed beyond the end of the RE-RRC meeting, such decisions would be processed via email.

² Simple majority means more than half of the total number of votes cast.

- Members must disclose any potential conflict of interest before each agenda item and recuse themselves from any discussions where they have a conflict of interest. This will be recorded in the minutes.
- The committee may ask any personnel to attend or to present at the meeting. These attendees will not have voting rights.
- The agendas for all RE-RRC meetings contain the date, time, expected attendees and topics. Topics presented at the RE-RRC may have supporting documents.
- Generally, the minutes of all RE-RRC meetings contain the date, time, attendees, topics discussed, and decisions made. The minutes of each RE-RRC meeting are approved by the members.
- The Secretary will record minutes of each meeting, which will be retained for at least five years



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