

Morningstar, Inc. – Nominating and Corporate Governance Committee Charter

Effective as of January 30, 2006

Purpose

The purpose of the Nominating and Corporate Governance Committee (the "Committee") is to consider, report, and make recommendations to the board of directors (the "Board") of Morningstar, Inc. ("Morningstar") on matters relating to the selection and qualification of directors of Morningstar and candidates nominated to serve as directors of Morningstar, as well as other matters relating to the duties of directors of Morningstar, the operation of the Board, and corporate governance.

Membership

The Committee will consist of at least three directors, each of whom must be "independent" as defined under Rule 4200(a)(15) of The Nasdaq Stock Market, Inc. Marketplace Rules. The Board will interpret these rules using its business judgment. The members will be appointed by the Board and will serve at the discretion of the Board for a term of one year. The Board shall appoint the Chair of the Committee. The Board is responsible for removing and adding members and can do so at any time. Appointments to the Committee, including the Chair of the Committee, shall conform to Morningstar's by-laws, this Charter, and applicable laws and regulations, as appropriate under the circumstances.

Committee Organization and Procedures

The Committee will meet at least annually in person or by telephone. It may meet more frequently, if the Committee deems it necessary to comply with the responsibilities defined in this Charter.

The Committee will have a Chair, who will be responsible for, with input from the other members of the Committee, calling, establishing agendas for, and supervising the Committee meetings. The Chair will report to the Board the actions and recommendations of the Committee.

The Committee shall have the authority to establish its own rules and procedures consistent with Morningstar's by-laws for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. Unless otherwise stated herein or established by the Committee, the Committee shall be governed by the same procedural rules, including rules regarding meetings, actions without meetings, notices, and waivers of notice, as are applicable to the Board. The Committee may also take any action permitted in this Charter by unanimous written consent.

The Committee may request any officer or employee of Morningstar or Morningstar's outside legal counsel to attend a Committee meeting or to meet with any members of, or consultants to, the Committee.

The Committee shall have the funding, resources and authority appropriate to fulfill its responsibilities, including the authority to retain and utilize the services of Morningstar's regular counsel and advisors with respect to matters within its purview or, at its discretion, retain outside counsel and other advisors if it determines that such

counsel or advice is necessary or appropriate under the circumstances. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of Morningstar, subject to the Committee taking the necessary steps to preserve the privileged nature of these communications.

The Committee will keep adequate minutes of its proceedings and shall maintain copies of such minutes and each written consent to action taken without a meeting.

The Committee may, in its discretion and only to the extent consistent with applicable law and regulations, delegate certain of its authority to a subcommittee of the Committee.

Responsibilities

The Committee will:

- 1.** Review the qualifications of, approve, and recommend to the Board:
 - (a) those persons to be nominated for membership on the Board who shall be submitted to the shareholders for election at each annual meeting of shareholders; and
 - (b) those persons nominated to fill vacancies on the Board and newly created directorships in connection with an increase in the size of the Board.
- 2.** Identify and consider potential director candidates in the event of a vacancy or increase in the size of the Board. The Committee shall seek individuals whose background, knowledge, and experience would be expected to assist the Board in furthering the interests of Morningstar and its shareholders. In seeking nominees, the Committee may consider factors, such as industry knowledge and experience, international experience, public company experience, academic or research institution experience, government entity or regulatory experience, financial expertise, diversity, current employment, and other Board memberships.
- 3.** Review and make recommendations to the Board regarding the appropriate size, performance, composition, duties, and responsibilities of the Board.
- 4.** Review and make recommendations to the Board regarding the performance, composition, duties, and responsibilities of the other committees of the Board.
- 5.** Review and recommend to the Board tenure and retirement policies for non-employee directors.
- 6.** Review potential conflicts of interest of prospective and current directors.
- 7.** Oversee the Board's programs for the orientation of new directors and for the continuing education of directors, and recommend any proposed changes to the Board for approval.

- 8.** Lead the Board's annual review of, and make recommendations to the Board regarding succession planning for the Chief Executive Officer of Morningstar.
- 9.** Review and make recommendations to the Board regarding the function, structure, and operation of the Board.
- 10.** Review Morningstar's corporate governance guidelines periodically, including its Code of Ethics, Code of Ethics for Financial Managers and Executive Officers, Corporate Governance Guidelines, and other policy statements relating to corporate governance, and recommend any proposed changes to the Board for approval.
- 11.** Review the qualifications of, approve, and recommend to the Board those persons to be appointed by the Board as officers of Morningstar.
- 12.** Review, as deemed necessary or desirable by the Committee, but at least annually, and recommend to the Board amendments and modifications to this Charter, if any.
- 13.** Conduct an annual performance evaluation of the Committee and identify opportunities for improved effectiveness.
- 14.** Perform such other duties and responsibilities, consistent with this Charter, delegated to the Committee by the Board.

The Chair of the Committee, in addition to performing responsibilities as Chair attendant to the responsibilities of the Committee as provided above, shall review with the Chief Executive Officer of Morningstar between regularly scheduled meetings of the Board the agenda and plan for subsequent regularly scheduled meetings of the Board.

This Charter may be amended or modified only with the approval of the Board.

Amended and restated as of January 30, 2006