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This brochure provides information about the qualifications and business practices of GMI Ratings. If you have any questions about the contents of this brochure, please contact us at (207) 874-6921. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Material Changes

None

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Advisory Business***Business Overview***

GMI Ratings is a pioneer in the application of non-traditional risk metrics to investment analysis and risk modeling. Formed in 2010 through the merger of The Corporate Library, GovernanceMetrics International and Audit Integrity, GMI Ratings provides global research coverage of the environmental, social, governance and accounting-related risks affecting the performance of public companies. GMI Ratings is a signatory to the United Nations-backed Principles for Responsible Investment (PRI).

Drawing on the shared vision and intellectual capital of its predecessor firms, GMI Ratings emerged as a clear leader in addressing systemic shortfalls in the understanding of risks facing public companies. Today, GMI Ratings provides the most extensive coverage of environmental, social, governance and accounting-related risks affecting the performance of public companies worldwide.

Products**GMI Analyst**

Our flagship service, GMI Analyst, is a comprehensive web-based platform providing research, ratings, real-time updates, robust search functionality and analytical tools to help clients assess issuer risk. The research platform provides:

- ESG ratings, research and real-time updates on about 6,000 companies worldwide based on 150 carefully selected risk factors (ESG KeyMetrics®)
- AGR® ratings, research and real-time updates on about 18,000 companies worldwide based on more than 50 discrete risk factors
- Environmental performance data from Trucost, the world's leading provider of comparative data on corporate environmental impacts, including Greenhouse Gases (GHGs), water, waste, pollutants and natural resource dependency.
- Unique data on litigation and financial-distress risk
- Daily and weekly updates, quarterly ratings reviews and event-driven analysis
- Robust search functionality, screening and analytical tools, including WatchLists, Portfolio Analysis, Alerts, Industry Browser, and peer-group analysis.

GMI Compliance

GMI Analyst Compliance is designed for clients who wish to access GMI Ratings' ESG data and core ESG KeyMetrics® in the simplest possible form and the lowest possible cost.

GMI Analyst Compliance is organized around the 75 most important GMI Ratings ESG KeyMetrics® and a basic set of supporting data for Governance, Environmental, and Social metrics. The new introductory product also includes basic company analysis and a single page of ESG events covering the most recent 12-month period. This product option is available for any

subset of our entire ESG coverage universe of more than 6,000 companies worldwide.

As of September 10, 2012, signatories to the Principles for Responsible Investment (PRI) include more than 1,100 investment managers, asset owners, banks and insurance companies, all now formally committed to adding ESG and other non-traditional measures of risk to their decision-making processes. But the adoption of these new standards among mainstream financial decision-makers is still in its early stages, and many PRI signatories have expressed a preference for more intuitive and affordable solutions to help meet their PRI compliance needs. GMI Analyst Compliance was designed specifically to meet this need.

Global LeaderBoard

Global LeaderBoard (GLB) is our online research and data-visualization tool that maps relationships between corporations and corporate board members.

GLB applies principles of network science to help subscribers explore complex relationship patterns to deepen the analysis of corporate governance practices and issuer risk. GLB provides detailed information and relationship-mapping tools for more than 370,000 directors and 270,000 corporate officers at 70,000 corporate entities worldwide, representing all major economic sectors.

GLB allows subscribers to:

- Screen the director database using multiple criteria such as position, experience, corporate board relationships and educational backgrounds.
- Identify and analyze corporate interlocks (directors serving on multiple boards together).
- Use tabular and graphical tools to track director connections across multiple boards and affiliations.
- Display corporate, committee, and non-corporate relationships at the first and second degrees and drill down to the underlying company board or individual director profiles.
- Uncover degrees of separation between two known individuals and research relationship pathways for potential conflicts – or opportunities.
- Drill down to the underlying company board or individual director profiles

Custom Research

We often assist clients with unique or specialized research needs related to shareholder engagement, the creation and revision of proxy voting guidelines, company or industry-specific issues, IPO governance and executive compensation. Based on our team's expertise in ESG KeyMetrics®, corporate governance, forensic accounting, financial data management and statistical analysis, we serve as a thoughtful research partner for many of our clients, helping them interpret complex issues that often cross disciplinary boundaries and materially affect equity valuation.

Datafeeds

We provide a variety of Datafeeds to help clients integrate our ratings, metrics and other key data into internal systems to support risk analysis and portfolio monitoring. Compiled and quality controlled by our in-house staff, data is available for several risk components such as board

practices, executive compensation, ownership, financial disclosure and various environmental and social factors.

3D Diverse Director DataSource

GMI Ratings developed and currently operates the Diverse Director DataSource (3D), a database of diverse candidates for positions on boards of directors. 3D is a unique resource helping companies and recruiting firms identify and recruit candidates sometimes overlooked under traditional search processes. With over 500 completed profiles (as of January 2013), 3D continues to attract candidates representing a wide variety of industries, geographies, areas of functional expertise as well as ethnicities, genders and ages. The creation of the database was commissioned by the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS).

Delivery

GMI Ratings provides its models and supporting metrics via its web based products. GMI Ratings also provides historical data files and consulting services.

Education and Business Standards

General standards of education or business experience that GMI Ratings requires of those involved in determining or giving investment advice to clients is four years of college and three years of industry related experience. GMI Ratings is a signatory of the United Nations-backed Principles for Responsible Investment Initiative (PRI), a network of international investors and service providers committed to incorporating ESG research into the investment process.

Principals who provide general investment advice

Robert A. G. Monks was a co-founder of Institutional Shareholder Services, Lens Investment Management, Lens Governance Advisors and The Corporate Library. He is the author of *Corpocracy* and *The New Global Investors* and, with Nell Minow, *Watching the Watchers*, *Corporate Governance and Power & Accountability*. Mr. Monks was educated at Harvard College and Cambridge University. At Cambridge, he was a member of the winning Cambridge boat in the 1955 Boat Race. Mr. Monks then attended Harvard Law School and became partner in a Boston Law firm. He was vice president of Gardner Associates and then president and CEO of C.H. Sprague & Son, a coal and oil company. Following this, he served as a board member and, later, chairman of the Board of The Boston Safe Deposit & Trust Company and the Boston Company. Ronald Reagan appointed him as director of the United States Synthetic Fuels Corporation and as one of the founding Trustees of the Federal Employees' Retirement System. He worked for the U.S. Department of Labor as Administrator of the Office of Pension and Welfare Benefit Programs which gave him jurisdiction over the whole U.S. pension system. Mr. Monks has written widely about corporate governance and has published more than a hundred papers in publications around the world. He was the recipient of the Award for Outstanding Financial Executive from the Financial Management Association in 2007.

Richard A. Bennett served as President and CEO of The Corporate Library, one of the three

businesses that merged to form GMI Ratings in 2010. Mr. Bennett has an extensive background in politics and government service as well as a wide range of private sector experience. He worked as Director of Corporate Governance for Lens Investment Management from 1997 to 2002. He is an independent director of Biddeford Internet Corporation and a non-executive director of Trucost, Plc, a U.K.-based firm offering products and services that allow companies, governments and fund managers to better understand their environmental performance. A former president of the Maine State Senate, Mr. Bennett served four terms in the Maine Senate and two terms in the state's House of Representatives. Since 2009, he has served on the Board of Governors of the International Corporate Governance Network. Mr. Bennett has been written about in Pensions & Investments, The Daily Deal and Barron's, and has been cited in numerous publications including BusinessWeek, USA Today, Fortune and The Wall Street Journal. In each year since 2008, he has been recognized by Directorship magazine in its list of the 100 "most influential people in corporate governance and the boardroom." In December 2010 he was named by Global Proxy Watch as one of the "10 people around the world who had the most impact on corporate governance in the previous year". Mr. Bennett has spoken about corporate governance issues at the U.S. Securities and Exchange Commission, Columbia University, the USC Marshall School of Business and The Conference Board, among other institutions. He serves on the Advisory Board of the John L. Weinberg Center for Corporate Governance at the University of Delaware. He is a member of the board of trustees of Hebron Academy. He was a member of the President's Commission on White House Fellowships from 2005 to 2009. He graduated with honors from Harvard College in 1986 and received his M.B.A. from the University of Southern Maine in 2000.

Kimberly Gladman oversees GMI Ratings' research reports, as well as its custom research and advisory practice. She has written widely on topics in corporate governance and responsible investment, and in 2012 was recognized as one of the industry's leading corporate governance analysts in the Independent Research in Responsible Investment (IRRI) survey of asset managers conducted by Thomson Reuters Extel and SRI-CONNECT.com. Before joining GMI Ratings' predecessor, the Corporate Library, in 2008, Dr. Gladman directed a team of associates researching global corporations at Domini Social Investments, a leading responsible investment fund manager. She also served as Lead SRI Analyst for Domini's European fund, and spent several years participating in the firm's shareholder advocacy on social, environmental, and governance issues. Prior to joining Domini in 2001, Dr. Gladman had an academic career, focused on interdisciplinary research and teaching. For several years in the early 1990s, she taught business executives involved in reunification-related ventures in Hamburg, Germany. Dr. Gladman earned a B.A. from Yale University in 1990, a Ph.D. from New York University in 2001, and the Chartered Financial Analyst designation in 2007. She currently serves on the Committee on Socially Responsible Investing of the Unitarian Universalist Association, the Research Advisory Committee of US-SIF, and the Steering Committee of the Principles for Responsible Investment Academic Network.

Ric Marshall, a founding principal of The Corporate Library, a GMI Ratings predecessor firm, is responsible for GMI Ratings' product design and development. Mr. Marshall is the chief architect of some of GMI Ratings' pivotal product innovations, including the Board Analyst director database and the Governance Information Screening Tool (GIST). Together with former analyst Jackie Cook, he also developed the Board Analyst Director Interlocks Tool, the first commercial application of social network theory in this field. Mr. Marshall is a co-inventor, with Robert A.G.

Monks, of Brightline, a computer-based modeling program that simulates and statistically analyzes the effects of specific types of corporate behavior on long-term investment value. Mr. Marshall has been involved in corporate governance research since 1996. Prior to the founding of The Corporate Library, he was the Chief Information Officer of Lens Investment Management, and worked closely with the firm's British partner, the Hermes Focus Fund (formerly Hermes Lens). Prior to this, he served as an IT and graphic design consultant for clients including Lens Investment Management and Institutional Shareholder Services. Mr. Marshall has been a guest speaker and panelist at corporate governance conferences throughout the United States and has written extensively on investing in corporate governance.

Item 5 - Fees and Compensation

GMI Ratings offers investment advisory services based on hourly charges, fixed fees, and subscription fee. Subscription fees are payable in advance. Each client contract is individually negotiated, and our policies concerning cancellation terms, including pro-rated fee refunds are addressed in within the individual contracts.

See Separate Brochure for GMI Analyst Fee Schedule

Item 6 - Performance Based Fees and Side by Side Management

GMI Ratings does not have performance based fees or Side by Side Management.

Item 7 - Types of Clients

Generally GMI Ratings provides services to Banks or thrift institutions; Investment companies; Pension and profit sharing plans; Insurance companies; law firms, universities, compensation consultants, and executive research firms.

Item 8 – Methods of Analysis

ESG Analytics

GMI Ratings' Environmental, Social and Governance (ESG) ratings evaluate the sustainable investment value of public corporations. First released in early 2012, these ratings are the result of more than a year of study and testing by our senior analytical team. The ratings also incorporate input from institutional investors, auditors, insurers, corporate consultants and decision-makers. Key characteristics of our ESG ratings include:

- *Broad Coverage* – We publish our proprietary ESG Ratings on approximately 6,000 companies worldwide, including over 600 companies based in emerging markets.
- *Coverage of Key Risk Factors* — Our ESG Ratings are based on 150 carefully selected risk factors (ESG KeyMetrics®) organized into six categories to ensure consistency, transparency and structural integrity. The ESG KeyMetrics® reflect actual behaviors rather than corporate policies or affirmations of intent to adhere to best ESG practices.

- *Simple and Consistent Quantification* — Our ESG Ratings are expressed in two forms: as percentile scores ranging from 1 to 100, and as a letter grade (“A” to “F”) based on the percentile scores. While the letter-grade ratings provide a simpler and more intuitive means for quick assessments, the percentile rankings provide a more highly differentiated guidance for in-depth analysis and benchmarking.
- *Context-sensitive Weightings* — Unlike models with evenly weighted metrics, we assign context-sensitive relative weightings to our key metrics, based on market, regional, ownership or sector differences. This sensitivity to regional and sector-dependent variations sharply differentiates GMI Ratings from exclusionary and “best-in-class” screening methodologies that investors associate with more traditional Socially Responsible Investing (SRI) research.
- *Trucost Data* – Our integrated research platform, GMI Analyst, provides access to Trucost environmental performance data. Trucost provides the world’s most comprehensive data on corporate environmental impacts, including Greenhouse Gases (GHGs), water, waste, pollutants and natural resource dependency.

AGR Analytics

GMI Ratings’ Accounting and Governance Risk (AGR®) ratings reflect accounting and governance practices statistically associated with an elevated risk of securities class action litigation, financial restatements, and SEC enforcement actions. Developed by Audit Integrity, one of GMI Ratings predecessor firms, AGR scores incorporate forensic assessments of financial statements and several key aspects of corporate governance.

Key characteristics of our AGR Ratings include:

- *Broadest Coverage* – We publish our proprietary AGR Ratings on approximately 18,000 companies in 27 countries, including over 7,400 North American corporations, 4,300 Western European corporations, and 6,600 Asia-Pacific corporations.
- *Coverage of Key Risk Factors* — AGR scores are based on discrete risk factors organized into categories such as revenue recognition, expense recognition, asset-liability valuation, governance risks and high-risk events.
- *Simple and Consistent Quantification* – The AGR Rating is expressed in two ways: as a percentile score ranging from 1 to 100, and in corresponding categories ranging from Conservative to Very Aggressive.
- *Customized Applications* – Based on its data and risk-modeling expertise, GMI Ratings develops customized applications to assess narrowly defined risk such as the risk of bankruptcy and class-action securities litigation.

Item 9– Disciplinary Information

GMI Ratings does not have any legal or disciplinary events to report.

Item 10 - Other Financial Activities

None

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The mission of GMI Ratings is to provide its clients with timely and high-quality news, data, and analysis on corporate governance issues. One of GMI Ratings greatest strengths is its independence: GMI does not offer consulting services to the companies it rates or analyzes for its subscription products (“Subject Companies”), unless the subject matter of such services is not the Subject Company, nor does it license or endorse such services provided by third parties. Thus, it is of paramount importance that persons affiliated with GMI adhere to practices that both substantively protect the exercise of independent judgment and ensure those clients, companies, and the public view GMI as independent. It is also crucial that GMI exhibit fairness and integrity in its dealings with Subject Companies, clients, the media and other constituencies.

GMI Ratings has a Code of Conduct which identifies persons responsible for all compliance issues and specifies their obligations. A copy will be made available to clients or prospective clients upon request.

Item 12 – Brokerage Practices

GMI Ratings is not a broker-dealer.

Item 13 – Review of Accounts

GMI Ratings does not provide investment supervisory services manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services.

Item 14 – Client Referrals and Other Compensation

GMI Ratings may from time to time pay a cash fee for client solicitations. Any such payments are made in accordance with Rule 204(4)2 under the Investment Advisors Act of 1940.

Item 15 - Custody

GMI Ratings does not have custody of client funds or securities.

Item 16 – Investment Discretion

GMI Ratings does not accept discretionary authority to manage securities accounts on behalf of clients.

Item 17 – Voting Client Securities

GMI Ratings does not accept authority to vote client securities.

Item 18 – Financial Information

See Separate Brochure for Balance Sheet

Item 19 – Requirements for State-Registered Advisers

None