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Date of Brochure:

April, 2014

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 leading provider of corporate governance, ESG (environmental, social and governance) and forensic accounting research, data and analytics to institutional investors worldwide. For more than a decade, the Firm has been helping asset owners, asset managers, hedge funds and other institutional investors incorporate these factors into the investment decision-making process, with a particular emphasis on materiality and risk management. GMI also assists D&O Insurers with risk assessment.

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 COMPLIANCE**

- > Flagship Service designed for clients who wish to access GMI's ESG data and core ESG KeyMetrics® in the simplest form and the lowest possible cost
- > 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 includes basic company analysis and a single page of ESG events covering the most recent 12-month period

GMI LEADERBOARD

- > Online research and data-visualization tool that maps relationships between corporations and corporate board members
- > Applies principles of network science to help subscribers explore complex relationship patterns to deepen the analysis of corporate governance practices and issuer risk
- > Provides detailed information and relationship mapping tools for more than 370,000 directors and 270,000 corporate officers at 70,000 corporate entities worldwide

3D DIVERSE DIRECTOR DATASOURCE

- > Database of diverse candidates for positions on boards of directors
- > Helps companies and recruiting firms identify and recruit candidates sometimes overlooked under traditional search processes
- > Its creation was commissioned by the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS)

CUSTOM RESEARCH

- > GMI often assists clients with unique or specialized research needs related to shareholder engagement, the creation and revision of proxy voting guidelines, or company or industry-specific issues, IPO governance and executive compensation

DATAFEEDS

- > GMI provides a variety of datafeeds to help clients integrate GMI's ratings, metrics and other key data into internal systems to support risk analysis and portfolio monitoring
- > Data is compiled and quality controlled by GMI's in-house staff

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, BOARD MEMBER**

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.

JAMES A. KAPLAN, VICE CHAIRMAN

A leading proponent of Modern Portfolio Theory, Jim Kaplan has advanced groundbreaking applications of quantitative techniques and technology-driven solutions for equity and fixed-income portfolio analytics. In 1979, he founded Capital Management Sciences (CMS) and established the firm as the world's top purveyor of fixed income portfolio analytics. During his tenure, the firm introduced CMS BondEdge, the chief independent source of research and valuation tools for the global bond market.

Following the sale of CMS to Interactive Data Corporation, Mr. Kaplan was a founding director of MarketWatch, a pioneer in using the Internet to deliver real-time news and data. In the wake of the notorious corporate scandals after 2000, he founded Audit Integrity, one of the three firms that merged to form GMI Ratings. Mr. Kaplan received his BA from the University of Colorado and an MBA from California State University. Mr. Kaplan is a Chartered Financial Analyst.

RICHARD A. BENNETT, VICE CHAIRMAN

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.

DAN CONCANNON, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dan Concannon brings to GMI Ratings extensive leadership experience in businesses providing research-based solutions to institutional, broker-dealer and issuer markets. Before he joined GMI Ratings, Mr. Concannon served as Global Head of Sales and Business Development at Mediant Communications and, earlier, WealthEngine. Prior to these roles, he was Executive Vice President of Sales, Marketing and Business Development at Institutional Shareholder Services where he grew sales from \$30 million to \$110 million and built a global sales organization with local presence in major financial centers around the world. In 2007, Dan played an instrumental role on the executive team that sold ISS to New York-based RiskMetrics Group, which subsequently went public. Mr. Concannon graduated with a B.S. degree in marketing from the University of Maryland and earned his Masters degree from Baruch College.

CHERYL GUSTITUS, CHIEF MARKETING OFFICER

Cheryl Gustitus is Chief Marketing Officer for GMI Ratings, with responsibility for global marketing, communications, industry outreach and the firm’s thought leadership content. Ms. Gustitus has more than 20 years of experience in marketing financial data products and services. Prior to joining GMI, she spent ten years with Institutional Shareholder Services (ISS) where she led Global Marketing and Communications, helping to grow the firm four-fold, in the lead up to its acquisition by RiskMetrics Group, then subsequently by MSCI, Inc. Ms. Gustitus also served as Senior Vice President of Marketing for WealthEngine, Inc. and as Vice President of Corporate Communications and Investor Relations for Ocwen Financial in West Palm Beach, Florida. There, she worked on the launch of a financial technology spin-off of the mortgage-servicing parent. Cheryl started her career at premier mutual fund companies T. Rowe Price and Calvert Group, and then headed global marketing for Primark Corporation, where she was responsible for integrating the brands of multiple global financial data subsidiaries.

HOWARD SHERMAN, EXECUTIVE DIRECTOR

Howard Sherman is Head of Sales and Global Business Development for GMI Ratings. He also serves as Treasurer and a member of the Board of Directors of the IRRC Institute, a not-for-profit organization headquartered in New York City that serves as a sponsor of environmental, social and corporate governance research.

Howard is the former chief executive of Institutional Shareholder Services (ISS), now part of MSCI, and of Thomson Financial Investor Relations, now part of Thomson Reuters. He is a

founding member of the International Corporate Governance Network and the Network for Sustainable Financial Markets.

Howard has worked in the corporate governance field since 1986, when he joined the Investor Responsibility Research Center as senior analyst. Before joining IRRC he worked for the Board of Governors of the Federal Reserve System. Howard is a frequent speaker before both institutional investor and corporate audiences and the author of numerous articles and op-ed pieces in publications such as the Wall Street Journal, Pensions and Investments and Directors and Boards. He is the co-author of several major reports on corporate governance, including Structural Imbalances in Japanese Corporate Governance with Bruce Babcock, Conflicts of Interest in the Proxy Voting System with Jamie Heard, and The Market Impact of Corporate Governance Ratings with John Bodt. Howard holds an MBA from the Wharton School and a BA in Economics from George Washington University. He has been listed in various editions of Who's Who since 1991 and was elected to The Directorship 100 in 2010.

RIC MARSHALL, CHIEF ANALYST

Mr. Marshall is responsible for GMI Ratings' product design and development. Mr. Marshall is a founding principal of GMI Ratings' predecessor, The Corporate Library, and is the chief architect of its Board Analyst director database, Governance Information Screening Tool (GIST), and, with former analyst Jackie Cook, its director relationship mapping tool.

The former Chief Information Officer of Lens Investment Management, Mr. Marshall has been involved with corporate governance research since 1996. Prior to this, he was active in the fields of computer consulting and computer-based graphic design, having consulted with Lens Investment Management as early as 1989. 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.

AGNES GRUNFELD, CFA, MANAGING DIRECTOR, AGR RESEARCH

Ms. Grunfeld has worked in the financial services industry for the past 30 years, specializing in quantitative analysis of fixed-income securities, portfolio management, and the associated software development and support.

Before joining Audit Integrity, a GMI Ratings predecessor firm, Ms. Grunfeld worked at Citigroup Investments for six years, providing quantitative analytic support to fixed-income traders, portfolio managers, the credit research team and risk managers. Prior to Citigroup, Ms. Grunfeld spent eight years at Capital Management Sciences where she was a Senior Analyst concentrating on financial modeling and advanced investment applications. Early in her career, Ms. Grunfeld worked at L.F. Rothschild, Unterberg & Towbin as a credit analyst, and was an equity analyst for Goldman Sachs. She holds a BA from Brooklyn College (CUNY) and a Master's degree from Columbia University. She is a Chartered Financial Analyst (CFA).

OPHIR GOTTLIEB, MANAGING DIRECTOR, QUANTITATIVE RESEARCH

Ophir Gottlieb joined GMI Ratings in 2012 as Managing Director of Quantitative Research.

Previously, he had served as Director of Client Services for Audit Integrity, one of the three firms that merged in 2010 to create GMI Ratings. Mr. Gottlieb completed graduate work in Financial Mathematics at Stanford University. He holds an MBA in Finance and an undergraduate degree in Quantitative Economics with a focus on Mathematics. His specialties include machine learning and stochastic processes; in his current role, he focuses on the development of new investment risk

models such as the recently launched Forensic Alpha Model™ (FAM). He also plays a key role in the testing and further development of GMI Ratings' forensic accounting model (AGR®). After beginning his career at Barra, a leading provider of portfolio risk and performance analytics, Mr. Gottlieb worked for Cutler Group as an equity option market maker and proprietary trader on the NYSE ARCA option exchange floor. He also served as Managing Director of Client Services and Algorithmic Trading for options analytics firm Livevol®. He is the author of one of the most widely-read options trading blog in the world (Optionvol® Blog), and was the first author of the daily "Options Expert Analysis" exclusively available to Fidelity customers on the Fidelity.com website through October, 2013. He has been interviewed and cited by major financial publications more than 1,000 times in the last two years, and continues to be cited several times a week by Reuters, Bloomberg, Dow Jones, The Wall Street Journal, The Chicago Tribune, The Washington Post, The New York Times, and occasionally through re-publication in Barron's, Forbes, The San Francisco Chronicle, and The Miami Herald.

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 and thrift institutions; investment companies; asset managers, pension funds and other asset owners; insurance companies; law firms, accounting and audit firms, academics, compensation consultants, and executive research firms.

Item 8 – Methods of Analysis**ESG Analytics**

The ESG Ratings model is based on a carefully crafted list of 150 ESG KeyMetrics®, organized into scoring components to ensure consistency, transparency and structural integrity. Context-sensitive weightings and an emphasis on behavior over policy significantly enhance the relationship between these ratings and issuer risk.

**AGR Analytics**

Based on its data and risk-modeling expertise, GMI Ratings develops customized applications to assess specific risks such as the risk of financial distress or class-action securities litigation.

- ☐ Litigation Model – The litigation model identifies companies at risk for securities class action litigation. The model combines the AGR Score with commonly recognized litigation risk factors such as company size, industry classification, and recent stock market performance. The model is updated monthly.
- ☐ Financial Distress Risk Model – The Financial Distress Risk Model is designed to predict bankruptcies and identify companies in severe financial distress. The model combines accounting ratios, Merton Distance-to-Default, and AGR components to predict distress. The model is updated monthly.
- ☐ AGR can help in the early detection and mitigation of price erosion related to fraudulent and opaque financial reporting. The AGR model has demonstrated significant strength in identifying sharp price declines.

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