

## TTSE SME Market: Mentorship Programme

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### The SME Market

The SME Market or Junior Stock Market, was introduced in 2012, aligned with the vision of The Trinidad and Tobago Stock Exchange (TTSE), to further develop the local capital market and promote economic diversification. With the creation of this tier, small and medium-sized companies are afforded the opportunity to raise capital on the domestic stock market, and the SME Market serves to provide an alternative financing source for capital expansion.

### Mentorship Programme

As part of its SME Market, the TTSE's Mentorship Programme aims to provide SMEs with the guidance required to successfully transition and grow its business, whilst practicing good corporate governance.

The role of the Mentor is not the same as a Director of the company (i.e. not a Shadow Director). The responsibilities outlined shall not be construed as requiring the Mentor to:

1. Advise the Board of Directors on the commercial business of the SME;
2. Make, or participate in the making of, commercial business decisions by the Board of Directors of SME; or
3. Act in the capacity of a member of the Board of the SME

For the avoidance of doubt, the Mentor shall only be required to act as an adviser to the Board of the SME and the Mentor shall not be construed as a shadow director for the purposes of the Companies Act (or any other applicable law).

### Mentorship Requirements

Once an SME is considered to be eligible to list on the SME Market, the company is required to have an independent Mentor, up to five (5) years subsequent to listing; and must have engaged the services of the Mentor prior to listing, i.e. enter into an agreement with the Mentor, through a mentorship Agreement.

After the initial five (5) years of being listed on the SME Market, the SME company has the option of appointing a Director or Senior Officer of the company to perform the functions and responsibilities of a Mentor. The SME company is expected to commit time and resources to work with the Mentor, who would be providing guidance to the company.

All Mentors must be approved by the TTSE Board before their appointment can become effective with an SME company. The requirement for the TTSE's approval is to evaluate the Mentor's ability and capacity to guide the company in relation to compliance matters where the Exchange has oversight. The SME company can propose a Mentor or may select from a list of pre-approved Mentor issued by the TTSE.

## Mentor Selection Criteria

The TTSE will evaluate a proposed Mentor's competence, based on but not limited to the following:

1. The relevant skills, knowledge and expertise required to carry out the responsibilities and functions as outlined in the "Mentor Functions and Responsibilities" section of the SME Mentorship Guidelines document. These includes, but are not limited to, advising the Board of the SME company on the development of adequate procedures, systems and controls to ensure compliance with:
  - a. Good standards of corporate governance, including but not limited to:
    - i. The holding of regular Board meetings, at least on a quarterly basis;
    - ii. The establishment of committees of the Board including an Audit Committee and a Remuneration Committee;
    - iii. Conducting due diligence prior to the company's admission for listing on the TTSE SME Market;
    - iv. Conducting due diligence prior to the SME company's entry into any material transaction, or any proposed issue of participating voting shares or other securities;
  - b. Good fiscal discipline;
  - c. The TTSE Listed Company Disclosure Rules and Guidelines on Timely Disclosure of Information and other Rules of the TTSE;
2. Expertise in the area of Corporate Governance;
3. Probity, honesty, integrity and reputation;
4. Competence, capability and soundness of judgment;
5. Financial integrity and soundness;
6. The Mentor must possess:
  - a. At least five (5) years' working experience in the industry that the SME company operates and/or in the financial sector;
  - b. A minimum of ten (10) years management experience and/or 5 years' experience as a Director of a company.
7. The Fit and Proper Questionnaire completed by the applicant. To be successful each applicant must attain a minimum score of 0.80.

The applicant is **not** required to demonstrate competence in all areas listed above, but **must** overall possess a level of knowledge and experience capable of successfully guiding the SME company for up to five (5) years subsequent to its listing on the TTSE SME Market.

## Key Responsibilities and Functions of the Mentor

The Mentor shall:

1. In carrying out his functions and responsibilities in accordance with the Mentorship Agreement:
  - a. Act honestly and in good faith and in the best interests of the SME company and its participating voting shareholders and other SME securities holders, as a whole;
  - b. Act with due skill and care, having regard to the relevant skills, knowledge, and expertise he possesses and the general level of skills, knowledge and expertise reasonably required of a person performing the functions and responsibilities of a Mentor;
  - c. Disclose to other entities that it is acting in the capacity of mentor to the SME company and disclose to the SME company other entities that they are acting in the capacity of mentor for.

2. Advise the Board of the SME company on the development of adequate procedures, systems and controls to ensure compliance with:
  - a. Good standards of corporate governance, including but not limited to: the holding of regular Board meetings, at least on a quarterly basis; the establishment of committees of the Board including an Audit Committee and a Remuneration Committee; conducting due diligence prior to the company's admission for listing on the SME Market; conducting due diligence prior to SME's entry into any material transaction, or any proposed issue of participating voting shares or other securities with a view to their admission;
  - b. Good fiscal discipline; and
  - c. Compliance with TTSE Listed Company Disclosure Rules and Guidelines on Timely Disclosure of Information and other Rules of the TTSE;
3. At the request of the TTSE, provide evidence of the individual's capacity to perform as a Mentor to the SME;
4. Respond promptly to enquiries which the TTSE may reasonably make for the purposes of verifying the SME's compliance with the TTSE Rules; Listing Agreement and Listing Requirements;
5. Liaise with the TTSE in an open and co-operative way, and for this purpose, the Mentor shall disclose to the TTSE in a timely manner any material information relating to it, or to the SME, concerning non-compliance with the TTSE Rules and SME Listing Agreement and Listing Requirements;
6. Not delegate the performance of the functions and responsibilities set out in these Guidelines or in the Mentorship Agreement without the prior consent of the TTSE in writing. Such consent shall not be unreasonably withheld, provided always that the Mentor shall retain primary responsibility to the TTSE and the SME for the acts and omissions of the person to whom he has delegated his functions and responsibilities.

## **Accompanying Documents**

Upon application or recommendation as a Mentor, interested persons are required to review and complete the accompanying SME Market Mentorship Programme documents:

1. Application and Approval Process
2. Mentor Selection Criteria and Evaluation Form
3. Fit and Proper Questionnaire
4. Sample Mentor Agreement
5. Company Declaration of Mentor

To find out more about the SME Market Mentorship Programme, please email [smemarket@stockex.co.tt](mailto:smemarket@stockex.co.tt).