

APPENDIX III

MENTORSHIP AGREEMENT

THIS AGREEMENT is made the _____ day of _____, 20____
between: _____, of

_____ (the “Mentor”), and
_____, of

_____ (the “SME Company”)
(together, the “Parties” and each a “Party”).

WHEREAS:

1. The SME Company, being an eligible Company, [seeks initial admission or has been admitted] to the SME Market of the Trinidad and Tobago Stock Exchange Limited (“TTSE”);
2. The SME Company desires to appoint the Mentor on the terms set out in this Agreement; and
3. This Agreement contains standard clauses as set out hereunder between the Mentor and SME Company which, may be subject to amendment upon agreement between the parties.

NOW, THEREFORE, in consideration of the above premises, and for other good and valid consideration, the sufficiency of which is acknowledged by each of the Parties, the Parties have agreed as follows:

1. DEFINITIONS

Unless otherwise stated, defined terms used in this Agreement shall have the meanings given to them by the SME Mentorship Rules.

2. APPOINTMENT AND REMUNERATION OF APPOINTED MENTOR

- 2.1 Subject to clause 3 below, the Eligible Company or SME Company (as the case may be) agrees to appoint the Mentor for a period of [please insert the number of years – (A Mentor shall act for an initial period of no less than three (3) years after which, an

Independent Director may be appointed for the remaining period of no less than two (2) years).

2.2 The appointment shall be effective

- (1) in the case of an Eligible Company which is a company seeking initial admission, as from the date on which such admission is approved by the TTSE; or
- (2) in the case a SME Company that has been admitted, as from the date on which the appointment of the Mentor is approved by the TTSE.

2.3 The SME Company shall be responsible for the remuneration of the Mentor.

[Incentives may be afforded to the Appointed Mentor provided they do not cause conflicts of interest which are not effectively managed.]

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF MENTOR

3.1 The Mentor hereby represents, warrants and covenants for the benefit of the Eligible Company or SME Company (as the case may be) that he or she:

- (1) is a person that possesses the relevant skills, knowledge and expertise required to carry out the responsibilities and functions of the Mentor as set out in the SME Mentorship Rules, having gained such skills, knowledge and expertise through the following activities:

[Provide list of skills, knowledge and expertise, having regard to the functions and responsibilities of the Mentor. Such skills knowledge and expertise shall include: any professional qualifications, work for companies that are listed on the TTSE Exchange and/or other exchanges, and any other relevant experience.]

- (2) is a person of good character, having never been convicted of an offence involving fraud, dishonesty or corruption in Trinidad and Tobago, or elsewhere in the world;
- (3) currently [has / does not have] conflicts of interest regarding his or her appointment as Mentor on the terms set out in this Agreement.

_____ *[list and describe conflicts if any currently exist, and the steps taken to manage these conflicts effectively];*

- (4) shall immediately advise the SME Company and the TTSE, in writing, of any [further] conflict(s) of interest which may arise that affect(s) his or her

appointment as Mentor on the terms set out in this Agreement, outlining the nature of the conflict(s) and the steps being taken to effectively manage such conflict(s);

- (5) shall, at all times during his or her appointment as Mentor:
- (a) act honestly and in good faith in the best interests of the SME Company and its shareholders notwithstanding having other interests or obligations to another Entity;
 - (b) act with due skill and care, having regard to:
 - a. his or her skills, knowledge and expertise as set out under paragraph (1) of clause 3.1 (1) above; and
 - b. the general level of skills, knowledge and expertise reasonably required of a person carrying out the functions and responsibilities of a Mentor for the purposes of the SME Mentorship Rules;
 - (c) advise the Board of Directors of the SME Company on the establishment of adequate procedures, systems and controls for the purposes of its compliance with:
 - (i) good standards of corporate governance, including but not limited to:
 - (A) the holding of regular Board meetings and as appropriate, but in any event shall at least be on a quarterly basis;
 - (B) the establishment of appropriate committees of the Board including the Audit Committee and the Remuneration Committee;
 - (C) The carrying out of appropriate due diligence enquiries by the eligible company prior to its initial admission to the SME Market;
 - (D) The carrying out of appropriate due diligence enquiries by the SME Company prior to its entry into any material transaction, or any proposed further issue of participating voting shares or other securities with a view to their admission;
 - (ii) best practice on financial reporting and disclosure in accordance with the Act, the Stock Exchange Rules, the SME Mentorship Rules and the SME Market Rules;
 - (iii) the making of public announcements and timely disclosures; and
 - (iv) the TTSE SME Listing Requirements and TTSE SME Listing Agreement generally;

- (d) at the request of the TTSE, provide evidence of his or her capacity to act as a Mentor;
- (e) respond promptly, and in any event within five (5) days to any enquiries that the TTSE may reasonably make for the purpose of verifying compliance by the Eligible Company or SME Market Company (as the case may be) with the SME Mentorship Rules, Stock Exchange Rules and the SME Market Rules;
- (f) immediately inform the SME Company and the TTSE if he or she is unable or likely to be unable to comply with any of the provisions of this Agreement;
- (g) prepare an annual appraisal report which shall be submitted to the SME Company and contain at a minimum the following information:
 - a. significant accomplishments or contributions in the undertaking of his or her mentorship duties within the last year;
 - b. description of any professional development activities undertaken since the last year, including but not limited to seminars, training, management coaching or mentoring;
 - c. challenges experienced within the last year specific to the role of being an Mentor; and
 - d. areas which require improvement in terms of professional capabilities and the steps required to be taken and/or the resources needed to accomplish this;
- (h) not delegate the performance of any of his or her duties under this Agreement, or the SME Mentorship Rules, without the prior consent in writing of both the SME Company and the TTSE;
- (i) deal at all times with the TTSE in an open and cooperative way, and disclose to the TTSE in a timely manner any material information relating to him or her, or to the Eligible Company or the SME Company (as the case may be) concerning non-compliance with the SME Mentorship Rules, Stock Exchange Rules and the SME Market Rules;
- (j) In the event that he is a Mentor to an Eligible Company or SME Company (as the case may be) ("the first entity") and he is contemplating becoming a Mentor to another Eligible Company or SME Company (as the case may be) ("the second entity"), prior to becoming the Mentor for the second entity, shall disclose to the first entity his intent to become a Mentor for the second entity and shall disclose to the second entity that he is currently the Appointed Mentor for the first entity;
- (k) disclose to the SME Company if he or she or any person associated with him or her has executed any trades in the shares of the SME Company within five (5) business days of the transaction; and
- (l) not directly or indirectly, communicate or otherwise disclose any material non-

public information.

3.2 For the purposes of this Agreement, a Mentor appointed as a Director or Senior Officer of the SME Company will qualify as an insider being privy to Insider Trading Information and is therefore required to comply with the provisions of the Act in respect of Insider Trading.

3.3 Nothing in this Agreement shall be construed as requiring the Mentor to:

- i. advise the Board of Directors on the commercial business of the Eligible company or the SME Company (as the case may be);
- ii. make, or participate in the making of, commercial business decisions by the Board of Directors of the Eligible company or the SME Company (as the case may be); or
- iii. act in the capacity of a member of the Board of the Eligible company or the SME Company (as the case may be).

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

4. TERMINATION AND SUSPENSION

4.1 In the event of the material breach of any of the provisions of clause 3 by the Mentor, the SME Company shall be entitled to terminate this Agreement immediately upon its discovery of such breach.

4.2 Either Party to this Agreement shall be entitled to terminate it upon the provision of not less than 3 months' notice in writing to the other.

4.3 This Agreement shall also terminate immediately, in the event that the appointment of the Mentor is not made effective in accordance with clause 2.2.

4.4 The SME Company may suspend an Appointed Mentor with immediate effect for failure to comply with Rule 704(1) or (2) or where the Appointed Mentor has been subject to Rule 704(3) of the SME Mentorship Rules.

5. CONFIDENTIALITY

The Parties shall keep this Agreement, and all matters connected with it, confidential, and their obligation to do so under this clause 5 shall survive the termination of this Agreement pursuant to clause 5.

6. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of Trinidad and Tobago.

7. DISPUTE RESOLUTION

- 7.1 In the event of a dispute, the Parties to the dispute shall attempt to use their respective best endeavours to consult and negotiate with each other in good faith (through their respective duly appointed representatives who shall have authority to settle the same) and, recognizing their mutual interests, attempt to reach an amicable, just and equitable settlement satisfactory to the said Parties.
- 7.2 A Party who desires to submit a dispute for resolution shall commence the dispute resolution process by providing the other Parties to the dispute written notice of the dispute. The said notice shall identify the Parties to the dispute and contain a brief statement of the nature of the dispute, the relief requested and other relevant information.
- 7.3 If the dispute is not resolved through consultations and negotiations pursuant to paragraph 7.1 of this Agreement within a period of forty-five (45) days, the Parties to the dispute shall seek, in good faith, to resolve the dispute by mediation. Any Party to the dispute may initiate such mediation process by sending the other Party to the dispute a written request that the dispute be mediated. The Party receiving such written request shall promptly respond to the requesting Party and all Parties to the dispute shall meet and jointly select a neutral mediator and the mediation rules and schedule a mediation session within twenty (20) days of the said request or such other period as the said Parties to the dispute may agree. The selected mediator shall meet with the Parties to the dispute to mediate the dispute within forty-five (45) days after the date of receipt of the written request for mediation or such other period as the Parties to the dispute may agree. If the Parties to the dispute fail to agree (within the period specified herein) on the mediator or the mediation rules which will apply to the mediation, the mediation rules of the Dispute Resolution Centre of the Trinidad and Tobago Chamber of Industry and Commerce shall apply.
- 7.4 In the event that a dispute is not finally resolved by mediation, or if any Party to a dispute fails to participate in the mediation process the said dispute shall be exclusively and finally resolved by arbitration in accordance with the provisions of the Arbitration Act Chapter 5:01, unless otherwise agreed. The decision of the arbitrator(s) shall be final and binding on the Parties to the dispute and the Parties agree to abide by the decision of

the arbitrator(s). Such referral shall not prejudice this Agreement.

7.5 Any fees, costs and expenses (including any and all administrative expenses) incurred with respect to the dispute resolution process pursuant to this Clause shall be borne by the Parties to the dispute in equal shares unless otherwise agreed.

8. SURVIVAL

Except as otherwise expressly set forth in this Mentorship Agreement, upon the termination of this Agreement or the expiration of the term, the respective rights and obligations of the parties that accrued prior to such termination or expiration shall survive such termination or expiration to the extent necessary to carry out the intention of the parties hereto.

9. NOTICES

The addresses of the Parties for notices are as follows:

If to the SME Company: *[insert details and contact person]*

If to the Mentor: *[insert details]*

AS WITNESS the hand of _____ (**MENTOR**) on the _____ day of _____, 20__ and the hand of _____ on behalf of (**NAME OF SME Company**) on the _____ day of _____, 20__.

Signed by _____)
MENTOR in the presence of: _____)

Signed by _____)
for and on behalf of (**NAME OF SME Company**) _____)
with due authority in the presence of: _____)
_____)