



## Appendix 6 from Junior Market Rulebook

### Mentor Agreement

The General Manager of the Jamaica Stock Exchange  
P.O. Box 621  
Kingston, Jamaica

#### MENTOR AGREEMENT

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_

between:

\_\_\_\_\_, (the “**Mentor**”), and

\_\_\_\_\_, (the “**Junior Market**

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

WHEREAS:

- (1) The **Junior Market Company**, being an **eligible company**, [seeks initial admission OR has been **admitted**] to the **Junior Market** of the **Jamaica Stock Exchange (“JSE”)**.
- (2) The **Junior Market Company** desires to appoint the **Mentor** on the terms set out in this Agreement.

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 **Junior Market Rules** made by the **JSE**.

#### 2. APPOINTMENT AND REMUNERATION OF MENTOR

- 2.1 Subject to clause 3 below, the **eligible company** or **Junior Market Company** (as the case may be) desires to appoint the **Mentor** for a period of \_\_\_\_\_ [months/years].

- 2.2 The appointment shall be effective: \_\_\_\_\_
- (1) in the case of a **Junior Market Company** which is an **eligible company** seeking initial **admission**, as from the date on which such **admission** is approved by the **JSE**; or
  - (2) in the case a **Junior Market Company** that has been **admitted**, as from the date on which the appointment of the **Mentor** is approved by the **JSE**.
- 2.3 Provided that the **Mentor** is not in breach of this Agreement, he shall receive remuneration from the **Junior Market Company** to be paid as follows:

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### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF MENTOR**

- 3.1 The **Mentor** hereby represents, warrants and covenants for the benefit of the **eligible company** or **Junior Market Company** (as the case may be) that:
- (1) [he/she] is a **person** that possesses the relevant skills, knowledge and expertise required to carry out the responsibilities and functions of the **Mentor** set out in **Rule 503(2)** of the **Junior Market Rules**, having gained such skills, knowledge and expertise through the following activities:

- (2) [he/she] is a person of good character, having never been convicted of an offence involving fraud or dishonesty in Jamaica, or elsewhere in the world;
- (3) [he/she] currently [has no conflicts of interest OR has the following conflicts of interest] as regards [his/her] appointment as **Mentor** on the terms set out in this Agreement

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- (4) if any [further] conflicts of interest should arise that affect [his/her] appointment as **Mentor** on the terms set out in this Agreement, [he/she] shall immediately advise the **Junior Market Company** and the **JSE**, in writing, of the nature of the conflict, and the steps being taken by the **Mentor** to avoid, or manage effectively, such conflict;
  - (5) [he/she] shall, at all times during [his/her] appointment as **Mentor**:
    - (a) act honestly and in good faith, with a view to the best interests of the **Junior Market Company** and its **participating voting shareholders** [and any holders of its other **securities**], as a whole;
    - (b) act with due skill and care, having regard to:
      - (i) [his/her] relevant skills, knowledge and expertise as set out in paragraph (1) of this clause 3, above; and
      - (ii) 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 **Junior Market Rules**;
    - (c) advise the **Board of Directors** of the **Junior Market 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:
  - the holding of regular **Board** meetings, at least on a quarterly basis, and as at appropriate;
  - the establishment of appropriate committees of the **Board** including the Audit Committee and the Remuneration Committee;
  - the carrying out of appropriate due diligence enquiries by the **eligible company** prior to its admission to the **Junior Market**;
  - the carrying out of appropriate due diligence enquiries by the **Junior Market Company** prior to its entry into any material transaction, or any proposed further issue of **participating voting shares** [or other **securities**];
- (ii) good fiscal discipline, and **Rule 505(10)** on financial reporting;
- (iii) the making of public announcements, and **Rule 505(11)** on timely disclosure; and
- (iv) the **Junior Market Rules** generally;
- (d) at the request of the **JSE**, provide evidence of [his/her] capacity to act as **Mentor**;
- (e) respond promptly to any enquiries that the **JSE** may reasonably make for the purposes of verifying compliance by the **Junior Market Company** with the **Junior Market Rules**;
- (f) deal at all times with the **JSE** in an open and co-operative way, and disclose to the **JSE** in a timely manner any material information relating to [him/her], or to the **Junior Market Company** (as the case may be), concerning non-compliance with the **Junior Market Rules**; and
- (g) not delegate the performance of any of [his/her] duties under this Agreement, or **Rule 503(2)** of the **Junior Market Rules**, without the prior consent in writing of both the **Junior Market Company** and the **JSE** of the **JSE**.

3.2 Nothing in this Agreement shall cause the **mentor** to:

- (a) advise the **Board of Directors** on the commercial business of **Junior Market Company**;
- (b) make, or participate in the making of, commercial business decisions by the **Board of Directors** of the **Junior Market Company**; or

(c) act in the capacity of a member of the Board of Directors of the **Junior Market Company**.

3.3 For the avoidance of doubt, the **mentor** shall act only as a compliance adviser to the **Board of Directors** of the **Junior Market Company** (as the case may be) and shall not be construed as a shadow director for the purposes of the **Companies Act** or any other applicable law.

#### **4. TERMINATION**

4.1 In the event of the material breach of any of the provisions of clause 3 by the **Mentor**, the **Junior Market 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.

#### **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.] **[RESTRAINT]**

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[The **Mentor** shall not, during the period of \_\_\_\_\_ [months/years] from the effective date of termination of this Agreement pursuant to clause 4, act as **mentor**, **Director**, officer, employee, agent, of any other company which has been admitted to the **Junior Market** of the **JSE**.]

#### **7. GOVERNING LAW**

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

#### **8. ARBITRATION**

8.1 Disputes arising between the Parties in relation to this Agreement shall be referred to a single arbitrator to be agreed by them, or failing such agreement of the Parties within 30 days of a request by a Party to agree such appointment made to the other, in writing, to a single arbitrator appointed by the Chairman of the JSE Board of the JSE.

8.2 For the purposes of this clause 8, the arbitration shall be subject to the Arbitration Act of Jamaica.

## 9. NOTICES

The addresses of the Parties for notices are as follows:

If to the [Junior Market Company](#):

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If to the [Mentor](#):

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**Signed for and on behalf of the Mentor by:**

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**Mentor (if individual)**

*Note: if Mentor is a company it should sign by 2 persons in the same way as the Junior Market Company (see below)*

**Signed under seal for and on behalf of [Junior Market Company](#) by:**

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**Director**

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**Director/Secretary**

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**Date**

[SEAL]