



# PROCEDURE

## Removal of Directors

### Applicable to

Ministries of Mercy Partners

### Procedure Summary

Mercy Partners is the owner, canonical sponsor and civil Member of Companies Limited by Guarantee. The constitutions of Mercy Partner Companies provide, generally at Clause 6.1, that 'The member of the Company is Mercy Partners Limited'.

### Procedure Details

#### Standard member rights

Generally, Clause 20.1(d) provides that the Member may 'remove any Director before the end of the Director's period of office'.

#### Reserve powers

Clause 9 also sets out additional express 'reserve powers' of Mercy Partners, as the sole member, including rule 9(d):

*'To fix the number of Directors of this Company (subject to clause 19), appoint the Board of Directors of this Company, appoint the Chair and the Deputy Chair from time to time and remove such Directors at any time with or without cause'.*

There is a process under Clauses 20.2 to 20.5 that involves potentially 'suspending' a director (rather than immediately removing a director) in circumstances where the conduct or position of any director appears to the member to be prejudicial to the interests of the Mercy Partner Company.

If a decision is made, to remove the director, Mercy Partners should be clear that it is 'removing' a director, not merely 'suspending' a director as referenced above to provide for certainty and finality. In other words, Mercy Partners is relying on its express reserve powers under rule 9(d) and its rights under rule 20.1(d) to remove the relevant director.

To implement a decision to remove a director, the Board of Mercy Partners should pass a resolution to make a determination to authorise an individual representative (acting in the capacity of the member of the Mercy Partner Company) to sign a sole member resolution of the Member to remove the relevant director. The sole member resolution may then be served on the relevant director, the chair, and company secretary simultaneously. Any regulatory notifications (e.g. with the ACNC, etc.) may then be subsequently lodged and updated in the usual course.

To reflect Mercy Partner values, where possible, the Director to be removed shall be advised of their removal by the representative prior to being served the sole member resolution.

## Related Documents and Information

- Ministry Constitutions

Version Control					
Version #	Overview of updates	Author	Approved By	Date Approved	Next Review Due
2	Procedure copied to a new template, removed document number and renamed as per DMR naming convention, added footer and added version control details. Removed reference to Mercy Partners Council and replaced with the Board of Mercy Partners. Previously SPON 2.10.	SL	CEO	1 July 2022	1 July 2025