MERCY PARTNERS

POLICY

Appointment, Re-Appointment, Resignation and Removal of Directors

Applicable to

Ministries of Mercy Partners Limited

Policy Summary

As the civil owner, Mercy Partners reserves the power to appoint, re-appoint and remove Directors of the Ministry companies for which it holds canonical and civil responsibility. The appointment, reappointment and removal of Directors is a governance responsibility intended to encourage the continuing mission of Companies on behalf of the Church.

Mercy Partners understands the role of a Director in both Canonical and Civil terms.

Drawing from the 'Theological Framework' Mercy Partners understands that "The Holy Spirit gives different gifts and charisms according to the Spirit's own "richness" and the needs of the ministries in the building of the body of Christ. Mercy Partners depends on and seeks to nourish this diversity of gifts in forming creative, faithful leaders within the life of the Church. Hence, Mercy Partners vocation to living mercy in the world enables lay people to assume canonical leadership of ministries, giving the laity a new context for living out their gifts, and thus contributes in a special way to the building of Christ's body by expanding pathways of leadership and collaboration within the Church" (Theological Framework p.13).

In the same way, Mercy Partners invites the Directors to view Directorship as vocation, rather than career and an opportunity for servant leadership.

Mercy Partners acts within the principles of good governance as outlined in documents like the Corporations Act 2001 and the Principles of Good Governance published by the Australian Institute of Company Directors. Mercy Partners also observes the Catholic Social Teaching principles of subsidiarity and the common good.

In practice, this means Mercy Partners:

- Respects the role of the Board to identify needs and make recommendations about its composition.
- Works with ministry leaders to ensure the ongoing continuance of the ministry as a Catholic Church entity.

Mercy Partners has sought independent legal and canonical advice as to situations where it would be appropriate for Mercy Partners to directly appoint its own nominee to the Board of ministry. This has been set out in Step 1 of the following Procedure.

Steps in the processes of appointment and reappointment

1. Mercy Partners informs the Ministry Board

Mercy Partners informs the Ministry Board six months in advance of Director terms which are due to expire.

Mercy Partners reserves the right to directly appoint Directors to the Boards of its ministry companies. In situations, e.g., where Mercy Partners has 'inherited' a Board as a result of a new ministry transitioning into Mercy Partners as referred to in the Policy Statement. In addition, if Mercy Partners forms the view that the operation of the Board of a ministry requires closer scrutiny to ensure the Board and the ministry are fulfilling their obligations then a direct appointment by the Board of Mercy Partners may be approved. Such appointments will usually be for a term of not exceeding one year however, the appointment term is subject to review if required by Mercy Partners Board.

Mercy Partners will not accept a nomination for a ministry Board from any person that is the spouse, partner or other related person to an existing Director of the ministry Board. Further, Mercy Partners will not accept a nomination for a ministry Board where the nominee is also a current Director of a different Mercy Partners ministry.

2. Identification of nominees

Boards assess the particular skill set that is required by the Board, in response to resignations or changed circumstances of the Board. Boards are encouraged to undertake regular 'skills audits' to ensure that the Board skills matrix supports the business of the Board. Our Partners in Mission publications are excellent resources and provide guidance on a range of matters of interest to Boards including the construction of skill sets and expectations of Directors.

Mercy Partners reserves the right to be involved with the recruitment process of Ministry Chairs as per the Ministry's Constitution, under Reserved Powers of the Members.

3. Nomination by the Board

The Board assures itself that a nominated person has an appropriate skill set as well as an understanding of the mission of the ministry and the role of Mercy Partners. Normally, this would mean that the nominee understands their role primarily as 'vocational' and an opportunity to serve in the mission of God. The Board should also be confident that any nominee is willing to act as a Director, understands the civil law obligations of a Director of a Company, and is suitably qualified to act as a Director and has a current ASIC issued Director ID.

Ministries are reminded that Directors of education ministries should refer to the Policy and Guideline: Parent/Carer of Current Students as Directors of Education Ministries.

When the Board is satisfied that a nominee satisfies the Board's needs, a recommendation is made to Mercy Partners with:

- A Ministry Board Member Application Form including a statement of interest written by the applicant on experience in catholic leadership.
- A brief summary or Curriculum Vitae of the nominee's qualifications and experience.
- An outline of the skill set of the nominee in reference to the Board Skills Matrix.
- In accordance with section five of the application form the nominee's commitment to participate in formation programs during the appointment term.

For Mercy Partners to diligently consider the nomination, Ministries would provide notice of a consideration of nominees as Directors or Chairs up to three months before scheduled Board of Mercy Partners meetings to allow an opportunity for ongoing discussions, succession planning and renewal, unless exceptional circumstances warrant otherwise. The Board of Mercy Partners meetings are generally held on the second Wednesday of the month.

As set out in Step 1 of this Procedure, Mercy Partners may decide to directly appoint a Director to a Ministry company. The reasons for the decision to make such an appointment will be conveyed to the Board Chair of the Ministry concerned in advance of the approval of the appointment at a Meeting of the Member.

The Chair and Director of Formation of Mercy Partners will meet with new Ministry Chairs prior to the commencement of their tenure, where possible and as time permits.

4. Discernment by the Board of Mercy Partners

On receipt of the information from the Ministry Board, the Board of Mercy Partners will consider the nomination, considering the attributes of the nominee and the profile of the Board. Mercy Partners may have further discussions with the Board Chair about the suitability of the nominee.

The Board of Mercy Partners will consider:

- Nominations received from the Ministry Board.
- The commitment of nominees to the mission of the organisation and Catholic identity.
- The skill set required by the Board.
- Willingness of nominees to undertake formation for mission the professional expertise of nominees.
- The standing of nominees in the local community.

Whether the nominee is already a director on another Mercy Partners ministry Board. Mercy Partners will not support a Director serving on more than one Mercy Partners Ministry Board, apart from under exceptional circumstances.

5. Appointment of a Director

Mercy Partners will notify the Board of Directors of its decision. The Board will record the resolution of Mercy Partners.

Mercy Partners will appoint a new Director in a letter of appointment specifying the effective date of appointment and the duration of the term. Mercy Partners will forward advice of the appointment to the Company Secretary.

In compliance with civil law, the nominee will formally accept the appointment by writing to Mercy Partners. A copy of this letter should also be forwarded to the Company Secretary. The Company Secretary will then make the appropriate changes to the Company Register and notify ASIC/ACNC. The Company Secretary will ensure that the new Director signs all required forms. Along with a ministry induction, a new Director will also participate in a Mercy Partner induction.

6. Appointment of a Chair

As the owner, Mercy Partners reserves the power to appoint/re-appoint the Board Chairs of companies for which it holds canonical and civil responsibility. In doing so they will consult with the Board and, if required, contract an external recruiter to source the most appropriate candidate. Board Chairs should have a clear understanding of the canonical and civil responsibilities of the role.

7. Re-appointment of a Director

Mercy Partners will consider the re-appointment of Directors upon receipt of advice from the Board Chair or Company Secretary indicating that the term of appointment is due to expire and outlining the willingness of the Director to continue.

Director reappointments should be requested at least six weeks before the expiry of a Director's term unless exceptional circumstances warrant otherwise.

Mercy Partners may discuss the re-appointment with the Board Chair. When considering the re-appointment of a Director to a Ministry Board, the MP Board takes into consideration:

- Any information received from the Chair about the performance of the Director.
- Whether the Director's skill set is still required.
- Whether the Director has undertaken formation during their appointment.
- The Director's willingness to continue.
- Whether the Director has served more than two terms. To support Board renewal, Mercy Partners will generally only support Directors serving a maximum of three terms. However, under exceptional circumstances and on the written advice of the Board Chair extensions, may be granted and these are usually for a period of significantly less than three years.

Mercy Partners will notify the Director outlining the term of a renewed appointment.

8. Re-appointment of a Chair

Mercy Partners will consider the re-appointment of the Chair upon receipt of advice from the Company Secretary or Chair that the Board recommends that Mercy Partners re-appoint the Chair. An extract of the Company minutes with this recommendation is required.

When considering the re-appointment of a Chair to a Ministry Board, the Board of Mercy Partners takes into consideration:

- The performance of the Chair in the role.
- The need for continuity or change. To support Board renewal Mercy Partners will generally only support the Chair serving two terms. However, the Board of Mercy Partners will consider a Chair serving 3 consecutive terms under exception circumstances and on the written advice of the Company Secretary.
- The support of the Board.
- Whether the Chair has undertaken formation during their appointment.
- Any constitutional or legislative requirements.

Mercy Partners will notify the Chair outlining the term of a renewed appointment or observe the processes outlined above in the Appointment of a Chair.

Resignation of a Director

A Director may resign from the position of Director by notifying Mercy Partners of the intention to resign, outlining the date at which the resignation is to become effective. Written advice should also be forwarded to the Chair of the Board and the Company Secretary. The Company Secretary will make the required changes to the Company Statement.

Removal of a Director

Under the Company's constitution, Mercy Partners reserves the right to remove a Director for any reason.

Related Documents and Information

- Mercy Partners Ministry Board Member Application Form
- Mercy Partners Theological Framework
- Mercy Partners Annual Ministry Planning Guide
- Partners in Mission publications
- Policy and Guideline: Parent/Carer of Current Students as Directors of Education Ministries

Version Control

Version #	Overview of updates	Author	Approved By	Date Approved	Next Review Due
2	General updates as per a scheduled review.	CEO	MP Board	18 May 2021	18 May 2026
2	Review undertaken – no changes made	CEO	CEO	18 May 2026	18 May 2029