ANNEX 6

BOARD SUBMISSION (COVER) LETTER: TEMPLATE

Company "XXX"

Form for submitting an item for consideration at a Board meeting

The form below is an example. Where necessary, the persons preparing a submission may add other sections at their discretion, depending on the nature of the item under consideration. The right-hand column explains what each section should contain; in a completed submission it is replaced by the actual content.

NO.	SECTION OF THE SUBMISSION	WHAT TO INCLUDE
1.	**Date**	Date of preparation of the submission (not the date of the meeting).
2.	**Agenda item**	The agenda item as worded in the agenda (copied from it). The item number is not given.
3.	**Legal basis**	The specific article of the law, the articles of association, a policy or another document under which the item is submitted to the Board meeting (the provisions are quoted). This part is agreed with the Board secretary and, where necessary, with the company's lawyer.
4.	**Type of item**	Possible types: – for decision (items on which the Board has to take a decision); – for discussion (where no decision is planned at the meeting); – for information (reports and other matters).
5.	**Essence of the item**	A short and clear statement (at most three or four sentences) of what decision is proposed and why (what the problem is, what change is sought and similar). Examples: (i) the Board is asked to decide on the construction of a plant (details) at a cost of EUR x; the new plant will increase production volumes (details), bringing the company EUR x of additional revenue per year; (ii) a draft policy is submitted to the Board for approval in a new wording, taking into account that <…>.

NO.	SECTION OF THE SUBMISSION	WHAT TO INCLUDE
6.	**Rationale for the proposed decision**	A detailed statement of the facts and of the reasons why the decision proposed to the Board is in the best interests of the company (preferable no longer than 10 pages) If several alternatives are presented, management must clearly identify which alternative the Board is asked to vote on and why. Where an item is submitted for decision, this section must contain enough information and reasoning for the Board to understand the consequences of taking or not taking the decision and to take an informed decision, satisfied that it is in the best interests of the company. The text may be structured freely, as long as the information is presented clearly. The rationale usually has two parts: – factual information (objective data): – context (for example, changes in legislation that require the Board to change the company's activities); – background (excluding the information given under item 7, "Link with previous decisions and recommendations"); – where a document or transaction is submitted for approval, a summary of its main terms; – assessment of the facts, analysis and conclusions (the subjective part), for example: – why the proposed decision should be taken; – the consequences of the decision; – the possible options, with their advantages and disadvantages (for example, where the acquisition of an asset is proposed, the alternatives of leasing or building it); – where several options are possible, the grounds for the option proposed by management. Where more detailed information is needed, the text of the submission should not be overloaded; the additional information is attached as annexes. Where opinions of external advisers have been obtained, they are referred to in this section; the full opinions may be attached as an annex.
7.	**Alignment with strategy**	The submission should explain how the proposed decision aligns with the company's strategy and/or business plan.
8.	**Risks and management measures**	The submission should indicate the key risks and their levels associated with the proposed decision and the proposed measures to manage them.
97.	**Link with previous decisions and recommendations**	The specific Board decision, or the proposals or recommendations of its committees, relating to the item, with the date of the meeting; the decision or recommendation is not only referred to but quoted. This part is agreed with the Board secretary.
108.	**Proposed decisions**	The decision proposed to the Board. The resolution must be short, clear and unambiguous. Where information that is missing for the decision will be obtained only at the meeting, a recommendation on the decision may be given instead.

NO.	SECTION OF THE SUBMISSION	WHAT TO INCLUDE
119.	**Opinion of the Board secretary**	An opinion on whether the item falls within the competence of the Board and whether the proposed decision is consistent with previous Board decisions and assignments and with the proposals and recommendations of its committees. *Position, name and surname* _____ *(signature)*
1210.	**Financial opinion**	A short opinion on (i) the financial consequences of the proposed decision and when they will arise; and (ii) whether the expenditure is planned in the budget and under which budget line. Where financial information is given in the rationale, only a summary is provided here (no repetition). Where more detailed information is needed to explain the financial consequences, an annex with the additional information is attached. *Position, name and surname* _____ *(signature)*
1311.	**Legal opinion**	An opinion on whether the proposed decision complies with the applicable laws and the company's internal documents. Where certain requirements are not fully met, an explanation is given. The legal basis given elsewhere in the submission is not repeated; a summary is provided. *Position, name and surname* _____ *(signature)*
1412.	**Endorsements**	The persons with whom the submission has been agreed, depending on its content. These may be any stakeholders, as well as the senior or functional managers whose areas are affected. When endorsing, each person states why they recommend the proposed decision. The submission is also signed by the person who prepared it. I recommend that the decision be taken because … *Position, name and surname* _____ *(signature)* Person who prepared the submission *Position, name and surname* _____ *(signature)*
1513.	**Person initiating the item**	Usually, the CEO. *Position, name and surname* _____ *(signature)*
1614.	**Person presenting the item**	The person (position, name and surname) who will present the item at the meeting.
1715.	**Annexes**	The annexes attached to the submission, numbered. The annexes form part of the submission, so the persons signing it give their opinions on the annexes as well.