



Sir Peter Gershon CBE FREng

CHAIRMAN

PG/CAM

30th September 2009

Mr. Chris Hodge,
Corporate Governance Unit,
Financial Reporting Council,
Fifth Floor,
Aldwych House,
71-91 Aldwych,
London WC2B 4HN

Dear Mr. Hodge,

I have now had an opportunity to discuss with Tate & Lyle's Non-Executive Directors the FRC's Review of the Effectiveness of the Combined Code Progress Report and Second Consultation Document issued in July 2009 and would like to input the following points to the next stage of your review.

1. Based on our collective experience we consider that both corporate governance and risk management are about attitude of mind and behaviour, and are not subjects that are dealt with by a 'tick-box' approach. Therefore the focus of any changes to the Combined Code should be on substance not form, and should make it harder for companies to churn out boilerplate compliance disclosures.
2. Given the diversity of size, complexity, and business activities undertaken by companies covered by the Code we strongly believe it should focus on principles and expected outcomes, and not be prescriptive on how these are to be achieved. We therefore do not consider it appropriate for a revision of the Code to mandate issues such as Risk Committees, time commitments, and how Board Effectiveness reviews should be undertaken.

It would be helpful for the Code to include examples of best practice but these would need to recognise that one size does not fit all.

Company Annual Reports should include more information on how the expected outcomes of the Code are being achieved.

3. Although the June 2008 revision of the Code sets out clearly that the Chairman is responsible for the leadership of the Board (A2 Supporting Principle) we feel that the recommendations for annual re-election of Chairs of the Main Board Committees and of all Directors undermine this principle.

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It is the Company Chairman's responsibility to ensure appropriate people are appointed as Directors and Committee Chairmen. The Company Chairman should be accountable to the shareholders if there is shareholder dissatisfaction with the performance of a particular committee.

It may therefore be appropriate for the Company Chairman to stand for re-election every year but the FRC will need to consider carefully,

- (a) whether annual re-election could lead to short-term "crowd pleasing" behaviour rather than focussing on the long-term interests of the company and all its key shareholders;
 - (b) how short-term activist shareholders could use annual re-election to serve their own interests especially if they have been unwilling to engage in constructive dialogue with the company in advance of a shareholders meeting about their areas of concern.
4. We feel that the FRC needs to be very careful to distinguish between sound principles in the Walker Review and recommendations that address specific systemic issues in BOFIs such as risk/reward.
5. We are concerned about the recommendations regarding increased shareholder engagement. Our experience indicates that major institutional investors have finite manpower resources which they are unlikely to increase and this gives rise to two possible unintended consequences:
- (a) shareholders will have to focus on fewer companies and disinvest from others;
 - (b) investors will increasingly resort to the use of unaccountable intermediaries to handle shareholder engagement.

We feel that neither of these will be beneficial.

I hope you find the input helpful

Yours sincerely,



Peter Geshu