



Sir Peter Gershon CBE FREng

CHAIRMAN

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Mr C Hodge
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Dear Mr. Hodge,

FRC CONSULTATION ON GENDER DIVERSITY ON BOARDS

I am writing in response to the FRC's request for views on the three matters set out in its May 2011 consultation document on Gender Diversity on Boards.

- A.** Are further changes to the Code needed in order to help achieve more diverse and more effective boards?
1. The Tate & Lyle Board considers that diversity is a fundamental pre-requisite to board effectiveness.
 2. In our view diversity includes, but is not limited to, skills, experience and knowledge. Diversity also embraces perspectives, approaches and thought. It is the mix of these 7 attributes collectively that needs to be appropriate to the foreseeable needs of the business.
 3. Of the above attributes we consider that perspective and approach are the two that can be greatly enhanced through gender, age and/or cultural diversity on the board.
 4. We are concerned that the current focus on gender diversity will not help boards address in a holistic manner their own imperatives to improve board diversity and effectiveness.

5. In light of the above I am:

(a) very supportive of changes to the Code which:

- make even more explicit the linkage between diversity and effectiveness.
- require boards to establish formal diversity policies and to explain in the annual report how this is being applied in practice.

(b) not supportive of changes to the Code which place undue emphasis on gender at the expense of other aspects of diversity.

B. If so, what should the changes be?

1. The Code should require every board to have a diversity policy (which should include a definition of how the board defines diversity). There is an argument for making this a new provision between B.2.1. and B.2.2.
2. The current B.2.2. is based on too narrow interpretation of diversity. I suggest it is reworded along the lines of 'The Nomination Committee should evaluate the diversity of the board and, in light of the evaluation and the board's diversity policy, prepare a description of the role and capabilities required for a particular appointment.
3. In the suggested revision to B.2.4. I think the word 'gender' should be removed.
4. I do think it is desirable to introduce a new supporting principle on board evaluation but propose the following wording:

'Evaluation of the board should consider the current diversity of the board, its policy on diversity, how the board works together as a unit, and other factors relevant to its effectiveness.'

Yours sincerely,


Peter Bethun