# Directors' remuneration report

This report has been prepared in accordance with the requirements of Schedule 7A of the Companies Act 1985 (the Act) and the Listing Rules of the UK Listing Authority. PricewaterhouseCoopers LLP have audited the contents required by the Act (the tabular information on pages 90 to 95). A resolution to approve this report will be proposed at the Annual General Meeting (AGM) on 23 July 2009.

**Remuneration Committee**

The Remuneration Committee (the Committee) comprises the independent non-executive directors and the Chairman of the Company. The following served during the year: Evert Henkes (Committee Chairman), Elisabeth Airey, Richard Delbridge, Sir David Lees, Robert Walker and Dr Barry Zoumas. Sir Peter Gershon became a member of the Committee on his appointment as a non-executive director and Chairman-elect on 1 February 2009.

The Chief Executive, Human Resources Director – PLC, Group Compensation Manager and Company Secretary and General Counsel, who acts as Secretary to the Committee, are normally invited to attend meetings, although not when their own remuneration is discussed.

The Committee met 11 times during the year. Individual members' attendance records at meetings during the year are given in the table on page 63.

The Committee's terms of reference, which can be found on www.tateandlyle.com, are reviewed annually to ensure they reflect best practice.

The Committee reviews its work and effectiveness each year and reports any recommendations to the Board. The 2009 review concluded that the Committee had fulfilled its role and responsibilities appropriately.

The Committee determines the individual remuneration packages of each executive director and other members of the Group Executive Committee (see page 62). This includes base salary, benefits and other allowances, bonus, long-term incentives and terms of employment, including those upon which service may be terminated. Additionally, the Committee approves the base salary, benefits and long-term incentives of certain other senior executives. In consultation with the Chief Executive, the Committee also determines the Chairman's remuneration. The Chairman does not participate in discussions or decisions relating to his own remuneration. The Committee is responsible for the long-term incentive plans (LTIPs) operated by the Company.

To ensure that the Group's remuneration practices remain competitive, the Committee receives advice from independent remuneration consultants. During the year, the Committee reappointed Jeremy Orbell of Hewitt New Bridge Street (Hewitt) to act as its principal adviser. This appointment was in accordance with the Committee's policy whereby an individual consultant appointed to advise the Committee on the remuneration of executive directors and certain other senior executives shall not also advise Group management on the remuneration of any other executives in the Group.

In addition to market remuneration data provided by Hewitt, the Committee gets data from a Towers Perrin survey, and Total Shareholder Return performance data and ranking information for the Performance Share Plan (PSP) and Deferred Bonus Share Plan (DBSP) from Kepler Associates. Linklaters provides general legal advice on remuneration matters. Hewitt, Towers Perrin and Kepler Associates provided no other services to the Group. Linklaters gave legal advice on a range of matters.

**Remuneration policy**

The Remuneration Committee is responsible for setting the remuneration of the executive directors in accordance with a policy determined by the Committee and agreed with the Board. For executive directors and senior executives, the policy is to provide packages that attract, motivate and retain high-calibre individuals to manage the Group successfully for the benefit of shareholders. They are designed to:

- be competitive and commensurate with other UK-based international businesses of similar size;
- align the interests of executives and shareholders by rewarding growth in shareholder value;
- reward above-average performance;
- ensure that performance-related elements form a significant proportion of the total remuneration package; and
- take into account local country practice.

It is intended that this policy will continue during the year ending 31 March 2010.

**Review of executive remuneration**

Each year, with the help of its independent remuneration adviser, the Committee reviews the appropriateness of executive remuneration arrangements. During the year ended 31 March 2009 the Committee undertook a comprehensive review to ensure that arrangements for executive directors and others were fit for purpose and reflected both the evolving strategic objectives and business needs of the Group and changing competitive market trends and best practice.

The main conclusions were:

- the overall approach to remuneration was generally well aligned to Company performance and shareholder value;
- for some executive roles, the levels of annual bonus or long-term incentive opportunity were below the relevant market median, but the Committee concluded that for the executive directors these should, for the time being, remain unchanged;
- the annual bonus for division Presidents should give due regard to the performance of their respective divisions;
- for the PSP, an earnings per share performance measure should be applied alongside the existing relative total shareholder return (TSR) metric; and
- to streamline the total remuneration package, the DBSP should be suspended.

The changes to remuneration policy are explained in more detail in the following sections.

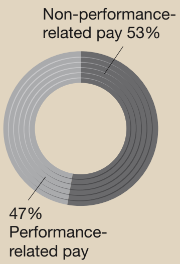
**Remuneration package**

**Composition**

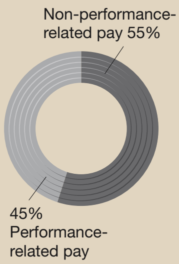
The current remuneration package for executive directors consists of base salary, benefits and other allowances, annual bonus, long-term incentives and pension. The Company's policy is to ensure that a significant proportion of the total package is performance-related, at both target and stretch levels.

The relative proportions of the Chief Executive's and the Group Finance Director's remuneration, when valued at both target and stretch performance levels (on the basis of the award value of the long-term incentives which they would normally be granted but excluding post-retirement benefits and allowances paid in lieu of pensions), are shown in the charts on the page opposite.

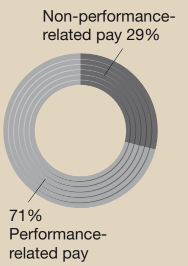
**Target performance**
Chief Executive



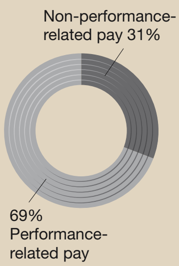

Group Finance Director




**Stretch performance**
Chief Executive




Group Finance Director




## Base salary

Base salaries take account of the median relative to similar companies (generally those occupying positions 50 to 130 of the FTSE rankings, where equivalent or similar roles are deemed to exist) and also to reflect job responsibilities and the sustained level of individual performance.

The Committee reviews the base salary of each executive director annually. It considers the external economic environment, market data, individual performance, the Group's financial performance and also the level of pay awards made to other employees and executives elsewhere across the Group.

The Chief Executive's base salary was reviewed on 1 April 2009. No increase was awarded, consistent with the decision not to award salary increases across Tate & Lyle for the 2010 financial year, with the exception of contractual and statutory obligations and those obligations from previous negotiations with Union-represented employees. Following his appointment on 4 December 2008, the Group Finance Director's base salary will not be reviewed until 1 April 2010, in line with the terms of his appointment.

Executive directors' base salaries are shown in the table below.

| Director | **As at 1 April 2009** | As at 1 April 2008 |
|---|---|---|
| Iain Ferguson[1] | **£726,000** | £726,000 |
| Tim Lodge | **£375,000** | – |

1. As announced on 19 May 2009, Iain Ferguson will be leaving the Group during the 2010 financial year.

## Benefits and other allowances

Benefits comprise principally a company car or a cash allowance in lieu; health insurance; and premiums paid on life assurance policies. These benefits do not form part of pensionable earnings.

## Annual bonus scheme

### *Policy and award levels*

The Group operates an annual cash bonus scheme for executive directors and senior executives, which is determined by reference to the performance of the Group, or appropriate division or subsidiary, primarily against financial objectives.

Annual bonuses payable under the scheme are capped at 100% of base salary or lower, depending on the executive's responsibilities. There is a threshold level below which no bonus is paid. The Committee reviews the attainment of financial targets and agrees the bonus payments. Bonuses paid to executive directors do not form part of pensionable earnings.

For the year ended 31 March 2009, the threshold, target and maximum award level for executive directors was 10%, 50% and 100% of base salary respectively.

Performance criteria for the scheme are set by the Committee at the beginning of each financial year. In setting these targets, the Committee considers the Group's annual operating plan; performance in previous years; market expectations; and the prevailing economic climate.

To ensure that bonuses are not inflated or deflated as a result of exchange rate movements, the Group profit before tax, exceptional items and amortisation (PBTEA) numbers for bonus purposes are restated on the basis of the exchange rates used for the Group's annual operating plan agreed by the Board at the start of the year.

### *Bonus for the year ended 31 March 2009*

For the year ended 31 March 2009, the performance target criteria consisted of threshold and target awards payable on the achievement of a predetermined PBTEA level, and a maximum award payable for the achievement of a PBTEA level in excess of target performance. For bonus purposes, PBTEA was based on the performance of the Group's continuing businesses (excluding the results of businesses sold during the year).

The PBTEA achieved by continuing businesses for the year ended 31 March 2009, restated on a constant exchange rate basis, did not reach the threshold level of performance, and, as a result, executive directors did not receive a bonus.

Executive directors and certain other senior executives used to be offered the opportunity to invest up to 50% of their cash bonus in Tate & Lyle shares through the DBSP. However, the Committee has decided to suspend this arrangement for the year ended 31 March 2009 and thereafter. Details of the DBSP and an explanation of the Committee's decision can be found on page 87.

### *Bonus for the year ending 31 March 2010*

For the year ending 31 March 2010, an operating cash flow metric will be introduced as a secondary performance criterion to supplement the existing PBTEA metric, weighted 75% PBTEA, 25% cash flow. Reflecting current business objectives, this emphasises the ongoing importance of cash flow management, and will be reviewed at the end of the year. Before any bonus becomes payable under the cash flow metric, at least threshold PBTEA performance must be achieved. Consistent with the treatment of PBTEA, the cash flow numbers will be restated on the basis of exchange rates used for the Group's annual operating plan.

### Long-term incentive arrangements

The Committee believes that performance-based long-term incentive plans (LTIPs) closely align executive directors' and senior executives' interests with those of shareholders' and are therefore an important component of the overall package.

During the year ended 31 March 2009, the Company operated two LTIPs, the Tate & Lyle 2003 PSP and the Tate & Lyle 2005 DBSP.

Between August 2000 and June 2004, options were granted under the 2000 Executive Share Option Scheme (2000 Scheme) to executive directors and other senior employees. In June 2005, the Committee decided to suspend granting options under the 2000 Scheme. While the Committee retains the discretion to make option grants in the future in exceptional circumstances (for example, in hiring packages), there is no current intention to make use of this discretionary power. No options have been granted under the 2000 Scheme since it was suspended and the authority to grant options under this Scheme will expire in August 2010.

#### *Performance Share Plan*

Shareholders approved the PSP at the AGM in July 2003. Executive directors and other selected senior executives are eligible to participate in the PSP at the discretion of the Committee. Awards of shares under the PSP are not pensionable in any circumstances.

Under the PSP, participants are awarded annually a conditional right to receive a number of Tate & Lyle ordinary shares in value up to a maximum of 175% of base salary. This is calculated by reference to the average of the daily closing prices of Tate & Lyle ordinary shares preceding the beginning of the performance measurement period. The average of the daily closing prices is taken over six months for the awards made in 2003 to 2008 and over three months for the 2009 award. The number of shares that a participant ultimately receives depends on the Group's performance during the three-year performance period beginning on 1 April in the year of the award.

TSR calculations are independently supplied by Kepler Associates and reviewed by the Committee.

Irrespective of Tate & Lyle's TSR, before any shares become eligible for release, the Committee must be satisfied that this is justified by the underlying financial performance of the Group over the measurement period. There is no retesting of the performance conditions.

At the end of the three-year measurement period, the conditional award is converted into a deferred right to acquire the appropriate number of shares. For awards made between 2003 and 2008, there is a one-year retention period so shares arising from those awards will not be released to the participant for one further year other than in the specific circumstances set out in the rules of the PSP. As approved by shareholders at the 2005 AGM, for awards made since 2005, participants will benefit from payments in lieu of dividends during the retention period on those shares which have already vested. If a participant resigns during the one-year retention period, the deferred right to acquire the appropriate number of shares will lapse. Following the executive remuneration review, the Committee removed the one-year retention period in line with market practice.

In the event of a change of control of the Company in the first year of the performance period, participants will receive no shares. However, in the event of a change of control in the second or third year, participants will receive a proportion of the potential award, calculated according to the degree of satisfaction of the performance condition and the length of time elapsed. In the event of a change of control in the additional one-year retention period (PSP awards granted in 2003-2008), participants will receive the full number of shares which vest on satisfaction of the performance condition. If the performance condition is not satisfied, participants will not receive any shares.

#### *(i) 2003 to 2008 awards*

For awards made from 2003 to 2008, performance is measured by comparing the TSR (defined as share price growth plus reinvested dividends) of Tate & Lyle relative to a comparator group of companies. All share prices for the purpose of the TSR calculation are based on a six-month average. The Committee chose relative TSR for the PSP since it closely aligns executives' interests with those of shareholders, being an objective measure of the value created for shareholders. The comparator group consists of the companies occupying positions 50 to 130 of the FTSE rankings at the beginning of the relevant performance period. The Committee considered this to be appropriate given the Company's position in the FTSE at the time of each grant. The Committee reviews the performance measurement metrics and the continued validity of the comparator group annually.

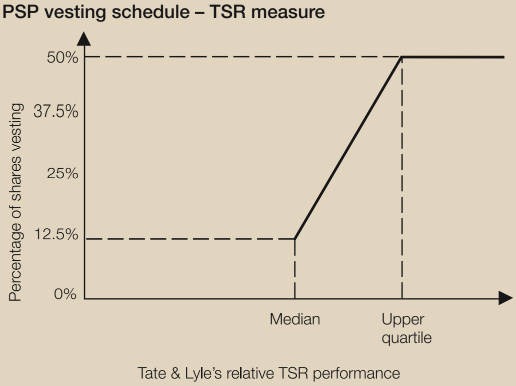
If, at the end of the measurement period, Tate & Lyle ranks in the upper quartile of the comparator group, participants in the PSP will be eligible to receive all of the shares conditionally awarded to them. If the ranking is at the median level, 25% of the shares may be received. No shares will be received for below-median performance. For intermediate rankings between median and upper quartile, participants may receive a proportionate number of shares increasing on a straight-line basis.

Details of the measurement of the performance condition for the PSP award made in June 2006 are set out on page 89.

#### *(ii) 2009 award*

For awards to be granted in June 2009, the Committee has decided to introduce a second performance criterion: 50% of a participant's annual award will be subject to the Group meeting targets for adjusted diluted earnings per share (EPS) from total operations. The other 50% of the award will be subject to the same relative TSR performance used in previous years (as explained above), although the TSR calculation has been changed for the 2009 award from being based on a six-month average period (as used for the awards made in 2003 to 2008) to a three-month average period in line with best practice. The vesting scale is shown below.

**PSP vesting schedule – TSR measure**



The Committee considers that the use of EPS alongside relative TSR creates a balance between two commonly used internal and external metrics, both being relevant measures aligned to shareholder value.

For the 50% of the award relating to EPS performance to vest, the compound annual growth rate (CAGR) of the Company's EPS over the three-year performance measurement period must exceed the targets according to the vesting schedule shown in the table below:

| Annual CAGR of EPS during the performance period | Percentage of total annual award which vests |
|---|---|
| Below 5% | 0% |
| 5% | 12.5% |
| Between 5% and 15% | On a straight line basis between 12.5% and 50% |
| 15% or more | 50% |

***Deferred Bonus Share Plan***

Shareholders approved the DBSP at the AGM in July 2005. However, as part of the executive remuneration review carried out in 2008, the Committee concluded that the operation of the DBSP should be suspended. The Committee believes that this will help to streamline the total remuneration package, and that the existing PSP, along with the executive shareholding policy, sufficiently aligns the interests of the executives with those of the shareholders.

Under the DBSP, executives had the opportunity to defer up to 50% of their annual cash bonus (after deduction of tax, national insurance or other social security payments) and invest the amount deferred in the Company's shares. Subject to the satisfaction of employment conditions for awards made prior to 2008 and a performance condition over the performance period, participants receive awards of matching shares based on the number of shares which could have been acquired from the gross bonus amount deferred by the participant (lodged shares). Awards of matching shares are not pensionable. Details of performance targets attached to past awards made in 2005, 2006, 2007 and 2008 are summarised on page 86. Details of the measurement of the performance condition for the DBSP award in June 2006 are set out on page 89.

***Sharesave Scheme***

This Scheme is open to all employees in the UK, including executive directors. No performance conditions are attached to options granted under the Scheme since it is an all-employee scheme. Options granted to participants are normally set at a discount of 10% to the market value of the shares at the time of the grant.

***Change of control and voting***

Some of the Company's employee share plans include restrictions on transfer of shares while the shares are subject to the plan. All of the Company's share plans contain provisions relating to a change of control (as explained in more detail above). Outstanding awards and options would normally vest and become exercisable on a change in control, subject to the satisfaction of any performance conditions at that time. Where participants are the beneficial owners of the shares under an employee share plan, but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participants.

***Dilution***

To satisfy options granted under the 1992 Executive Share Option Scheme (closed in July 2000) and the UK all-employee Sharesave Scheme, the Company issues new shares. To satisfy outstanding awards under the LTIPs, the Company uses either Treasury shares or shares that have been purchased by the Trustees of the Tate & Lyle Employee Benefit Trust.

In the ten-year period to 31 March 2009, awards made under the executive schemes represented 1.8% of the Company's issued ordinary share capital (2008 – 2.0%), leaving available dilution headroom of 3.2% (2008 – 3.0%). Awards made under all share schemes represented 3.1% of the Company's issued ordinary share capital (2008 – 3.6%) leaving available dilution headroom of 6.9% (2008 – 6.4%).

***Executive shareholding policy***

To align the interests of executive directors with those of shareholders, executive directors are expected to build and maintain a shareholding in the Company equivalent to their base salary. Executive directors who have not met their target shareholding are expected to retain a significant proportion of shares acquired through LTIPs in order to meet their target.

**Pensions**

***Policy***

Retirement benefits, in the form of pension and/or lump sums, should reflect local market practice at median levels, and are provided through tax-approved schemes, where possible covering executives in the country and business sector in which they perform their principal duties.

The Group's largest pension scheme is the UK-based Tate & Lyle Group Pension Scheme (Group Scheme), a defined benefit arrangement. The Company closed the Group Scheme to new entrants from 1 April 2002, and since then, new employees have been offered defined contribution type pension provision through a Stakeholder Plan, which is an insurance-based contract. For the following executive directors, both current and former, bonuses are not pensionable.

***Individual executive directors***

Iain Ferguson is not a member of the Group Scheme for pension purposes and accordingly has accrued no pension benefits under it. He has been provided with life assurance cover and has also participated in the Group Income Protection Scheme, which applies to all UK employees who are not otherwise covered for ill-health benefits under the Group Scheme. In accordance with Group policy he is paid a cash allowance calculated as a percentage of base salary, from which he makes his own pension arrangements.

Tim Lodge is a member of the Group Scheme and is eligible for a pension equal to two-thirds of his final pensionable earnings (highest basic salary in the last five completed tax years) payable from his normal retirement date. The benefit also includes a widow's pension payable on his death and a lump sum on death in service. Once in payment, his pension (and any subsequent widow's pension) is subject to increases in line with the UK Retail Price Index (RPI) up to a maximum of 5%, with a minimum of 3%. Although the capital value of his benefits were within the lifetime tax allowance at 5 April 2006, his continued accrual will ultimately result in a tax charge under the new tax regime introduced on 6 April 2006.

*Former executive directors*
Stanley Musesengwa, who left the Company on 31 July 2008, is a member of the Group Scheme and accrued pension at a rate of 1/30th of pensionable earnings for each year of service. Before 6 April 2006, the extent to which his basic salary was pensionable was restricted by the statutory earnings cap, and he received a cash allowance based on a percentage of his basic salary in excess of this cap. The new tax regime introduced on 6 April 2006 removed this cap and Stanley Musesengwa elected to forego his cash allowance and receive pension accrual after this date based on his full basic salary without restriction.

His pensionable earnings in relation to pensionable service accrued before 6 April 2006 have been restricted by a scheme-specific earnings cap. His final pensionable earnings were based on his highest basic salary in the last five completed tax years before leaving, adjusted for the earnings cap restriction explained above. The benefit also includes a widow's pension payable on his death, and, for the first four months of the year ended 31 March 2009, he was covered by a lump sum benefit which would have been payable upon death in service. His pension and the contingent widow's pension are subject to increases in line with the RPI, as above.

Stuart Strathdee stepped down from the Board at the 2008 AGM but will remain with the Company until the end of July 2009. He is a member of the Group Scheme and is eligible for a pension equal to two-thirds of his final pensionable earnings (highest basic salary in the last five completed tax years) payable from his normal retirement date. The benefit also includes a widow's pension payable on his death and a lump sum on death in service. Once in payment, his pension (and any subsequent widow's pension) is subject to annual increases in line with the RPI as above.

During the year ended 31 March 2008, Stuart Strathdee completed the maximum service that counts for pension purposes, so over the current year he accrued no further pensionable service. His accrued pension, however, was increased in line with his pensionable earnings. When the new tax regime for UK pensions was introduced on 6 April 2006, Stuart Strathdee elected to continue with future pension accrual, as opposed to taking the cash alternative, so potentially he could incur a tax charge on the value of any benefits in excess of the relevant lifetime tax allowance.

John Nicholas left the Company on 30 September 2008. He was not a member of the Group Scheme for pension purposes and accordingly accrued no pension benefits under it. He was paid a cash allowance calculated as a percentage of base salary from which he made his own pension arrangements. He was provided with life assurance cover and also participated in the Group Income Protection Scheme. On leaving service, John Nicholas's participation in the Group Income Protection Scheme and his life assurance cover ceased.

Details of the accrued pension benefits for those executive directors who participate in the Group Scheme are given on page 94. Details of amounts paid in lieu of pensions are included in the table on page 90, under pension allowance.

### Service contracts
**Policy**
Contracts for executive directors should be terminable by the Company on a maximum of one year's notice, except in special circumstances, and by the director on up to six months' notice. In the event of early termination of an executive director's contract, the Company's policy is to take legally-appropriate mitigation factors into account in determining the amount of compensation payable.

**Executive directors**
All the executive directors have contracts terminable by the Company on not more than one year's notice and by the individual director on six months' notice. As regards mitigation, in a case where the Company seeks early termination of the contract (other than where summary dismissal is appropriate), under the service contract for Iain Ferguson, the Company has the right, but not the obligation, to pay in lieu of notice, the salary and contractual benefits that the director would have received during the notice period. The service contract for Tim Lodge also entitles the Company to make staged payments of pay in lieu of notice given by the Company. The Company may, as a consequence, make a reduced payment, or require phased payment, so as to ensure the relevant director fulfils his obligation to mitigate his losses.

The details of the executive directors' service contracts as at 31 March 2009 are given in the table below.

| Director | Date of contract | Unexpired term (weeks) | Notice period (weeks) |
|---|---|---|---|
| Iain Ferguson[1] | 15/04/03 | 52 | 52 |
| Tim Lodge | 04/12/09 | 52 | 52 |

1. As announced on 19 May 2009, Iain Ferguson will be leaving the Group during the 2010 financial year.

*Former executive directors*
Stuart Strathdee and Stanley Musesengwa retired as executive directors and stepped down from the Board at the 2008 AGM. Since then, Stuart Strathdee has remained an employee working on strategic development. His salary remains at £343,000 per annum but will not be reviewed again before he leaves the Group on 31 July 2009. He is eligible to participate in the annual bonus scheme although any payment will be pro-rated for the year ending 31 March 2010 for actual time served. He continues to be provided with a company car and health insurance.

Stanley Musesengwa and John Nicholas left the Company after stepping down from the Board and payments as compensation for loss of office made to them pursuant to the terms of their service contracts are detailed on page 90.

### Chairman and non-executive directors
*Chairman*
Sir David Lees was appointed non-executive Chairman on 1 October 1998 for an initial period of three years. This appointment was extended by the Board upon the recommendation of the Nominations Committee until 30 September 2002, and continued thereafter terminable by the Company or Sir David Lees on not less than one year's notice. As announced on 28 November 2008, Sir David Lees will leave the Company by the end of the 2009 calendar year at which time he will be replaced as Chairman by Sir Peter Gershon.

Following the most recent review of his fees on 1 October 2008, the Remuneration Committee approved an increase in the Chairman's fee to £340,000 (2008 – £330,500).

*Chairman-elect*
Sir Peter Gershon was appointed as a non-executive director and Chairman-elect from 1 February 2009. The Remuneration Committee approved an initial fee of £100,000 per annum,

increasing to £275,000 per annum upon his appointment as Chairman.

### *Non-executive directors*

Non-executive directors' fees, reviewed annually by the Board, are set at a level to retain individuals with the necessary experience and ability to make a substantial contribution to the Group's affairs. Fees paid are commensurate with those paid by other UK listed companies. In addition to the basic fee for each non-executive director and the Senior Independent Director, supplements are paid to the Chairmen of the Audit and Remuneration Committees to reflect the extra responsibilities attached to these positions. A supplement is also paid to Dr Barry Zoumas for chairing the Tate & Lyle Research Advisory Group.

The non-executive directors do not participate in the Group's incentive or pension schemes, nor do they receive other benefits. The non-executive directors do not have service contracts or notice periods, but under the terms of their appointment they are usually expected to serve on the Board for between three and nine years, with a review every three years, subject to their re-election by shareholders. Non-executive directors have no right to compensation on the early termination of their appointment.

The most recent review of non-executive directors' fees, on 1 April 2009, concluded that having regard to levels of pay increases elsewhere in the Group, it was appropriate that there should be no change in any of the fees. The fees are shown in the table below.

| Basic fees (per annum) | **As at 1 April 2009** | As at 1 April 2008 |
|---|---|---|
| Non-executive director and Chairman-elect[1] | **£100,000** | – |
| Non-executive director | **£48,000** | £48,000 |
| Senior Independent Director | **£54,500** | £54,500 |

| Supplements (per annum) | **As at 1 April 2009** | As at 1 April 2008 |
|---|---|---|
| Chairman of Audit Committee | **£15,000** | £15,000 |
| Chairman of Remuneration Committee | **£10,000** | £10,000 |
| Chairman of Research Advisory Group | **£21,000** | £21,000 |

1. Sir Peter Gershon was appointed to the Board as a non-executive director and Chairman-elect from 1 February 2009.

### External appointments

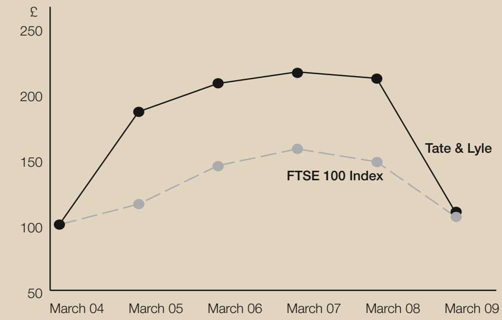
The Board believes that the Company benefits from executive directors holding non-executive directorships. Such appointments are subject to approval by the Board and are normally restricted to one for each executive director. Fees may be retained by the executive director concerned.

Iain Ferguson is a non-executive director of Greggs plc (appointed from 31 March 2009), from which he retains the fees payable of £35,500 per annum.

### Total shareholder return performance

The graph below, as required under Schedule 7A of the Act, illustrates the cumulative TSR performance (share price growth plus reinvested dividends) of Tate & Lyle against the FTSE 100 Index over the past five years. The FTSE 100 Index is considered to be an appropriate benchmark for this purpose as it is a commonly used comparison for companies of Tate & Lyle's size. The graph shows the TSR for the FTSE 100 Index and Tate & Lyle in the five years from 31 March 2004.

**Tate & Lyle's five-year cumulative total shareholder return**
Value of £100 invested on 31 March 2004




Source: Kepler Associates

### 2005 PSP and DBSP awards – TSR performance

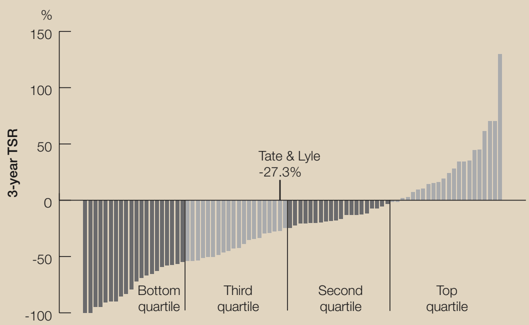
As stated in last year's annual report, Tate & Lyle's TSR performance was below the minimum required median performance. Accordingly the PSP award in June 2005 did not vest and lapsed; participants in the DBSP award in August 2005 who remained in continuous employment for the three-year performance period received one matching share for every three lodged shares during the year ended 31 March 2009.

### 2006 PSP and DBSP awards – TSR performance

As shown in the chart below, for the performance period from 1 April 2006 to 31 March 2009 in relation to the PSP and DBSP awards made in June 2006, Tate & Lyle's share price growth and dividend yields resulted in a TSR that ranked Tate & Lyle 43rd (47th percentile) in the comparator group of companies (those occupying positions 50 to 130 in the FTSE rankings at the start of the measurement period). This is below the minimum required median performance, and, as such, the 2006 PSP award did not vest and has lapsed. There is no retesting of the performance condition.

DBSP participants who have remained in continuous employment for the three-year performance period will receive one matching share for every three lodged shares.

**2006 PSP and DBSP awards total shareholder return**
Tate & Lyle and the comparator group (FTSE 50 to 130)
1 April 2006 to 31 March 2009




Each bar in the chart represents a company in the comparator group.
Source: Kepler Associates

**Directors' emoluments**

The following table shows the directors' emoluments for the year ended 31 March 2009.

| | Salary and fees £000 | Pension allowance £000 | Benefits and other allowances[1] £000 | Annual bonus £000 | Compensation for loss of office £000 | Total year to 31 March 2009 £000 | Total year to 31 March 2008 £000 |
|---|---|---|---|---|---|---|---|
| **Chairman** | | | | | | | |
| Sir David Lees | 335 | – | 22 | – | – | 357 | 348 |
| **Executive directors** | | | | | | | |
| Iain Ferguson | 726 | 290 | 28 | – | – | 1 044 | 1 264 |
| Tim Lodge[2] | 121 | – | 3 | – | – | 124 | – |
| **Non-executive directors** | | | | | | | |
| Elisabeth Airey | 58 | – | – | – | – | 58 | 47 |
| Richard Delbridge | 59 | – | – | – | – | 59 | 68 |
| Sir Peter Gershon[3] | 17 | – | – | – | – | 17 | – |
| Evert Henkes | 58 | – | – | – | – | 58 | 55 |
| Robert Walker | 48 | – | – | – | – | 48 | 47 |
| Dr Barry Zoumas | 69 | – | – | – | – | 69 | 68 |
| **Former directors** | | | | | | | |
| Stanley Musesengwa[4] | 157 | – | 4 | – | 1 171 | 1 332 | 675 |
| John Nicholas[5] | 209 | 52 | 7 | – | 610 | 878 | 664 |
| Stuart Strathdee[6] | 107 | – | 4 | – | – | 111 | 463 |
| Directors who retired before 31 March 2008 | – | – | – | – | – | – | 35 |
| Totals | 1 964 | 342 | 68 | – | 1 781 | 4 155 | 3 734 |

1. Benefits for the Chairman and executive directors include the provision of a car (or cash allowance in lieu). Other benefits for executive directors include health insurance and premiums on life assurance policies (where not provided by pension benefit plans). Allowances comprise payments made in relation to life assurance policies (where not provided by pension benefit plans).
2. Tim Lodge was appointed to the Board from 4 December 2008 as Group Finance Director having previously held a number of positions within the Company. The figures in the table above relate to the period he served as a director during the year.
3. Sir Peter Gershon was appointed to the Board as a non-executive director and Chairman-elect from 1 February 2009.
4. Stanley Musesengwa left Tate & Lyle at the end of July 2008. Compensation for redundancy and loss of office and other amounts payable under the terms of his statutory and contractual leaving arrangements amounted to £417,425 plus an augmentation to his accumulated pension value of £754,000 as described in note 5 on page 94. He was also eligible to receive a bonus in respect of the period from 1 April to 31 July 2008, but the minimum performance criteria were not met and no bonus was payable. From the time he stepped down from the Board on 23 July 2008 until leaving he was paid £10,968 for services provided as an employee.
5. John Nicholas stepped down from the Board and left the Company on 30 September 2008. Compensation for loss of office represents payments of £610,250 under the terms of his contractual leaving arrangements. He was also eligible to receive a bonus in respect of the period from 1 April to 30 September 2008 but the minimum performance criteria were not met and no bonus was payable.
6. Stuart Strathdee stepped down from the Board at the 2008 AGM but remained an employee. For the period during the year in which he did not serve as a director he was paid a salary of £236,124 and received non-cash benefits of £9,230. He was also eligible to receive a bonus in respect of the year but the minimum performance criteria were not met and no bonus was payable.

## Performance Share Plan – directors' interests

Conditional rights to receive Tate & Lyle PLC ordinary shares under the PSP held by directors at 1 April 2008 (or date of appointment if later) and 31 March 2009 (or date of cessation if earlier), together with awards made during the year, were as follows:

| | Conditional awards held at 1 April 2008 (or date of appointment if later) | | Conditional awards made during the year[1] | Conditional awards becoming eligible for release during the year[2] | Conditional awards lapsed in year[3] | Conditional awards deferred during the year | **Conditional awards held at 31 March 2009 (or date of cessation if earlier)** | | |
|---|---|---|---|---|---|---|---|---|---|
| | Conditional | Deferred | | | | | **Conditional** | **Deferred** | **Eligible for release** |
| **Directors** | | | | | | | | | |
| Iain Ferguson | 535 071 | 192 401 | 234 183 | 192 401 | 199 508 | – | **569 746** | **–** | **192 401** |
| Tim Lodge[4] | 57 858 | – | – | – | – | – | **57 858** | **–** | **–** |
| **Former directors** | | | | | | | | | |
| Stanley Musesengwa[5] | 312 888 | 137 779 | – | 137 779 | 118 339 | – | **194 549** | **–** | **137 779** |
| John Nicholas[6] | 142 538 | – | 112 092 | – | 112 092 | – | **142 538** | **–** | **–** |
| Stuart Strathdee[5] | 213 093 | 91 309 | – | 91 309 | 80 745 | – | **132 348** | **–** | **91 309** |

1. The performance period for the awards made during the year is from 1 April 2008 to 31 March 2011. The closing mid-market share price on 19 June 2008 (the date of the 2008 award) was 394.25p.
2. The awards which became eligible for release during the year relate to the conditional awards made in 2004 which were converted into deferred shares on 1 April 2007 and, in accordance with the rules of the PSP, became eligible for release on 1 April 2008. The closing mid-market share price on that day was 541.50p.
3. On 1 April 2008, 100% of the conditional awards made in 2005 lapsed because performance conditions were not met.
4. Tim Lodge was appointed as a director with effect from 4 December 2008.
5. Stanley Musesengwa and Stuart Strathdee ceased to be directors on 23 July 2008.
6. John Nicholas ceased to be a director on 30 September 2008. The conditional awards made to him during the year lapsed on cessation, in accordance with the rules of the PSP.

Awards made under the PSP are structured as nil-cost options and the performance conditions attaching to the awards made under the PSP are described on page 86.

**Deferred Bonus Share Plan – directors’ interests**

Conditional rights to receive matching shares over Tate & Lyle PLC ordinary shares under the DBSP held by directors at 1 April 2008 (or date of appointment if later) and 31 March 2009 (or date of cessation if earlier), together with awards made during the year, were as follows:

| | Shares acquired with net bonus at 1 April 2008[1] | Shares acquired with net bonus during year | Shares acquired with net bonus at 31 March 2009[2] | Maximum matching shares on gross bonus at 1 April 2008[1] | Maximum matching shares awarded during the year | Matching shares released during the year[3,7] | Matching shares lapsed during the year | **Maximum matching shares on gross bonus at 31 March 2009[2,7,8]** |
|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | |
| Iain Ferguson | 95 965 | – | 95 965 | 325 305 | – | 21 428 | 107 138 | **196 739** |
| Tim Lodge[4] | 2 003 | – | 2 003 | 6 790 | – | – | – | **6 790** |
| **Former directors** | | | | | | | | |
| Stanley Musesengwa[5] | 58 519 | – | 58 519 | 198 369 | – | – | 61 378 | **136 991** |
| John Nicholas[6] | 16 596 | – | 16 596 | 56 258 | – | – | – | **56 258** |
| Stuart Strathdee[5] | 13 197 | – | 13 197 | 44 736 | – | – | 17 797 | **26 939** |

1. Or date of appointment if later.
2. Or date of cessation if earlier.
3. The matching shares, representing the minimum one-for-three share match based on continued employment, were released on 29 July 2008 and the closing mid-market share price on that day was 391.00p.
4. Tim Lodge was appointed as a director with effect from 4 December 2008.
5. Stanley Musesengwa and Stuart Strathdee ceased to be directors on 23 July 2008.
6. John Nicholas ceased to be a director on 30 September 2008.
7. For awards made in 2005, 2006 and 2007, vesting is determined as follows:
   - if the shares are held throughout the three-year performance period, and the executive continues to be employed by the Company, matching shares are awarded on the basis of one matching share for every three lodged shares; or
   - for TSR during the three-year performance period of between median and upper quartile of the companies positioned 50 to 130 of the FTSE Index at the start of the performance period, one matching share will be awarded for each lodged share; or
   - for TSR during the three-year performance period against the upper quartile of the companies positioned 50 to 130 of the FTSE Index at the start of the performance period, two matching shares will be awarded for each lodged share.
8. For awards made in 2008 (i.e. the last awards made under the DSBP prior to suspension of the arrangement), vesting is determined as follows:
   - for TSR during the three-year performance period of median against the companies positioned 50 to 130 of the FTSE Index at the start of the performance period, one matching share will be awarded for each lodged share; increasing on a pro-rata basis so that
   - for TSR during the three-year performance period against the upper quartile of the companies positioned 50 to 130 of the FTSE Index at the start of the performance period, two matching shares will be awarded for each lodged share.
9. The notional aggregate gain made by directors on the exercise of options during the year was £83,783 (2008 – nil).

### Share Option Schemes – directors' interests

Options over Tate & Lyle PLC ordinary shares each granted under the 1992 and 2000 Executive Share Option Schemes (1992 ESOS and 2000 ESOS respectively) and Sharesave Scheme and held by directors as at 1 April 2008 (or date of appointment if later) and 31 March 2009 (or date of cessation if earlier), and during the year, were as follows:

| | At 1 April 2008[1] | Exercised during the year | Granted during the year | **At 31 March 2009[2]** | Exercise price (pence) | Earliest exercise date | Latest exercise date | Notes |
|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | |
| Iain Ferguson | 245 718 | – | – | **245 718** | 335.75 | 18.06.06 | 17.06.13 | 6 |
| | 272 307 | – | – | **272 307** | 325.00 | 18.06.07 | 17.06.14 | 6 |
| | 6 032 | 6 032 | – | **–** | 264.00 | 01.08.08 | 31.01.09 | 7 |
| | – | – | 3 988 | **3 988** | 408.00 | 01.08.13 | 31.01.14 | 7 |
| | 524 057 | 6 032 | 3 988 | **522 013** | | | | |
| Tim Lodge[3] | 4 253 | – | – | **4 253** | 395.00 | 01.03.11 | 31.08.11 | 7 |
| | 4 253 | – | – | **4 253** | | | | |
| **Former directors** | | | | | | | | |
| Stanley Musesengwa[4] | 130 000 | – | – | **130 000** | 325.00 | 18.06.07 | 17.06.14 | 6 |
| | 2 310 | – | – | **2 310** | 410.00 | 01.03.08 | 31.08.08 | 7 |
| | 132 310 | | | **132 310** | | | | |
| John Nicholas[5] | 1 319 | – | – | **1 319** | 716.00 | 01.03.10 | 31.08.10 | 7 |
| Stuart Strathdee[4] | 55 845 | – | – | **55 845** | 335.75 | 18.06.06 | 17.06.13 | 6 |
| | 86 153 | – | – | **86 153** | 325.00 | 18.06.07 | 17.06.14 | 6 |
| | 263 | – | – | **263** | 716.00 | 01.03.10 | 31.08.10 | 7 |
| | 1 423 | – | – | **1 423** | 531.00 | 01.08.10 | 01.01.11 | 7 |
| | 143 684 | – | – | **143 684** | | | | |

1. Or date of appointment if later.
2. Or date of cessation if earlier.
3. Tim Lodge was appointed as a director with effect from 4 December 2008.
4. Stanley Musesengwa and Stuart Strathdee ceased to be directors on 23 July 2008.
5. John Nicholas ceased to be a director on 30 September 2008.
6. Granted between 2000 and 2004 under the 2000 ESOS. The options were subject to a performance condition that was scaled such that, if over the first three consecutive years, the growth in the Company's normalised earnings per share exceeded the growth in the UK Retail Price Index excluding mortgage interest payments by an average of at least 3% per year (9.3% over three years), then 50% of options granted could be exercised; or by an average of at least 4% per year (12.5% over three years), then 100% of options granted could be exercised. All options granted under the 2000 ESOS have met their performance condition and are exercisable.
7. Granted under the Sharesave Scheme. Since it is an all-employee share scheme, no performance conditions are attached.
8. No other options were lapsed or exercised during the year under the 1992 ESOS, the 2000 ESOS or the Sharesave Scheme, save as disclosed above. The closing mid-market share price on 1 August 2008 (the day on which Iain Ferguson exercised his Sharesave options) was 388.50p.
9. The notional aggregate gain made by directors on the exercise of options during the year was £7,510 (2008 – nil).

The market price of the Company's ordinary shares at the close of business on 31 March 2009 was 260.50p, and the range during the year to 31 March 2009 was 229.50p to 543.50p.

## Directors' pension provision

Tim Lodge, Stanley Musesengwa and Stuart Strathdee are members of the Group Scheme and the information below sets out the disclosures required for them under both the Listing Rules of the UK Listing Authority and the Directors' Remuneration Report Regulations 2002.

| | | Defined benefit schemes | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Age at 31 March 2009 £000 | Accumulated total accrued pension at year-end[1] £000 | Directors' contributions during the year[2] £000 | Increase in accrued pension during the year[3] £000 | Increase (decrease) in accrued pension during the year (net of inflation)[4] £000 | Transfer value of increase (decrease) in accrued pension (net of inflation) less directors' contributions[5] £000 | Transfer value of accrued pension at start of year[6] £000 | Transfer value of accrued pension at year-end[7] £000 | Increase in transfer value for the year less directors' contributions[8] £000 |
| **Directors** | | | | | | | | | |
| Tim Lodge | 44 | 105 | 2 | 34 | 33 | 432 | 934 | 1 395 | 459 |
| **Former directors** | | | | | | | | | |
| Stanley Musesengwa[9] | 56 | 106 | 5 | 50 | 49 | 967 | 1 050 | 2 098 | 1 043 |
| Stuart Strathdee | 57 | 222 | – | – | (11) | (237) | 4 650 | 4 740 | 90 |

1. The figure shown represents the amount of pension benefits (based on service), pensionable earnings and, where appropriate, transferred pension rights, which would have been preserved for each director had he left service on 31 March 2009. The figure shown for Stanley Musesengwa includes his accrued deferred pension as at 23 July 2008 when he stepped down from the Board. The augmentation that was granted to him on 31 July 2008, after converting the immediate pension granted to a deferred pension using the Scheme's early retirement factors, has been included.
2. For each director, the figure represents the contributions paid over the year. For Tim Lodge it represents the contributions paid since his appointment.
3. For each director, the figure represents the difference between the total accrued pension at 31 March 2009 and the corresponding accrued pension at the beginning of the year. For Stanley Musesengwa and Stuart Strathdee, their accrued pensions at 31 July 2008, rather than 31 March 2009, have been used. For the former, this includes the augmentation described in note 5. No allowance is made for inflation.
4. As note 3, except that the figures quoted include an adjustment for inflation in accordance with the Listing Rules of the Financial Services Authority.
5. The figures shown represent the transfer value of the inflation-adjusted increase in the total accrued pension for the year, net of Directors' own contributions. Stanley Musesengwa worked for Tate & Lyle for over 28 years, most of which were in Africa. The value of his pension accrued during his service in Africa was minimal and significantly less than would have been the case had he served in the UK. Accordingly, as part of his termination arrangements, the Committee decided to augment his total accumulated pension value by £754,000, which, taken together with his compensation for loss of office described in note 4 on page 90, represented an ex gratia enhancement of around £290,000 in excess of his contractual entitlement. This brought his total accumulated pension value to the level of the 'Lifetime Allowance' permitted under the UK tax regime to partially offset the negative impact of his African service on his pension entitlement. The final pension payable to Stanley Musesengwa will still be very considerably less than a comparable director who had completed his service in the UK.
6. The figures shown represent the transfer value of the accumulated total accrued pension as at the beginning of the year or date of appointment in the case of Tim Lodge.
7. The figures shown represent the transfer value of the accumulated total accrued pension at 31 March 2009. During the course of the year the actuarial basis used by the Tate & Lyle Group Pension Scheme was amended by the Trustee, generally resulting in an increase in transfer value amounts. The transfer values quoted have been calculated using the actuarial bases which applied at 31 March 2009. Part of the increase in the transfer values over the year is attributable to the change in actuarial basis.
8. The figures shown represent the increase in the transfer values from the beginning of the year or date of appointment in the case of Tim Lodge to 31 March 2009. The transfer values quoted have been calculated using the actuarial bases which applied at each reporting date, net of the directors' own contributions.
9. As a result of the changes to the taxation of UK pension benefits that took effect from 6 April 2006, benefits accrued by Stanley Musesengwa in respect of service after that date are no longer subject to a cap on pensionable earnings. As a result, from 6 April 2006 the cash salary supplement previously paid to him in lieu of pension benefits in excess of the earnings cap ceased. The earnings cap continued to apply to benefits accrued in respect of his service prior to 6 April 2006.

## Directors' interests in Tate & Lyle shares

| | Ordinary shares | |
|---|---|---|
| | **At 31 March 2009** | At 1 April 2008[1] |
| Elisabeth Airey | **16 000** | 9 000 |
| Richard Delbridge | **50 000** | 45 000 |
| Iain Ferguson[2] | **232 735** | 204 092 |
| Sir Peter Gershon[3] | **34 700** | – |
| Evert Henkes | **1 000** | 1 000 |
| Sir David Lees | **70 000** | 60 000 |
| Tim Lodge[2,4] | **26 818** | 26 818 |
| Robert Walker | **10 265** | 3 665 |
| Dr Barry Zoumas | **27 000** | 13 000 |

1. Or date of appointment if later.
2. The number of shares shown as at 31 March 2009 for Iain Ferguson and Tim Lodge includes shares acquired in relation to the DBSP as detailed in the table on page 92.
3. Sir Peter Gershon was appointed as a director with effect from 1 February 2009.
4. Tim Lodge was appointed as a director with effect from 4 December 2008.

All of the above interests are beneficially held and no director had interests in any class of shares other than ordinary shares. There were no changes in directors' interests in the period from 1 April 2009 to 27 May 2009.

On behalf of the Board
**Evert Henkes**
**Chairman, Remuneration Committee**
*27 May 2009*

**Appointment of new Chief Executive**

Since the year end, in order to facilitate the recruitment of Javed Ahmed as Chief Executive, the Remuneration Committee established the following incentive arrangements, which apply only to Mr Ahmed. These were required to compensate Mr Ahmed for significant retention incentives and bonus entitlements he was required to forego with his former employer as a consequence of joining Tate & Lyle. The special compensatory arrangements take the form of a cash payment for the year during which Mr Ahmed joins the Company and a series of special awards of shares in the Company as detailed below.

Mr Ahmed's base salary, which will next be subject to review in April 2010, will be £675,000 per annum. He will participate in the annual cash bonus scheme with threshold, target and maximum bonus payment levels of 10%, 75% and 150%. In the year ending 31 March 2010, Mr Ahmed will, subject to certain conditions, be entitled to a compensatory cash payment, to recognise the value of bonus payments foregone with his former employer, equal to 75% of his base salary, payable on 31 March 2010. His entitlement to bonus under the Tate & Lyle annual cash bonus scheme in that year will be reduced by this compensatory cash payment.

The compensatory awards described below are designed to compensate Mr Ahmed for certain long term incentives given up by him as a consequence of his leaving his former employer and to provide an appropriate degree of performance-based incentivisation for an incoming Chief Executive in the prevailing market and business circumstances of the Company. The long-term incentive awards described below are designed to provide a suitable ongoing incentive during the early years of his career with Tate & Lyle. Unless otherwise stated, all awards are on terms similar to those set out in the Company's Performance Share Plan ('PSP').

**Compensatory awards**

Compensatory awards, to compensate for the loss of share benefits relating to Mr Ahmed's previous employment, as follows:

- £1,750,000 worth of shares (determined on the basis of the average of the closing share prices of ordinary shares of Tate & Lyle PLC on each of the five days following the date on which Mr Ahmed joins Tate & Lyle) to be delivered on the second anniversary of that date. Pending delivery of those shares, Mr Ahmed will receive from the Company a payment in lieu of dividend, which will be subject to deduction of tax in the normal fashion, equivalent to any dividend which would otherwise be payable on those shares. In the event of a change of control, all the shares will be delivered as soon as practicable.
- £1,125,000 worth of shares (determined on the same basis) will be delivered subject to the same performance condition as applies to awards made under the PSP in 2008. Performance will be measured and the relevant number of shares released after the performance period ends on 31 March 2011, in parallel with the corresponding releases under the PSP.
- £1,500,000 worth of shares (determined on the same basis) will be delivered subject to the same performance condition as applies to awards which are to be made under the PSP in 2009. Performance will be measured and the relevant number of shares released after the performance period ends on 31 March 2012, in parallel with the corresponding releases under the PSP.

**Long-term incentive awards**

- An award of shares ('2009 LTI Award') with a value of £2,025,000, calculated according to the share price applicable to awards which are to be made under the PSP in 2009 ('2009 PSP Awards'). The 2009 LTI Award will be subject to the same performance condition as applies to 2009 PSP Awards. Performance will be measured and the relevant number of shares released after the performance period ends on 31 March 2012, in parallel with the corresponding releases in respect of the 2009 PSP Awards.
- An award of shares ('2010 LTI Award') with a value of three times base salary, calculated according to the share price applicable to the Company's 2010 PSP Awards. The 2010 LTI Award will be subject to the same performance condition as applies to the 2010 PSP Awards. Performance will be measured and the relevant number of shares released after the performance period ends on 31 March 2013, in parallel with the corresponding releases in respect of the 2010 PSP Awards.
- An award of shares ('2011 LTI Award') with a value of three times base salary, calculated according to the share price applicable to the Company's 2011 PSP Awards. The 2011 LTI Award will be subject to the same performance condition as applies to the 2011 PSP Awards. Performance will be measured and the relevant number of shares released after the performance period ends on 31 March 2014, in parallel with the corresponding releases in respect of the 2011 PSP Awards.

**Shareholding requirement**

Mr Ahmed is required to accumulate a shareholding in Tate & Lyle equivalent to four times base salary within five years of joining the Company.

**Service agreement**

Mr Ahmed has agreed to enter into a service contract with the Company upon his appointment which is in line with the existing contracts with executive directors. That contract will be terminable by the Company on one year's notice and by Mr Ahmed on six months' notice (expiring, in either case, no earlier than the second anniversary of his start date).