

DIRECTORS' REPORT

About the Directors' Report

The Directors' Report comprises the Governance section from pages 38 to 51, the Directors' Report on pages 72 and 73 and the Useful Information section from pages 141 to the inside back cover. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is disclosed as follows:

- Likely future developments of the Company (throughout the Strategic Report)
- Human rights (page 32)
- Greenhouse gas emissions (pages 35 and 36)
- Relationship with employees (page 34)
- Financial instruments (Note 21).

Results and dividend

A review of the results can be found on pages 1 to 37.

An interim dividend of 7.8p per ordinary share was paid on 3 January 2014. The Directors recommend a final dividend of 19.8p per ordinary share to be paid on 1 August 2014 to shareholders on the register on 27 June 2014, subject to approval at the 2014 Annual General Meeting (AGM). The total dividend for the year is 27.6p per ordinary share (2013 – 26.2p).

Research and development

The Group spent £33 million (2013 – £32 million) on research and development during the year.

Articles of Association

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of directors, and the conduct of the Board and general meetings. Copies are available on request and are displayed on the Company's website, www.tateandlyle.com.

In accordance with the Articles of Association, directors can be appointed or removed by the Board or by shareholders in general meeting. Amendments to the Articles of Association have to be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. Subject to UK company law and the Articles of Association, the Directors may exercise all the powers of the Company, and may delegate authorities to committees, and may delegate day-to-day management and decision making to individual executive directors. Details of the Board Committees can be found on pages 47 to 51 and on page 64.

Share capital

As at 31 March 2014, the Company had nominal issued ordinary and preference share capital of £119 million comprising £117 million in ordinary shares, including £0.6 million in treasury shares and £2 million in preference shares.

To satisfy obligations under employee share plans, the Company issued 9,983 ordinary shares during the year and reissued 2,443,619 ordinary shares from treasury. The Company issued 2,914 shares during the period from 1 April 2014 to 28 May 2014. Further information about share capital is in Note 24. Information about options granted under the Company's employee share plans is in Note 26.

The Company was given authority at the 2013 AGM to make market purchases of up to 46,639,912 of its own ordinary shares. The Company purchased 3,045,000 of its own ordinary shares during the year ended 31 March 2014; these shares are held in treasury to satisfy awards made under performance share plans. This authority will expire at the 2014 AGM and approval will be sought from shareholders for a similar authority to be given for a further year.

Restrictions on holding shares

There are no restrictions on the transfer of shares and prior approval is not required from the Company nor from other holders for such a transfer. No limitations are placed on the holding of shares and no share class carries special rights of control of the Company. There are no restrictions on voting rights other than those outlined below on preference shares. The Company is not aware of any agreements between shareholders that may restrict the transfer or exercise of voting rights.

Shareholders' rights

Holders of ordinary shares have the rights accorded to them under UK company law, including the rights to receive the Company's annual report and accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.

Holders of preference shares have limited voting rights and may not vote on: the disposal of surplus profits after the dividend on the preference shares has been provided for; the election of directors or their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters. Further details regarding the rights and obligations attached to share classes are contained in the Articles of Association which are available on the Company's website, www.tateandlyle.com.

DTR Rule 5 disclosure

As at 28 May 2014, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the following holdings of voting rights in its shares:

	Number of shares ²	% held ²
Black Rock, Inc	46 514 801	9.97
AXA S.A. ¹	22 890 148	4.98
Artemis Investment Management LLP ¹	23 207 193	4.97
Invesco Limited ¹	23 111 061	4.95
Schroders plc	21 252 858	4.56
TIAA-CREF Investment Management, LLC and Teachers Advisors, INC.	18 348 821	3.94
Barclays Global Investors ¹	17 568 133	3.59

¹ Notification was made over 12 months ago; as permitted under Rule 5, shareholders may not be required to notify us of subsequent changes within certain ranges.

² As at the date in the notification to the Company.

Change of control

The Company has a committed bank facility of US\$800 million, which matures in 2016. Under the terms of this facility, the banks can give notice to Tate & Lyle to prepay outstanding amounts and cancel the commitments where there is a change of control of the Company. The Company is the guarantor of a £200 million bond issue by its subsidiary, Tate & Lyle International Finance PLC, dated 25 November 2009, which is repayable in 2019. Under the terms of the bond issue, noteholders have the option to request an early repayment where there is a change of control of the Company.

All of the Company's share plans contain provisions relating to a change of control. Further information is on page 60.

Political donations

Again this year, in line with the Group's policy, no political donations were made in the European Union (EU). Outside the EU, the Group's US business made contributions during the year totalling US\$22,000 (£14,000) (2013 – US\$19,000; £12,000) to state political party committees and to the campaign committees of state candidates affiliated to the major parties. In all, ten separate donations were made, the largest being of \$5,000 and the smallest \$300. US\$14,000 (£9,000) (2013 – US\$8,000; £5,000) was also contributed by the Tate & Lyle Political Action Committee (PAC). Nine separate donations were made, the largest being of \$4,000 and the smallest \$1,000. The PAC is funded entirely by US employees. Employee contributions are entirely voluntary and no pressure is placed on US employees to participate. No funds are provided to the PAC by Tate & Lyle but under US law, an employee-funded PAC must bear the name of the employing company.