

# TATE & LYLE

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**Sir Peter Gershon CBE FREng**  
CHAIRMAN

21 March 2013

Inquiry Manager  
Statutory Audit Investigation  
Competition Commission  
Victoria House  
Southampton Row  
London  
WC1B 4AD

Dear Sir

I write in response to the Competition Commission's notice of possible remedies and provisional findings report into the supply of statutory audit services to large companies in the UK.

We believe the analysis contained in your report largely reflects the views of the representatives of Tate & Lyle that were interviewed. While we understand many of the conclusions and remedies contained in the report, we would like to express our concerns over the proposed remedy of mandatory auditor rotation.

We believe that an Audit Committee, made up of independent non-executive directors, is best placed to represent shareholders' interests (and to consult with them as appropriate) in deciding the timing of any change of auditor, taking into account the circumstances of the Company at that time and whether continuity of auditor might outweigh the perceived benefits of mandatory rotation. As such, we positively endorse the FRC's proposed introduction of a "comply or explain" basis to periodic tendering of the audit.

We also have considerable concerns that, by removing the incumbent from tendering, this further restricts choice, particularly for multinational companies like Tate & Lyle with operations in multiple geographies, where there is already a limited choice of firms which have the geographic reach to deliver a consistent, integrated approach to the audit.

Finally, we believe that the calibre of individual audit partner is a significant factor determining the quality of the audit, in particular his or her ability to balance the maintenance of effective relationships with both the Audit Committee and management with the need to bring independent challenge as required.

*Yours faithfully,*  
*Peter Gershon*