



Lloyds TSB Scotland

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job

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Dear Mr Milne

Thank you for your letter of 15 December outlining your concerns about various matters.

I understand that you are currently suspended, pending a "fact find" interview scheduled for 20 December which will then determine whether formal disciplinary proceedings are to be taken out against you. It would therefore be inappropriate for me to comment further about this.

As far as the demutualisation is concerned, you have, I understand, spoken to John Troon, Senior Manager, Group Internal Investigations, but could offer no evidence to substantiate your claims. I am sure you appreciate until such time as you are able to provide this to him I am unable to take this forward.

Your worries regarding the "website" audit, I believe, have been fully aired with line management (including PwC). In connection with the "e-mail and internet access audit", the issue you raise is to be followed up in a subsequent audit.

Turning finally to the overheard conversation relating to possible terrorist activities, I understand the Police have verbally confirmed to Roger Cooper that they would have expected the matter to be reported first hand, by you, and not third hand.

Yours sincerely

Ewan Brown
Chairman
Lloyds TSB Group plc Audit Committee