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The Rt. Hon Ben Wallace MP Secretary of State for Defence Ministry of Defence, Floor 5, Zone B, Main Building Whitehall London SW1A 2HB

Alex Chalk MP Minister of State for Defence Procurement Ministry of Defence, Floor 5, Zone B, Main Building Whitehall London SW1A 2HB

4 November 2022

Dear Secretary of State,

I am writing further to my letter of 1 February 2022, and my letter to your former Minister of State, Jeremy Quin MP on 4 March 2022, in which I set out my concerns about the Ministry of Defence's actions in relation to Annington Limited and outlined our offer to make a sizeable contribution to the cost of improving homes for Service families living in the Married Quarters Estate through the creation of a £105 million fund: the Annington Homes Modernisation Fund.

We made this offer as an attempt to rebalance our relationship, improve housing conditions on the Estate and to avoid protracted and expensive legal proceedings in relation to the Enfranchisement Notices issued by your Department.

To date, we have received no formal response to our offer and as a result have been forced to reconsider our position. Please accept this letter as notification that Annington Limited withdraws its offer of £105 million in respect of the Married Quarters Estate.

Whilst it pains me to take this step, I still strongly believe that the best interests of all parties are better served by working together to reach a mutually acceptable solution that avoids diverting further time and legal costs to pursing this matter through the courts.

As I have stated previously, we continue to stand ready to be a partner to the MoD and would welcome the opportunity for open engagement. My Deputy Chairman Jos Short and I remain willing to meet with you in person to discuss this matter, and we welcome the opportunity to open a dialogue with you and your team in our capacity as Independent Directors acting on behalf of all Annington shareholders.

Yours sincerely,

The Rt Hon Baroness Liddell of Coatdyke PC

Chair, Annington Ltd