Clause 1, page 1, leave out lines 9 to 10.

Clause 1, page 1, line 10, after ‘DE&S’, insert ‘subject to conditions on maintenance and upkeep set by the Secretary of State.’.

Clause 1, page 2, line 42, at end insert—

‘(7A) Arrangements mentioned in this section must include provision for contractual obligations to be placed on the company operating the contract for defence procurement services under subsection (2), specifically including provision to—

(a) require non-UK companies to establish special security arrangements for the operation of the contract;

(b) disqualify from the directorship of the company any individual who holds a directorship over any other company whose main business is in the manufacturing or provision of equipment, works or services for defence purposes and;

(c) disqualify from the directorship of the company any individual who holds financial securities in any other company whose main business is in the manufacturing or provision of equipment, works or services for defence purposes.’.

Clause 1, page 2, line 42, at end insert—

‘(7A) Arrangements mentioned in this section may not be brought into force until the Secretary of State has published guidance on the operation of the contract, specifically including—
Defence Reform Bill, continued

(a) the system by which available defence contracts shall be advertised to potential bidders, and;
(b) the responsibility of the company operating the contract under subsection (2) to produce and report annually against progress on an export strategy’.

Alison Seabeck
Mr Kevan Jones

Clause 1, page 2, line 42, at end add—

‘(7A) Arrangements mentioned in this section must include provision for contractual obligations to be placed on the company operating the contract for defence procurement services under subsection (2); specifically including provision to prohibit the sale of financial securities in any publicly-listed company appointed under subsection (2) where such sale would result in a change of majority ownership.’.

Alison Seabeck
Mr Kevan Jones

Clause 1, page 3, line 31, at end add—

‘“special security arrangements” means a proxy board or Special Security agreement set up to prevent foreign influence over British defence interests.’.

Alison Seabeck
Mr Kevan Jones

Clause 2, page 3, line 35, at end insert—

‘(2A) Before the financial assistance is granted, the Secretary of State must—
(a) lay before both Houses a report detailing the circumstances requiring the financial assistance;
(b) withhold approval of any assistance until the report has been laid, and
(c) write to the chairs of the relevant parliamentary committees indicating that such a report has been laid.’.

Alison Seabeck
Mr Kevan Jones

Clause 3, page 3, line 41, leave out ‘is’ and insert ‘may be’.

Alison Seabeck
Mr Kevan Jones

Clause 3, page 3, line 41, after ‘Defence’ insert ‘, except in cases of negligence, fraud or wilful neglect’.
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[Adjourned until Thursday at 11.30 am]