

THE SECURITIES ACT

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Order No. 3763

)

Section 20

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May 30, 2002

DUNLOP STANDARD LIMITED

WHEREAS:

(A) Application has been made by Dunlop Standard Limited ("Dunlop") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988 c. S50 (the "Act"):

(1) exempting Dunlop from sections 6 and 37 of the Act with respect to the offering of common shares of Dunlop ("Common Shares") to employees, officers and directors of the Applicant and its subsidiaries located in Manitoba ("Manitoba Employees"); and

(i) exempting Lehman Brothers Inc. from Section 6 of the Act with respect to the distribution of Common Shares to Manitoba Employees and the alienation of such securities on an organized market outside Manitoba by such Manitoba Employees;

as part of an underwritten offering of Common Shares (the "Offering").

(B) It has been represented to the Commission by the Applicant that:

1. Dunlop was incorporated on May 3, 2002 in Bermuda.
2. Dunlop is a new company formed to serve as the ultimate parent company for the Dunlop Standard Aerospace group in connection with the movement of the ultimate parent company of the group from the United Kingdom to Bermuda (the "Redomiciliation") in connection with the Offering. The Dunlop Standard Aerospace group is a leading supplier of aftermarket parts and services to the global aerospace and defense industries.
3. One of Dunlop's subsidiaries, Standard Aero Limited, is located at 33 Allen Dyne Road, Winnipeg, Manitoba, R3H 1A1.
4. As at December 31, 2001, the Dunlop Standard Aerospace group employed approximately 4,013 persons including approximately 1,067 persons employed in the United States, 1,398 persons employed in the United Kingdom and approximately 1,548 persons employed outside the United States and the United Kingdom. Of such employees, approximately 1,265 are located in Manitoba.

5. Dunlop is not, and has no intention of becoming, subject to the continuous disclosure requirements of the Act.
6. Subject to the terms and conditions of an underwriting agreement (the "Underwriting Agreement") to be entered between Dunlop, on the one hand, and Lehman Brothers Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc. and certain other underwriters (collectively the "Underwriters"), on the other hand, the Underwriters will severally but not jointly agree to purchase from Dunlop the Common Shares offered pursuant to the Offering. Prior to the Offering, there will have been no public market for the Common Shares. Application will be made to list the Common Shares on The New York Stock Exchange ("NYSE").
7. Up to 5% of the Common Shares offered pursuant to the Underwriting Agreement may be reserved for sale to certain employees, officers and directors of Dunlop and its subsidiaries at a price equal to the initial public offering price per Common Share (the "Employee Offering"). The number of Common Shares available for sale to the general public will be reduced to the extent employees, officers or directors purchase such reserved Common Shares. Any reserved Common Shares not purchased will be offered by the Underwriters to the general public on the same terms as the other Common Shares offered under the Underwriting Agreement.
8. Dunlop is not offering the Common Shares to the employees, officers and directors by way of a stock purchase plan, but has merely allotted a portion of the Offering for the employees, officers and directors' discretionary purchase.
9. The Manitoba Employees will not be induced to purchase the Common Shares by expectation of employment or continued employment.
10. The sale to Manitoba Employees will not be effected by the Applicant, but rather by Lehman Brothers Inc. which is not registered under the Act.
11. The Offering will be effected in compliance with the United States *Securities Act of 1933*, as amended, and the regulations thereunder (the "Applicable U.S. Laws"). Dunlop has submitted a registration statement on Form F-1 (the "Registration Statement") to the United States Securities and Exchange Commission (the "SEC"). The prospectus contained therein will be distributed to all employees purchasing Common Shares, including Manitoba Employees. A document describing the nature of the Offering and a subscription form will be remitted to employees, officers and directors of Dunlop and its subsidiaries. Manitoba residents holding Common Shares will have the same rights at law, if any, in respect of the Common Shares as shareholders of Dunlop with addresses in the United States.

12. Dunlop wishes to enable the Manitoba Employees to benefit from the same advantages as other employees, officers and directors of Dunlop and its subsidiaries who may participate in the Employee Offering. Dunlop intends to extend the opportunity to participate in the Offering to all employees, officers and directors of Dunlop and its subsidiaries, except for such employees, officers and directors resident in jurisdictions where the Offering may not be so extended absent significant additional expense and time. In addition, Dunlop wishes that the disclosure documentation to be transmitted to the Manitoba Employees be the same as the disclosure documentation that will be sent to all its employees, officer and directors and employees, officers and directors of its subsidiaries in the other jurisdictions where the Employee Offering is extended.

13. Lehman Brothers Inc. will make a representative available to discuss the suitability of an investment in the Common Shares by Manitoba Employees.

14. In accordance with the terms of the Employee Offering, Lehman Brothers Inc. will open accounts for all employees purchasing Common Shares, including the Manitoba Employees, to hold such Common Shares and Lehman Brothers Inc. will carry out the subsequent sale of such Common Shares by the Manitoba Employees on an organized market outside Manitoba.

15. The Registration Statement has been submitted to the SEC on a confidential basis and it is necessary to keep the relief obtained hereunder confidential so as to preserve the confidential nature of the SEC submission.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to issue the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, Dunlop shall be exempt from Section 6 and Section 37 of the Act and Lehman Brothers Inc. shall be exempt from Section 6 of the Act with respect to the offering and distribution of Common Shares pursuant to the Employee Offering to Manitoba Employees and the alienation of such securities on an organized market outside Manitoba by such Manitoba Employees, subject to the following conditions:

(a) The Manitoba Employees will not be induced to purchase the Common Shares by expectation of employment or continued employment.

(b) The disclosure documentation to be transmitted to Manitoba Employees shall be the same as the disclosure documentation that will be sent to all its employees, officers and directors of Dunlop and its subsidiaries located in other jurisdictions where the Employee Offering is being extended.

(c) The sale of Common Shares to Manitoba Employees shall be made in a manner consistent in all material respects with the offering of the reserved

Common Shares to the employees, officers and directors of Dunlop and its subsidiaries located in other jurisdictions where the Employee Offering is being extended.

2. THAT the order shall remain confidential for a period of 30 days from the date of the order or such earlier date as the Registration Statement in respect of the Common Shares is publicly filed with the SEC.

3. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director