



NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS
TO BE HELD MAY 6, 2010
AND
INFORMATION
CIRCULAR

ONEX corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

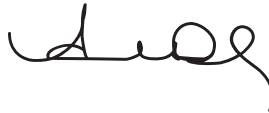
NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of Onex Corporation (the "Corporation") will be held at the **Four Seasons Hotel, Windows West Room, 32nd Floor, 21 Avenue Road, Toronto, Ontario on Thursday, May 6, 2010 at 10:00 a.m. (Eastern Daylight Saving Time)** for the following purposes:

1. To receive and consider the consolidated balance sheets of the Corporation as at December 31, 2009 and the consolidated statements of earnings, shareholders' equity and cash flows for the year then ended, together with the report of the auditor thereon;
2. To appoint an auditor;
3. To authorize the directors to fix the remuneration of the auditor;
4. To elect directors; and
5. To transact such further and other business as may properly come before the meeting or any adjournment or postponement thereof.

If you are unable to be personally present at the meeting, kindly complete, date, sign and return the enclosed form of proxy in the envelope provided for this purpose. Proxies to be used at the meeting must be deposited with the Corporation or CIBC Mellon Trust Company no later than 48 hours preceding the meeting or any adjournment or postponement thereof.

DATED at Toronto, Ontario, the 26th day of March, 2010.

BY ORDER OF THE BOARD



ANDREA E. DALY
Vice President, General Counsel
and Secretary

ONEX corporation

MANAGEMENT INFORMATION CIRCULAR as at March 18, 2010

This management information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Onex Corporation (“Onex” or the “Corporation”) for use at the annual meeting of the shareholders of the Corporation (the “meeting”) to be held on Thursday, May 6, 2010 at 10:00 a.m. (Eastern Daylight Saving Time) at the Four Seasons Hotel, Windows West Room, 32nd Floor, 21 Avenue Road, Toronto, Ontario, and at any adjournment or postponement thereof, for the purposes set forth in the notice of the meeting.

PROXIES

THE ENCLOSED PROXY IS BEING SOLICITED BY OR ON BEHALF OF THE MANAGEMENT OF THE CORPORATION and the cost of such solicitation will be borne by the Corporation. The solicitation will be primarily by mail, but officers or employees of the Corporation may also solicit proxies by telephone or in person without special compensation.

Proxies to be used at the meeting must be deposited with the Corporation or CIBC Mellon Trust Company no later than 48 hours preceding the meeting or any adjournment or postponement thereof.

A shareholder executing the enclosed form of proxy has the right to revoke it under subsection 110(4) of the Business Corporations Act (Ontario) (the “Act”). A proxy may be revoked by depositing an instrument in writing, executed by the registered shareholder or by such shareholder’s attorney authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the Chairman of the meeting on the day of the meeting or any adjournment or postponement thereof or in any other manner permitted by law.

VOTING SHARES

The Corporation has authorized share capital consisting of an unlimited number of senior preferred shares, an unlimited number of junior preferred shares, 100,000 Multiple Voting Shares and an unlimited number of Subordinate Voting Shares.

As at the date hereof, 176,078 Senior Preferred Shares, Series 1, 100,000 Multiple Voting Shares and 120,218,778 Subordinate Voting Shares are issued and outstanding. No junior preferred shares are currently issued and outstanding.

The holders of Multiple Voting Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation, other than any meeting of holders of another class of shares who are entitled to vote separately as a class at such meeting and other than with respect to certain matters which are exclusively reserved for the holders of Subordinate Voting Shares. Unless and until the occurrence of an Event of Change (as defined in the articles of the Corporation), the holders of Multiple Voting Shares are entitled to such number of votes in the aggregate as represents 60 per cent of the aggregate votes attached to all the outstanding Multiple Voting Shares, Subordinate Voting Shares and other shares of the Corporation that may be created from time to time (if any) having the right to vote generally at annual and special meetings of shareholders. The number of votes will be prorated equally among the outstanding Multiple Voting Shares and will be deemed to be adjusted to maintain the 60 per cent voting level notwithstanding any issue, repurchase or redemption of Subordinate Voting Shares or other shares having general voting rights. The holders of Multiple Voting Shares are entitled to one vote for each such share held at meetings of holders of such shares at which they are entitled to vote separately as a class.

The holders of Subordinate Voting Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation, other than any meeting of holders of another class of shares who are entitled

to vote separately as a class at such meeting, and are entitled to one vote for each share held. The holders of Subordinate Voting Shares and all other shares of the Corporation that may be created from time to time (if any) having the right to vote generally at annual and special meetings of shareholders will be entitled in the aggregate to 40 per cent of the aggregate votes attached to all the outstanding Multiple Voting Shares, Subordinate Voting Shares and other shares (if any) of the Corporation that may be created from time to time having the right to vote generally at annual and special meetings of shareholders.

The holders of Multiple Voting Shares are entitled, voting separately as a class, to elect, unless and until an Event of Change occurs, 60 per cent (rounded to the nearest whole number) of the members of the board of directors of the Corporation.

From and after the occurrence of an Event of Change, the holders of Multiple Voting Shares, voting separately as a class, will have the right to elect only 20 per cent (rounded to the nearest whole number) of the members of the board of directors of the Corporation and otherwise will not be entitled to vote except as provided by the Corporation's articles or by applicable law. An Event of Change would include Gerald W. Schwartz ceasing to hold, directly or indirectly together with his spouse and children, more than 5,000,000 Subordinate Voting Shares or his ceasing to have the right to vote or direct the vote of a majority of the outstanding Multiple Voting Shares.

The holders of Subordinate Voting Shares are entitled, voting separately as a class, to appoint the auditor of the Corporation and to elect, unless and until an Event of Change occurs, 40 per cent (rounded to the nearest whole number) of the members of the board of directors of the Corporation.

Should an Event of Change occur, the holders of Subordinate Voting Shares would become entitled, voting separately as a class, to elect 80 per cent (rounded to the nearest whole number) of the members of the board of directors of the Corporation and would otherwise be entitled to one vote per share for each Subordinate Voting Share held.

Holders of Multiple Voting Shares are not entitled to receive dividends. Holders of Subordinate Voting Shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the board of directors. The Multiple Voting Shares have no entitlement to a distribution on winding-up or dissolution other than a payment of the nominal amount in the stated capital account for such shares. The Subordinate Voting Shares are entitled, subject to the prior rights of the senior preferred shares, the junior preferred shares and the Multiple Voting Shares, to receive the remaining assets of the Corporation.

The record date for the determination of shareholders entitled to receive notice of the meeting has been fixed at March 18, 2010. In accordance with the provisions of the Act, the Corporation will prepare a list of holders of Multiple Voting Shares and Subordinate Voting Shares, respectively, as of such record date. Each holder of Multiple Voting Shares or Subordinate Voting Shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the meeting.

To the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than ten per cent of the voting rights attached to any class of outstanding voting securities of the Corporation other than as set forth below.

Gerald W. Schwartz holds indirectly all the outstanding Multiple Voting Shares of the Corporation. Mr. Schwartz also holds as at February 28, 2010, directly or indirectly, 25,113,018 Subordinate Voting Shares of the Corporation representing approximately 20.9% of the outstanding Subordinate Voting Shares. In addition, Mr. Schwartz controls an affiliated corporation which holds all of the outstanding Senior Preferred Shares, Series 1, but neither Mr. Schwartz nor other managers of the Corporation have any beneficial interest in such Senior Preferred Shares.

Pursuant to a stock control agreement entered into by Mr. Schwartz, OMIL Holdings Limited, the Corporation and National Trust Company (now The Bank of Nova Scotia Trust Company) for the benefit of the holders of the Subordinate Voting Shares, Multiple Voting Shares may be transferred only with the prior approval of at least two-thirds of the votes cast on separate class votes at meetings of the holders of the Multiple Voting Shares and Subordinate Voting Shares, unless such transfers are made to members of management of Onex, provided that up to an aggregate of ten per cent of the outstanding Multiple Voting Shares may be transferred to persons other than

members of management without such approval. Multiple Voting Shares acquired by any transferee would be subject to certain repurchase options and obligations in favour of Onex.

APPOINTMENT AND REMUNERATION OF AUDITOR

The articles of the Corporation provide that the holders of Subordinate Voting Shares, voting separately as a class, have the right to appoint the auditor, although authorization of the directors to fix the auditor's remuneration requires the approval of the holders of Subordinate Voting Shares and Multiple Voting Shares, voting together.

Unless authority to do so is withheld, the Subordinate Voting Shares represented by the proxies solicited in respect of the meeting will be voted in favour of the reappointment of the firm of PricewaterhouseCoopers LLP, Chartered Accountants as the auditor of the Corporation and in favour of the authorization of the directors to fix the remuneration of the auditor.

ELECTION OF DIRECTORS

As described above under "Voting Shares", the holders of Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled, voting separately as classes, to elect 40 per cent and 60 per cent, respectively, of the members of the board of directors, in each case rounded to the nearest whole number. The number of directors has been fixed at ten for purposes of this election. At the meeting there will be a separate vote (in respect of which only the holders of Subordinate Voting Shares will be entitled to vote) in respect of the election of the four directors referred to below as SVS Nominees, and a further separate vote (in respect of which only the holder of Multiple Voting Shares will be entitled to vote) in respect of the election of the six directors referred to below as MVS Nominees. The shares represented by the proxies solicited in respect of the meeting will be voted for the SVS Nominees, unless authority to do so is withheld. The term of office for each nominee elected will be until the close of the next annual meeting of shareholders of the Corporation or until his or her successor is elected or appointed.

With the exception of Mr. Heersink, all nominees proposed for election at the meeting are currently directors of the Corporation and all are established executives with a wide range of experience that has been and will continue to be useful to the Corporation. Mr. Heersink is currently a Managing Director of Onex, a role he has held since the establishment of Onex in 1983, in addition to having been Chief Financial Officer of Onex through 2008. Several of the other directors are founding shareholders of the Corporation or were associated with parties that were shareholders of the Corporation before it first issued shares to the public.

I. SVS NOMINEES

The following is a description of the four SVS Nominees to be voted on by the holders of Subordinate Voting Shares of the Corporation:

<u>Name, principal occupation and other major positions with the Corporation</u>	<u>Period during which served as a Director</u>	<u>Beneficial Ownership of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (2)</u>
WILLIAM A. ETHERINGTON (4)	Since September 2007	10,000(5)	\$743,059
Mr. Etherington, 68, of Toronto, Ontario, is a director of Celestica Inc., MDS Inc. and SS&C Technologies, Inc. and was Chairman of the Board of the Canadian Imperial Bank of Commerce until February 2009. Mr. Etherington holds an Honorary Doctor of Laws degree, and Bachelor of Electrical Engineering Science from the University of Western Ontario.		19,312	
PETER C. GODSOE, O.C. (3)	Since May 2004	20,000(6)	\$1,678,626
Mr. Godsoe, 71, of Toronto Ontario, was Chairman of the Board until March 2, 2004 and Chief Executive Officer until December 2, 2003 of the Bank of Nova Scotia. From 1966, he held positions of increasing responsibilities with the Bank of Nova Scotia, becoming Chairman of the Board in 1995. Mr. Godsoe's corporate directorships include Ingersoll-Rand Company, Rogers Communications Inc. and The Warranty Group, Inc. Mr. Godsoe is also a director of a number of non-profit institutes including the Atlantic Institute for Market Research, Mount Sinai Hospital and the Perimeter Institute for Theoretical Physics. In 2002, he received the Order of Canada and was inducted into the Canadian Business Hall of Fame. Mr. Godsoe holds a Bachelor of Science degree in Mathematics and Physics from the University of Toronto and a Master of Business Administration degree from Harvard Business School. He is also a Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Ontario.		46,218	

<u>Name, principal occupation and other major positions with the Corporation</u>	<u>Period during which served as a Director</u>	<u>Beneficial Ownership of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (2)</u>
SERGE GOUIN (3)	Since August 1991	44,755(7)	\$2,311,514
Mr. Gouin, 67, of Outremont, Quebec, is Chairman of the Board of Quebecor Media Inc., a communications and media-cable and entertainment company. He is the former Advisory Director of Citigroup Global Markets Canada Inc. (1998-2003) and President and Chief Operating Officer of Le Groupe Vidéotron Ltée. (1991-1996). He is also a director of each of Biovail Corporation and TVA Group Inc. and is Chairman of the Board of each of Vidéotron Ltée and Sun Media Corporation. He serves on the Advisory Committee of the Richard Ivey School of Business. Mr. Gouin holds a Bachelor of Arts degree from the University of Montreal as well as a Bachelor of Arts degree and Master of Business Administration degree from the Ivey School of Business.		46,429	
ARNI C. THORSTEINSON, C.F.A. (3)	Since March 1987	62,188(8)	\$3,032,874
Mr. Thorsteinson, 61, of Winnipeg, Manitoba, is the President of Shelter Canadian Properties Limited, a diversified real estate development and management company. He is also a director or trustee of Lanesborough Real Estate Investment Trust, Bird Construction Income Fund and Temple Real Estate Investment Trust and is a member of the board of advisors of Onex Real Estate Partners. He is the Founding Chair of the Board of Trustees of the Canadian Museum for Human Rights. Mr. Thorsteinson holds Bachelor of Commerce (Honours) and Doctor of Laws (Honours) degrees from the University of Manitoba and a Chartered Financial Analyst designation. Mr. Thorsteinson has been on the board of Onex since its formation and represented a founding shareholder of Onex.		57,452	

II. MVS NOMINEES

The following is a description of the six MVS Nominees to be voted on by the sole holder of Multiple Voting Shares of the Corporation:

<u>Name, principal occupation and other major positions with the Corporation</u>	<u>Period during which served as a Director</u>	<u>Beneficial Ownership of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (2)</u>
<p>GERALD W. SCHWARTZ, O.C.</p> <p>Mr. Schwartz, 68, of Toronto, Ontario, is the Chairman of the Board, President and Chief Executive Officer of Onex. Prior to founding Onex in 1983, Mr. Schwartz was a co-founder and President (in 1977) of what is now CanWest Global Communications Corp. Mr. Schwartz was inducted into the Canadian Business Hall of Fame in 2004 and was appointed as an Officer of the Order of Canada in 2006. He is also an honorary director of The Bank of Nova Scotia and is a director of Indigo Books & Music Inc. and RSI Home Products, Inc. Mr. Schwartz is Vice Chairman of Mount Sinai Hospital, and is a director, governor or trustee of a number of other organizations, including Junior Achievement of Toronto, the Canadian Council of Christians and Jews, and The Simon Wiesenthal Center. He holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Manitoba, a Master of Business Administration degree from the Harvard University Graduate School of Business Administration and a Doctor of Laws (Hon.) from St. Francis Xavier University and Doctor of Philosophy (Hon.) from Tel Aviv University.</p>	Since March 1987	25,113,018(9)	\$636,615,006
<p>DANIEL C. CASEY (4)</p> <p>Mr. Casey, 62, of Toronto, Ontario is the Chairman of the Board, Chief Executive Officer and President of Creson Corporation, an investment holding company, and is a member of the board of advisors of Onex Real Estate Partners. Mr. Casey holds a Bachelor of Arts in Economics degree from Carleton University. Mr. Casey has been on the board of Onex since its formation and was a founding shareholder.</p>	Since March 1987	36,000(10) 45,315	\$2,061,335

<u>Name, principal occupation and other major positions with the Corporation</u>	<u>Period during which served as a Director</u>	<u>Beneficial Ownership of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (2)</u>
EWOUT HEERSINK	—	1,050,706(11)	\$29,776,009
Mr. Heersink, 59, of Oakville, Ontario, is a Managing Director of the Corporation and has been an executive of Onex since 1983. He served as Onex's Chief Financial Officer through 2008 and has also served as a director of several of Onex's operating companies. Mr. Heersink is also a Member of the Advisory Council of the Queen's School of Business. He holds a Bachelor of Honours Business Administration degree from the Ivey School of Business at the University of Western Ontario and a Master of Business Administration degree from Queen's University. Mr. Heersink is also a Chartered Accountant.		123,890	
JOHN B. MCCOY (4)	Since May 2005	20,000(12)	\$1,469,616
Mr. McCoy, 66, of Columbus, Ohio, retired as Chairman and Chief Executive Officer of Bank One Corporation in December 1999, where he had been Chief Executive Officer since 1984 and Chairman since 1998. Mr. McCoy joined Bank One Corporation in 1970. Mr. McCoy's corporate directorships include AT&T Inc. He is also a director of a number of non-profit institutions. Mr. McCoy holds a Bachelor of Arts degree in History from Williams College and a Master of Business Administration degree in Finance from Stanford University's Graduate School of Business.		37,973	

<u>Name, principal occupation and other major positions with the Corporation</u>	<u>Period during which served as a Director</u>	<u>Beneficial Ownership of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 28, 2010 (2)</u>
J. ROBERT S. PRICHARD, O.C., O. ONT.	Since May 1994	20,000(13)	\$1,583,234
Mr. Prichard, 61, of Toronto, Ontario, is President and Chief Executive Officer of Metrolinx and was previously President and Chief Executive Officer of Torstar Corporation. Prior to joining Torstar, he was President of the University of Toronto from 1990-2000. He is also a director of the Bank of Montreal and George Weston Ltd. He is also Vice-Chair of Canada's Science, Technology and Innovative Council, Chairman of the Visiting Committee of Harvard Law School, a trustee of the Hospital for Sick Children and a director of the Toronto Community Foundation. Mr. Prichard studied economics at Swarthmore College and holds a Master of Business Administration degree from the University of Chicago, a Bachelor of Laws degree from the University of Toronto and a Master of Laws degree from Yale University. He is also an Officer of the Order of Canada, a Member of the Order of Ontario and a fellow of the Royal Society of Canada.		42,455	

HEATHER M. REISMAN.	Since May 2003	1,282,016(14)	\$33,399,588
Ms. Reisman, 61, of Toronto, Ontario, is Chair and Chief Executive Officer of Indigo Books & Music Inc. Prior to co-founding Indigo Books & Music, she held the position of President of Cott Corporation from 1990-1992. Ms. Reisman is also a director of Mount Sinai Hospital and a member of the Steering Committee, Bilderberg. She is a former Governor of the Toronto Stock Exchange and of McGill University. Ms. Reisman was educated at McGill University.		35,522	

Notes:

- (1) Indicates the number of Subordinate Voting Shares and Deferred Share Units of the Corporation (rounded to the nearest whole unit) beneficially owned, directly or indirectly, or over which control or direction is exercised. The Directors' Deferred Share Unit Plan is described on page 26 under "Compensation of Directors and Executive Officers of the Corporation and its Subsidiaries — Directors".
- (2) Indicates the aggregate dollar value of the Subordinate Voting Shares and Deferred Share Units of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised based on the closing price of the Subordinate Voting Shares on the Toronto Stock Exchange on February 26, 2010.
- (3) Member of the Audit and Corporate Governance Committee.
- (4) Member of the Compensation and Management Resources Committee.
- (5) In addition, Mr. Etherington has 0.1% indirect interest in certain investments made through Onex Partners II LP ("OP II LP"), a 0.1% indirect interest in certain investments made through Onex Partners III LP ("OP III LP"), a 0.17% interest in certain investments made through Onex Parallel Investment (ONCAP) L.P. ("ONCAP II") and a less than 0.01% indirect interest in the investments made through OREP Canadian Co-Investors LP ("OREP").
- (6) In addition, Mr. Godsoe has a 0.1% indirect interest in certain investments made through Onex Partners LP, a less than 0.15% indirect interest in the investments made through OP II LP, a 0.15% indirect interest in the investments made through OP III LP, a 0.17% indirect interest in the investments made through ONCAP II, a 0.1% indirect interest in the investments made through Onex Capital Fund, L.P. ("OCM"), a less than 0.2% indirect interest in the investments made through OREP, a less than 0.18% indirect interest in the investments

made through Onex Spirit Co-Invest L.P. (“Spirit Co-Invest”) and a less than 0.2% indirect interest in the investments made through OREP Canadian Co-Invest II LP (“OREP II”).

- (7) In addition, Mr. Gouin owns directly or indirectly 40,000 subordinate voting shares of Celestica Inc. (“Celestica”), 457,717 Class A Shares of Onex ClientLogic Holdings LLC (“ClientLogic Holdings”), 30,287 Class A Common Shares, 11,113 Class B Preferred Shares and 8 Class C Preferred Shares of SITEL Worldwide Corporation (“SITEL”), 289,000 Class A units of OMI Limited Partnership (“OMILP”), a less than 0.1% indirect interest in ONCAP L.P. (“ONCAP”), a 0.17% indirect interest in the investments made through ONCAP II. Mr. Gouin has a less than 0.1% indirect interest in certain investments made through Onex Partners LP, a less than 0.2% indirect interest in investments made through OP II LP, a 0.10% indirect interest in the investments made through OP III LP, a less than 0.2% indirect interest in certain investments made through OREP, a less than 0.2% interest in the investments made through OREP II, a less than 0.33% indirect interest in the investments made through Spirit Co-Invest, a less than 0.26% indirect interest in the investments made through Onex EMSC Co-Invest L.P. (“EMSC Co-Invest”) and has an economic interest by way of option in 72,657 Class A units of OMILP.
- (8) The foregoing table includes 17,088 Subordinate Voting Shares in which Mr. Thorsteinson’s spouse has a beneficial interest. In addition, corporations controlled by Mr. Thorsteinson and/or his spouse hold 91,545 Class A Shares of ClientLogic Holdings, 6,061 Class A Common Shares of SITEL and has a less than 0.1% indirect interest in ONCAP. Mr. Thorsteinson has a less than 0.2% indirect interest in the investments made through Onex Partners LP, a 0.33% indirect interest in the investments made through OCM, a less than 0.1% indirect interest in the investments made through OP II LP, a 0.1% indirect interest in the investments made through OP III LP, a 0.07% indirect interest in the investments made through ONCAP II, a less than 0.3% indirect interest in the investments made through OREP and a less than 0.3% indirect interest in the investments made through OREP II, a less than 0.44% indirect interest in the investments made through Spirit Co-Invest and a less than 0.53% indirect interest in the investments made through EMSC Co-Invest. Mr. Thorsteinson also has an economic interest by way of option in 72,657 Class A units of OMILP.
- (9) In addition, as outlined on page 2, Mr. Schwartz indirectly controls the corporation which holds all of the 100,000 outstanding Multiple Voting Shares of the Corporation. He also controls an affiliated corporation which holds all of the 176,078 Senior Preferred Shares, Series 1, but neither he nor other managers of the Corporation have any beneficial interest in such Senior Preferred Shares other than as shareholders of the Corporation. Mr. Schwartz indirectly controls corporations which hold 120,657 subordinate voting shares of Celestica, 5,150,082 Class A Shares of ClientLogic Holdings, 401,561 Class A Common Shares, 146,694 Class B Preferred Shares and 608 Class C Preferred Shares of SITEL, 473.4 Series A Non-Voting Participating Insurance Preferred Shares, 26.6 Series A Voting Insurance Common Shares and 26.6 Non-Voting Services Common Shares and a convertible promissory note of \$203,900.00 USD of Cypress Holdings II, Inc. (an indirect subsidiary of the Corporation) and a 0.8% indirect interest in ONCAP. In addition, Mr. Schwartz owns indirectly 7,100,000 Class A units of OMILP. Mr. Schwartz has a less than 2.0% indirect interest in the investments made through Onex Partners LP, a less than 6% indirect interest in the investments made through OCM, a less than 2.0% indirect interest in the investments made through OP II LP, a 0.75% indirect interest in the investments made through OP III LP, a less than 7.16% indirect interest in the investments made through ONCAP II, a less than 7.2% indirect interest in the investments made through OREP, a less than 7.4% indirect interest in the investments made through Spirit Co-Invest, a less than 23% indirect interest in the investments made through EMSC Co-Invest and a less than 7.2% indirect interest in the investments made through OREP II. Mr. Schwartz indirectly holds additional securities of such subsidiaries of, and entities related to, the Corporation through the investment plan described under “Management Investment Plan”.
- (10) In addition, Mr. Casey has a 0.05% indirect interest in certain investments made through Onex Partners LP, a less than 0.08% indirect interest in the investments made through OP II LP, a 0.05% indirect interest in the investments made through OP III LP, a 0.07% indirect interest in the investments made through ONCAP II, a less than 0.3% indirect interest in the investments made through OREP and a less than 0.3% indirect interest in the investments made through OREP II. Mr. Casey has an economic interest by way of option in 72,657 Class A units of OMILP.
- (11) The foregoing table includes 340,496 Subordinate Voting Shares in which Mr. Heersink’s spouse has a beneficial interest. In addition, Mr. Heersink and/or corporations controlled by Mr. Heersink hold directly or indirectly 41,103 subordinate voting shares of Celestica Inc. (“Celestica”), 582,009 Class A Shares of ClientLogic Holdings, 49,561 Class A Common Shares, 17,781 Class B Preferred Shares and 13 Class C Preferred Shares of SITEL, 23.7 Series A Non-Voting Participating Insurance Preferred Shares, 1.3 Series A Voting Insurance Common Shares and 1.3 Non-Voting Services Common Shares and a convertible promissory note of \$10,200 USD of Cypress Holdings II, Inc. (an indirect subsidiary of the Corporation) and a less than 0.17% indirect interest in ONCAP. In addition, Mr. Heersink and/or corporations controlled by Mr. Heersink have a less than 0.29% indirect interest in the investments made through Onex Partners LP, a less than 0.55% indirect interest in the investments made through OCM, a less than 0.54% indirect interest in the investments made through OP II LP, a 0.54% indirect interest in the investments made through OP III LP, a less than 0.72% indirect interest in the investments made through ONCAP II, a less than 0.72% indirect interest in the investments made through OREP, a less than 0.72% interest in the investments made through OREP II, a less than 0.8% interest in the investments made through Spirit Co-Invest and a less than 4% interest in the investments made through EMSC Co-Invest. Mr. Heersink indirectly holds additional securities of such subsidiaries of, and entities related to, the Corporation through the investment plan described under “Management Investment Plan”.
- (12) In addition, Mr. McCoy has a 0.05% indirect interest in the investments made through OCM, a less than 0.12% indirect interest in certain investments made through Onex Partners LP, a 0.08% indirect interest in the investments made through OP II LP, a 0.05% indirect interest in the investments made through OP III LP, a 0.08% indirect interest in the investments made through ONCAP II, a less than 0.1% indirect interest in the investments made through OREP and a less than 0.1% indirect interest in the investments made through OREP II.
- (13) In addition, Mr. Prichard is a trustee of, and his immediate family are beneficiaries of, a trust which holds directly or indirectly, 160,203 Class A Shares of ClientLogic Holdings, 10,602 Class A Common Shares of SITEL, 500,000 Class A units of OMILP and has less than 0.1% indirect interest in ONCAP. Mr. Prichard has a less than 0.15% indirect interest in the investments made through Onex Partners LP, a 0.15% indirect interest in the investments made through OCM, a less than 0.15% indirect interest in the investments made through OP II LP, a 0.15% indirect interest in the investments made through OP III LP, a 0.2% indirect interest in the investments made through ONCAP II, a less than 0.2% indirect interest in the investments made through OREP, a less than 0.44% indirect interest in the investments made through Spirit Co-Invest, a less than 1.34% indirect interest in the investments made through EMSC Co-Invest and a less than 0.2% indirect interest in the investments made through OREP II.

(14) In addition, Ms. Reisman owns directly or indirectly, 228,860 Class A Shares of ClientLogic Holdings, 15,145 Class A Common Shares and 5.557 Class B Preferred Shares of SITEL, 500,000 Class A units of OMLP, a 0.05% indirect interest in certain investments made through Onex Partners LP and a 0.05% indirect interest in certain investments made through OP II LP.

**ATTENDANCE OF DIRECTORS AT
BOARD AND COMMITTEE MEETINGS**

The following table sets forth the attendance of directors at Board and Committee meetings in 2009.

<u>Director</u>	<u>Board</u>	<u>Compensation and Management Resources Committee</u>		<u>Audit and Corporate Governance Committee</u>	<u>Attendance %</u>	
					<u>Board</u>	<u>Committee</u>
Daniel C. Casey	6 of 6	6 of 6		—	100%	100%
William A. Etherington(1)	6 of 6	5 of 5		—	100%	100%
Peter C. Godsoe	6 of 6	—		6 of 6	100%	100%
Serge Gouin	6 of 6	—		6 of 6	100%	100%
John B. McCoy	6 of 6	6 of 6		—	100%	100%
J. Robert S. Prichard	6 of 6	—		—	100%	—
Heather M. Reisman	6 of 6	—		—	100%	—
Gerald W. Schwartz	6 of 6	—		—	100%	—
Arni C. Thorsteinson	6 of 6	—		6 of 6	100%	100%

Note:

(1) Mr. Etherington was appointed to the Compensation and Management Resources Committee effective May 21, 2009.

CORPORATE GOVERNANCE PRACTICES

The board of directors and management of the Corporation believe that appropriate corporate governance practices are important for the effective management of the Corporation and value creation for its shareholders. A description of Onex' corporate governance practices follows and a comparison is made to the guidelines on corporate governance of the Canadian Securities Administrators (the "Guidelines"). The board of directors and management recognize that corporate governance is a matter that is constantly evolving and that law-makers, regulators, investors and other capital markets participants are currently making and considering a great number of proposals for change, both great and small. The Corporation is following many of those proposals closely and will assess new rules as they are made and new "best practices" as they continue to emerge and develop.

Mandate of the Board of Directors

The board of directors has adopted a written mandate setting out its responsibilities for the stewardship of the Corporation. The mandate of the board, which is consistent with the Guidelines, is to oversee the management of the business of the Corporation by the executive officers and managers of the Corporation and includes the following duties and responsibilities:

- Approving the long-term strategy for the Corporation and monitoring the Corporation's overall performance against that strategy;
- Reviewing annually the strategic plan including opportunities and risks and approving significant investments, divestitures and alliances;
- Identifying matters that require prior approval of the board;
- Identifying and assessing the principal risks inherent in the business activity of the Corporation as a whole or in its investment in any major operating company and systems to manage and monitor those risks;
- Reviewing succession planning and the appointment of senior executives of the Corporation, reviewing their performance against the objective of maximizing shareholder value, measuring their contribution to that objective, and overseeing the compensation policies for investment participation of those executives;
- Reviewing annually the Corporation's communication policies and, prior to issuance, major shareholder communications;
- Establishing and monitoring the environmental policy for the Corporation;
- Approving the Corporation's written Code of Business Conduct and Ethics and monitoring compliance with that Code;
- Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that they foster a culture of integrity within the Corporation;
- Reviewing financial performance and reporting and assessing the integrity of the Corporation's internal control and management information systems;
- Reviewing and monitoring the Corporation's adherence to high standards of corporate governance principles as well as measures for receiving shareholder feedback; and
- Developing and participating in a program to ensure the continuing education of members of the board.

Composition of the Board

The board of directors proposed for election is composed of ten members, seven of whom are independent in that they have no direct or indirect business or other relationships that could reasonably be expected to interfere with the exercise of independent judgment.

The non-independent directors are Mr. Schwartz, the President and Chief Executive Officer of the Corporation as well as its founder and a significant shareholder, his spouse, Ms. Reisman, and Mr. Heersink, a Managing Director of the Corporation.

The independent directors are:

Dan C. Casey
William A. Etherington
Peter C. Godsoe
Serge Gouin

John B. McCoy
J. Robert S. Prichard
Arni C. Thorsteinson

The independent directors have diverse business backgrounds, a wide range of public company experience and meaningful investments in the Corporation and its subsidiary businesses. As a result, they well represent the interests of shareholders, including minority shareholders, of the Corporation. The board has adopted a policy requiring that each director own shares of the Corporation and the minimum number of shares to be held is currently set at 30,000 shares. The minimum number of shares to be held is determined annually and directors have up to 12 months to acquire additional shares to achieve ownership requirements, except that new directors may have up to four years to achieve the appropriate share ownership level. Deferred Share Units held may be applied towards the share ownership requirement.

Independence and Functioning of the Board

Mr. Schwartz is Chairman of the board of directors as well as President and Chief Executive Officer of the Corporation. While the Guidelines express a preference for a chairman of a board to be an independent director, it is the view of the Corporation's board that it derives substantial advantages from having Mr. Schwartz as its Chairman and that its independence is not impaired because:

- There is a designated "independent Lead Director", currently Mr. Arni Thorsteinson, who is chosen for that position by the full board and is an independent director.
- Seven of the Corporation's directors are independent.
- At each regular meeting, the board routinely meets with Mr. Schwartz without the presence of other members of management to consider any matter not easily or appropriately discussed in the larger forum. The topics discussed can include the effectiveness of the meeting just concluded, the performance of any individual member of management or the board, the performance of the board itself, or, indeed, any matter of concern to any director.
- The board, at each meeting other than unscheduled meetings called for the sole purpose of approving specific transactions, has historically had and will continue to have a session in the absence of Mr. Schwartz or any other member of management. In 2009, the board determined that such meetings also will include a session in the absence of both management and any non-independent directors.
- The performance of Mr. Schwartz is considered in the absence of Mr. Schwartz and Ms. Reisman at least once a year when his compensation is settled.
- Any member of the board may provide to the Lead Director agenda items for discussion at any meeting and the Lead Director has the right to place items on the board's agenda in his discretion.
- Under the Corporation's by-laws, any two directors are entitled to convene a meeting of the directors at any time for the purpose of discussing any matter of concern to any director relevant to the board's mandate or its performance.
- In addition to the two standing committees, independent committees may be struck from time to time when required for particular purposes.

Each director works with his or her fellow directors to perform the responsibilities of the board and its committees as set out in their respective written charters. Each director acts to serve the long-term interests of the Corporation and its shareholders and in so doing conducts himself or herself in an independent manner and in accordance with the highest ethical standards. Directors continually seek to improve their knowledge about the Corporation and the opportunities and risks facing its business. In so doing, directors prepare for, attend where possible and participate in all meetings of the board and, where they are members, of its committees. To achieve this result, each director commits to devote sufficient time to effectively carry out his or her responsibilities. Directors are expected to be able to provide informed judgment on a wide variety of matters, particularly those relevant to the

business of the Corporation. Given the nature of Onex' business and the matters reviewed by the board, each director is also expected to possess a significant degree of financial literacy. It is anticipated that an individual who accepts the position as a director of the Corporation will commit to be a board member for an extended period of time.

The current practice of the board of directors permits an individual director or committee of the board to engage an outside advisor at the expense of the Corporation, and with notice to the lead director, in appropriate circumstances. In addition, each director who has or may reasonably be perceived to have a material interest in any transaction or agreement being considered by the board is required to make full disclosure of his or her interest and if an actual conflict exists, is expected to abstain from voting on such matter.

Key Position Descriptions

The Guidelines suggest that position descriptions for the board, chairs of the board committees and the Chief Executive Officer should be developed. The broad mandate of the board, and its duties and responsibilities as described above, serve to define the relationship between the board and management. They work together in a collegial manner without a significantly structured or hierarchical format. This is consistent with the highly entrepreneurial nature of the Corporation. There are written mandates for the board and the committees of the board.

The following are position descriptions for the Chairman and the Lead Director:

The Chairman is to manage the affairs of the board, ensuring that the board meets its obligations and responsibilities and functions effectively, and to see that the interests of the shareholders are achieved. In that capacity he ensures that the board has adequate resources and the full, timely and relevant information required to enable responsible decision-making. The Chairman chairs all meetings of shareholders and is available for questions from shareholders. The Chairman provides the principal point of contact between management and the board and facilitates effective interaction between board members and management.

The Lead Director is to facilitate the functioning of the board independently of management, to ensure that directors have an independent contact on matters of concern to them and to ensure that the board's agenda will enable it to successfully carry out its duties. In particular, the Lead Director would provide leadership to the board if circumstances arose in which the joint role of the Chairman and Chief Executive Officer may be, or may be perceived to be, in conflict and chairs those board sessions that are attended only by independent directors. To carry out his duties the Lead Director, who is also the Chair of the Corporation's Audit and Corporate Governance Committee, is knowledgeable on corporate governance practices and developments and is able to provide guidance on such matters. The Lead Director also leads development of the board in terms of skills, orientation and the assessment of the effectiveness of individual members. In doing so the Lead Director seeks the feedback of board members on the performance of the board, its committees and individual directors.

Committees of the Board

The board has established two standing committees of directors, the responsibilities of each of which are summarized below and are set forth in a written charter approved by the board. Other committees are appointed from time to time when required. The proceedings of committees are reviewed by, and their recommendations are brought for consideration to, the full board.

Compensation and Management Resources Committee

The Compensation and Management Resources Committee is and will be composed of three members, all of whom are independent and unrelated directors, which is consistent with the Guidelines. This Committee establishes and administers the compensation policies and remuneration levels for the executive officers and managers of the Corporation and reviews such levels for certain senior executive officers of the Corporation's subsidiaries. This function includes reviewing and making recommendations to the board in respect of the Corporation's compensation plans and equity-based programs, including the stock option plan and the Management Investment Plan. Further information as to the Committee's responsibilities and processes is detailed under "Compensation Discussion and Analysis" below. The Committee's recommendations are submitted to and reviewed by the board of directors. The

Committee also reviews and approves the Corporation's disclosure with respect to executive compensation. The Compensation and Management Resources Committee met six times in 2009 with all members present in person for two of those meetings and by telephone for four of those meetings. The Committee is scheduled to meet four times in 2010.

Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee is composed of three directors, all of whom are independent directors as recommended by the Guidelines. These directors also meet the higher independence standard for audit committee members recommended by the Guidelines. The Committee reviews the financial qualifications of its members. All of the members of the Audit and Corporate Governance Committee are financially literate and at least one has the experience level of a financial expert, all as contemplated by the Guidelines. The Audit and Corporate Governance Committee met six times in 2009 with all members present in person for four of those meetings and by telephone for two of those meetings. The Committee is scheduled to meet four times during 2010. Its responsibilities include the review and assessment of the Corporation's external audit plan, the audit approach on subsidiary companies, accounting policies, internal controls, access granted to the Corporation's records and co-operation by management in the audit process, accounting systems, financial risk management, adequacy of insurance coverage, compliance by subsidiary companies with environmental policies, and quarterly and annual financial reporting. The Audit and Corporate Governance Committee reviews the annual and quarterly consolidated financial statements, Management's Discussion and Analysis of the financial results, the external auditor's report and press releases on earnings and reports its findings to the board of directors for consideration when approving the annual and quarterly financial statements for issuance to the shareholders. The Audit and Corporate Governance Committee meets without the presence of management, except at the Committee's invitation, and has direct access to representatives of the auditors. The Committee is responsible for assessing the independence of the auditors and sets the criteria for non-audit services the external auditor is prohibited from providing. The Committee has a broad responsibility for reviewing and monitoring the Corporation's corporate governance policies and related disclosures. The Committee also annually reviews the adequacy and forms of compensation for directors. This review is completed with reference periodically to outside surveys of directors' compensation for corporations of similar size and complexity. The Committee monitors compliance with the Corporation's Code of Business Conduct and Ethics and would consider and determine any proposed waiver for the benefit of the Corporation's directors or senior officers. The mandate of the Audit and Corporate Governance Committee is published in this circular and appears on the Corporation's website.

Director Recruitment and Performance Review

The board of directors on the board as proposed is ten, which is considered by the board to be an appropriate size to facilitate effective decision-making. The entire board, seven out of ten of the members of which are independent, acts as a nominating committee in identifying and recruiting new members to the board. The board considers the competencies and skills that the board, as a whole, should possess, evaluates the competencies and skills of each current board member and then determines the competencies, skills and other qualities for new directors and assesses prospective new directors against that framework.

Annually, each board member completes a formal corporate governance questionnaire, which is submitted to the Lead Director. This questionnaire is designed to assist in assessing the effectiveness of the board as a whole and of the committees of the board, as well as formal peer reviews to evaluate the contribution and performance of each individual director, including the Lead Director and the Chairman. The written mandates of the board and of the committees of the board are also assessed. These matters are discussed both by the board of directors as a whole and by the Audit and Corporate Governance Committee as suggested in the Guidelines.

Annually, the board reviews the slate of directors proposed to be elected by the Subordinate Voting Shareholders at the annual meeting. The board also reviews each year the reappointment of any non-executive director who will have reached the age of 72 or greater at the time of the annual meeting. Participation of directors is expected, and generally there is full attendance, at all board and committee meetings. Directors are asked to notify the Corporation if they are unable to attend and attendance at meetings is duly recorded. During 2009, there were six in-person board meetings. Each director attended all of the meetings.

New directors of the Corporation have generally been executives with extensive business experience and directorship responsibilities on the boards of other public and private institutions. It is the responsibility of the Audit and Corporate Governance Committee to oversee the orientation program for new directors. The formal orientation program is tailored to the particular background of the new director and would include such items as a review of the board's mandate, the mandates of committees, the Corporation's Code of Business Conduct and Ethics, past board of directors' materials and other private and public documents concerning the Corporation, exposure to the officers of the Corporation and visits to certain of the Corporation's operating companies. The expectation as to time commitment and participation by directors would also be reviewed. This program is consistent with the Guidelines.

The board has continuing education for directors, including advice to the Audit and Corporate Governance Committee members on a timely and continuing basis of changes in accounting principles, regulatory and governance matters. Other sessions are provided that are of more general benefit to all the directors. To enhance the directors' knowledge and understanding of Onex' businesses, certain meetings of the board include presentations by the chief executive officers of Onex' major operating companies.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The primary function of the Audit and Corporate Governance Committee is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls that management and the board of directors have established, and the Corporation's and its subsidiaries' audit and financial reporting process. The Committee has the responsibility to review and monitor the corporate governance practices of the Corporation.

The external auditors' ultimate responsibility is to the board of directors and the Audit and Corporate Governance Committee, as representatives of the shareholders. These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors.

The Audit and Corporate Governance Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in ensuing sections of this Charter. The Committee is given full access to the Corporation's management and records and external auditors as necessary to carry out these responsibilities. The Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities.

Composition and Qualification

The Audit and Corporate Governance Committee shall be comprised of three directors, each of whom will be an independent director, as defined in Multilateral Instrument 52-110 — *Audit Committees*, as adopted by the Ontario Securities Commission.

All members of the Committee shall be financially literate and thus be able to read and understand a set of financial statements that have a level of complexity of accounting that is comparable to that of the Corporation's financial statements. At least one member of the Committee shall have accounting or related financial expertise. This could include past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer of an entity with financial oversight responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit and Corporate Governance Committee shall:

- (a) Review the accounting principles, policies and practices followed by the Corporation and its subsidiaries in accounting for and reporting its financial results of operations.
- (b) Review the Corporation's audited annual consolidated financial statements and the unaudited quarterly financial statements. Also review and recommend to the board for approval any accompanying related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis prior to the disclosing of the information to the public.
- (c) Review the draft earnings press release quarterly.
- (d) Satisfy itself that adequate procedures are in place for the review of any other public disclosure by the Corporation of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.
- (e) Oversee the work of the external auditor and recommend to the board of directors the selection and compensation of the external auditors to be put forward to the shareholders at the annual meeting.
- (f) Obtain on a quarterly basis a formal written statement from the external auditors delineating the relationship between the audit firm and the Corporation, and review and discuss with the external auditors such relationship to determine the "independence" of the auditors.
- (g) Review any management letter prepared by the external auditors concerning the Corporation's internal financial controls, record keeping and other matters and management's response thereto.
- (h) Discuss with the external auditors their views about the quality of the implementation of Canadian Generally Accepted Accounting Principles, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans. Review with the external auditor their views on the adequacy of the Corporation's financial personnel.
- (i) Approve the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function.
- (j) Review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any non-audit services being provided.
- (k) Evaluate the lead audit partner and discuss rotation of the lead audit partner and other active audit engagement team partners.
- (l) Assess the effectiveness of the working relationship of the external auditors with management and become involved, if necessary, to resolve disagreements between management and the external auditor regarding financial reporting matters.
- (m) Review the financial risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof. Review the use of derivative financial instruments by the Corporation.
- (n) Review and approve management's decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service.
- (o) Review annually the Audit and Corporate Governance Committee Charter for compliance and adequacy and recommend any changes to the board.

- (p) Determine the nature of non-audit services the external auditor is prohibited from providing to the Corporation. The Committee will pre-approve all non-audit services provided by the external auditor to the Corporation.
- (q) Review compliance with regulatory requirements relating to CEO/CFO certifications.
- (r) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the external auditor.
- (s) Establish and review procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (t) Report to the board on the major items covered at each Audit and Corporate Governance Committee meeting and make recommendations to the board and management concerning these matters. Annually report to the board on the effectiveness of the Audit and Corporate Governance Committee.
- (u) Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law as the Committee or the board deems necessary or appropriate.
- (v) Ensure that procedures are in place for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and allowing for employees' anonymous submission of such complaints.
- (w) Establish criteria for immediate reporting of significant complaints to the Committee and obtaining periodic reports about other complaints received.
- (x) Review of management's antifraud programs and controls, including the fraud risk assessment process.
- (y) Review, on a timely basis, reports describing the nature, status and eventual disposition of any alleged or suspected fraud.

Corporate Governance Responsibilities

While corporate governance remains the responsibility of the board of directors, the Committee shall review and monitor the corporate governance practices of the Corporation. This includes:

- (a) Reviewing the corporate governance disclosures that may be made by the Corporation.
- (b) Reviewing compensation for members of the board of directors and recommending compensation levels to the board.
- (c) Assessing on an annual basis the corporate governance practices. This would include requiring the completion of an annual questionnaire of the board members on corporate governance and the effectiveness of the board.
- (d) Reviewing financial qualifications of Committee members.
- (e) Overseeing the orientation program for new directors.
- (f) Monitoring on a continuing basis the overall effectiveness of the Corporation's system of corporate governance.
- (g) Annually assessing the performance of the Committee as a whole and of its members individually, considering improvements and taking decisive corrective action.

Audit and Corporate Governance Meetings

The Audit and Corporate Governance Committee will meet on a quarterly basis and will hold special meetings as circumstances require. The timing of the meetings shall be determined by the Committee. The Committee may

engage external advisors as it determines necessary, with notice to the lead director, and may set the compensation for such advisors.

At all Audit and Corporate Governance Committee meetings a majority of the members shall constitute a quorum.

CODE OF BUSINESS CONDUCT AND ETHICS

The board of directors of the Corporation has adopted a Code of Business Conduct and Ethics (the “Code”) to reflect the Corporation’s commitment to a culture of honesty, integrity and accountability and to outline the basic principles and policies with which all directors, officers and employees of Onex and its operating companies are expected to comply. A copy of the Code is available on written request made to the Corporation at 161 Bay Street, 49th Floor, Box 700, Toronto, Ontario M5J 2S1, Attention: Vice President, General Counsel and Secretary.

The board recognizes that it is ultimately responsible for monitoring compliance with the Code. This monitoring is achieved through systems and processes implemented by Onex management that are designed to result in wide dissemination of the Code, to encourage compliance with its provisions, to encourage consultation with appropriate members of management to the extent that guidance is necessary or desirable, and to facilitate the reporting of actual or suspected breaches. Any breach or concern would be investigated by management as appropriate and, depending upon the circumstances, either dealt with by management with the results reported to the board or referred to the board for further action. The Code specifies that no individual who reports a violation or potential violation or who cooperates in the investigation of a violation or potential violation will be subject to harassment, discipline or retaliation as a result of such report. The chief executive officer of each of Onex’ operating companies is required to certify annually that he or she has caused the Code (or a comparable code of business conduct and ethics adopted by the board of the particular operating company) to be disseminated to all employees and is not aware of any instance of non-compliance or breach.

FEES PAID TO AUDITORS

The following table sets forth the aggregate fees incurred by the Corporation and operating companies for audit and other services performed by the Corporation’s auditor, PricewaterhouseCoopers LLP, for the years ended December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Audit at corporate office	\$ 1,046,000	\$ 1,517,000
Audit at operating companies	<u>15,844,000</u>	<u>17,584,000</u>
	<u>16,890,000</u>	<u>19,101,000</u>
Tax at corporate office	829,000	839,000
Tax at operating companies	<u>4,630,000</u>	<u>4,202,000</u>
	<u>5,459,000</u>	<u>5,041,000</u>
Internal controls for Sarbanes-Oxley and Bill 198		
Corporate office	65,000	136,000
Operating companies	<u>1,032,000</u>	<u>1,446,000</u>
	<u>1,097,000</u>	<u>1,582,000</u>
Other at corporate office(1)	167,000	44,000
Other at operating companies(1)	<u>659,000</u>	<u>749,000</u>
	<u>826,000</u>	<u>793,000</u>
Total	<u>\$24,272,000</u>	<u>\$26,517,000</u>

Note:

(1) Includes fees for permitted statutory or regulatory filings, IFRS and other non-audit services.

COMPENSATION DISCUSSION AND ANALYSIS

One of the responsibilities of the Compensation and Management Resources Committee (the “Committee”) is to determine and administer or review the compensation policies and levels for the executive officers of the Corporation and certain senior executive officers of the Corporation’s subsidiaries. The recommendations of the Committee are communicated to the board of directors and, with respect to the Chief Executive Officer, are submitted to the board of directors for approval. Mr. Schwartz and Ms. Reisman do not participate in the board’s deliberations concerning the compensation for Mr. Schwartz.

Onex’ Compensation Policy and Practices

General

The Corporation is one of North America’s oldest and most successful private equity investors and asset managers, with operations and interests across a wide variety of companies, industries, geographies and asset classes. Accordingly, while the Corporation’s policy on compensation attempts to show consistent application for all executive officers, variations reflect differences in experience and level of responsibility for certain areas of corporate management, in the nature of the functions performed by particular individuals within the corporate group and in the competitive characteristics of compensation practices across a range of industries and roles.

Levels of compensation, including the components thereof, generally are based on the ability of an executive officer to contribute to the long-term objective of the Corporation, which is to maximize the value of the Corporation for shareholders. This objective is met through two fundamental strategies, namely (i) the focus in private equity investing on implementing a disciplined, active ownership approach of acquiring and building industry-leading businesses in partnership with outstanding management teams, and (ii) the successful development of the Corporation’s growing asset management business to not only earn management fees and carried interests on the value the Corporation creates for third-party investors, but also to enable the Corporation to be efficient and responsive to opportunities in private equity.

The Committee also appreciates the importance of qualitative factors in assessing individual performance of its executive officers and considers matters such as demonstrated leadership ability and the management of major projects and, with respect to the parent company, the relatively small number of executives and other professionals at the Corporation’s head office. The Corporation does not maintain any pension or other retirement plan for the employees of its principal offices. However, there exists a number of plans and programs whereby members of senior management of the Corporation invest and have investment rights in, or acquire other contingent entitlements in respect of, acquisition transactions undertaken by the Corporation. These plans and programs are outlined on pages 33 through 37 of this management information circular and are similar in substance to those in which management of competitors of the Corporation participate.

The compensation package for executives of the Corporation and its operating subsidiaries consists primarily of three components — base salary, additional variable cash compensation and equity participation. In establishing base salaries, the objective is to establish levels which will enable the Corporation and its subsidiaries to attract, retain and reward executive officers who can effectively contribute to the long-term success and objectives of the Corporation and/or the relevant subsidiary. Base compensation levels are generally based upon the expected contribution of an executive officer to the increase in the value of the Corporation’s underlying assets or the assets of the relevant subsidiary. Within its core private equity activities, the Corporation has adopted the basic compensation structure used throughout the industry, in which salaries are set at relatively modest levels to provide a baseline amount of current cash income and are intended to comprise only a small portion of aggregate annual compensation.

The second component of executive compensation is the variable cash compensation opportunity. The Corporation and each operating subsidiary have designed and adopted their own variable compensation arrangements. The variable compensation plans of the operating subsidiaries vary significantly and are designed as to best fit the relevant company’s business and operations, but are generally intended to reward achieving specific current year financial and operating results, satisfying or surpassing performance targets relating to a myriad of factors including growth and increase in value of the business, identifying and realizing on opportunities, as well as meeting

and exceeding individual objectives. At the parent company level, executives and professionals with primary responsibilities in the Corporation's core private equity activities expect to derive the substantial majority of their annual earnings from the payment of variable compensation, a portion of which is generally considered to be an integral part of annual compensation and the balance of which is related to the Corporation's success in, among other things, raising new capital, completing new acquisitions, realizing on investments in existing operating companies and growing and improving the performance and results of its operating businesses, as well as upon each individual's contribution to those successes.

The third component of executive compensation is traditionally equity-based and may include awards of shares, restricted shares, phantom shares, their economic equivalents, stock options or share appreciation rights as means of rewarding and incentivizing executive officers of the Corporation or its operating subsidiaries and aligning the interests not only of management but of all employees directly with those of the Corporation's shareholders. As is the case with cash compensation plans, the Corporation and each operating subsidiary have designed and adopted tailored plans and programs that are appropriate within the context of their respective businesses, although the Corporation seeks to the extent reasonable to maintain consistency in the structure and scope of major equity investment and compensation programs among its operating subsidiaries.

The Committee has not developed quantitative benchmarks for establishing compensation levels at the parent company level and does not believe that a formulaic approach to compensation decisions is realistic given the nature of the Corporation's business, the substantial and inevitable changes in the mix of the Corporation's investments and the performance of those investments year-to-year and the likelihood that inappropriate compensation decisions would result from the application of specific quantitative measures. Instead, the Committee conducts detailed qualitative reviews with respect to all of the Corporation's senior management and investment professionals annually and periodically retains compensation consultants, or otherwise acquires detailed private compensation surveys, to provide comparative data with respect to compensation in the private equity industry and in the financial services industry overall. In 2009, the Committee engaged a leading private equity compensation consulting firm to conduct such a survey, the results of which were considered by the Committee in approving 2009 compensation.

2009 Compensation Considerations

In 2008, the Committee substantially reduced year-end variable cash compensation of the Corporation's executive management and investment professionals from the prior year's levels and froze base salaries of senior professional personnel for 2009, all in light of the dramatic deterioration of the global economic environment, the substantial impact that the recession was having on the Corporation and its operating subsidiaries, and the difficulties that the Corporation had faced and was expected to continue to face in both its private equity and asset management activities. In determining variable compensation levels at the end of 2009, the Committee considered the Corporation's results for the year, including the performance of its operating subsidiaries, management's success in executing several realization transactions notwithstanding continuing difficult market conditions, and the substantial improvement in the Corporation's share price, all relative both to 2008 results and to the concerns as to near-term prospects that had significantly impacted 2008 compensation. The Committee further acknowledged that despite the challenging environment, management had successfully raised US\$3.5 billion of third party capital for the Corporation's new large-cap fund, Onex Partners III, meeting the target established prior to the heart of the economic downturn and fund-raising through a period in which many investors had severely curtailed their commitments to private equity. Finally, the Committee recognized that with the exception of one operating subsidiary, the business of which was entirely dependent on US retail consumer demand and the Corporation's smallest investment, the Corporation's businesses had all weathered the downturn and many had completed cost reduction and efficiency improvement programs as well as debt refinancings that left them well-positioned to thrive in the context of the emerging but still tenuous recovery.

Having regard to all of the circumstances, the Committee determined that it would be appropriate for total compensation for 2009 to meaningfully exceed 2008 levels, albeit not necessarily to return to the levels of prior years. In addition, the Committee considered the market survey data provided by its compensation consultant and increased 2010 base salaries for the Corporation's executive investment professionals to more closely match market levels, while still anticipating that variable compensation would constitute the majority of aggregate remuneration.

Chief Executive Officer Compensation

Executive compensation for Mr. Schwartz in his capacity as Chief Executive Officer is considered and determined by the Committee and approved by the board of directors in the absence of Mr. Schwartz and Ms. Reisman. It generally consists of base salary and variable cash compensation and may include options issued under the Corporation's stock option plan.

In establishing the overall approach to the Chief Executive Officer's compensation, the Committee is mindful of the unique demands arising from the magnitude and diversity of the revenue and asset base of the Corporation, the expansion and evolution of that base over time, and the constantly changing mix of businesses that comprise the total business and operations of the Corporation. The Committee then generally takes into consideration Mr. Schwartz's contribution in terms of leadership in the management of the Corporation and its subsidiaries, efforts to safeguard and grow shareholder value and the value of the Corporation's underlying assets, the financial performance of operating subsidiaries and other investments, the effective development and growth of the Corporation and its team of investment professionals, completed acquisitions and dispositions, and the development of new investment opportunities and relationships for the Corporation and its subsidiaries. Finally, the Committee recognizes that the majority of the Corporation's activities and businesses are located in the United States and, accordingly, that compensation arrangements should reflect U.S. practices and levels. Moreover, as Mr. Schwartz's responsibilities parallel those of U.S. executives managing direct equity investment pools of capital, the compensation arrangements available to such executives, including base salary, additional variable cash compensation and equity participation, are taken into consideration.

Notwithstanding the substantial growth in all aspects of the Corporation's business in the past several years, Mr. Schwartz' base salary of US\$650,000 had been unchanged in U.S. dollars from 1996 through 2009. As described above, however, the Corporation's approach to compensation at the parent company level involves the payment of base salaries together with variable cash compensation, a portion of which constitutes a fundamental part of basic annual earnings. In determining Mr. Schwartz' variable compensation for 2009, the Committee considered Mr. Schwartz's efforts and achievements in each of the areas outlined above, all within the context of the economic and industry factors taken into account by the Committee in determining executive compensation generally. Subject to final approval in April 2010, the Committee recommended that Mr. Schwartz be awarded variable cash compensation of US\$15.1 million for 2009. Further, consistent with its approach to setting 2010 base salaries for the Corporation's other executives, the Committee recommended that Mr. Schwartz' base salary for 2010 be increased to US\$1.3 million. The independent members of the Board unanimously approved the Committee's recommendations. No stock options were issued to Mr. Schwartz in 2009.

Celestica Inc. (Named Executive Officer — Craig H. Muhlhauser)

William A. Etherington, a member of the board of directors of the Corporation, is also a member of the board of directors of Celestica and of its Compensation Committee (the "Celestica Compensation Committee" or, in this section only, the "Committee").

The Celestica Compensation Committee has primary responsibility for defining the company's compensation policies and principles. Celestica's executive compensation package is designed to (i) provide competitive fixed compensation and a substantial amount of at-risk pay; (ii) reward executives for achieving operational and financial results that meet or exceed plan and that are superior to those of the company's competitors in electronics manufacturing services (EMS); (iii) align the interests of executives and shareholders through equity-based compensation; (iv) recognize that the executives work as a team to achieve corporate results; and (v) ensure direct accountability for the company's annual operating results and long term financial performance.

The Committee customarily engages an outside consultant to assist in gathering market information and otherwise to make recommendations and provide advice on compensation decisions. The Committee benchmarks the company against a comparator group of 21 similarly-sized technology companies, including six direct EMS competitors, namely Benchmark Electronics Inc., Flextronics International Ltd., Jabil Circuits, Inc., Plexus Corp., Sanmina-SCI Corp. and Tyco Electronics Ltd., targeting compensation at the median of the comparator group for median level performance.

The Committee targets 50th percentile total compensation for median levels of corporate and individual performance and decisions in respect of 2009 compensation were consistent with the principles and parameters described above. The variable portion of total compensation has the highest weighting at Celestica's most senior levels and annual, mid-term, and long-term incentive plan rewards are contingent upon organizational performance. In 2009, annual incentive payments to Mr. Muhlhauser were 90.5% of his target incentive. In setting Mr. Muhlhauser's compensation, the Committee assessed Celestica's performance against the annual plan set by the Board, the company's performance relative to that of its EMS competitors and Mr. Muhlhauser's achievement of targets set for employee commitment, operational effectiveness, growth and financial results. The Committee considered, among other things, that although Celestica did not achieve all of its financial targets, it did outperform its EMS competitors on certain metrics. In addition, the Committee considered Celestica's improved gross margins and strong operating margins despite a decline in revenues, strong cash position, and sustained industry leadership in inventory turns.

Compensation payable to Mr. Muhlhauser is comprised of:

- *Base Salary* — Base salaries are reviewed annually, with consideration given to individual performance, experience and level of responsibility. For 2009, Mr. Muhlhauser's base salary was weighted 16.7% of total compensation.
- *Annual Incentives (annual variable cash payments)* — Annual incentive awards are intended to reward the achievement of annual corporate, business unit and individual goals and objectives. The target award for Mr. Muhlhauser is expressed as a percentage of salary and is established based on the median of the comparator group, with payouts ranging from 0% to 200% of target. For 2009, Mr. Muhlhauser's target annual incentive award was 100% of base salary and weighted 16.7% of total compensation.
- *Mid-Term Incentives (performance and restricted share units) and Long-Term Incentives (stock options)* — Celestica's equity-based incentives consist of restricted share units (RSUs), performance share units (PSUs) and stock options and are designed to align interests with those of shareholders, incent appropriate behavior for long-term performance, reward contribution to the company's long-term success and enable the company to attract and retain qualified and experienced employees. Target incentives are determined based on median awards of the company's comparator group, with consideration given to individual performance when determining actual awards. For 2009, mid- and long-term incentive awards to Mr. Muhlhauser were weighted 66.6% of total compensation and the target mix of incentives comprised 25% stock options, 40% RSUs, and 35% PSUs. RSUs are released as to one-third on each of the first two anniversaries of the grant date, with the final third being released on the subsequent December 1st. PSUs vest at the end of a three year performance period, subject to pre-determined performance criteria, and payout value can range from 0% to 200% of grant. In each case, payout value is based upon the market price of the Celestica subordinate voting shares on the release or vesting date.
- *Benefits* — Mr. Muhlhauser participated in Celestica's health, dental, pension, life insurance and long-term disability programs, 401(k) Plan and the Celestica Employee Share Ownership Plan.
- *Perquisites* — Perquisites to Mr. Muhlhauser are limited to a bi-annual comprehensive medical at a private health clinic.

Emergency Medical Services Corporation (Named Executive Officer — William A. Sanger)

Robert M. Le Blanc, an executive of the Corporation, is a member of the board of directors of Emergency Medical Services Corporation ("EMSC") and of its Compensation Committee (the "EMSC Compensation Committee" or, in this section only, the "Committee").

The Committee establishes all elements of compensation for Mr. Sanger, and has responsibility for establishing, implementing and monitoring compliance with EMSC's executive compensation philosophy. To that end, the Committee has developed, in consultation with management and outside consultants, an Executive Officer Evaluation and Compensation Plan which sets forth the following core practices that define the overriding objectives for EMSC's executive compensation programs and the role of the various compensation elements in meeting those objectives: (i) to ensure that all elements of executive compensation and benefits, and of the

compensation process, are controlled by the Committee; (ii) to ensure that total executive compensation levels are reasonably linked to EMSC's performance, which may require that the Committee look beyond financial performance measures to the executives' achievement of other strategic goals of EMSC; (iii) to provide for compensation arrangements comparable to similar organizations and jobs, with realization of compensation linked to the executives' contributions toward achieving EMSC's goals; (iv) to require that all elements of the executive compensation program be reviewed and approved annually by the Committee, and to require that processes and programs be reviewed regularly for compliance with relevant laws and regulations; (v) to design compensation arrangements so that they can be easily explained to, and understood by, individuals with a basic business background; and (vi) to consider various programs and vehicles available for compensation, including cash and equity.

EMSC believes that the ability to attract and retain highly motivated, qualified and experienced executives is a crucial element in its ability to maintain and enhance its status as a leading provider of emergency medical services in the United States. The Committee believes that an effective and competitive executive compensation program is a critical factor in recruiting and retaining key executives.

The Committee has from time to time retained the services of Towers Watson & Co. to provide independent compensation data, analysis and advice and to assist it in setting EMSC's compensation standards. The Committee engaged Towers Watson in the fourth quarter of 2008 and in the first quarter of 2009, primarily to provide review of current market data and to advise on the equity grants being considered for Mr. Sanger and certain other executive officers of EMSC for 2009.

In conducting market assessments, the Committee developed a peer group of publicly traded healthcare companies, which was updated in 2009 and is reviewed periodically by the Committee. The peer group used in 2009 consisted of AMN Healthcare Services, Inc., Apria Healthcare, Inc., Community Health Systems, Inc., Centent Corporation, Cross Country Healthcare, Inc., Health Management Associates, Inc., Healthsouth Corporation, Lifepoint Hospitals, Inc., Lincare Holdings, Inc., Magellan Health Services, Inc., Manor Care, Inc., Pediatrix, Inc. and Universal Health Services, Inc.

Mr. Sanger's 2009 compensation consisted of the following:

- *Base Salary* — Base salary is reviewed annually and does not necessarily vary with the company's performance. The Committee targets salaries at or about the 50th percentile of peer companies, while recognizing individual differences in scope responsibilities, qualifications, experience and leadership abilities. The Committee also recognizes the value of adjusting salaries as needed to maintain competitiveness vis-à-vis EMSC's peers without overemphasizing the use of automatic formulas.
- *Short-Term Incentives ("STIP Plan")* — A portion of Mr. Sanger's targeted annual cash compensation is at risk, in the form of an annual cash incentive program which is contingent upon meeting annual objectives set by the Committee. The primary purpose of the STIP Plan is to focus the attention on the operational and financial performance of EMSC.
- *Long-Term Incentives ("LTIP Plan")* — The LTIP plan offered by EMSC is intended to ensure that the key individuals who impact EMSC's long-term success have a meaningful portion of their potential total compensation linked to their success in helping meet long-term performance objectives and increasing stockholder value. This plan provides, among other things, for the issuance of stock options, restricted shares, restricted share units, stock appreciation rights, stock awards and performance shares to employees and independent contractors of EMSC and its subsidiaries, including EMSC's executive officers.
- *Other Compensation Elements* — EMSC offers perquisites to Mr. Sanger in the form of auto allowances, certain automotive maintenance and operation expenses, and certain supplemental insurance expenses. Mr. Sanger also receives standard benefits available to most employees of EMSC, including 401(k) matching, subsidized medical, dental and vision insurance and life and disability insurance.

Hawker Beechcraft, Inc. (Named Executive Officer — William W. Boisture Jr.)

Nigel S. Wright, an executive of the Corporation, is a member of the board of directors of Hawker Beechcraft, Inc. (“HBI”) and of its Compensation Committee (the “HBI Compensation Committee” or, in this section only, the “Committee”).

The Committee is responsible for all decisions regarding HBI’s executive compensation philosophy and strategy. The Committee intends that all compensation and benefits provided to its executives be reasonable, fair and competitive. The Committee is charged with the authority and responsibility to approve all executive compensation, equity programs and benefits matters and makes all final decisions as to executive compensation.

In setting executive compensation levels, the Committee does not engage in formal benchmarking against a specific list of peer group companies, but considers general market data on compensation paid to executives with similar responsibilities at comparable companies in the geographical region and within the aerospace industry, as well as other companies of similar size and operations. The Committee also uses general salary comparison data available from a variety of organizations to evaluate the reasonableness of HBI’s compensation program. Importantly, given the high proportion of the members of the senior leadership team that have been recruited externally in recent years, historical compensation data for new executives joining HBI is taken into consideration. Finally, the Committee evaluates each executive’s scope of responsibility, expected contributions to financial and non-financial performance, and breadth of experience in determining appropriate individual compensation levels.

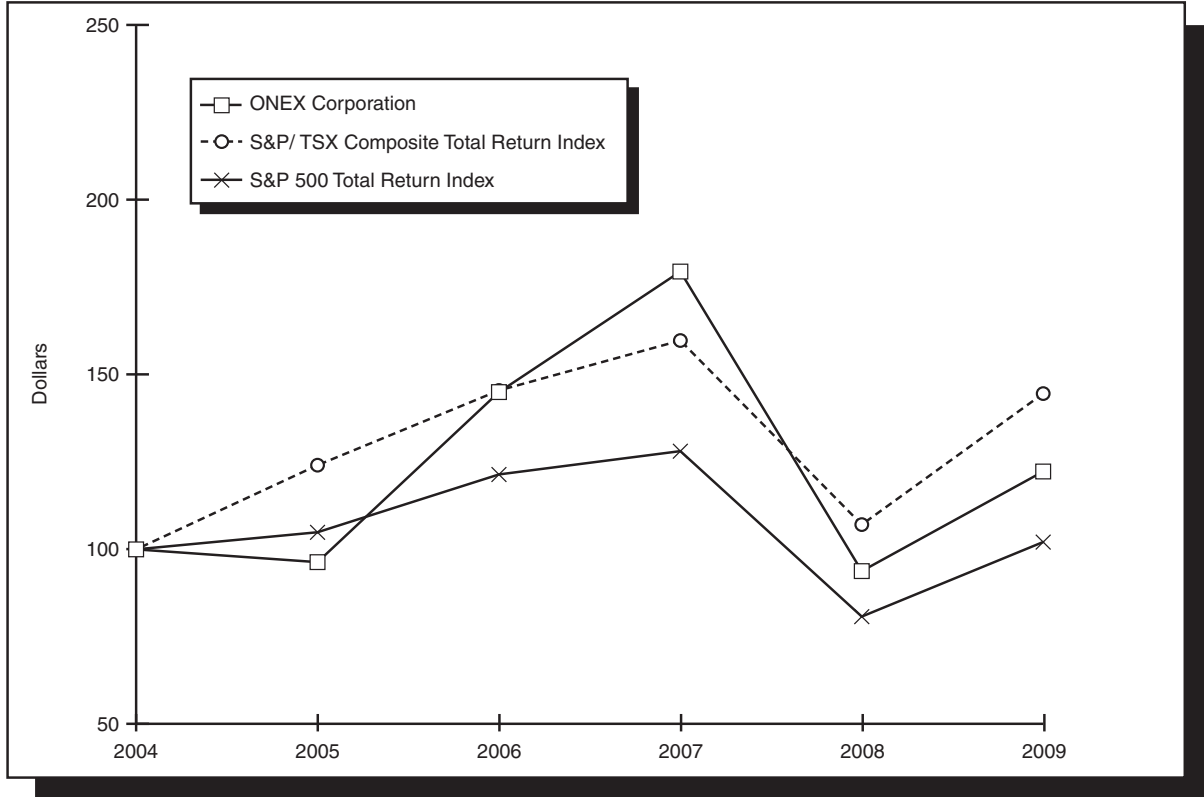
The objectives of HBI’s executive compensation program are: (i) to attract and retain talented and highly-skilled executives; (ii) to align executive pay with performance; (iii) to align executive and shareholder interests; and (iv) to provide an incentive for long-term continued employment with HBI. As a general matter, the Committee has historically established performance objectives for the CEO based on its annual business plan and long-term strategic goals as approved by its board of directors and has evaluated the CEO performance against these goals annually. The Committee has also considered market data, comparisons of its performance to the company’s peers and strategic achievements during the year. Based on these factors, the Committee has made recommendations concerning base salary increases, targets under the management incentive plan and annual incentive award payments. Mr. Boisture was recruited to join HBI in early 2009 and his compensation was negotiated as part of that process. Accordingly, many of the company’s customary and continuing approaches to executive compensation were not necessarily applicable to specific decisions made in respect of Mr. Boisture’s compensation for the year. For 2010 and in subsequent years, the Committee intends to apply its general executive compensation practices and processes in determining CEO compensation.

In 2009, Mr. Boisture’s entitlements comprised the following principal components:

- *Base Salary* — Although Mr. Boisture’s salary was negotiated in connection with his appointment as CEO in early 2009, he voluntarily initiated a 10% reduction of his salary for the year.
- *2009 Management Incentive Plan Award* — HBI’s 2009 Management Incentive Plan was established to align executive pay with overall company performance. The plan is a “pay at risk” bonus plan that generally provides a target award amount for each of the company’s executives based on performance against pre-established goals. In the circumstances, the award amount for Mr. Boisture for 2009 was determined by the HBI board of directors in its sole discretion.
- *Long Term Incentives* —
 - (a) *Employee Equity Investment Plan:* Under HBI’s Equity Investment Plan, and upon the commencement of his employment, Mr. Boisture received grants of stock options that vest over five years. Certain of these options will vest only upon the occurrence of a liquidity event (as detailed in the relevant option agreements) and provided that the Corporation and the other major co-owner of HBI have achieved specified rates of return.
 - (b) *Restricted Stock Unit Awards:* A grant of restricted stock units was made to Mr. Boisture upon the commencement of his employment in 2009. The units will vest and become non-forfeitable in five equal annual increments.

SHARE PERFORMANCE GRAPH

The following chart compares the total cumulative shareholder return (assuming re-investment of dividends) for \$100 invested in the Corporation's Subordinate Voting Shares on December 31, 2004 with the comparative cumulative total return of the S&P/TSX Composite Index and the S&P 500 Index for the Corporation's five most recently completed financial years.



Onex 5 Year Total Shareholders' Return

	December 31, 2004	For the Financial Years				
		2005	2006	2007	2008	2009
Onex Corporation	\$100.00	\$ 96.34	\$145.08	\$179.63	\$ 93.77	\$122.32
S&P/TSX Composite Total Return Index . . .	\$100.00	\$124.13	\$145.55	\$159.86	\$107.10	\$144.65
S&P 500 Total Return Index	\$100.00	\$104.91	\$121.48	\$128.16	\$ 80.74	\$102.11

**COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS
OF THE CORPORATION AND ITS SUBSIDIARIES**

Directors

Each of the directors of the Corporation other than Mr. Schwartz is currently paid an annual amount of US\$35,000 for his or her services and US\$2,000 per diem for each board of directors meeting attended. An additional US\$2,000 per meeting is currently paid in respect of directors' participation on the Compensation and Management Resources Committee and the Audit and Corporate Governance Committee of the board. One half of the meeting fee is provided for telephone attendance. In addition, the Lead Director receives an annual amount of US\$40,000. The Chair of the Audit and Corporate Governance Committee receives US\$15,000 and the Chair of the Compensation and Management Resources Committee receives US\$7,500 annually in their capacities as committee Chairs. The members of the Audit and Corporate Governance Committee, other than the Chair, each receive an annual amount of US\$7,500. The members of the Compensation and Management Resources Committee, other than the Chair, each receive an annual amount of US\$4,500. The directors are also reimbursed for any expenses incurred in respect of their activities as directors.

A Deferred Share Unit Plan for directors ("Directors' DSU Plan") was adopted in 2004. The Directors' DSU Plan is designed to better align directors' compensation with the interests of shareholders and the practice of issuing stock options to outside directors was contemporaneously discontinued. The plan allows directors the opportunity to benefit from the appreciation in the value of Onex' Subordinate Voting Shares through a cash payment upon retirement from the board. Under the plan, a director may elect annually to receive all or a portion of his or her directors' fees in Deferred Share Units ("DSUs"). The number of DSUs received is calculated quarterly by reference to the directors' fees for that quarter and the market price of Subordinate Voting Shares at the end of the quarter. Grants of DSUs to directors may also be made from time to time as approved by the board of directors. During 2009, a grant of 5,000 DSUs was made to each director other than Mr. Schwartz. In addition, each director elected to receive all fees payable to him or her in respect of 2009 service in the form of DSUs. DSUs vest immediately, are redeemable only once the holder retires from the board of directors and must be redeemed within one year following the year of retirement. DSUs are redeemable only for cash and no shares or other securities of the Corporation will be issued on the exercise, redemption or other settlement thereof.

Compensation levels for the directors of the Corporation are considered by the Audit and Corporate Governance Committee annually. This consideration includes a review of the compensation paid to directors of similarly-sized businesses in Canada and the U.S. while also taking into account the unique circumstances arising from the diversity of the revenue and asset base of the Corporation through both its operating companies and its asset management businesses and the rapid evolution of those businesses. The total compensation to the directors of the Corporation for the year ended December 31, 2009 was \$1,622,728, comprised of the amounts set forth in the table below.

<u>Director</u>	<u>Fees Earned (\$)</u>	<u>Share- Based Awards (\$)</u>	<u>Option- Based Awards (\$)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>Pension Value (\$)</u>	<u>All Other Compensation (\$)(1)(2)</u>	<u>Total (\$)</u>
Daniel C. Casey	67,033	—	—	—	—	119,375	186,408
William A. Etherington . . .	62,472	—	—	—	—	116,537	179,009
Peter C. Godsoe	73,553	—	—	—	—	216,497	290,050
Serge Gouin	73,553	—	—	—	—	119,493	193,046
John B. McCoy	67,789	—	—	—	—	118,566	186,355
J. Robert S. Prichard	53,435	—	—	—	—	119,115	172,550
Heather M. Reisman	50,081	—	—	—	—	118,367	168,448
Arni C. Thorsteinson	126,321	—	—	—	—	120,541	246,862

Notes:

(1) On May 21, 2009, each director other than Mr. Schwartz was granted 5,000 DSUs. The value of such DSUs on issuance was \$22.98, being the closing price of the Subordinate Voting Shares on the immediately preceding trading day. This column includes (i) the value of such

DSUs, (ii) the amount of all dividend equivalents credited in respect of such DSUs, (iii) the amount of all dividend equivalents credited in respect of the DSUs issued to directors during 2009 in payment of their directors' fees and (iv) in the case of Messrs. Godsoe, Casey and Thorsteinson, the amounts referred to in note 2 below.

- (2) Mr. Godsoe is a member of the board of directors of The Warranty Group, Inc., a subsidiary of the Corporation, and each of Messrs. Casey and Thorsteinson is a member of the Advisory Board of Onex Real Estate Partners. Mr. Godsoe received compensation from The Warranty Group of US\$85,000 for his service as a director in 2009, comprising a retainer in the amount of US\$50,000, a fee of US\$5,000 for chairing the investment committee of the board, and a grant of common shares of The Warranty Group valued at US\$30,000 at the date of grant. Each of Messrs. Casey and Thorsteinson agreed to receive no fees in 2009 for serving on the Advisory Board of Onex Real Estate Partners. Such amounts have been converted to Canadian dollars for purposes of the foregoing table at a rate of 1.1415, being the average exchange rate during 2009.

Contemporaneous with the adoption of the Directors' DSU Plan, the Corporation ceased to issue options to directors under its stock option plan. However, certain of the Corporation's directors continue to hold options issued prior to 2004. The following table provides information with respect to options held by directors at December 31, 2009. No options vested during the year and no directors held unvested options as at December 31, 2009.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)(1)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Daniel C. Casey	10,000	20.500	July 3, 2012	—	—	—
Serge Gouin	10,000	20.500	July 3, 2012	—	—	—
J. Robert S. Prichard	10,000	20.500	July 3, 3012	—	—	—
Arni C. Thorsteinson	10,000	20.500	July 3, 2012	—	—	—

Notes:

- (1) "In-the-money" means the excess of the market value of the applicable underlying security on December 31, 2009 over the exercise price of the options. The Onex Corporation stock option plan provides that vested options may be exercised only if the market value of a Onex Subordinate Voting Share (based on a five-day average closing price) is at least 25% above the relevant exercise price. Options for which the market value of such shares is above strike price are reflected as being in-the-money only if such threshold was met or exceeded at December 31, 2009. The terms and conditions of the plan are described in detail on page 34 below.

Executive Officers

Under applicable securities legislation, the Corporation is required to disclose certain financial information relating to the compensation of its Chief Executive Officer, Chief Financial Officer and the Corporation's three most highly compensated executive officers (other than the Chief Executive Officer and Chief Financial Officer). In identifying the three most highly compensated executive officers, applicable securities legislation requires the Corporation to include officers of the Corporation or any of its subsidiaries who performed a policy-making function, or who are in charge of a principal business unit, division or function, in respect of the Corporation (collectively "executive officers").

The Summary Compensation Table which follows provides a summary of compensation earned during each of the last three fiscal years by the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers of the Corporation and companies which were subsidiaries during 2009 (collectively the “Named Executive Officers”). Specific aspects of their compensation are dealt with in further detail on the following pages.

SUMMARY COMPENSATION TABLE (1)

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
Mr. Gerald W. Schwartz (2) Chief Executive Officer Onex Corporation	2009	\$ 791,700	—	—	\$ 15,898,058	—	—	—	\$ 16,689,758
	2008	\$ 644,345	—	—	\$ 3,654,000	—	—	—	\$ 4,298,345
Mr. Donald W. Lewtas Chief Financial Officer Onex Corporation	2009	\$ 200,000	—	—	\$ 1,206,326	—	—	—	\$ 1,406,326
	2008	\$ 200,000	—	—	\$ 774,410	—	—	—	\$ 974,410
Mr. Craig H. Muhlhauser (3) President and Chief Executive Officer Celestica Inc.	2009	US\$1,000,000	US\$3,000,000	US\$1,000,000	US\$ 904,950	—	US\$14,723	US\$128,203	US\$ 6,047,426
	2008	US\$ 937,500	US\$3,750,000	US\$1,250,000	US\$ 2,000,000	—	US\$13,800	US\$168,278	US\$ 8,119,578
Mr. William A. Sanger (4) Chairman and Chief Executive Officer Emergency Medical Services Corporation	2009	US\$ 983,664	US\$1,111,875	US\$ 435,600	US\$ 2,654,551	—	—	US\$ 58,611	US\$ 5,244,301
	2008	US\$ 973,421	—	—	US\$ 1,402,610	—	—	US\$ 58,440	US\$ 2,398,471
Mr. William W. Boisture Jr. (5) Chairman and Chief Executive Officer Hawker Beechcraft, Inc.	2009	US\$ 484,616	US\$1,000,000	US\$2,244,969	US\$ 950,000	—	—	US\$198,994	US\$ 4,878,579

Notes:

- (1) Amounts are presented in Canadian dollars except as otherwise indicated. Amounts paid to Mr. Schwartz are paid in U.S. dollars but have been converted to Canadian dollars for presentation purposes at a rate of (a) for base salary, 1.2180, being the exchange rate as at December 31, 2008 and (b) for variable compensation, 1.0510, being the exchange rate as at December 31, 2009.
- (2) Amounts shown for Mr. Schwartz are paid as fees to an administrative services company controlled by Mr. Schwartz, pursuant to a management services agreement between the Corporation and that company. The salary for Mr. Schwartz was US\$650,000 for 2009. The change in the presented amount is due to exchange rate change between the U.S. and Canadian dollars.
- (3) The amounts shown for Mr. Muhlhauser under “Option-based awards” represents the value of stock options issued under Celestica’s long-term incentive plan in respect of 2008 and 2009 performance, respectively. The amounts shown under “Non-equity incentive plan compensation — annual incentive plans” represent payments made through Celestica’s annual incentive plan. The amounts shown under “All other compensation” include contributions to Celestica’s employee share ownership plan, tax equalization payments, travel expenses between Toronto and New Jersey (US\$34,508), tax gross-ups paid (US\$54,806) and Mr. Muhlhauser’s housing expenses while in Canada (US\$33,643).
- (4) The amount shown for Mr. Sanger under “Share-based awards” and “Option-based awards” represent the dollar amount recognized by EMSC for financial statement reporting purposes with respect to restricted shares and options granted in 2009; there were no restricted shares or options granted to Mr. Sanger in 2008. The amount shown under “Non-equity incentive plan compensation — Annual incentive plans” represents amounts payable under EMSC’s Short-Term Incentive Plan.
- (5) Mr. Boisture joined HBI on March 23, 2009. Amounts shown under “Share-based awards” and “Option-based awards” represent the grant date fair value of awards he was granted in 2009. The amount shown for Mr. Boisture under “Annual incentive plans” is payable as to US\$475,000 in cash and US\$475,000 in restricted stock units which vest equally at the end of 2010 and 2011 provided that Mr. Boisture remains employed by HBI. “All other compensation” includes amounts contributed by HBI to a defined contribution retirement plan, as well as the incremental cost to HBI for Mr. Boisture’s personal use of aircraft, relocation costs, certain life insurance and excess liability insurance premiums, tax gross-ups, and reimbursement of legal fees incurred by Mr. Boisture in connection with the commencement of his employment with HBI.

Incentive Plan Awards

The following table provides information with regard to the outstanding option-based awards or share-based awards as at December 31, 2009 under the applicable stock option plan of the Corporation or any of its subsidiaries to the Named Executive Officers. Amounts are presented in Canadian dollars.

Outstanding Share-Based Awards and Option-Based Awards (1)

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (2)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (at minimum)
Mr. Gerald W. Schwartz (3)						
February 4, 2003 Award	130,000	\$14.90	February 4, 2013	\$ 1,161,940	—	—
February 17, 2004 Award	7,260,000	\$15.87	February 17, 2014	\$57,847,680	—	—
Mr. Donald W. Lewtas (3)						
February 4, 2003 Award	50,000	\$14.90	February 4, 2013	\$ 446,900	—	—
November 24, 2004 Award.	50,000	\$18.18	November 24, 2014	\$ 282,900	—	—
December 11, 2006 Award.	15,000	\$29.22	December 11, 2016	—	6,000	—
December 7, 2007 Award	75,000	\$35.20	December 7, 2017	—	50,000	—
December 11, 2008 Award.	40,000	\$15.95	December 11, 2018	\$ 315,520	32,000	\$ 252,416
December 8, 2009 Award	40,000	\$23.35	December 8, 2019	—	40,000	—
Mr. Craig H. Muhlhauser						
2005 Award (June 6, 2005)	50,000	US\$13.00	June 6, 2015	—	—	—
2005 Award (January 31, 2006)	148,488	US\$10.00	January 31, 2016	—	—	—
2006 Award (February 2, 2007)	500,000	US\$ 6.05	February 2, 2017	US\$ 1,695,000	111,000	—
2006 Award (February 2, 2007)	404,000	US\$ 6.05	February 2, 2017	US\$ 1,369,560	—	—
2007 Award (February 5, 2008)	450,000	US\$ 6.51	February 5, 2018	US\$ 1,318,500	470,000	US\$2,312,800
2008 Award (February 3, 2009)	694,444	US\$ 4.13	February 3, 2019	US\$ 3,687,498	833,333	US\$4,195,551
2009 Award (February 2, 2010)	217,865	US\$10.20	February 2, 2020	—	297,898	US\$1,638,559
Mr. William A. Sanger						
February 28, 2005 Award	882,168	US\$ 6.67	February 10, 2015	US\$41,885,337	—	—
March 12, 2009 Award	37,500	US\$29.65	March 12, 2019	US\$ 918,750	37,500	US\$2,030,625
Mr. William W. Boisture Jr.						
March 23, 2009 Award	1,243,750	US\$ 8.00	March 23, 2019	—	125,000	US\$1,000,000

Notes:

- (1) All amounts are presented in Canadian dollars unless otherwise indicated.
- (2) "In-the-money" means the excess of the market value of the applicable underlying security on December 31, 2009 over the exercise price of the options. See also note 3 below in respect of Messrs. Schwartz and Lewtas.
- (3) The Onex Corporation Stock Option Plan provides that vested options may be exercised only if the market value of a Onex Subordinate Voting Share (based on a five-day average closing price) is at least 25% above the relevant exercise price. Options for which the market value of such shares is above strike price are reflected as being in-the-money only if such threshold was met or exceeded at December 31, 2009. The terms and conditions of the plan are described in detail on page 34 below.

The following table provides information with regard to the outstanding option-based awards or share-based awards vested or earned during 2009 under the applicable plan. Presented amounts show, in the case of options, the aggregate dollar value that would have been realized if such options had been exercised on the vesting date or, in the case of share-based awards, the aggregate dollar value realized upon vesting.

Incentive Plan Awards — Value Vested or Earned During the Year(1)

<u>Name</u>	<u>Option-Based Awards Value Vested During the Year</u>	<u>Share-Based Awards Value Vested During the Year</u>	<u>Non-Equity Incentive Plan Compensation Value Earned During the Year(2)</u>
Mr. Gerald W. Schwartz	—	—	\$15,898,058
Mr. Donald W. Lewtas (3)(4)	\$ 113,962	—	\$ 1,206,326
Mr. Craig H. Muhlhauser	—	US\$1,495,340	US\$ 904,950
Mr. William A. Sanger (5)	US\$39,584,978	—	US\$ 2,654,551
Mr. William W. Boisture Jr.	—	—	US\$ 950,000

Notes:

- (1) All amounts are presented in Canadian dollars unless otherwise stated.
- (2) These amounts are also disclosed in the Summary Compensation Table Under “Non-equity incentive plan compensation — annual incentive plans”.
- (3) The amount shown under “Option-based awards — Value vested during the year” represents the value at vesting date of options that vested on November 24 and December 11, 2009. None of these options have been exercised.
- (4) The Onex Corporation stock option plan provides that vested options may be exercised only if the market value of a Onex Subordinate Voting Share (based on a five-day average closing price) is at least 25% above the relevant exercise price. Options for which the market value of such shares is above strike price are reflected as being in-the-money only if such threshold was met or exceeded at December 31, 2009. Although the options referenced in the table above were in-the-money when vested, no such options were exercised during the year and none were in-the-money as at December 31, 2009. The terms and conditions of the plan are described in detail on page 34 below.
- (5) The amount shown under “Option-based awards — Value vested during the year” represents the value at vesting date of options that vested on February 10, 2009. Mr. Sanger exercised 600,000 options during 2009.

Pension, Post-Retirement Benefits and other Deferred Compensation Plans

Pension Plans

Pension plan benefits are not provided to Messrs. Schwartz and Lewtas. The tables below set forth certain information in respect of pension plans that provide for payments or benefits at, following or in connection with retirement for each of Messrs. Muhlhauser, Sanger and Boisture.

Defined Contribution Plans Table

<u>Name</u>	<u>Accumulated Value at Start of Year (\$)</u>	<u>Compensatory (\$)</u>	<u>Non-Compensatory (\$)</u>	<u>Accumulated Value at Year End (\$)</u>
Mr. Gerald W. Schwartz	—	—	—	—
Mr. Donald W. Lewtas	—	—	—	—
Mr. Craig H. Muhlhauser (1)	US\$72,896	US\$14,273	US\$40,923	US\$128,092
Mr. William A. Sanger	—	—	—	—
Mr. William W. Boisture Jr. (2) . .	—	US\$30,424	US\$ 4,845	US\$ 35,268

Notes:

- (1) Mr. Muhlhauser participates in Celestica’s U.S. defined contribution pension (401(k)) plan.
- (2) Mr. Boisture contributed US\$7,862 of the US\$30,424 “Compensatory” amount, and HBI contributed the balance of US\$22,562. The company’s contribution vests in three equal annual installments beginning March 23, 2010. Mr. Boisture’s participation in the Hawker Beechcraft Savings and Investment Plan, a US 401(k) plan, and its retirement income savings feature began in March 2009. Under the 401(k)

portion of the plan, and until the matching contribution was discontinued in October 2009, a participant could defer a portion of his compensation and receive a matching contribution of up to 4% of the eligible compensation. Under the retirement income savings feature of the plan, HBI contributes a defined amount with such benefit determined by a formula that takes into account the employee's age and years of service to Hawker Beechcraft.

Other Post-Retirement Benefits

No other post-retirement benefits are available to any Named Executive Officer.

Deferred Compensation Plans

No Named Executive Officer participates in any deferred compensation plan or program.

Termination and Change in Control Benefits

The following summarizes any agreement to which the Named Executive Officers are party and which provides for benefits on termination, resignation, retirement, change in control or change in responsibility (collectively, "termination entitlements").

Onex has not entered into agreements with Messrs. Schwartz or Lewtas or any of the other Named Executive Officers that provide for termination entitlements. There is an agreement between Mr. Schwartz and the Corporation confirming his continuation in office as Chief Executive Officer of the Corporation and limiting to certain defined causes the circumstances (other than his resignation, death or incapacity, as defined in the Corporation's articles) in which he may be removed by the Corporation from such office. The agreement does not deal with termination entitlements. Mr. Lewtas has entered into an agreement providing for certain confidentiality, non-competition and non-solicitation covenants that would survive the termination of his employment, but the agreement does not deal with termination entitlements. The rights and entitlements, if any, of Messrs. Schwartz and Lewtas in the event of termination of employment or change in control of the Corporation arising under the Corporation's investment and related other programs are described under "Management Investment Programs and Performance Entitlements" below.

Mr. Muhlhauser is entitled to certain severance benefits if, in connection with a change of control of Celestica (or, generally, if the company agrees or announces an intention to effect a change in control but has not completed the transaction within one year), he is terminated without cause or resigns for reasons specified in his employment agreement. In those circumstances, Mr. Muhlhauser would be entitled to (i) a severance payment equal to three times the sum of his annual base salary and average annual incentive over the prior three years, together with a portion of target or expected annual incentive for the year prorated to the date of termination, (ii) a payment in respect of benefits that otherwise would have been payable during the severance period, (iii) continuation of pension retirement plan contributions for three years, and (iv) accelerated vesting of stock options, performance share units and restricted share units. In circumstances not involving a change of control, Mr. Muhlhauser would be entitled upon termination without cause or resignation for reasons specified in his employment agreement to substantially similar payments and benefits except that (i) there would be no accelerated vesting of stock options, (ii) unvested performance share units and restricted share units would be cancelled, and (iii) severance payments and cash in lieu of benefits would be in respect of a two-year period following termination.

EMSC may terminate Mr. Sanger's employment for cause without notice or pay. If EMSC terminates Mr. Sanger's employment without cause, it would be required to pay him his base salary of a period of 24 months following such termination and to provide him with medical, dental and term life insurance for such period (or an equivalent lump sum cash payment). Additionally, if the performance targets for that year have been met, Mr. Sanger would be entitled to a pro rata portion of his bonus. In March 2009, the board of directors of EMSC determined that the performance measure applicable to the options granted to Mr. Sanger in February 2005 had been met in accordance with the applicable agreements. Accordingly, the only unvested options and non-lapsed restricted stock held by Mr. Sanger as of February 28, 2010 are those options granted to him in March 2009. In the event that EMSC terminates Mr. Sanger without cause, he will be permitted to exercise his vested and unexercised options.

Mr. Sanger may terminate his employment under certain circumstances following a change in control of EMSC. Upon such termination, Mr. Sanger will be entitled to the same severance benefits as if he had been

terminated by EMSC without cause. Mr. Sanger has agreed that for the term of his employment and a period of 24 months thereafter, he will not engage in certain competitive activities with respect to EMSC. Mr. Sanger may also terminate his employment for any reason upon 90 days' written notice to EMSC. EMSC may waive such notice, in whole or in part, upon immediate payment to Mr. Sanger of his base salary for such portion of the notice period that is waived. Upon such termination, EMSC may elect to pay Mr. Sanger his base salary for a period of 24 months following such termination as consideration for his agreement not to compete for that period of time. Additionally, upon the occurrence of a liquidity event, all of Mr. Sanger's unvested options and restricted stock will become fully vested and, in the case of options, exercisable.

If Mr. Boisture is terminated by HBI for reasons other than cause, death, or disability (each as defined in Mr. Boisture's employment agreement), or if he terminates his employment for good reason (as defined in such agreement), Mr. Boisture will be entitled to receive amounts accrued for base salary and annual bonus earned but unpaid through the date of termination, unused vacation days, and additional vested benefits. In addition, Mr. Boisture would be entitled to receive an amount equal to his base annual salary and target annual bonus for the year of termination, together with a pro-rated bonus for the year of termination based upon the actual performance of the company. HBI would also provide continued health benefits to Mr. Boisture and his eligible dependents and would, until the first anniversary of the termination date, pay any certain health premiums to the extent they exceed the corresponding premium then payable by a then active employee of Hawker Beechcraft. If his employment is terminated by reason of death or disability, Mr. Boisture or his estate would receive the pro-rata bonus.

Indebtedness of Directors, Executive Officers and Senior Officers

There were no loans from the Corporation to present or former directors, officers and employees of the Corporation outstanding at February 28, 2010.

The aggregate indebtedness to the Corporation and its subsidiaries (including indebtedness guaranteed by the Corporation or its subsidiaries) of present and former directors, officers and employees, entered into in connection with purchases of securities of subsidiaries, excluding routine indebtedness, as at February 28, 2010 was \$13.1 million.

The aggregate indebtedness to the Corporation and its subsidiaries of present and former directors, officers and employees of the Corporation or its subsidiaries entered into other than with respect to the purchase of securities of the Corporation or a subsidiary, excluding routine indebtedness, as at February 28, 2010 was \$0.1 million.

Routine indebtedness includes (i) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances or for similar reasons and (ii) loans to directors and executive or senior officers who are full-time employees, which loans are fully secured by their residences and do not exceed annual salary in amount, of which there are none.

Directors and Officers Liability Insurance

The Corporation purchased directors and officers liability and professional liability insurance of US\$55 million in respect of the Corporation and certain of its subsidiaries for a period of one year expiring at midnight on November 30, 2010 for an annual total premium of US\$758,100.

Supplemental information

Arni C. Thorsteinson, a director of the Corporation, is now, and in the past five years has been, an officer of certain non-publicly traded limited partnerships and other entities that were the subject of cease trade orders in certain provinces of Canada resulting generally from a failure to file financial statements or a failure to comply with disclosure obligations. Certain entities against which these orders were issued are now no longer active and, in certain other cases, Mr. Thorsteinson's involvement with such entities has ceased. In other cases, the relevant entities have now been able to obtain discretionary relief from filing requirements; however, relief to correct prior transgressions is not available and, accordingly, in some cases these orders remain in force.

**MANAGEMENT INVESTMENT PROGRAMS
AND PERFORMANCE ENTITLEMENTS**

The Corporation, both directly and through entities related to the Onex Partners Funds, maintains various investment or similar performance-based programs in which members of senior management are entitled to participate. For greater certainty, the performance-based programs are not compensatory in nature but provide for direct participation in the appreciation in value of the investments made on behalf of the Corporation and its co-investors, including such participants Entitlements under those programs are generally conditional upon achievement of certain performance hurdles and satisfaction of vesting requirements. In addition, the Management Investment Plan and carried interest entitlements have associated with them certain obligations for the participants to make personal investments in the transactions completed by the Corporation or the Funds, further aligning the interests of the Corporation’s management team with those of investors. The various programs are described in detail in the following pages and certain key aspects are summarized in the table below:

	<u>Minimum Stock Price Appreciation/ Return Threshold</u>	<u>Vesting</u>	<u>Associated Investment by Management</u>
Stock Option Plan	25% Price Appreciation	5 years	<ul style="list-style-type: none"> • satisfaction of exercise price (market value at grant date)
Management Investment Plan	15% Compounded Return	6 years (4 years prior to November 2007)	<ul style="list-style-type: none"> • personal “at risk” equity investment required • 25% of gross proceeds to be reinvested in Subordinate Voting Shares or Management DSUs until 1,000,000 shares or DSUs owned
Carried Interest Participation	8% Compounded Return	4 years (Onex Partners I) 5 years (Onex Partners II) 6 years (Onex Partners III)	<ul style="list-style-type: none"> • corresponds to participation in minimum 1% “at risk” management team equity investment • 25% of gross proceeds to be reinvested in Subordinate Voting Shares or Management DSUs until 1,000,000 shares or DSUs owned
Management DSU Plan	N/A	Period of employment	<ul style="list-style-type: none"> • investment of elected portion of annual compensation in Management DSUs • value reflects changes in Corporation’s share price • units not redeemable while employed

STOCK OPTION PLAN

The Corporation's 1994 Stock Option Plan (the "Option Plan") is designed to enhance shareholder value by (i) providing a long-term incentive to the Corporation's key service providers, including directors, officers and employees; (ii) improving the ability of the Corporation to attract, retain and motivate its key personnel; and (iii) encouraging participants in the Plan to maintain a significant level of investment in the Corporation, thereby closely aligning their personal interests with those of the shareholders.

The Option Plan provides for the grant of stock options ("Options") to directors, officers and employees of the Corporation and its related entities, although the Corporation discontinued the practice of issuing stock options to outside directors with the adoption of its Deferred Share Unit Plan in 2004 (see "Compensation of Directors and Executive Officers of the Corporation and its Subsidiaries — Directors" above). The maximum number of Subordinate Voting Shares issuable under the Option Plan has remained fixed at 16 million since 2004 and can be amended only with shareholder approval. The Corporation has purchased for cancellation a substantial number of its outstanding Subordinate Voting Shares under its normal course issuer bids since the adoption of the Option Plan and the establishment of the number of Subordinate Voting Shares issuable thereunder, including approximately 9 million shares repurchased in the last three calendar years. As a result, the total number of authorized Options (including those issued and outstanding as at February 28, 2010) represents 10.1% of the outstanding Subordinate Voting Shares on a fully-diluted basis (11.2% on an undiluted basis).

The Option Plan expressly precludes a grant of new Options if the number of Subordinate Voting Shares reserved for issuance pursuant to Options granted to insiders would exceed 10% of the issued and outstanding Subordinate Voting Shares, if insiders would be issued, within a one-year period, of a number of Subordinate Voting Shares exceeding 10% of the issued and outstanding shares or if it would result in the issuance to any one insider, together with such person's associates and within a one-year period, of a number of Subordinate Voting Shares exceeding 5% of the issued and outstanding shares. At December 31, 2009, Options were outstanding to purchase 13,450,050 Subordinate Voting Shares, representing 10.1% of the outstanding Subordinate Voting Shares on a fully-diluted basis (11.2% on an undiluted basis).

The exercise price for each grant of Options is determined by the Compensation and Management Resources Committee and may not be less than the closing price of the Subordinate Voting Shares on the trading day immediately preceding the date of grant. If no specific determination is made by such Committee, Options vest ratably on each of the first five anniversaries of the date of grant and are exercisable only during that five-year period. As permitted by the terms of the Option Plan, it has been the practice of the Committee to approve the issuance of Options with a ten-year term, allowing an appropriate period for exercise following full vesting. Other than options granted in 2007, which vest ratably over six years, all other issued Options vest ratably over five years. Vested options may be exercised only if the market value of a Onex Subordinate Voting Share (based on a five-day average closing price) is at least 25% above the relevant exercise price.

The Option Plan contains detailed provisions relating to the continuation or forfeiture of rights following termination of eligibility to participate in the plan and generally provide for (i) a 90-day grace period for exercise of vested options, (ii) an extension of such grace period for up to five years where the termination arises from retirement, (iii) forfeiture of all vested and unvested Options on termination for cause, and (iv) in the event of death, limited accelerated vesting, waiver of the 25% hurdle referred to above and extension of the grace period for exercise for up to two years. The Option Plan also provides for forfeiture of both vested and unvested Options, and a clawback of value realized on the exercise of Options within the one-year period preceding termination, where termination was for cause, on disability or on resignation and the optionee engages in a business competitive with that of the Corporation within one year thereafter.

In addition, the Option Plan provides for limited continued vesting (commensurate with the applicable severance or notice period) where termination of employment occurs in certain circumstances following an Event of Change (as defined in the articles of the Corporation; see also "Voting Shares" above), and a corresponding extended grace period for the exercise of Options. Assuming that the relevant triggering events had occurred in respect of Messrs. Schwartz and Lewtas at December 31, 2009, the value of their in-the-money and exercisable Options would have been \$59,009,620 and \$792,904, respectively.

Subject to required regulatory approval and, if and as required by the regulator, including the Toronto Stock Exchange, shareholder approvals, the board of directors of the Corporation may amend or discontinue the Option Plan at any time.

Equity Compensation Plan Information

The following table set forth information in respect of the Options outstanding or available for future issuance as of December 31, 2009. The Corporation has no other equity compensation plans.

	Number of securities to be issued upon exercise of outstanding options as at December 31, 2009 (#)	Weighted average exercise price of outstanding options(1)	Number of securities remaining available for future issuance under equity compensation plans as at December 31, 2009 (excluding shares issuable upon the exercise of outstanding options) (#)
Equity compensation plans approved by securityholders	13,450,050	\$18.32	2,161,950
Equity compensation plans not approved by securityholders	—	—	—

Note:

(1) Vested options may be exercised only if the market value of a Onex Subordinate Voting Share (based on a five-day average closing price) is at least 25% above the relevant exercise price.

CHIEF EXECUTIVE OFFICER'S OWNERSHIP OF SUBORDINATE VOTING SHARES

The Corporation's Chief Executive Officer, Gerald W. Schwartz, is also its single largest holder of Subordinate Voting Shares, beneficially owning 25,113,018 Subordinate Voting Shares having a value in excess of \$636 million based on the closing price of the Subordinate Voting Shares on the Toronto Stock Exchange on February 26, 2010. Mr. Schwartz also holds options to acquire a further 7,390,000 Subordinate Voting Shares at exercise prices between \$14.90 and \$15.87 per share. This substantial ownership of securities of the Corporation is in addition to Mr. Schwartz's meaningful investment in each of the Corporation's operating company subsidiaries (see note 9 to the table under the heading "Election of Directors" above and also "Management Investment Plan" below) and his capital commitment to Onex Partners III LP (see "Management Participation in Private Equity Fund Investments and Performance" below).

MANAGEMENT SHARE OWNERSHIP PROGRAM

General

The Corporation's Board of Directors maintains a constant focus on advancing the best interests of the Corporation and all of its shareholders and is of the view that meaningful personal investment by those charged with managing the business of the Corporation and implementing its corporate and strategic plans is an important element in achieving that goal.

Management's Investment in Onex Shares or Deferred Share Units

In early 2006, the Corporation's Board of Directors adopted a program (the "Reinvestment Program") designed to further align the interests of the Corporation's shareholders with those of senior management and other investment professionals ("Participants") through increased share acquisition and ownership. Under the Reinvestment Program, members of senior management of the Corporation are required to invest at least 25% of all gains

realized by them pursuant to the management investment plan and carried interest entitlement described below under “Management Investment Plan” in the purchase of Subordinate Voting Shares of the Corporation until such time as they individually hold at least 1,000,000 Subordinate Voting Shares. Each of the other professional employees of the Corporation is required to invest at least 15% of all such amounts received by them in excess of a specified minimum threshold in the purchase of Subordinate Voting Shares. It is expected that all purchases of Subordinate Voting Shares under the Reinvestment Program will take place in the secondary market through the facilities of the Toronto Stock Exchange. The Reinvestment Program reinvestment requirements described above may be satisfied through any combination of purchases of Subordinate Voting Shares and Management Deferred Share Units (“MDSUs”), all as described below. Shares and MDSUs purchased under the Reinvestment Program generally must be held until retirement.

Management Deferred Share Unit Plan

Effective in 2007, the Corporation’s Board of Directors approved the adoption of a Management Deferred Share Unit Plan (the “MDSU Plan”) as a further means of encouraging personal and direct economic interest in the performance of the Subordinate Voting Shares by the Corporation’s senior management. Under the MDSU Plan, the members of the Corporation’s senior management team are given the opportunity to designate all or a portion of their annual compensation for the purchase of MDSUs in lieu of cash.

The number of MDSUs credited to a participant in the plan for a particular year will be equal to the amount of compensation designated by the participant divided by the market price of the Onex Subordinate Voting Shares, without discount. MDSUs are redeemable by the participant only after he or she has ceased to be an officer or employee of the Corporation or an affiliate for a cash payment equal to the then-current market price of the Subordinate Voting Shares. To hedge the Corporation’s exposure to changes in the trading price of the Subordinate Voting Shares associated with MDSUs, the Corporation has entered into a forward agreement with a counterparty financial institution for MDSUs issued in respect of 2009 and prior years and intends to enter into a similar arrangement for each year in which MDSUs are granted under the MDSU Plan. The costs of those arrangements are borne entirely by participants in the plan. MDSUs are redeemable only for cash and no shares or other securities of the Corporation will be issued on the exercise, redemption or other settlement thereof.

Purchases and MDSU Elections to Date

In 2009, an aggregate of 68,601 Subordinate Voting Shares were purchased pursuant to the Reinvestment Program for a total purchase price of \$1.3 million. A total of 119,967 MDSUs having an aggregate value, at the date of grant, of \$2.9 million were granted in lieu of an equivalent dollar amount of 2009 cash compensation.

MANAGEMENT INVESTMENT PLAN

General

Under the investment plan (the “Plan”) established in 1996, full-time members of management of the Corporation (“Investors”) began to invest, directly or through corporations owned by them, in the entities resulting from acquisition transactions undertaken or to be undertaken by the Corporation from and after January 1, 1995 (the “Transactions”). All members of management invest in all future acquisition transactions during their tenure at the Corporation. The aggregate investment by all Investors under the Plan is a maximum of 9% of the Corporation’s interest in each of the Transactions. Each Investor acquires the interest through, effectively (i) a cash purchase of 1/6th of the investment and (ii) the receipt of investment rights to acquire the remaining 5/6ths, in each case at the same price or value paid by the Corporation. The 1/6th investment requirement for investments made through the Onex Partners Funds (described below) has been or will be made indirectly through the Investor’s share of the 1% capital commitment made to the relevant Fund by the Onex principals. The 5/6ths investment rights applies only to capital invested by Onex through the Funds and not to the capital provided by third-party investors. Customarily, the Investors voluntarily contribute a portion of their proceeds from the exercise of investments rights for distribution to employees of Onex that are not Plan participants in recognition of the important role that all members of the Onex team play in achieving positive outcomes for the Corporation and its shareholders.

Vesting and Exercisability

For Transactions completed after November 7, 2007, the 5/6ths investment rights described above vest ratably on each of the first six anniversaries of the closing date of the Transaction, with vesting accelerated in the event that (i) the Corporation disposes of its entire investment for cash or (ii) the Corporation disposes of only part of its investment but the return hurdle described below is satisfied, in cash, in respect of the entire invested amount, in which case vesting is accelerated if and to the extent necessary to provide that the portion of each Investor's rights that are vested is equal to the portion of the Corporation's total investment then being disposed of. Vested rights in respect of a particular operating company investment will be exercisable (i) in full at such time as the Corporation disposes of its entire investment, provided that the return hurdle described below is satisfied in cash, (ii) in part at such time as the Corporation disposes of a corresponding portion of its investment, but only if the return hurdle is satisfied, in cash, in respect of the entire invested amount or (iii) in part in the event that the Corporation has continued to hold at least a majority of the investment for at least eight years, the securities of relevant operating company are publicly traded and the return hurdle on the Corporation's entire investment has been satisfied in cash or would be satisfied on a combined cash and valuation basis. Vesting and exercisability of the investment rights would be accelerated upon the occurrence of an Event of Change (as defined in the articles of the Corporation; see also "Voting Shares" above).

For Transactions completed prior to November 7, 2007, the 5/6ths investment rights vest ratably on each of the first four anniversaries of the closing date of the Transaction, with vesting accelerated in the event that the Corporation disposes of at least 90% of its entire investment for cash. Vested rights in respect of a particular operating company investment will be exercisable (i) in full at such time as the Corporation disposes of its at least 90% of its investment, provided that the return hurdle described below is satisfied, in cash, on the entire invested amount, (ii) in part in the event that the Corporation has recovered less than a majority of the investment within eight years, the securities of relevant operating company are publicly traded and the return hurdle on the Corporation's entire investment has been satisfied in cash or would be satisfied on a combined cash and valuation basis.

Minimum Return Hurdle

In the event that a particular Transaction does not result in a minimum 15% per annum compounded rate of return on investment to the Corporation on a realization, the 5/6ths investment rights, if vested, will cease to be exercisable by an Investor. In effect, if the threshold return is not met, the Investors will not benefit from the 5/6ths portion. The 15% rate of return is calculated assuming, and after giving effect to, exercise in full of all the investment rights issued under the Plan and relating to the operating company disposed of. Investors beneficially own the economic interest in their purchased securities and securities subject to investment rights, to the extent to which their rights are vested, but the Corporation will maintain voting and other control over the Investors' participation in the Transactions.

Clawback

An Investor who either leaves the Corporation and within six months thereafter becomes an employee of or provides services to a competitor of the Corporation, or who breaches certain provisions relating to confidentiality, non-solicitation of employees and the misappropriation of opportunities, not only loses his or her non-vested and vested, but non-exercised, investment rights (the 5/6ths portion), but must repay to the Corporation the after-tax proceeds realized from the exercise of investment rights after the date that is one year prior to the date of leaving.

Investments and Realizations in 2009

In 2009, new investments and further investments in a number of the Corporation's operating companies and investments were completed for an aggregate cash payment by all participants of approximately \$1.2 million for the 1/6th portion. The Investors, together with certain directors and employees of the Corporation, also made direct investments as co-investors on the same terms as the Corporation with regard to such investments in the aggregate amount of approximately \$8.2 million. Total returns to the Investors in respect of the 5/6th investment rights due to realizations in 2009 amounted to \$20.0 million, of which \$9.3 million was to Mr. Schwartz and less than \$0.8 million was to Mr. Lewtas.

Additional information concerning the Plan is contained in the audited consolidated financial statements of the Corporation for the year ended December 31, 2009 and the notes thereto.

MANAGEMENT PARTICIPATION IN PRIVATE EQUITY FUND INVESTMENTS AND PERFORMANCE

General

In November 2003, the Corporation established Onex Partners LP (“Fund I”) to provide capital for future Onex-sponsored operating company investments not related to Onex’ existing operating companies or the ONCAP funds. Fund I had aggregate capital commitments totaling approximately US\$1.7 billion. Onex committed approximately US\$400 million to Fund I as a limited partner. Fund I invested approximately US\$1.48 billion, or US\$1.65 billion including co-investments, with the balance of the available capital having been reserved for potential follow-on investments or to satisfy other obligations of the Fund. Onex Partners II LP (“Fund II”) was established in April 2006, with aggregate capital commitments of approximately US\$3.45 billion. Onex committed approximately US\$1.4 billion to Fund II as a limited partner. Fund II has invested approximately US\$2.90 billion, or US\$3.06 billion including co-investments, and has reserved the balance of its committed capital for potential deployment in follow-on investments or to meet other Fund obligations. Fund II was succeeded in April 2008 by Onex Partners III LP (“Fund III”). In December 2009, Fund III completed its final closing on US\$4.3 billion of capital commitments, which includes an approximate US\$800 million commitment from Onex. Onex initially had committed US\$1 billion to Fund III, with the right to decrease that commitment to approximately US\$500 million or to increase it to US\$1.5 billion on six months’ notice. On December 31, 2008, Onex determined to temporarily reduce its commitment to approximately \$500 million to reflect its conservative approach to managing its capital base. In December 2009, Onex elected to increase its commitment to approximately US\$800 million effective June 16, 2010. This decision followed several cash realization transactions during the year and reflected management’s view that there would be attractive opportunities for value investors like Onex as the market environment stabilized and improved. Onex continues to have the right to increase its commitment to up to \$1.5 billion in the future but cannot be decreased.

Management Capital Commitment

The Investors initially committed, as a group, to invest a minimum of 1% of each of Fund I, Fund II and Fund III (collectively, the “Funds”), subject to annual adjustments up to a maximum of 4% in the case of Funds I and II and 6% in the case of Fund III. As at February 28, 2009, Investors had committed 4% of the total capital of each of Funds I and II and approximately 2.2% of the total capital of Fund III. The total amount invested in Fund investments by the Investors for the year ended December 31, 2009 was US\$5.1 million. Onex controls the general partner and manager of the Funds.

Carried Interest and Vesting

The Funds’ general partner will receive a carried interest of 20% of realized gains attributable to third-party limited partners in each Fund, subject to an 8% compound annual preferred return to such limited partners on all amounts contributed to the relevant Fund. This carried interest will be determined based on the overall performance of the Fund and includes typical catch-up and claw-back provisions. Consistent with market practice, Onex, as sponsor of the Fund, has been allocated 40% of the carried interest with 60% allocated to the Investors. The Investors’ entitlements in respect of their respective shares of the carried interest vest ratably over on each of the first six anniversaries (four or five anniversaries in the case of Fund I and Fund II, respectively) of the later of the first drawdown of capital commitments by the relevant Fund and the date on which the particular Investor was first allocated a carried interest entitlement. Vesting would be accelerated upon the occurrence of an Event of Change (as defined in the articles of the Corporation; see also “Voting Shares” above).

Carried Interest Payments in 2009

Total returns to the Investors in respect of the carried interest in 2009 amounted to \$30.5 million, of which \$8.6 million was to Mr. Schwartz and \$1.1 million was to Mr. Lewtas.

NORMAL COURSE ISSUER BID

On April 9, 2009, the Corporation filed a Notice of Intention to make a normal course issuer bid to permit repurchases of Subordinate Voting Shares through the Toronto Stock Exchange, or pursuant to a put writing program established as a component of the issuer bid, commencing April 14, 2009 and terminating on April 13, 2010. The Corporation was permitted to purchase Subordinate Voting Shares under the issuer bid and to effect such purchases from time to time during the period of the issuer bid when it determined that such purchases were advantageous to the Corporation. Any purchases made under the issuer bid were to be effected in accordance with the rules and policies of the Exchange. The Corporation has purchased 1,878,200 Subordinate Voting Shares under the issuer bid up to February 28, 2010.

The Corporation may file a further Notice of Intention to make a normal course issuer bid to again permit repurchases of Subordinate Voting Shares through the Exchange in accordance with the foregoing terms commencing upon the expiry of the current normal course issuer bid and terminating immediately prior to the first anniversary thereof. Any shareholder of the Corporation may obtain a copy of any further Notice of Intention, without charge, by writing the Corporation at its head office following acceptance thereof by the Exchange.

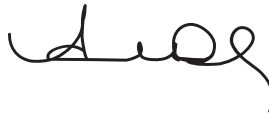
ADDITIONAL INFORMATION

Any shareholder of the Corporation may obtain copies of the Corporation's annual information form, annual report, interim quarterly reports, and management's discussion and analysis, without charge, by writing to the Corporation at its head office. Additional copies of this management information circular are also available on request. Such documents are also available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com.

APPROVAL OF BOARD OF DIRECTORS

The contents of this management information circular and the sending of it to the shareholders of the Corporation, to each director of the Corporation, to the auditor of the Corporation and to the appropriate governmental agencies have been approved by the board of directors of the Corporation.

DATED the 26th day of March, 2010.



ANDREA E. DALY
Vice President, General Counsel
and Secretary

ONEX corporation

TO OUR SHAREHOLDERS

RE: MAILINGS TO ALL SHAREHOLDERS

To facilitate communication with all of our shareholders and as provided under Canadian securities laws, Onex Corporation maintains through its Transfer Agent, CIBC Mellon Trust Company, a Supplemental Mailing List which includes the names of both registered and non-registered shareholders to whom mailings of annual reports and quarterly shareholder reports are made by us.

Registered shareholders are those with shares registered in their names; non-registered shareholders have their shares registered in the name of an agent, broker, bank or nominee.

As a shareholder of Onex Corporation, you are entitled to receive our interim financial statements, annual financial statements, or both. If you wish to receive them, please either complete and return this notice by mail or submit your request online (see address below). Your name will then be placed on the Supplemental Mailing List maintained by our Transfer Agent.

As long as you remain a shareholder, you will receive this card each year and be required to renew your request to receive these financial statements. If you have any questions about this procedure, please contact CIBC Mellon Trust Company by phone at 1-800-387-0825 or (416) 643-5500 or e-mail at inquiries@cibcmellon.com.

If you do not choose to receive the Annual and Interim Financial Statements, they will still be available to you:

- At www.onex.com
- At www.sedar.com

We encourage you to submit your request online at www.cibcmellon.com/FinancialStatements. Our Company Code Number is 5454A.

If you wish to submit your request by mail, please return this notice to the address set out below:

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario
M5C 2W9

REQUEST FOR FINANCIAL STATEMENTS

Please add my name to the Supplemental Mailing List for Onex Corporation and send me its financial statements as indicated below.

- Interim Financial Statements Annual Financial Statements

NAME OF SHAREHOLDER (please print) _____

MAILING ADDRESS _____

_____ Postal Code

Note: Do not return this card by mail if you have submitted your request online.

ONEX corporation