ONEX Corporation

Annual Information Form
for the Year Ended December 31, 2019

February 27, 2020

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KEY DEFINITIONS AND INTERPRETATIONS

The following is a list of defined terms and names used throughout this Annual Information Form:

AIF	This Annual Information Form for Onex Corporation dated February 27, 2020.
Company	Unless the context otherwise requires or implies, references to the "Company" are intended to be broad and include Onex' various investment and asset management platforms and their respective predecessors, subsidiaries and other investee businesses irrespective of legal form.
Gluskin Sheff	Gluskin Sheff + Associates Inc. and its subsidiaries
ONCAP or ONCAP Funds	ONCAP I, II, III and IV collectively
ONCAP I	ONCAP L.P.
ONCAP II	ONCAP II L.P.
ONCAP III	ONCAP III LP
ONCAP IV	ONCAP IV LP
Onex	Onex Corporation
Onex Credit	Onex Credit Holdings LLC and its subsidiaries
OCLP I	Onex Credit Lending Partners I
Onex Partners or Onex Partners Funds	Onex Partners I, II, III, IV and V collectively
Onex Partners I	Onex Partners LP
Onex Partners II	Onex Partners II LP
Onex Partners III	Onex Partners III LP
Onex Partners IV	Onex Partners IV LP
Onex Partners V	Onex Partners V LP
2019 Information Circular	Notice of Annual Meeting of Shareholders and Information Circular of Onex dated March 18, 2019.
2020 Information Circular	Notice of Annual and Special Meeting of Shareholders and Information Circular of Onex to be filed in connection with Onex' 2020 annual and special meeting scheduled to be held on May 14, 2020.

Throughout this AIF, all references to "$" or "dollars" are to U.S. dollars unless otherwise indicated. All references to "C$" are to Canadian dollars.

INCORPORATION BY REFERENCE

This AIF incorporates by reference certain information contained in Onex' 2019, 2018 and 2017 Management's Discussion & Analysis, which are available at www.sedar.com. Those filings are referred to herein as the "2019 MD&A", "2018 MD&A" and "2017 MD&A", respectively. This AIF also incorporates certain information contained in Onex' 2020 and 2019 Information Circulars, which are available at www.sedar.com.

NAME, ADDRESS AND INCORPORATION

Onex was incorporated under the *Business Corporations Act* (Ontario) on December 30, 1980 and its corporate name was changed to its present name on March 11, 1987. A summary of the Company's share provisions can be found in the 2019 Information Circular and the current amended and restated articles of Onex are available at www.sedar.com. Onex' registered and principal office is located on the 49th Floor, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1. Onex' Subordinate Voting Shares ("SVS") are listed on the Toronto Stock Exchange ("TSX") under the symbol "ONEX".

BACKGROUND AND DEVELOPMENT OF THE BUSINESS

Onex is one of the oldest and most successful private equity firms and has evolved to include credit and wealth management investment platforms. Today, Onex invests and manages capital on behalf of shareholders, institutional investors and high net worth private clients from around the world. Onex' current investment platforms include: Onex Partners and ONCAP, private equity funds focused on larger opportunities and middle market opportunities, respectively; Onex Credit, which manages primarily non-investment grade debt through collateralized loan obligations ("CLOs"), private debt and other credit strategies; and Gluskin Sheff, which provides wealth management and investment advisory services. At December 31, 2019, Onex had $7.2 billion of capital primarily invested in or committed to its private equity and credit investment platforms. Additionally, at December 31, 2019, Onex managed $31.2 billion of capital on behalf of institutional investors and high net worth private clients. Onex generates annual management fee income on $27.5 billion of the investors' capital and has the opportunity to earn carried interest or performance fees.

Onex operates from offices in Toronto, New York, New Jersey and London.

Onex was founded in 1984 to make private equity investments in companies located primarily in North America. Onex completed an initial public offering on the Toronto Stock Exchange in 1984 and as of December 31, 2019, had an equity market capitalization of approximately $6.3 billion (C$8.2 billion).

Private Equity

Onex has built more than 105 operating businesses with an aggregate transaction value of $81 billion. The Company has generated a gross multiple of capital invested[1] of 2.5 times from its core private equity activities since inception, resulting in a 27% gross internal rate of return[1] on realized, substantially realized and publicly-traded investments.

Onex' private equity investment activities are conducted primarily through two platforms: Onex Partners (for larger transactions) and ONCAP (for middle-market transactions). Onex participates in all of the Onex Partners and ONCAP Funds as the largest limited partner investor and through its ownership of the funds' general partners and managers. A discussion of the Company's significant private equity transactions, fund-level developments and performance is set forth under "Private Equity Investing" of the 2019 MD&A and under "Our Strategies" and "Industry Segments" of the 2018 MD&A and 2017 MD&A, which discussions are incorporated herein by reference**.**

Onex Partners

Onex Partners has raised five institutional private equity funds, each of which was established with a view to making control investments in businesses organized or domiciled in North America and, opportunistically, in Europe. Onex Partners typically pursues investments requiring at least $125 million of equity. As at December 31, 2019, the Onex Partners Funds comprised:

Fund	***Vintage***	***Aggregate Commitments***(1)	***Total Investments***(2)	***Remaining Investments at Original Cost***(2)
Onex Partners I	2003	$1.7 billion	10 companies ($1.5 billion)	Nil(3)
Onex Partners II	2006	$3.5 billion	seven companies ($2.9 billion)	one company ($471 million equity)
Onex Partners III	2009	$4.7 billion	10 companies ($4.2 billion)	five companies ($2.2 billion equity)
Onex Partners IV	2014	$5.7 billion	13 companies ($5.4 billion)	10 companies ($4.1 billion)
Onex Partners V	2018	$7.15 billion	three companies ($1.5 billion)	three companies ($1.5 billion)

(1) Includes Onex' commitment.

(2) Excluding both Onex and third-party co-investment, as applicable. Excluding capitalized acquisition costs and bridge financing, as applicable.

(3) Onex Partners I is substantially realized.

In aggregate, Onex Partners Funds have invested $15.5 billion, or $19.3 billion including Onex and third-party co-investments, in 39 operating companies since 2003.

[1] Gross multiple of capital and gross internal rate of return, as defined on page 68 of the 2019 MD&A, are non-GAAP financial measures which have been calculated using methodologies that are not in accordance with IFRS.

ONCAP

In 1999, Onex launched the first of the ONCAP Funds, a series of private equity funds focused on investing in small and medium-sized businesses in North America. ONCAP typically pursues investments requiring less than $200 million of equity. As at December 31, 2019, the ONCAP Funds comprised:

Fund	***Vintage***	***Aggregate Commitments***(1)	***Total Investments***(2)	***Remaining Investments at Original Cost***(2)
ONCAP I	1999	C$400 million	six companies (C$208 million)	Nil.(3)
ONCAP II	2006	C$574 million	eight companies (C$483 million)	three companies (C$218 million)
ONCAP III	2011	C$800 million	eight companies (C$637 million)	six companies (C$405 million)
ONCAP IV	2016	$1.1 billion	nine companies ($709 million)	eight companies ($647 million)

(1) Includes Onex' commitment.

(2) Excluding both Onex and third-party co-investment, as applicable. Excluding capitalized acquisition costs and bridge financing, as applicable.

(3) ONCAP I has been fully realized.

In aggregate, ONCAP Funds have invested $1.9 billion (C$2.2 billion), or $1.9 billion (C$2.3 billion) including Onex and third-party co-investments, in 29 operating companies.

Other Investments

Prior to the formation of its private equity funds, Onex built 31 businesses, completing 148 acquisitions having an aggregate transaction value of $13.6 billion (C$18 billion). Currently, Onex holds one such legacy investment: Celestica Inc. (TSX/NYSE: CLS). From time to time, Onex may directly invest its capital outside of its private equity funds where select opportunities are not ideally suited for private equity fund mandates. Onex currently holds one such direct investment in Ryan Specialty Group LLC.

Credit Strategies

Onex' credit investment platform, Onex Credit, was launched in 2007 and managed $11.6 billion as of December 31, 2019. Onex Credit invests in non-investment grade debt through its CLOs, private debt and other credit strategies.

Wealth Management

Onex completed its acquisition of Gluskin Sheff for a total consideration of $329 million (C$445 million) in June 2019. As Onex' wealth management investment platform, Gluskin Sheff manages $6.6 billion (C$8.6 billion) of client capital as of December 31, 2019, on behalf of institutional investors and high net worth private clients.

Real Estate

Onex established the Onex Real Estate platform in January 2005 with a mandate to invest in attractive real estate assets in North America. Onex Real Estate participated in an aggregate of seven investments and as of December 31, 2019, its primary remaining investment was Flushing Town Center, a three-million-square-foot retail and residential development located on approximately 14 acres in Flushing, New York.

EMPLOYEES

Onex had approximately 429 employees as of December 31, 2019.

FINANCIAL STATEMENTS AND INFORMATION REGARDING REPORTABLE SEGMENTS

Pages 30 to 32 of the 2019 MD&A and Note 27 to the Company's audited annual consolidated financial statements for the year ended December 31, 2019 set forth detailed financial and other information in respect of its reportable segments. That information is available at www.sedar.com and is incorporated by reference herein.

RISK FACTORS

The following risk factors, and the information incorporated by reference herein, should be considered carefully. These risks could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Onex believes that an assessment of the risks associated with an investment in Onex shares first requires an understanding of the fundamental drivers of Onex' business. As described above (see "Background and Development of the Business"), Onex is an investor in, and a manager of, private equity, credit and wealth management platforms. Fundamentally, our business is to invest our own capital and invest and manage capital of third-party investors.

- *Investing our own capital:* Onex has $7.2 billion of shareholder capital, of which $6.6 billion of investing capital was primarily invested in or committed to private equity and non-investment grade credit. At December 31, 2019, Onex' investing capital was invested in:
  - Onex Partners, our platform for larger private equity transactions ($3.0 billion or 46%);
  - ONCAP, our platform for middle-market private equity transactions ($519 million or 8%);
  - Onex Credit, our platform for credit investment strategies ($649 million or 10%); and
  - cash and near-cash items ($1.8 billion or 28%) and real estate or other assets ($504 million or 8%).

  Details regarding the investment of Onex' capital are set forth in note 6 to the Company's December 31, 2019 Financial Statements available at www.sedar.com. That information is updated quarterly and appears in the corporate investment note disclosure in the Company's quarterly financial statements.

- *Managing capital on behalf of others:* As the general partner and manager of private equity and credit funds and as the parent company of Gluskin Sheff, we also manage $31.2 billion of invested and committed capital on behalf of investors from around the world. Onex' management of third-party capital provides two significant financial benefits:
  - a committed stream of management fees based on the amount of third-party capital we manage, which we refer to as "fee-generating assets under management"; and
  - the opportunity to share in the profits we generate for our investors through our carried interest or performance fee participation, which we refer to throughout this section as "carried interest" and "performance fees".

> Our ability to create value through our management fee, carried interest and performance fee opportunities will generally be driven by our ability to maintain and grow the market value of our fee-generating assets under management, to do so on advantageous terms and to invest that capital successfully.

We therefore face risks related to (i) our general business activities; (ii) our activities as manager and general partner of our sponsored private equity funds and credit funds ("PE Funds" and "Credit Funds", respectively, and collectively, the "Funds"); (iii) the preservation and growth of our own capital committed to and invested through our PE Funds and in businesses in which we may invest outside the Funds ("PE Investments"); (iv) our interest in the investments made by certain of our Credit Funds ("Debt Investments"); and (v) our activities as a provider of wealth management and investment advisory services in our Gluskin Sheff platform. For greater certainty, our Debt Investments include our significant investments in the "equity tranche" or other tranches of certain CLOs within our credit platform. CLOs are leveraged structured vehicles that hold a diversified asset portfolio funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity. Finally, references to "Funds" in statements in these risk factors relating to fee-generating assets under management, performance fee opportunities or risks associated with client or investor satisfaction, perception, retention or growth, or where the context otherwise requires or implies, generally include the segregated accounts and private pooled fund vehicles managed by Gluskin Sheff. We do not invest our own capital in those accounts or vehicles but they are a material element of our aggregate performance fee opportunity.

The value and price of our shares will generally reflect the current and anticipated value of our PE and Debt Investments, real estate and other investments and assets as well as our management fee, carried interest and performance fee opportunities. Those values will change from time to time, including for reasons outside our control. This section sets out certain risks that could be material to Onex and could have a material adverse effect on Onex' business, financial condition, results of operations and cash flows and the value of our shares. The risks described below are not the only risks that may impact our business, operations and financial results. Additional risks not currently known to us or that we currently believe are immaterial when considered across our investment and asset management activities as a whole may also have a material adverse effect on future business, operations and performance.

Volatility in the Value and Price of Our Shares

The trading price of our shares can be volatile due to market conditions and other factors and cannot be predicted. Shareholders may not be able to sell their shares at or above the price at which they purchased such shares. The volume, value and trading price of our shares could fluctuate significantly in response to factors both related and unrelated to our operating or financial performance and/or future prospects, including, but not limited to: (i) variations in our operating results and financial condition; (ii) changes in the values of our investments (including in the market price of the publicly traded businesses in which our PE Funds have invested and/or our publicly traded Debt Investments); (iii) the extent to which our Funds are able to achieve their investment objectives and investor perception of our and their performance; (iv) changes in the amount of distributions, dividends or interest paid by or in respect of our investments and our ability to successfully monetize or otherwise realize on our investments; (v) differences between our actual financial and operating results and those expected by investors and analysts; (vi) changes in analysts' recommendations or earnings projections; (vii) the depth and liquidity of the market for our shares; (viii) the departure of key personnel; (ix) conduct or actions by our personnel that adversely affect our reputation; (x) the sale of securities by senior management or significant shareholders; (xi) changes in general economic, market and political conditions; (xii) currency exchange rates, including in particular the Canadian dollar, being the currency in which our shares trade, and the US dollar, which is the functional currency of our Funds and of a substantial number of our PE and Debt Investments; (xiii) actual or prospective changes in government laws, regulations or rules; and (xiv) the materialization of other risks described in this section.

Variable Earnings and Cash Flows

Our earnings and cash flows are highly variable from quarter to quarter, reflecting the volatility of investment returns, carried interest and performance fees earned from our business activities. Onex' entitlement to share in the profits generated for third-party investors in the Funds will generally depend on the terms of the Fund's governing agreements, the extent to which we may agree on different terms with one or more Fund investors, the realized and unrealized gains or losses reported by each Fund, and whether the Fund's performance threshold is met, if applicable. Further, (i) many of our PE and Credit Funds provide investors with the right to remove us as general partner, terminate the investment period or accelerate the liquidation of a Fund for cause or for convenience and (ii) certain of our Credit strategies, and the large majority of our Gluskin Sheff client relationships, allow investors or clients to reduce or withdraw their investments on relatively short notice, any of which could have a material adverse effect on our business, earnings, cash flow and prospects. See also "Changes in Asset Management Fees and Returns" below. Finally, our earnings and cash flows will be substantially affected by the pace and size of investments and realizations of our invested capital, a large portion of which is episodic. See also "Liquidity" below.

Global Economic Conditions; Market Dislocation; Business Cycles

General global economic conditions, including, without limitation, interest rates, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, public health crises (such as the recent global outbreak of a novel coronavirus, COVID-19) and other events outside of our control, may affect the activities of Onex, our Funds and the businesses in which our Funds invest, the value of our PE and Debt Investments, and the investment activities of Gluskin Sheff. Liquidity and volatility, credit availability and market and financial conditions generally could change at any time. These changes could have a material adverse effect on our ability to complete investment programs, our ability to realize on PE and Debt Investments, the terms of those investments, or our business, operations, condition or prospects or those of the operating businesses in which our PE Funds invest or that are the direct or indirect counterparties to our Debt Investments ("Borrowers"). Challenging market and economic conditions, including those caused by changes in tax laws and other regulatory restrictions, may make it difficult for our Funds to find suitable investments or to secure financing for investments on attractive terms. Such conditions may also result in reduced opportunities for our Funds to exit and realize value from their investments. In addition, in the event that sources of finance are not readily available or become too costly, it may be difficult for potential purchasers to secure capital to purchase our Funds' investments.

Performance fees earned by Gluskin Sheff and in some of our Onex Credit strategies are calculated based on the difference in net asset value on the first and last days of the relevant performance period – typically a quarter or a year. The use of single-day data points in determining fees could cause those fees to be significantly impacted by market events or factors that have an aberrational effect on net asset value on a portfolio calculation date. Any of the foregoing may contribute to lower-than-expected returns, which could negatively impact both our return on invested capital and our carried interest and performance fee opportunities.

Limited Number of Funds and Investments

We manage a limited number of Funds and each Fund may participate in a limited number of investments. Onex' entitlement to carried interest in respect of a particular Fund depends on the returns generated in respect of the limited number of investments made by that Fund. Particularly within the private equity platform, a Fund's investments may be concentrated within relatively few industries, sectors, countries or regions. Onex and our Fund investments may also be exposed to one or more common or systemic risks. The aggregate returns of our Funds, and therefore the amount of our carried interest, may be negatively affected by the unfavourable performance of a single investment or small group or type of investments. The unfavourable performance of even a single Fund may have a material adverse effect on our business, operations and financial results. The foregoing risks are in addition to the risks associated with our own capital invested in PE and Debt Investments.

Additional or Successor Funds; Maintenance and Growth of Wealth Management Business

We compete with other asset managers and investment advisors in raising, retaining and growing fee-generating assets under management. To the extent that we are unable to raise successor private equity and credit funds of a comparable size and with comparable financial terms to our current or predecessor Funds, revenues may decrease as the investment period of the Funds expire and associated fees and other financial opportunities decrease. The ability to raise new funds will be materially affected by the performance of our current or predecessor Funds and could also be hampered if the general appeal of private equity, credit and alternative investments was to decline or our reputation or relationship with investors was to deteriorate. Similarly, Gluskin Sheff operates in a highly competitive industry where poor investment returns can lead to clients withdrawing capital on relatively short notice and investing that capital with better-performing investment advisors. The ability of Gluskin Sheff to maintain its advisory and performance fee structure depends on its ability to provide clients appropriate investment opportunities, to successfully allocate existing client capital and to attract new client capital.

Changes in Asset Management Fees

Investors in future funds may negotiate to pay us lower management fees, reimburse us for fewer expenses or change the economic terms of our future funds to be less favourable than those of our current Funds, reducing our financial opportunity from those asset management activities. Similarly, the agreements pursuant to which Gluskin Sheff manages clients' capital, in accordance with wealth management and investment advisory industry practice, may be terminated on relatively short notice and clients may withdraw capital in favour of better performing products offered by competitors. We may also determine to amend existing arrangements or agree to future arrangements on less advantageous terms in order to maintain or grow the Gluskin Sheff business.

Carried Interest Clawback

The governing documents of certain Funds include "clawback" provisions that, if triggered, may require us to return amounts to Fund investors periodically via interim "true-ups" or at the end of the life of a Fund. If a clawback obligation arises, we will be required to return previously distributed carried interest to the extent that, due to the diminished performance of later investments, the aggregate amount of carried interest previously received exceeded the amount to which we are entitled after giving effect to any performance thresholds.

Dependence on Key Personnel

We depend on the efforts, skills, reputations and business network of our investment and client advisory professionals. There can be no assurance that these individuals will continue to be employed or engaged by Onex. The loss of even a small number of our professionals could jeopardize our performance or that of our Funds or the Gluskin Sheff business. In addition, the governing agreements of our PE Funds and certain Credit Funds may provide rights to third-party investors following a significant loss of key personnel, including the right to terminate the investment period of a Fund early. As a result, the Fund may not be able to accomplish its investment objectives and/or our opportunity to earn returns on our own capital as well as management fees and carried interest may be reduced. Our continued success also depends on our ability to motivate current employees and to recruit, retain and motivate new employees, including qualified investment and advisory professionals. The market for such candidates is highly competitive and our ability to recruit, retain and motivate employees is dependent on a number of factors, including our ability to offer attractive compensation and incentive opportunities, which may result in significant additional expenses.

High-Risk and Illiquid Investments

A significant portion of Onex' and our Funds' investments are securities that are not publicly traded. Most PE Investments, as well as certain of our Debt Investments, are illiquid and may be difficult to monetize, limiting our flexibility to adjust to changing economic or investment conditions. Particularly in our private equity business, realization opportunities can be difficult to source, negotiate and implement, whether in a private transaction or through a public offering. Due to the uncertainty associated with public and private markets and the illiquid nature of many of our investments, there can be no assurance that we or our Funds will be able to successfully dispose of an investment at an advantageous time and/or on terms that we believe fully represent fair value. We may dispose of a particular investment for a price below the estimated fair value reflected in the relevant Fund's net asset value and in our publicly filed documents.

Difficulty in Valuing Investments

The reported fair value or "marked-to-market" value of an investment may not reflect the price at which Onex could dispose of an investment at any given time. There are no readily ascertainable market prices for a substantial majority of our illiquid investments. There is also no single standard for determining the fair value in all cases. In many cases, fair value is derived from the application of more than one methodology and/or is best expressed as a range of fair values from which a single estimate may be derived. The determination of appropriate methodologies, their relative weightings, and their application to any particular investment is in part a subjective exercise and further relies on estimates of key inputs and significant assumptions and judgements. Due to the significant uncertainty in the valuation of, or in the stability of the value of, our investments, their fair values as reflected in our publicly filed documents do not necessarily reflect the prices that would actually be obtained when such investments are realized.

Liquidity Requirements

Onex has significant liquidity requirements. Adverse market and economic conditions may negatively impact the sources of liquidity necessary or desirable to effectively operate our business. Reduced or restricted liquidity could impact our ability to: continue to grow and expand our business; fund our capital commitments made to our current and future Funds; invest additional equity in our PE or Debt Investments when otherwise necessary or advantageous; seed and fund new investment strategies and Funds; warehouse investments for the benefit of or in support of our current and new Funds or strategies; make cash distributions in accordance with our dividend policy; repurchase shares under our normal course issuer bids; and otherwise support investment vehicles that we sponsor. Our liquidity is substantially dependent on the pace and size of investments and realizations of our invested capital, our management fee revenues and ability to manage our operating expenses, and our success in earning carried interest and performance fees.

Foreign Exchange and Interest Rate Risk; Hedging

Onex and our Funds, PE Investments, Debt Investments and Gluskin Sheff may have different functional currencies and our PE and Debt Investments may have investments with international operations conducted in other currencies, such that we are exposed to changes in foreign exchange rates and other currency-related risks. Separately, and as discussed at length elsewhere in these risk factors, the vast majority of our operations, activities and investments are directly or indirectly subject to interest rate risk. We may enter into swaps, forward contracts and other arrangements and hedging transactions to seek to preserve a return on a particular investment or to seek to protect against currency or interest rate fluctuations. Such transactions give rise to certain costs and also to additional risks, including counterparty and liquidity risks. We may not be able to, or we may choose not to, seek to fully insulate Onex from such risks.

Available Investment Opportunities and Competitive Marketplace

Our Funds compete for investment opportunities with a significant number of other investment funds as well as with institutional and strategic investors. As a result of the high level of competition, there can be no assurance that our Funds will be able to locate suitable investment opportunities, to acquire them on appropriate terms or to achieve the targeted rate of return. Our Funds may lose future investment opportunities if we are unwilling to match investment prices, structures and terms offered by competitors.

Failure to Make Capital Contributions or Contributions in Full and on a Timely Basis

The ability of our PE Funds and the direct lending funds within our credit investing platform ("Direct Lending Funds") to complete their investment programs or otherwise continue operations may be impaired or otherwise affected if a Fund investor fails to satisfy its contractual funding obligations on a timely basis.

Expedited Transactions

Investment analyses and decisions may be undertaken on an expedited basis in order to take advantage of investment opportunities in the market. Under such circumstances, the information available to us or our Funds at the time of an investment decision may be limited and we may not have access to the detailed information necessary for a full or optimal evaluation of the investment opportunity.

Due Diligence

Prior to committing to an investment, particularly in our PE and relevant Credit Funds, we conduct due diligence that we believe to be reasonable and appropriate in order to identify potential risks and to develop risk mitigation and growth strategies that support long-term value creation. The findings from the due diligence process may result in Onex or a Fund proceeding or not proceeding with a particular investment. We also rely on third-party consultants, legal advisors, financial experts and other specialist advisors to supplement the due diligence process. Further, the mix of information available to us and our advisors is typically restricted. We cannot be certain that the results of the due diligence process will uncover or draw attention to all relevant facts that may be necessary or useful in evaluating an investment.

Failure to Manage Risks

We use our best efforts to monitor, evaluate and manage the principal risks associated with our investment and advisory activities. Risks include external market risks to which all investors are subject and internal risks resulting from the nature of the investment management and advisory business. Some of our methods of managing risk are based upon observed historical market behavior and may not accurately predict future risk exposures, which may be significantly greater than the historical measures indicated. Other risk management methods depend upon the evaluation of information regarding businesses, opportunities, markets, clients or other matters that is publicly available or otherwise accessible and such information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Uncertainty of Business Plans and Financial Projections

The price and terms on which our Funds are willing to invest depends in substantial part on the business plans and financial projections of a prospective private equity operating company or a prospective Borrower. Such plans and projected operating and financial results will typically be based primarily on the intentions, analysis and judgement of management. In all cases, projections are only estimates of future results and are based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections.

Financial Fraud

Instances of fraud and other deceptive practices committed by our personnel or by senior management or employees of the businesses in which our PE Funds invest or by Borrowers to which our Debt Funds lend may materially and adversely affect our or their financial condition, reputation and prospects and, in the case of our PE investments and Borrowers, the value of our investments. Instances of fraud may also undermine our due diligence efforts such that we or our Funds may make investments that we or our Funds would otherwise not have made or would have made on significantly different terms. Misconduct by employees could include entering into binding transactions that exceed authorized parameters or present unacceptable risks, or, in certain contexts, the concealment of unauthorized or unsuccessful investment activities. It is not always possible to deter fraud or other deceptive practices and the systems in place to prevent and detect such activity may not be effective in all circumstances.

Investments with Third Parties; Minority Investments

We or our PE or Credit Funds may co-invest in a business with third parties, including strategic investors and management team members, whose ability to influence the day-to-day management and affairs of the business may be significant. Such investments may involve risks arising from such third-party involvement, including the possibility that another investor may have financial, legal or regulatory difficulties that negatively impact such investments, may have economic or business interests or goals that are inconsistent with ours or may be in a position to take (or block) action in a manner contrary to our investment objectives. In addition, we may in certain circumstances be liable for the actions of our third-party investors. Further, our Credit Funds will typically hold minority interests in the loans in which they invest. The terms of those loan arrangements may be amended or waived without our consent and we and the other lenders will typically have little or no ability to influence the activities of the underlying Borrower.

Reliance on Operating Company Management

Our involvement with PE Fund operating companies is limited. We may be involved in certain matters related to strategic planning, the identification, negotiation and implementation of material acquisitions or capital markets transactions, the development of transformation, restructuring and other business plans and similarly material matters but ultimately, we rely on operating company management. We do not get involved in the day-to-day operations of those operating companies irrespective of whether our Funds hold a controlling interest.

Investments in Public Companies

We or our PE Funds may invest in public companies or our PE Funds' may take privately-held operating companies public. Investments in public companies may subject us to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information, limitations on our ability to dispose of securities at certain times (including due to our possession of material non-public information), increased likelihood of operating company shareholder litigation, regulatory action by securities authorities and increased costs associated with those risks.

Control Position Risk

Our ability to exercise control or exercise influence over the management or strategic direction of a PE Fund and its operating companies could expose us or that PE Fund to claims by such operating companies and/or its executives, employees, pension beneficiaries, security holders and creditors.

Conflicts of Interest

Potential conflicts of interest could arise in connection with the activities of Onex and any of our Funds, Fund investors, private equity operating companies, Borrowers and/or Gluskin Sheff. Our ability to effectively pursue attractive proprietary investment opportunities, enter into strategic relationships or implement new investment strategies or platforms may be limited by the governing documents of our Funds or by applicable law relating to the management of investment funds. Conflicts of interest may arise between a Fund or one or more investors and Onex or among our Funds, including but not limited to those relating to the purchase or sale of investments, the allocation, timing or structuring thereof, the exercise of rights with respect thereto, or the advice we provide to our Funds. Conflicts may also arise between, among or in respect of our private equity operating companies or Borrowers. For example, we or our PE Funds may invest in an operating company that is a competitor, service provider, supplier, customer, or other counterparty of or to Onex, a Fund or another private equity operating company.

Legal and Regulatory Risks – General

Onex and our Funds, private equity operating companies, Borrowers and Gluskin Sheff are subject to a range of laws of general application, which may include: anti-bribery, anti-money laundering and anti-corruption laws; lobbying laws; antitrust, competition and takeover laws; data privacy and data protection laws; environmental laws; employment, labour and pension laws; tax laws and a wide variety of others that may impose requirements on us, our Funds and the businesses in which our Funds invest. Failure to comply with applicable law could expose us, our Funds and those businesses to civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or litigation.

Legal and Regulatory Risks – Investment Advisory Affiliates

The legal and regulatory environment in which Onex and our investment advisory affiliates operate gives rise to a number of risks that could materially affect our ability to achieve our business and investment objectives and/or result in significant costs and expenses. In particular, Onex is regulated as a public company and several of our investment management or advisory affiliates are registered as investment advisors, portfolio managers, investment fund managers and/or dealers in certain jurisdictions. The applicable regulation is complex and evolving and the costs and expenses of regulatory registration and compliance are substantial and may escalate over time. The current regulatory environment, additional legal or regulatory matters that may become relevant as a result of growth or other changes in our business, changes in regulation over time or our failure or alleged failure to comply with applicable laws and regulations, including inadvertently, may have a variety of adverse consequences. Those adverse consequences may include: subjecting us to formal or informal inquiry or investigation; damaging our relationships with existing or prospective investors; subjecting us to civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or regulatory enforcement or private litigation; impairing our ability to manage our existing assets under management, raise new management assets or enter new asset management businesses; impairing our ability to carry out certain investment strategies; contravening agreements to which we are a party; impairing employee retention or recruitment; and otherwise requiring substantial attention by senior management.

Tax Reassessments and Changes in Taxation Laws

The tax considerations affecting the ability of Onex and our Funds to achieve their investment objectives are complicated and subject to change and can result in significant costs and expenses. Any change in tax policy, tax legislation (including in relation to taxation rates), the interpretation of tax policy or legislation or practice in relevant jurisdictions could adversely affect the return we earn on our investments, the level of capital available to Onex or our Funds, and the willingness of investors to invest in the Funds. This risk would include any reassessments by tax authorities on our tax returns if we were to incorrectly interpret or apply any tax policy, legislation or practice.

The Organization of Economic Co-operation and Development has proposed several base erosion and profit-sharing measures, including measures covering treaty abuse, the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements that are potentially relevant to some of our investment structures and could have a material and adverse tax effect on Onex, our Funds, PE Investments and Debt Investments.

Many European jurisdictions have implemented taxes on financial transactions, and the European Commission has proposed EU-level legislation to harmonize these taxes for additional EU member states. Several of these proposals for reform, if enacted by countries in which we invest or do business, could materially and adversely affect our investment returns and could reduce the cash available for distributions to Onex or our Funds.

Natural Disasters, Terrorist Acts and Other Disruptions and Dislocations

Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which could have a materially adverse effect on Onex, our Funds or the securities or businesses in which we or they are invested. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses (including, most recently, the novel coronavirus (COVID-19), and related events can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Onex, our Funds and our PE or Debt Investments.

Cybersecurity Breaches and Technology Risk

Information and technology systems used by Onex, one or more of our investment platforms, our Funds, PE Fund operating businesses or Borrowers and our and their service providers may be inadequate for the purposes for which they were intended and may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to allow us to operate our business and/or manage risks effectively are inadequate, compromised, fail, become inoperable for extended periods of time or cease to function properly, our business, activities and/or operational or financial performance may be negatively affected and we may have to make a significant investment to fix or replace them. Such a failure could also harm our reputation and subject us, our Funds, PE Fund operating businesses or Borrowers to legal claims.

Litigation

Our business activities, including in respect of investment decisions made for the Funds, the activities of our employees in connection with PE Investments and Debt Investments, and the investment advice provided by our private equity, credit investing or wealth management employees, may subject us, our Funds, PE Fund operating businesses or Borrowers to the risk of litigation by third parties, including investors or clients dissatisfied with our performance, holders of PE Fund operating companies' or Borrowers' debt or equity, and a variety of other potential litigants.

Prior Performance Not Indicative of Future Results

The performance of prior investments is not necessarily indicative of future results. There can be no assurance that Onex or any Fund or security, business or investment strategy in which we, a Fund or Gluskin Sheff clients invest will match or exceed prior performance. Total loss of our capital invested in any one or more PE or Debt Investments is possible. Further, we will not be entitled to carried interest in respect of a particular Fund, or performance fees in respect of an investment portfolio or activity, if the underlying investments do not achieve the relevant performance threshold.

Risks in Effecting Operating Improvements

In certain cases, the success of our investment in and management of our PE Funds depends, in part, on the ability to structure and effect improvements in the operations of the Funds' operating companies. Identifying and implementing restructuring programs and operating improvements at the operating company level entails a high degree of uncertainty. There can be no assurance that operating company management, with our support where appropriate will be able to successfully identify and implement such restructuring programs and improvements.

Leverage

Our PE and Debt Investments may include companies or structures that utilize or involve significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the relevant businesses to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the businesses or their respective industries. Additionally, the securities acquired by Onex or a Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. In addition, we or our Funds may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms, which could result in lower-than-expected returns on investments and negatively impact both the return on our invested capital and our carried interest opportunities.

Inherent Risks in PE Investments

Each business in which a PE Fund invests faces risks, including but not limited to those set out below. These and other risks may affect one or more PE Investments or other Onex investments. The extent to which, and manner in which, any single factor or combination of factors affects a PE Investment may be different, could be material to the affected business or businesses and, in aggregate, could be materially adverse to Onex. Such risks include those associated with: limited financial resources and access to capital at desired levels and on acceptable terms; commodity price risk; interest rate risk; inflationary pressure; reliance on governmental funding; ability to execute its strategic, transformation or restructuring plans or to effectively integrate acquired businesses, as applicable;

reliance on key management or other personnel; exposure to one or a limited number of suppliers or customers; litigation and product liability and warranty risk; risk of displacement or obsolescence of its products or services; competitive dynamics in its industry or sector; risk associated with business-specific or industry-specific regulation; risk of rebuilding and replacing legacy systems; risk of fraud or wrongdoing by operating company management; risk of challenged tax structures or changes in taxation laws and policies; risks relating to local government instability; changes to labour and employment conditions; changes to climate and environmental conditions; foreign investment regimes; government security and export controls; excise and sanction laws; anti-corruption laws; and protectionist measures, tariffs and trading quotas/restrictions.

Effects of Bankruptcy – PE Investments

Our PE Investments may become the subject of voluntary or involuntary bankruptcy or similar proceedings under applicable laws. Bankruptcy cases may involve additional or heightened risks of impairment or loss of the value of such investment, other adverse effects on the underlying business or on our invested capital and our carried interest opportunity, and the potential for material litigation.

Pension Liabilities

We could face risk of loss from employee pension-related liabilities arising from PE Fund operating companies that maintain or contribute to defined benefit pension plans in the United States and certain other jurisdictions. Such pension liabilities could exceed the value of the relevant investment.

Regulatory Compliance; PE Investments in Regulated Industries

We or our PE Funds may invest in industries that are or may become subject to regulation by one or more governmental agencies. New and existing regulations, changing regulatory schemes, and the burdens of regulatory compliance all may have a material negative impact on the performance of the PE Fund operating companies that operate in these industries. Furthermore, extensive government regulation of certain industries in which we may invest creates additional uncertainty and risks for that investment. Obtaining regulatory approval for a change in the ownership, business activities, capital structure or management of a regulated business may be a lengthy and expensive process with an uncertain outcome.

Inherent Risks in Credit Fund Debt Investments

As an investor in and the manager and general partner of our Credit Funds, Onex may be exposed to various risks in connection with Debt Investments. Onex and our Credit Funds invest in highly leveraged borrowers, CLOs, structured finance securities, non-investment grade loans, senior secured loans including first lien loans and tranches of uni-tranche loans, warehouse Debt Investments, bank loans, balloon loans, bullet loans or other loans that have limited mandatory amortization requirements, covenant-lite loans and other illiquid, long-term, stressed or distressed Debt Investments. Our Credit Funds' ability to dispose of such investments in a timely manner for a fair price may be restricted. There can be no assurance that the market will not experience periods of significant illiquidity in the future.

The characterization of certain Debt Investments as senior debt or senior secured debt does not mean that such debt will necessarily be repaid in priority to all other obligations of the businesses in which a Credit Fund invests. Even where the senior loans held by a Credit Fund are secured by a perfected lien over a substantial portion of the assets of a Borrower and its subsidiaries, the Borrower and its subsidiaries may be able to incur a substantial amount of additional indebtedness, which may have an exclusive lien over particular assets or the assets held by non-guarantor subsidiaries. We face similar risks in respect of our CLO investments. The largest portion of Onex' own capital invested in our credit strategies is in the equity tranches of CLOs, which is the most junior interest and therefore exposed to the highest risk in a CLO structure.

Each Debt Investment faces inherent risks, including but not limited to those set out below. These and other risks may affect one or more Debt Investment or other Onex investments. The extent to which, and manner in which, any single factor or combination of factors affects a Debt Investment may be different and could be material to the affected Debt Investment and, in aggregate, could be adverse to Onex. Such risks include those associated with: insufficient lender protections; credit risk and bankruptcy and similar proceedings; fraudulent conveyances; lender liability; equitable subordination and recharacterization; interest rate sensitivity; time required for the maturity of investments; early and unscheduled prepayments; highly volatile instruments; non-controlling investment positions; due diligence risks; expedited investment timeframes; reliance on third-party borrower management; currency risks and hedging risks; inability to make required payments; quality of collateral; subordination to senior or secured debt; complex structures which lead to disputes; lack of direct rights against borrowers; changes related to interest rate policies and rates; difficulties or delays liquidating or realizing on collateral; and credit rating downgrades.

Credit Risk; Bankruptcy and Other Proceedings – Debt Investments

One of the fundamental risks associated with our Credit Funds' Debt Investments is credit risk, which is the risk that a Borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations when due. A Credit Fund's returns to Onex would be adversely impacted if a relevant Borrower becomes unable to make such loan payments when due or enters into or becomes subject to insolvency or bankruptcy proceedings.

Cash and Cash Equivalents

Onex may hold substantial cash and cash equivalents at any given time. Available cash and cash equivalents may be held in interest-bearing accounts, funds managed by third-party financial institutions or other similar instruments. Access to invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, and we may be subject to risk of loss of assets in connection with bank or other financial institution failures.

Multiple Voting Shares

Matters submitted to a vote of Onex shareholders generally require a majority or more of all outstanding multiple voting shares and subordinate voting shares voting as a single class. Until the occurrence of an Event of Change (as defined in the articles of Onex), the holders of multiple voting shares are entitled to elect 60% of the members of the Onex Board of Directors and to cast such number of votes in the aggregate as represents 60% of the aggregate votes attached to all outstanding shares that have the right to vote at a meeting of Onex shareholders. Holders of multiple voting shares are able to determine the composition of a majority of the Onex Board and to determine the outcome of most matters submitted for a vote of Onex shareholders. Following the occurrence of an Event of Change (which would include the loss of the services of Mr. Gerald W. Schwartz as Onex' Chief Executive Officer), the multiple voting shares would cease to carry rights other than the right to elect 20% of the members of the Onex Board of Directors for three years, after which that right would terminate. The occurrence of such an Event of Change could therefore lead to uncertainty and volatility and could subject us to risks generally applicable to non-controlled public companies but to which we have not historically been subject.

DIVIDENDS

The declaration and payment of dividends is at the sole discretion of the Board of Directors and may vary depending on a variety of factors and conditions. Dividends are declared and paid quarterly on or about the last day of January, April, July and October of each year. The Board of Directors normally reviews the dividend policy in May of each year in the context of Onex' overall profitability, free cash flow, legal requirements and other such factors the Board of Directors determines to be relevant, with any changes becoming effective with the July dividend payment. For the first quarter of 2017, the quarterly dividend was C$0.06875 per SVS. The quarterly dividend was increased by 9% to C$0.075 per SVS in May 2017, by 17% to C$0.0875 per SVS in May 2018 and by 14% to C$0.10 per SVS in May 2019. As of December 31, 2019, the quarterly dividend remained at C$0.10 per SVS.

CAPITAL STRUCTURE

Authorized and Outstanding Shares

Onex had the following authorized and outstanding share capital at December 31, 2019:

- 100,000 Multiple Voting Shares ("MVS"), which entitle their holders to elect 60% of the Company's directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The MVS have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid-in value. At December 31, 2019, Onex had 100,000 MVS outstanding.
- An unlimited number of SVS, which carry one vote per share and as a class are entitled to: 40% of the aggregate votes attached to all shares of the Company carrying voting rights; elect 40% of the directors; and appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors. At December 31, 2019, Onex had 100,063,143 SVS outstanding.
- An unlimited number of Senior and Junior Preferred Shares issuable in series. The Onex directors are empowered to fix the rights to be attached to each series. There were no Senior or Junior Preferred Shares issued and outstanding at December 31, 2019.

Details in respect of the terms and conditions of the outstanding shares, including changes to the voting rights attached to the MVS and the SVS upon the occurrence of certain events, are set forth in the 2019 Information Circular under the heading "Voting Shares", which information is incorporated herein by reference.

MARKET FOR SECURITIES

Trading Information

The publicly traded SVS are listed for trading on the TSX under the symbol "ONEX". The following table sets out the reported high and low trading prices and the aggregate volume of trading for Onex SVS that were outstanding at any time during the fiscal year ended December 31, 2019.

	2019		
	Share Volume (millions)	Share Price (C$)	
		High	Low
January	3,189,066	79.28	72.33
February	2,854,361	80.67	72.73
March	3,567,852	82.11	72.17
April	2,822,242	79.95	74.75
May	3,191,572	81.35	74.80
June	4,482,263	80.06	72.88
July	3,013,445	82.82	78.18
August	2,565,707	80.53	74.65
September	2,796,454	84.28	77.38
October	3,046,457	82.44	76.15
November	2,805,616	81.64	77.45
December	2,696,542	83.73	77.68
Fiscal 2019	37,031,577	84.28	72.17

Normal Course Issuer Bids

Onex had in place normal course issuer bids ("NCIBs") during 2018 and 2019, enabling the Company to repurchase up to 10% of its public float of SVS. Under the NCIB that expired on April 17, 2019, Onex repurchased 1,536,532 SVS at a total cost of $94 million (C$124 million). As of December 31, 2019, Onex had repurchased 7,900 SVS at a total cost of $0.5 million (C$0.6 million) under the NCIB that expires on April 17, 2020.

DIRECTORS, OFFICERS AND EXECUTIVES

Directors

The names and biographical information of the members of the Onex Board of Directors and its committees are set forth in the 2019 Information Circular under the heading "Election of Directors", which information is incorporated herein by reference.

Executive Officers

The following table sets forth the executive officers of the Company, all of whom have held these or other positions with the Company throughout the past five years.

Name and Municipality of Residence	***Executive Office***
Gerald W. Schwartz Toronto, Ontario	*Chairman of the Board,* *President and Chief Executive Officer*
Ewout R. Heersink Oakville, Ontario	*Senior Managing Director*
Robert M. LeBlanc Newtown, Connecticut	*Senior Managing Director*
Seth M. Mersky Toronto, Ontario	*Senior Managing Director*
Anthony Munk New York, New York	*Senior Managing Director*
Christopher A. Govan Oakville, Ontario	*Senior Managing Director - Chief Financial Officer*
David Copeland Toronto, Ontario	*Managing Director – Finance*
Andrea E. Daly Toronto, Ontario	*Managing Director – General Counsel*

Security Holdings of Directors, Executive Officers and Senior Management

To the knowledge of the Company, at December 31, 2019, the directors and executive officers beneficially owned, directly or indirectly, or exercised control or direction over, or may be deemed to have exercised control or direction over, an aggregate of 17,905,315 of the outstanding SVS, inclusive of Director and Management Deferred Share Units (representing approximately 17.9% of the outstanding SVS on an undiluted basis), and 8,963,000 options to acquire SVS (which, together with their holdings of SVS, represent 23.5% of the outstanding SVS on a fully diluted basis).

At December 31, 2019, Onex' senior management, together with the executive officers and directors, beneficially owned, directly or indirectly, or exercised control or direction over, or may be deemed to have exercised control or direction over, an aggregate of 18,655,794 of the outstanding SVS, inclusive of Director and Management Deferred Share Units (representing approximately 18.6% of the outstanding SVS on an undiluted basis), and 11,228,425 options to acquire SVS (which, together with their holdings of SVS, represent 25.6% of the outstanding SVS on a fully diluted basis).

Mr. Gerald W. Schwartz beneficially owns and controls, directly or indirectly, 100% of the outstanding MVS of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Hawker Beechcraft Corporation, a joint venture operating company of Onex Partners II, filed for bankruptcy protection in the United States in the second quarter of 2012 and exited bankruptcy on February 15, 2013. Mr. Mersky, an executive officer of Onex, was a member of the board of directors of Hawker Beechcraft prior to its bankruptcy filing.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Company's SVS is:

AST Trust Company (Canada)
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860

or

call toll-free throughout Canada and the United States
1-800-387-0825
www.astfinancial.com/ca

or

inquiries@astfinancial.com (e-mail)

INTERESTS OF EXPERTS

The Company's independent auditor is PricewaterhouseCoopers LLP ("PwC"), Chartered Professional Accountants, who has issued an independent auditor's report dated February 27, 2020, in respect of the Company's consolidated financial statements with accompanying notes as at and for each of the years ending December 31, 2019 and December 31, 2018. PwC has advised that it is independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXTERNAL AUDITOR SERVICE FEES

The following table sets forth the aggregate fees incurred by the Company for audit and other services performed by the Company's auditor, PwC, for the years ended December 31, 2019 and 2018. The table below should be read within the context of the Company's primary business as a private equity firm that (i) sponsors multiple fund platforms, the senior management and investment professionals of which generally make independent decisions on the selection of service providers and (ii) invests the substantial majority of its capital in a portfolio of independent operating companies. Each operating company has its own management team, board of directors and audit committee, prepares its own stand-alone audited financial statements and engages its own local auditor, which may or may not be PwC. An operating company may independently decide to engage PwC for audit or non-audit services, a fact-driven determination that is exclusively at the discretion of the operating companies' boards of directors and audit committees. Similarly, the manager of an Onex-sponsored fund platform may engage PwC as a non-audit service provider, having determined that to do so would be in the best interests of the relevant fund and its investors. Onex' sole involvement in the review of services provided by PwC to the operating companies or such fund managers is to ensure the services would not impair the independence of PwC to audit the consolidated financial results of Onex. Accordingly, the table breaks out the information related to Onex as the ultimate parent company from that related to the independent operating companies.

(in thousands)	**2019**	**%**	**2018[(1)]**	**%**
Audit				
Corporate office	$ 1,440		$ 2,011	
Fund platforms	997		428	
Operating companies[(2)(3)]	6,569		17,479	
	9,006	59.1	19,918	61.3
Audit-Related				
Corporate office	3		105	
Fund platforms[(4)]	714		1,382	
Operating companies[(2)(4)]	749		5,404	
	1,466	9.6	6,891	21.2
Tax – Compliance & Returns				
Fund platforms	2,875		1,897	
Operating companies[(2)]	788		1,175	
	3,663	24.0	3,072	9.5
Tax – Other				
Corporate office	89		-	
Fund platforms	15		6	
Operating companies[(2)]	176		1,036	
	280	1.9	1,042	3.2
Other[(5)]				
Corporate office	234		25	
Operating companies[(2)]	590		1,524	
	824	5.4	1,549	4.8
Total	$ 15,239	100.0	$ 32,472	100.0

Corporate office only:	**2019**	%	**2018**	**%**
Audit	$ 1,440	81.5	$ 2,011	93.9
Audit-Related	3	0.2	105	4.9
Tax – Other	89	5.0	-	-
Other	234	13.3	25	1.2
Total	$ 1,766	100.0	$ 2,141	100.0

(1) Fees for 2018 include fees for operating companies that were sold during 2019, except when Onex had entered into an agreement to sell an operating company during 2018.

(2) Includes fees from controlled operating companies as at December 31 of each respective year.

(3) Includes fees for the audit of internal controls over financial reporting where integrated with the audit of the financial statements.

(4) Includes fees for due diligence associated with merger and acquisition transactions, services related to securities offerings and other audit-related services.

(5) Includes fees for transition and reorganization consulting, as well as other non-audit services.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Board of Directors and the Company's management believe that full compliance with all applicable laws and stock exchanges requirements and the implementation of appropriate corporate governance practices are important for the effective management of the Company and value creation for its shareholders. Onex' commitment to good governance is outlined in the 2019 Information Circular under the heading "Corporate Governance Practices", which information is incorporated herein by reference.

The Audit and Corporate Governance Committee has the responsibility to review and monitor the Company's corporate governance practices and 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 Onex' and its subsidiaries' audit and financial reporting process.

The text of the Audit and Corporate Governance Committee's Charter in effect as of the date hereof is attached hereto as Appendix A.

ADDITIONAL INFORMATION

Additional information, including information concerning the remuneration of directors and officers, their indebtedness to the Company, principal holders of the Company's securities, options and share appreciation rights to acquire securities, and interests of insiders in material transactions is, where applicable, contained in the 2019 Information Circular and will be contained in the 2020 Information Circular. A review of the Corporation's corporate governance policies, with reference to the current and proposed Corporate Governance Guidelines of the Toronto Stock Exchange, is also included in the Information Circulars.

Additional financial information, including comparative consolidated audited financial statements, is provided in the 2019 MD&A and in the audited financial statements of Onex for the year ended December 31, 2019.

Copies of the 2019 Information Circular, this Annual Information Form, the 2019 MD&A and the audited annual financial statements of Onex for the year ended December 31, 2019, as well as any unaudited interim financial statements of Onex subsequent to such date, are available at www.sedar.com, on the Company's website (www.onex.com) or, upon request, from Investor Relations, Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1.

APPENDIX A: 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 have established, and the Corporation's and its subsidiaries' audit and financial reporting process. The Audit and Corporate Governance Committee has the responsibility to review and monitor the corporate governance practices of the Corporation.

The external auditors' ultimate responsibility is to the Board 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 Audit and Corporate Governance Committee is given full access to the Corporation's management and records and external auditors as necessary to carry out these responsibilities. The Audit and Corporate Governance 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 is comprised of at least three directors, each of whom is an independent director, as defined in applicable law.

All members of the Audit and Corporate Governance 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 Audit and Corporate Governance 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 International Financial reporting Standards, 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) establish criteria for immediate reporting of significant complaints to the Committee and obtaining periodic reports about other complaints received;
(w) review of management's antifraud programs and controls, including the fraud risk assessment process; and
(x) 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, the Audit and Corporate Governance 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;
(d) reviewing financial qualifications of Audit and Corporate Governance Committee members;
(e) overseeing the orientation of new directors;
(f) monitoring on a continuing basis the overall effectiveness of the Corporation's system of corporate governance; and
(g) annually assessing the performance of the Audit and Corporate Governance 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 Audit and Corporate Governance Committee. The Audit and Corporate Governance 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.