



NOTICE OF
ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD MAY 8, 2008
AND
INFORMATION
CIRCULAR

ONEX corporation

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

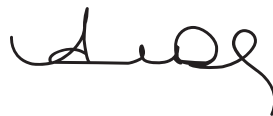
NOTICE IS HEREBY GIVEN that an annual and special meeting of the shareholders of Onex Corporation (the "Corporation") will be held at **the Scotiabank Theatre, 259 Richmond Street West, Toronto, Ontario on Thursday, May 8, 2008 at 10:00 a.m. (Eastern Daylight Saving Time)** for the following purposes:

1. To receive and consider the consolidated balance sheets of the Corporation as at December 31, 2007 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;
5. To consider and, if thought fit, pass a resolution to confirming the amendment and restatement of General By-law No. 1 of the Corporation, the full text of which resolution is set out as Schedule A to the accompanying management information circular; and
6. 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 14th day of March, 2008.

BY ORDER OF THE BOARD



ANDREA E. DALY
Vice President, General Counsel
and Secretary

ONEXcorporation

MANAGEMENT INFORMATION CIRCULAR as at March 14, 2008

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 and special meeting of the shareholders of the Corporation (the “meeting”) to be held on Thursday, May 8, 2008 at 10:00 a.m. (Eastern Daylight Saving Time) at the Scotiabank Theatre, 259 Richmond Street West, 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 124,200,252 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 14, 2008. 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 the date hereof, directly or indirectly, 25,113,018 Subordinate Voting Shares of the Corporation representing approximately 20.22% 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.

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. Several 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/ Deferred Share Units as of February 29, 2008 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 29, 2008 (2)</u>
PETER C. GODSOE, O.C. (3)	Since May 2004	20,000(5)	\$1,678,250
Mr. Godsoe, 69, 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 Barrick Gold Corporation, Sobeys Inc., Ingersoll-Rand Company, Lonmin PLC, Rogers Communications Inc. and Templeton Emerging Markets Investment Trust. Mr. Godsoe is also a director of a number of non-profit institutes including the Atlantic Institute for Market Research and Mount Sinai Hospital. 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.		29,086	
SERGE GOUIN (3).	Since August 1991	44,325(6)	\$2,517,888
Mr. Gouin, 65, 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 Cott Corporation (Lead Director) 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.		29,319	

<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/ Deferred Share Units as of February 29, 2008 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 29, 2008 (2)</u>
BRIAN M. KING (4)	Since March 1987	30,000(7) 28,873	\$2,012,867
<p>Mr. King, 75, of Kenora, Ontario, is the retired Chairman and Chief Executive Officer of Connaught BioSciences, Inc. (now Aventis Pasteur Pharmaceuticals). He is also Chairman of the Board of Directors of Draxis Health Inc. and a director of Vengrowth Investment Funds, a leading Canadian private equity and venture capital group. Mr. King holds a Bachelor of Chemical Engineering degree from the University of Adelaide. Mr. King has been on the board of Onex since its formation and represented founding shareholders.</p>			
ARNI C. THORSTEINSON, C.F.A. (3)	Since March 1987	37,600(8) 35,557	\$2,501,237
<p>Mr. Thorsteinson, 59, 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 Huntingdon Real Estate Investment Trust, Lanesborough Real Estate Investment Trust, Bird Construction Income Fund and Temple Real Estate Investment Trust. Mr. Thorsteinson holds a Bachelor of Commerce (Honours) 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.</p>			

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/ Deferred Share Units as of February 29, 2008 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 29, 2008 (2)</u>
<p>GERALD W. SCHWARTZ, O.C.</p> <p>Mr. Schwartz, 66, 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. Mr. Schwartz is Vice Chairman and a member of the Executive Committee 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, 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)	\$858,614,085
<p>DANIEL C. CASEY (4)</p> <p>Mr. Casey, 60, of Toronto, Ontario, is the Chairman of the Board, Chief Executive Officer and President of Creson Corporation, an investment holding company. 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) 28,632	\$2,209,768

<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/ Deferred Share Units as of February 29, 2008 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 29, 2008 (2)</u>
WILLIAM A. ETHERINGTON	Since September 2007	10,000	\$481,737
Mr. Etherington, 66, of Toronto, Ontario, is the Chairman of the Board, Canadian Imperial Bank of Commerce. Mr. Etherington's corporate directorships include Celestica Inc., MDS Inc. and SS&C Technologies, Inc. Mr. Etherington holds an Honorary Doctor of Laws degree, and Bachelor of Electrical Engineering Science from the University of Western Ontario.		4,090	
JOHN B. MCCOY (4)	Since May 2005	20,000(11)	\$1,408,559
Mr. McCoy, 64, 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 Cardinal Health, Inc., ChoicePoint Inc. and 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.		21,198	
J. ROBERT S. PRICHARD, O.C., O. ONT. . .	Since May 1994	20,000(12)	\$1,609,870
Mr. Prichard, 59, of Toronto, Ontario, is 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 Innovation Council, Chairman of the Visiting Committee of Harvard Law School 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.		27,086	

<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/ Deferred Share Units as of February 29, 2008 (1)</u>	<u>Aggregate Value of Subordinate Voting Shares and Deferred Share Units as of February 29, 2008 (2)</u>
HEATHER M. REISMAN	Since May 2003	1,282,016(13)	\$44,536,304

Ms. Reisman, 59, 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.

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 21 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 29, 2008.
- (3) Member of the Audit and Corporate Governance Committee.
- (4) Member of the Compensation and Management Resources Committee.
- (5) In addition, Mr. Godsoe has a 0.1% indirect interest in the investments made through Onex Partners LP, a 0.1% indirect interest in the investments made through Onex Partners II L.P. ("OP II LP"), a less than 0.17% indirect interest in the investments made through Onex Parallel Investment (ONCAP) L.P. ("ONCAP II"), a 0.1% indirect interest in the investments made through Onex Capital Fund, L.P. ("OCM") and a less than 0.2% indirect interest in the investments made through OREP Canadian Co-Investors LP ("OREP").
- (6) In addition, Mr. Gouin owns directly or indirectly 40,000 subordinate voting shares of Celestica Inc. ("Celestica"), 354,309 Class A Shares of Onex ClientLogic Holdings LLC ("ClientLogic Holdings"), 30,287 Class A Common Shares of SITEL Worldwide Corporation ("SITEL"), 289,000 Class A units of OMI Limited Partnership ("OMILP"), 73,561 Class A Multiple Voting Shares and 33,333 Preferred Shares Series A of Radian Communication Services Corporation ("Radian"), 180,492 Class B Shares of COC Holdings Inc. ("COC") and has a 0.1% indirect interest in Gramercy Communications Partners (Cayman) LP ("Gramercy"), a less than 0.1% indirect interest in ONCAP L.P. ("ONCAP"), a less than 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 0.1% indirect interest in investments made through OP II LP, a less than 0.2% indirect interest in the investments made through OREP and has an economic interest by way of option in 72,657 Class A units of OMILP.
- (7) In addition, Mr. King owns directly or indirectly 70,863 Class A Shares of ClientLogic Holdings, 6,061 Class A Common Shares of SITEL, 11,035 Class A Multiple Voting Shares and 5,000 Preferred Shares Series A of Radian, 54,149 Class B Shares of COC and has a less than 0.1% indirect interest in each of Gramercy and ONCAP and has an economic interest by way of option in 32,696 Class A units of OMILP.
- (8) In addition, Mr. Thorsteinson's spouse has a beneficial interest in 17,088 Subordinate Voting Shares and corporations controlled by Mr. Thorsteinson and/or his spouse hold 70,863 Class A Shares of ClientLogic Holdings, 6,061 Class A Common Shares of SITEL, 22,070 Class A Multiple Voting Shares and 10,000 Preferred Shares Series A of Radian and 11,105 units of Cineplex Galaxy Income Fund and has a less than 0.1% indirect interest in each of Gramercy and ONCAP. Mr. Thorsteinson has a 0.2% indirect interest in the investments made through Onex Partners LP, a 0.33% indirect interest in the investments made through OCM, a 0.02% indirect interest in the investments made through OP II LP, a less than 0.07% indirect interest in the investments made through ONCAP II and a less than 0.3% indirect interest in the investments made through OREP. 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 188,744 subordinate voting shares of Celestica, 3,986,560 Class A Shares of ClientLogic Holdings, 340,729 Class A Common 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), 1,548,601 Class A Multiple Voting Shares and 701,667 Preferred Series A Shares of Radian, 11,095,207 Class A Shares of COC and has a 2.6% indirect interest in Gramercy 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 1.5% indirect interest in the investments made through Onex Partners LP, a 5% indirect interest in the

investments made through OCM, a less than 1.8% indirect interest in the investments made through OP II LP, a less than 6.7% indirect interest in the investments made through ONCAP II and a less than 7.0% indirect interest in the investments made through OREP. Mr. Schwartz indirectly holds additional securities of such subsidiaries of, and entities related to, the Corporation through the investment plan described under "Interests of Insiders in Material Transactions".

- (10) In addition, Mr. Casey has a 0.05% indirect interest in certain investments made through Onex Partners LP, a 0.05% indirect interest in the investments made through OP II LP, a less than 0.07% indirect interest in the investments made through ONCAP II and a less than 0.3% indirect interest in the investments made through OREP. Mr. Casey has an economic interest by way of option in 72,657 Class A units of OMILP.
- (11) In addition, Mr. McCoy has a 0.05% indirect interest in the investments made through OCM, a 0.12% indirect interest in the investments made through Onex Partners LP, a 0.08% indirect interest in the investments made through OP II LP, a less than 0.09% indirect interest in the investments made through ONCAP II and a less than 0.1% indirect interest in the investments made through OREP.
- (12) In addition, Mr. Prichard is a trustee of, and his immediate family are beneficiaries of, a trust which holds directly or indirectly, 124,009 Class A Shares of ClientLogic Holdings, 10,602 Class A Common Shares of SITEL, 500,000 Class A units of OMILP, 36,792 Class A Multiple Voting Shares and 16,667 Preferred Shares Series A of Radian, 360,996 Class B Shares of COC and has less than 0.1% indirect interest in each of Gramercy and ONCAP. Mr. Prichard has a 0.15% indirect interest in the investments made through Onex Partners LP, a 0.15% indirect interest in the investments made through OCM, a 0.12% indirect interest in the investments made through OP II LP, a 0.2% indirect interest in the investments made through ONCAP II and a less than 0.2% indirect interest in the investments made through OREP.
- (13) In addition, Ms. Reisman owns directly or indirectly, 177,155 Class A Shares of ClientLogic Holdings, 15,145 Class A Common Shares of SITEL, 500,000 Class A units of OMILP, a 0.05% indirect interest in certain investments made through Onex Partners LP and a 0.05% indirect interest in 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 2007.

<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	8 of 8	4 of 4		—	100%	100%
William A. Etherington (1)	2 of 2	—		—	100%	—
Peter C. Godsoe	8 of 8	—		4 of 4	100%	100%
Serge Gouin	8 of 8	—		4 of 4	100%	100%
Brian M. King	8 of 8	4 of 4		—	100%	100%
John B. McCoy	8 of 8	4 of 4		—	100%	100%
J. Robert S. Prichard	7 of 8	—		—	87.5%	—
Heather M. Reisman	8 of 8	—		—	100%	—
Gerald W. Schwartz	8 of 8	—		—	100%	—
Arni C. Thorsteinson	8 of 8	—		4 of 4	100%	100%

Note:

- (1) Mr. Etherington was appointed to the Board effective September 6, 2007.

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").

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, eight 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, and his spouse, Ms. Reisman.

The independent directors are:

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

Brian M. King
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 20,000 shares. The minimum number of shares to be held is determined at December 31 each year 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.
- Eight of the Corporation's ten directors are independent.
- At each regular meeting, the board routinely meets with Mr. Schwartz and the Corporation's Chief Financial Officer 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.
- 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 recommending to the board incentive-compensation plans and equity-based plans for the Corporation, including the stock option plan and the Management Investment Plan. In formulating its recommendations on executive compensation in general and Chief Executive Officer compensation in particular, the Committee considers corporate goals and objectives relevant to the matter and evaluates the executive's

performance relative to those goals and objectives, among other things. The Committee's recommendations for such remuneration levels, including that for the Chief Executive Officer, are 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 four times in 2007 with all members present for all meetings. The Committee is scheduled to meet four times in 2008.

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 four times in 2007 with all members present in person for each of those meetings. The Committee is scheduled to meet four times during 2008. 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 consists of ten members, which is considered by the board to be an appropriate size to facilitate effective decision-making. The entire board, eight 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 2007, there were

five in-person board meetings and three telephone meetings. Each director attended all of the meetings, except that Mr. Prichard missed one in-person meeting.

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: 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, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Audit at corporate office	\$ 1,080,000	\$ 990,000
Audit at operating companies	<u>15,115,000</u>	<u>7,476,000</u>
	<u>16,195,000</u>	<u>8,466,000</u>
Tax at corporate office	198,000	66,000
Tax at operating companies	<u>4,174,000</u>	<u>2,405,000</u>
	<u>4,372,000</u>	<u>2,471,000</u>
Internal controls for Sarbanes-Oxley and Bill 198		
Corporate office	65,000	75,000
Operating companies	<u>1,906,000</u>	<u>—</u>
	<u>1,971,000</u>	<u>75,000</u>
Other at corporate office (1).	242,000	21,000
Other at operating companies (1).	<u>2,508,000</u>	<u>474,000</u>
	<u>2,750,000</u>	<u>495,000</u>
Total	<u>\$25,288,000</u>	<u>\$11,507,000</u>

Note:

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

EXECUTIVE COMPENSATION REPORT

Composition of the Compensation and Management Resources Committee

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.

Report on Executive Compensation

The Corporation is one of North America’s oldest and most successful private equity investors and alternative 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 the 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 the competitive characteristics of compensation in different industries.

Levels of compensation, including the components thereof, are generally 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 the focus in the private equity investing business on implementing a disciplined, active ownership approach of acquiring and building industry-leading businesses in partnership with outstanding management teams, and 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 its private equity investing business.

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, as regards the Corporation, the relatively small number of executives at the corporate office. The Corporation does not maintain any pension or other retirement plan for the employees of its corporate office. 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 26 through 31 of this management information circular and are similar in substance to those offered to management of competitors of the Corporation.

The total compensation package for executives of the Corporation and its operating subsidiary companies consists primarily of three components — base salary, bonus, and stock participation, including stock options, share appreciation rights and/or, in the case of operating subsidiaries, share purchase loans. In establishing base salaries, the objective of the Committee (and the boards of directors or compensation committees of subsidiary companies) 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 salary compensation levels for executive officers other than the Chief Executive Officer are based upon expected contribution of an executive officer to the increase in value of the Corporation’s underlying assets or the assets of the relevant subsidiary.

The second component of executive compensation is the bonus opportunity. The Corporation and each operating subsidiary has its own bonus plan arrangements. The plans are intended to serve as a reward for the achievement of specific current year financial and operating results, achieving or surpassing performance targets relating to a myriad of factors including growth and increase in value of operating companies, the identification of acquisitions and the successful completion thereof, as well as individual objectives.

The third component of executive compensation, namely stock options, share appreciation rights and, in the case of operating subsidiaries, share purchase loans, has been used to reward executive officers of the Corporation

or operating subsidiaries. As indicated in the tables on page 24, stock options to acquire shares of the Corporation or operating subsidiaries have been made available to complement base salary and bonus. Loans have been made available to certain executive officers of operating subsidiaries to allow them to acquire shares of the operating subsidiary. No loans have been made to executive officers of the Corporation to acquire shares.

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 a base salary, bonus and stock options under the Corporation's stock option plan. Mr. Schwartz's aggregate compensation for 2007 was \$12,621,993.

In establishing the Chief Executive Officer's base salary, the magnitude and diversity of the revenue and asset base of the Corporation, leadership at a public company level, community leadership and involvement and the unique diversity of the Corporation's businesses are important determining factors. Notwithstanding the Corporation's substantial growth in all aspects of its business in the past five years, Mr. Schwartz' base salary has been unchanged in U.S. dollars during this time.

In establishing the Chief Executive Officer's other compensation entitlements, the Committee takes into consideration Mr. Schwartz's contribution to the Corporation in terms of leadership in the management of the Corporation and its subsidiaries, increases in shareholder value, growth in the value of the underlying assets of the Corporation, the financial performance of operating subsidiaries and other investments, the effective development and growth of the Corporation, completed acquisitions and dispositions, and the development of new investment opportunities and relationships for the Corporation and its subsidiaries.

In determining Mr. Schwartz' bonus for 2007, the Committee considered the Corporation's continued success in making and realizing investments directly and through each of Onex Partners LP and Onex Partners II LP, and in building the value of those and prior investments. 2007 transactions included the acquisitions of or investments in Tube City IMS Corporation, Hawker Beechcraft Corporation, Carestream Health, Inc., Allison Transmission, Inc. and Husky Injection Molding Products Ltd. and the public offerings of shares of each of Spirit AeroSystems, Inc. and Skilled Healthcare, Inc. The Committee further considered the Corporation's achievements in its alternative asset management business, including the completion of three major transactions by Onex Real Estate Partners and the launch of Onex Credit Partners, the Corporation's first distressed credit fund. The operating and financial performance of, and strategic initiatives implemented by, the Corporation's operating companies were also considered, including the acquisition of Sitel Corporation by ClientLogic Corporation and the follow-on acquisitions undertaken by each of Emergency Medical Services, Inc., Skilled Healthcare, Inc. and Center for Diagnostic Imaging.

The Committee also recognizes that the majority of the Corporation's activities and businesses are located in the United States and accordingly 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 salary, bonus and equity participation, were taken into consideration. Recognition is also given to investment participation.

The above report is submitted on behalf of the Compensation and Management Resources Committee by the following directors who are the members of such Committee:

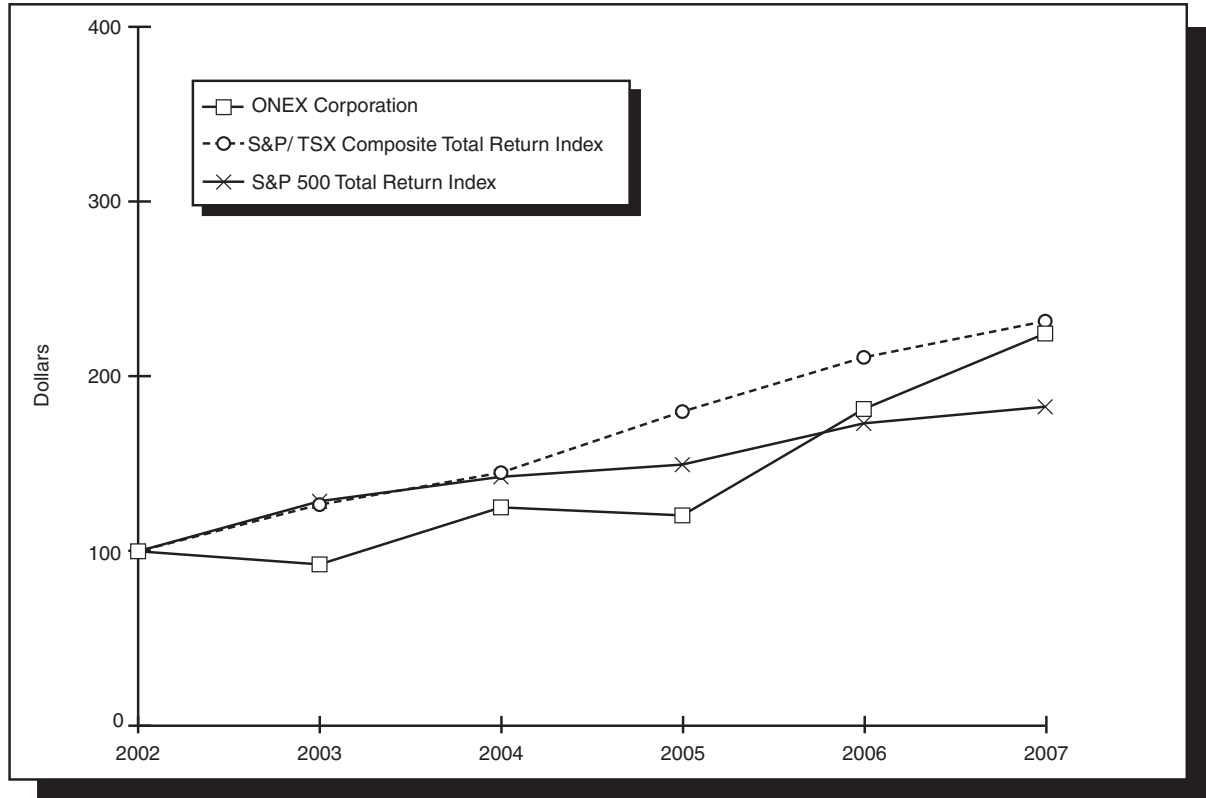
Mr. Daniel C. Casey

Mr. Brian M. King

Mr. John B. McCoy

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, 2002 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,	For the Financial Years				
	2002	2003	2004	2005	2006	2007
Onex Corporation	\$100.00	\$ 92.48	\$125.16	\$120.57	\$181.57	\$224.82
S&P/TSX Composite Total Return Index . . .	\$100.00	\$126.72	\$145.07	\$180.08	\$211.16	\$231.92
S&P 500 Total Return Index	\$100.00	\$128.68	\$142.69	\$149.70	\$173.34	\$182.86

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

Directors

Each of the directors of the Corporation is currently paid an annual amount of US\$35,000 for his or her services in the capacity as a director 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 Corporation. 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 Chairs of a committee. 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 has been 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 2007, a grant of 5,000 DSUs was made to each director other than Mr. Schwartz. In addition, each director other than Mr. Schwartz elected to receive all fees payable to him in respect of 2007 service in the form of DSUs except for Ms. Reisman who elected to receive 25% of fees payable to her 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, 2007 was US\$2,120,494, comprised of the amounts set forth in the table below.

<u>Director</u>	<u>Compensation Election</u>	<u>Board Retainer</u>	<u>Board Meeting Fees</u>	<u>Committee Retainers</u>	<u>Committee Participation Fees</u>	<u>DSU Grant (1)</u>	<u>Total Compensation (2)</u>
Daniel C. Casey	100% DSUs	\$35,000	\$17,000	\$ 4,500	\$6,000	\$177,866	\$240,366
William A. Etherington (3) . .	100% DSUs	\$11,128	\$ 8,000	—	—	\$141,938	\$161,066
Peter C. Godsoe	100% DSUs	\$35,000	\$16,000	\$ 7,500	\$8,000	\$177,866	\$244,366
Serge Gouin	100% DSUs	\$35,000	\$17,000	\$ 7,500	\$8,000	\$177,866	\$245,366
Brian M. King	100% DSUs	\$35,000	\$15,000	\$ 7,500	\$6,000	\$177,866	\$241,366
John B. McCoy	100% DSUs	\$35,000	\$15,000	\$ 4,500	\$6,000	\$177,866	\$238,366
J. Robert S. Prichard	100% DSUs	\$35,000	\$15,000	—	—	\$177,866	\$227,866
Heather M. Reisman	25% DSUs	\$35,000	\$16,000	—	—	\$177,866	\$228,866
Gerald W. Schwartz	0% DSUs	—	—	—	—	—	—
Arni C. Thorsteinson (4) . . .	100% DSUs	\$75,000	\$17,000	\$15,000	\$8,000	\$177,866	\$292,866

Notes:

(1) On May 10, 2007, each director then in office other than Mr. Schwartz was granted 5,000 DSUs. Mr. Etherington was granted 3,550 DSUs on November 9, 2007. The value of such DSUs on issuance was equal to the closing price of the Subordinate Voting Shares on the immediately

preceding trading day (\$39.39 for DSUs issued on May 10, 2007 and \$37.55 for DSUs issued on November 9, 2007) and has been converted to U.S. dollars for purposes of the foregoing table based on the exchange rate in effect on the date of issuance.

- (2) Total Compensation includes the value of DSUs issued in connection with the payment of directors' fees according to each individual director's compensation election. The value of such DSUs on issuance was equal to the closing price of the Subordinate Voting Shares on the last trading day of the quarter in respect of which such fees were paid (\$32.06, \$36.80, \$36.55 and \$34.99 for each of the four fiscal quarters of 2007, respectively) and was converted to U.S. dollars for purposes of the foregoing table based on the exchange rate in effect on the date of issuance.
- (3) Mr. Etherington was appointed to the Board on September 6, 2007.
- (4) Mr. Thorsteinson's board retainer included US\$40,000 for serving as Lead Director.

In addition, 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 U.S. \$85,000 for his service as a director in 2007, comprising a retainer in the amount of U.S. \$50,000, a fee of U.S. \$5,000 for chairing the investment committee of the board, and a grant of common shares of The Warranty Group valued at U.S. \$30,000 at the date of grant. Each of Messrs. Casey and Thorsteinson received from Onex Real Estate Partners a flat fee of U.S. \$40,000, paid in cash, for serving on that fund's Advisory Board.

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 2007 (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 Ended December 31	Annual compensation			Long-term compensation award			All other compensation (\$)
		Salary (\$)	Bonus (\$)	Other annual compensation (\$)	Securities under options (#)	Securities subject to resale restrictions (\$)	LTIP Payouts (\$)	
Mr. Gerald W. Schwartz Chief Executive Officer, Onex Corporation (2)	2007	757,510	11,864,483	—	—	—	—	—
	2006	755,950	12,929,728	—	—	—	—	—
	2005	781,300	9,795,248	—	—	—	—	—
Mr. Ewout R. Heersink Chief Financial Officer, Onex Corporation(3)	2007	291,350	1,629,290	—	50,000	—	—	—
	2006	290,750	1,608,457	—	20,000	—	—	—
	2005	300,500	1,510,947	—	—	—	—	—
Mr. William A. Sanger Chairman and Chief Executive Officer, Emergency Medical Services Corporation (4)	2007	902,501	1,439,160	9,990	—	—	—	—
	2006	1,021,309	1,205,624	—	—	—	—	—
	2005	927,419	1,399,437 (5)	—	—	—	—	—
Mr. Ellis Jacob President and Chief Executive Officer, Cineplex Entertainment LP (5)	2007	776,250	941,055	92,810	—	918,267	1,377,400	—
	2006	750,000	1,625,000	96,862	—	377,160	562,952	—
	2005	608,654	—	71,841	—	—	—	3,975,000
Mr. David Cole Chairman and Chief Executive Officer, The Warranty Group (6)	2007	750,000	1,200,000	33,388	—	—	—	—
	2006	750,000	1,275,000	1,865	—	—	—	—

Notes:

- (1) All amounts are presented in Canadian dollars but payments to each of the Named Executive Officers other than Mr. Jacob are made in U.S. dollars.
- (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 each of the years 2005, 2006 and 2007. The change in the presented amounts is due to exchange rate changes between the U.S. and Canadian dollars.
- (3) The salary for Mr. Heersink was US\$250,000 for each of the years 2005, 2006 and 2007. The change in presented amounts is due to exchange rate changes between the U.S. and Canadian dollars.
- (4) Emergency Medical Services Corporation became a subsidiary of the Corporation in February 2005. Base salary shown for Mr. Sanger for 2005 is for the period following acquisition.
- (5) Mr. Jacob is eligible to participate in the long-term incentive plan (LTIP) established by Cineplex Entertainment LP for its senior management. Pursuant to the LTIP, Cineplex Entertainment sets aside a pool of funds based upon the amount, if any, by which the per unit distributable cash of Cineplex Entertainment Income Fund exceeds certain threshold amounts. Those pooled amounts are used to purchase units of the Fund on behalf of participants, which units vest ratably on the date of grant and on each of the next two anniversaries thereof. Unvested units are referred to as restricted units for purposes of the foregoing table. Dollar amounts under the heading "Securities subject to resale restrictions" reflect the estimated value of restricted units of the Fund awarded to Mr. Jacob. LTIP payouts in respect of 2007 and 2006 represent the amount funded to the LTIP on behalf of Mr. Jacob. Included in "Other compensation" for Mr. Jacob in 2005 is the value of Class D units of Cineplex Entertainment LP received in connection with the closing of the 2005 acquisition by Cineplex Entertainment of the Famous Players business formerly owned by Viacom Inc. Mr. Jacob's 2006 bonus included a one-time cash bonus of \$1 million awarded in connection of the achievement of synergies following that acquisition.
- (6) The Warranty Group was acquired by the Corporation at the end of November 2006. Amounts shown reflect Mr. Cole's base salary and regular bonus for the full year ended December 31, 2006 but exclude the special acquisition bonus paid to Mr. Cole by the prior owner of the business. In addition to amounts disclosed in the table above, Mr. Cole received a grant of 2,004.43 restricted shares of The Warranty Group on the closing of the acquisition. The restricted shares have been ascribed a nil value, as the company is presently a private company, and vest ratably over a four-year period. The shares were 50% vested as at December 31, 2007.

Stock Options

The following table provides information with regard to the options or share appreciation rights granted during 2007 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:

OPTIONS GRANTED DURING 2007

Name	Name of grantor	Securities under options/SARs granted (#)	% of Total options/SARs granted to employees in 2007	Exercise or base price (\$/security)	Market value of securities underlying options/SARs on date of grant (\$/security)	Expiration date
Mr. Heersink(1)	Onex Corporation	50,000	6.4%	\$35.20	\$35.20	December 7, 2017

Note:

- (1) Mr. Heersink's options vest rateably on the first six anniversaries of the grant date of December 7, 2007. Vested options may not be exercised unless the market value of a Onex Subordinate Voting Share is at least 25% above the exercise price.

The following table provides information with regard to the exercise during 2007 and value as at the end of 2007 of options granted to the Named Executive Officers:

OPTION/SAR EXERCISES DURING 2007 AND FINANCIAL YEAR END OPTION/SAR VALUES ⁽¹⁾

Name	Name of grantor	Number of securities for which options/SARs were exercised	Aggregate value realized	Number of unexercised options/SARs at December 31, 2007 Exercisable/unexercisable	Value of unexercised "in-the-money" options/SARs at December 31, 2007 Exercisable/unexercisable ⁽²⁾
Mr. Schwartz	Onex Corporation	—	—	4,460,000/2,930,000	\$85,376,080/\$56,046,820
Mr. Heersink	Onex Corporation	116,000	\$2,928,748	4,000/66,000	\$—/—
Mr. Sanger	Emergency Medical Services Corporation	—	—	463,178/1,018,990	US\$10,472,455/US\$23,039,367

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, 2007 over the exercise price of the options.

Pension Plans

Pension plan benefits are not provided to Messrs. Schwartz, Heersink, Sanger or Cole.

Mr. Jacob participates in a defined contribution pension plan sponsored by Cineplex Entertainment LP. In addition, a supplemental executive retirement plan has been established by Cineplex Entertainment LP for Mr. Jacob that provides for an annual pension equal to 2% of his average total annual compensation for the three years prior to retirement multiplied by the number of years of employment after July 1, 1999. Mr. Jacob's maximum aggregate annual pension entitlement under the defined contribution plan and the supplemental plan is limited to \$300,000.

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 29, 2008.

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 29, 2008 was \$11.4 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 29, 2008 was \$0.1 million. This amount does not include monies owed indirectly to certain directors and officers of the Corporation, from an investment made through OMILP, that were returned to them in the form of loans.

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.

Employment Contracts, Termination of Employment and Change in Control Agreements

The following summarizes the material terms of employment contracts which exist for the Named Executive Officers.

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 compensation or severance amounts.

Emergency Medical Services Corporation has entered into an employment agreement with Mr. Sanger effective February 10, 2005 and having a five-year term. Mr. Sanger has the right to terminate the agreement on 90 days' notice, in which event he will be subject to a 24-month non-compete provided that he receives specified severance benefits. The agreement provides for annual base salary of U.S.\$850,000 as well as the payment of a bonus based upon the achievement of performance criteria established by the company's board of directors, with a target bonus equal to 100% of annual salary. Mr. Sanger will be entitled to 24 months' base salary and benefits if his employment is terminated without cause or he resigns for one of several specified reasons following a change of control.

Cineplex Entertainment LP has entered into an employment agreement with Mr. Jacob that provides for base salary and an annual bonus based on the achievement of certain distributable cash targets set by the company's compensation committee, to a maximum bonus equal to 150% of base salary. In 2007, Mr. Jacob's salary and bonus were \$776,250 and \$941,055, respectively. In the event of termination of employment other than for cause or disability, including upon the occurrence of certain prescribed change of control events, Mr. Jacob will be entitled to receive an amount equal to 36 months' base salary and bonus. The employment agreement includes non-competition and non-solicitation covenants.

The Warranty Group has entered into an employment agreement with Mr. Cole effective March 10, 2006 and having a three-year term. The agreement provides for annual base salary of U.S.\$750,000 as well as a performance-based bonus of up to 150% of base salary. Mr. Cole will be entitled to two years' base salary and three years' benefits if his employment is terminated without cause, if he resigns for one of several specified reasons or if the employment agreement is not renewed on expiry. The employment agreement includes non-competition and non-solicitation covenants.

Directors and Officers Liability Insurance

The Corporation purchased directors and officers liability and indemnification 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 28, 2008 for an annual total premium of US\$824,249.

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 INCENTIVES

The Corporation, both directly and through entities related to the Onex Partners Funds, maintains various incentive or investment programs in which members of senior management are entitled to participate. 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%	6 years (5 years prior to 2007)	<ul style="list-style-type: none"> • satisfaction of exercise price (market value at grant date)
Management Investment Plan	15%	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%	4 years (Onex Partners I)	<ul style="list-style-type: none"> • corresponds to participation in minimum 1% "at risk" management team equity investment
		5 years (Onex Partners II)	<ul style="list-style-type: none"> • 25% of gross proceeds to be reinvested in Subordinate Voting Shares or Management DSUs until 1,000,000 shares or DSUs owned
		6 years (Onex Partners III)	
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 is fixed at 16 million (representing 12.9% of the outstanding Subordinate Voting Shares on a fully-diluted basis), which number may be amended only with shareholder approval. This percentage reflects the fact that 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 13.5 million shares repurchased in the last three calendar years.

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 February 29, 2008, Options were outstanding to purchase 12,693,300 Subordinate Voting Shares, representing 10.2% of the outstanding Subordinate Voting Shares on a fully-diluted 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 rateably 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. Options granted in 2007 vest rateably over six years; all previously issued Options vest rateably 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, (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, and (v) 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 exercise of Options. 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.

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.

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 \$858 million based on the closing price of the Subordinate Voting Shares on the Toronto Stock Exchange on February 29, 2008. 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 II 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 amounts received by them pursuant to the management investment plan and carried interest entitlement described below under "Interests of Insiders in Material Transactions" 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 was modified early in 2008 to permit the reinvestment requirements described above to 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 2007 bonus entitlements, 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 2007, an aggregate of 504,044 Subordinate Voting Shares were purchased pursuant to the Reinvestment Program for a total purchase price of \$18.5 million. A total of 202,258 MDSUs having an aggregate value, at the date of grant, of \$6.3 million were granted in lieu of an equivalent dollar amount of 2007 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.

Vesting and Exercisability

For Transactions completed after November 7, 2007, the 5/6ths investment rights described above vest rateably 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.

For Transactions completed prior to November 7, 2007, the 5/6ths investment rights vest rateably 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 with 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 2007

In 2007, 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 \$2.0 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 \$13.2 million. Total returns to the Investors in respect of the 5/6th investment rights due to realizations in 2007 amounted to \$38.0 million, of which \$15.1 million was to Mr. Schwartz and \$1.4 million was to Mr. Heersink.

Additional information concerning the Plan is contained in the audited consolidated financial statements of the Corporation for the year ended December 31, 2007 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 totalling approximately US\$1.7 billion. Onex committed approximately US\$400 million to Fund I as a limited partner. Fund I has invested approximately US\$1.48 billion, or US\$1.65 billion including co-investments, and its investment period terminated in November 2006 with the first investment by Onex Partners II LP ("Fund II"). Fund II, established in April 2006, has aggregate funded and unfunded capital commitments totalling approximately US\$3.45 billion. Onex has committed approximately US\$1.4 billion to Fund II as a limited partner. Fund II had invested approximately US\$2.54 billion, or US\$2.70 billion, including co-investments, as at December 31, 2007

Management Capital Commitment

The Investors initially committed, as a group, to invest a minimum of 1% of each of Fund I and Fund II (collectively, the "Funds"), subject to annual adjustments up to a maximum of 4%. As at December 31, 2007, Investors had committed 4% of the total capital of each of Fund I and Fund II. The total amount invested in Fund I and Fund II investments by the Investors for the year ended December 31, 2007 was US\$4.6 million and US\$79.2 million, respectively. 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 rateably over on each of the first five anniversaries (four anniversaries in the case of Fund I) of the later of the first closing of the relevant Fund and the date on which the particular Investor was first allocated a carried interest entitlement.

Carried Interest Payments in 2007

Fund I has had a number of realizations during the period 2005 to 2007 that have resulted in aggregate payments of US\$138.3 million to the Investors in respect of the carried interest, including US\$59.4 million paid in 2007. Total payments to Mr. Schwartz have amounted to US\$40.7 million during that period, including US\$18.1 million in 2007. Total payments to Mr. Heersink during the period amounted to US\$6.2 million during that period, including US\$2.8 million in 2007.

CONFIRMATION OF AMENDMENT AND RESTATEMENT OF BY-LAW NO. 1

Shareholders will be asked to consider, and if thought fit, to confirm a resolution passed by the board of directors of the Corporation on February 28, 2008 amending and restating By-Law No. 1 of the Corporation (the "General By-Law").

The General By-Law was adopted by the Corporation in 1987 and reflects the provisions of the Act, general corporate practice and the particular affairs of the Corporation at that time. Since then, the Act has been amended on a number of occasions, most recently and significantly on August 1, 2007, and certain provisions of the General By-Law have become outdated or unnecessary or are inconsistent with the Act in that they impose greater restrictions on the Corporation and its affairs than are required or contemplated by statute.

Accordingly, on February 28, 2008, the board of directors of the Corporation approved the amendment and restatement of the General By-Law. The material amendments so approved are summarized below:

- the requirement that a majority of the members of the Corporation's board of directors be resident Canadians has been replaced by a requirement that at least 25% of such members be resident Canadians;
- the requirement that a majority of the members of the board of directors present at any meeting of the board be resident Canadians has been deleted;
- the requirement that a majority of the members of any committee of the board of directors be resident Canadians has been deleted;
- the conditions governing the qualification of directors have been amended to reflect the current requirements of the Act;
- the conditions on which the Corporation is required to indemnify its directors or officers, or persons acting as directors or officers of other entities at its request, have been amended to reflect the amended standards set forth in the Act;
- the provisions relating to electronic communications have been revised to reflect current law and general practice;
- the provisions relating to the conduct of a vote at a meeting of shareholders by show of hands has been clarified to reflect the Corporation's share structure.

The full text of the resolution for which shareholder confirmation is being sought and of the General By-Law as amended are annexed as Schedule A to this management information circular. To be effective, the resolution must be approved by a simple majority of the votes cast at the meeting, with 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 resolution confirming the amendment and restatement of the General By-Law.

NORMAL COURSE ISSUER BID

On April 10, 2007, 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 12, 2007 and terminating on April 11, 2008. 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 4,732,900 Subordinate Voting Shares under the issuer bid up to February 29, 2008.

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.

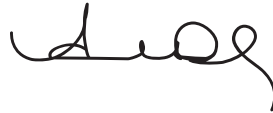
ADDITIONAL INFORMATION

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 14th day of March, 2008.



ANDREA E. DALY
Vice President, General Counsel
and Secretary

SCHEDULE A

CONFIRMATORY RESOLUTION OF THE SHAREHOLDERS

BE IT RESOLVED THAT:

The following resolution:

“the amendment and restatement of General By-Law No. 1 of the Corporation and the adoption of amended and restated General By-Law No. 1 attached as Exhibit A hereto is hereby authorized and approved”

passed by the board of directors of the Corporation on February 28, 2008 is hereby confirmed.

ONEX CORPORATION

BY-LAW NO. 1 (Amended and Restated)

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

(a) “*Act*” means the *Business Corporations Act* as from time to time amended and every statute that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;

(b) “*Regulations*” means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;

(c) “*by-law*” means any by-law of the Corporation from time to time in force and effect;

(d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;

(e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other gender; and

(f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. At least 25% of the directors shall be resident Canadians except that where the Corporation has fewer than four directors, at least one director, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director’s term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he has the status of a bankrupt; (b) if he is found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of

managing property or has been found to be incapable by a court in Canada or elsewhere; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to the provisions of the Act, the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to the provisions of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to any restrictions imposed by the Act may delegate to such committee any of the powers of the directors. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard.

MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and, notwithstanding subsection 126(2) of the Act, it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board or any two directors at any time and the Secretary, when directed or authorized by the Chairman or any two directors, shall convene a meeting of directors. Subject to paragraph 48 of this by-law, the notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Subject to paragraph 16 of this by-law, notice of any such meeting shall be served in the manner specified in paragraph 48 of this by-law not less than two days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that, subject to paragraph 16 of this by-law, a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that, subject to paragraph 16 of this by-law, meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

Subject to paragraph 16 of this by-law, if the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting; provided always that any resolution passed at any meeting of the directors which relates to the termination of the employment of the Chief Executive Officer shall not be valid in the event of the accidental omission to give notice of any such meeting to, or the non-receipt of any such notice by, any person.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is

not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. Forty per cent (40%) of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. Subject to the provisions of the Act, no business shall be transacted at a meeting of directors unless a quorum of the board of directors is present.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting. Such consent may be given by directors separately, whether before, at or after the meeting, and may be given generally in respect of all meetings of directors of the Corporation.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors, is as valid as if it had been passed at a meeting of the directors; provided always that no such resolution in writing which relates to the termination of the employment of the Chief Executive Officer shall be valid unless and until the written consent to the said resolution has been obtained from the Chief Executive Officer.

16. Termination of Employment of Chief Executive Officer. Subject to paragraph 15 of this by-law and notwithstanding any other provisions of this by-law, the directors may not pass any resolution which relates to the termination of the employment of the Chief Executive Officer unless and until such resolution has been passed at a meeting of directors for which at least forty-five (45) days' prior notice has been given to each director. Such notice shall contain the text of the proposed resolution which relates to the termination of the Chief Executive Officer and may not be waived by the directors. Failure to give notice to each director in accordance with this paragraph 16 shall invalidate any resolution passed at a meeting of the directors which relates to the termination of the employment of the Chief Executive Officer unless the written consent of the Chief Executive Officer to such resolution has been obtained.

REMUNERATION OF DIRECTORS

17. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

**SUBMISSION OF CONTRACTS OR TRANSACTIONS
TO SHAREHOLDERS FOR APPROVAL**

18. *Submission of Contracts or Transactions to Shareholders for Approval.* The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

19. *Conflict of Interest.* In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

20. *For the Protection of Directors and Officers.* Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director

or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OFFICERS

21. *Indemnities to Directors and Officers.* Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or another individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his association with the Corporation or other entity. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

OFFICERS

22. *Appointment.* The board of directors may annually or more often as may be required appoint officers of the Corporation including, without limitation, a Chairman of the Board, a Vice-Chairman of the Board, a President, one or more Managing Directors, one or more Vice-Presidents, one or more Secretaries, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later, (b) the appointment of his successor, (c) his ceasing to be a director if such is a necessary qualification of his appointment, (d) the meeting at which the board of directors annually appoint the officers of the Corporation, (e) his removal, and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

23. *Remuneration and Removal.* The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

24. *Powers and Duties.* All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

25. *Duties May be Delegated.* In case of the absence or inability to act of any officer of the Corporation or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. *Vacancies.* If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

SHAREHOLDERS' MEETINGS

27. *Annual and Special Meetings.* Subject to the provisions of Sections 94 and 104(1) of the Act, the directors of the Corporation (a) shall call an annual meeting of the shareholders not later than 18 months after the Corporation comes into existence and subsequently not later than 15 months after holding the last preceding annual meeting and (b) may at any time call a special meeting of shareholders.

28. *Place of Meetings; Meeting by Electronic Means.* Subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of the Corporation shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located. A meeting of the shareholders of the Corporation may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act and the by-laws of the Corporation to be present at the meeting. A meeting held by telephonic or electronic means shall be deemed to be held at the place where the registered office of the Corporation is located.

29. *Notice.* A notice stating the day, hour and place of meeting shall be sent to each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 48 of this by-law, not less than ten days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty days (in each case, subject to subsection 1(1)13 of the Act, exclusive of the day on which the notice is sent and of the day for which notice is given) before the date of the meeting. Notwithstanding the foregoing, a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or represented by proxy thereat waive notice before or after the date of such meeting.

30. *Waiver of Notice.* A shareholder and any other person entitled to attend a meeting of shareholders may, in any manner and at any time before, at or after the meeting, waive notice of a meeting of shareholders, the time for the giving of any such notice or any irregularity in any such meeting or in the notice and attendance of any such person at a meeting of shareholders shall constitute a waiver of any matter relating to notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

31. *Omission of Notice.* The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

32. *Votes.* Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

Where (i) two or more classes of shares of the Corporation are entitled to vote on any matter and (ii) such shares carry different entitlements as to the number of votes represented thereby, whether on a share-by-share basis or on a class-by-class basis and (iii) such shares are not required by law or by the provisions of the Corporation's articles or by-laws to vote as separate classes in respect of such matter, then the results of a vote by show of hands shall be determined so as to give effect to the differing voting entitlements carried by such shares and not on the basis that each shareholder or proxyholder shall have one vote on such show of hands.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

33. Chairman of the Meeting. The Chairman of the Board shall when present preside at all meetings of shareholders. In the event that the Chairman of the Board is absent, then (i) the Lead Director of the Corporation (if any) shall so preside and (ii) if the Lead Director is absent, then the Vice-Chairman (if any) shall so preside and (iii) if the Vice-Chairman is absent, then the President shall so preside and (iv) if the President is absent, then the directors then present who are nominees of the holder(s) of multiple voting shares of the Corporation (if such shares then exist) shall choose one of their number to be chairman and (v) if such multiple voting shares do not then exist or if no such director is present or if all such directors then present decline to take the chair, then the persons who are present and entitled to vote shall choose another director as chairman of the meeting and (vi) if no such other director is present or if all such other directors present decline to take the chair, then the persons who are present and entitled to vote shall choose one of their number to be chairman.

34. Proxies. Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or proxyholders as the shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

A form of proxy shall be in written or printed format or a format generated by telephonic or electronic means and shall comply with the regulations under the Act. A form of proxy becomes a proxy when completed and signed in writing or by electronic signature by the shareholder or his attorney authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized. If a proxy or document authorizing an attorney is signed by electronic signature, the means of electronic signature must permit a reliable determination that the proxy or document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be.

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be lodged before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept written or electronic communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such written or electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

35. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to Section 96(4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

36. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent (20%) of the votes attaching to the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 35 with regard to notice shall apply to such adjournment.

37. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders or by their duly authorized attorneys is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

SECURITIES

38. Allotment and Issuance of Shares. Subject to the provisions of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

39. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to the requirements of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

TRANSFER OF SECURITIES

40. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

41. Securities Registers. The securities register and the register of transfers of the Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

42. Surrender of Certificates. Subject to the provisions of the *Securities Transfer Act, 2006* and to paragraph 53, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

43. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

(a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;

(b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;

(c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in its sole discretion considers to be obtainable for such share and applying the proceeds to such debt;

(d) by refusing to permit the registration of a transfer of such share until such debt is paid; or

(e) by any other means permitted by law.

44. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

DIVIDENDS

45. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

(a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or

(b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

VOTING SHARES AND SECURITIES IN OTHER ISSUERS

46. Voting Shares and Securities in other Issuers. All of the shares or other securities carrying voting rights of any other body corporate or issuer of securities held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate or issuer and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and

deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

INFORMATION AVAILABLE TO SHAREHOLDERS

47. *Availability of Corporate Records to Shareholders.* The board of directors may from time to time in its discretion, subject only to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books, registers and records of the Corporation or any of them shall be open to inspection of by any person and no shareholder, beneficial owners of shares, creditor, or other person shall have any right to inspect any document, book, register or record of the Corporation except as conferred by statute or authorized by the board of directors.

NOTICES

48. *Sending of Notices, Documents or Other Information.* Any notice, document or other information required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor (collectively, an “addressee”) may be delivered personally or sent by prepaid mail or by fax, electronic mail or other electronic means capable of producing a written copy to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the *Corporations Information Act*, whichever is the most current, and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

49. *Securities Registered in More than One Name.* All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

50. *Persons Becoming Entitled by Operation of Law.* Every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, prior to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

51. *Deceased Security Holders.* Any notice or other document delivered or sent to any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such sending or delivery shall for all purposes be deemed a sufficient sending or delivery of such notice or document to his heirs, executors or administrators and to all persons, if any, interested through him or with him in such securities.

52. *Signature to Notices.* The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

53. *Computation of Time.* Where a given number of days’ notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.

54. *Proof of Notice.* With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into a post

office or into a letter box and shall be deemed to have been received on the fifth day after mailing. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS AND NOTES

55. *Cheques, Drafts and Notes.* All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors, or such officer or officers as may be delegated authority by the board of directors to determine such matters, may from time to time designate.

CUSTODY OF SECURITIES

56. *Custody of Securities.* All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositaries or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

EXECUTION OF INSTRUMENTS

57. *Execution of Instruments.* Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers of the Corporation;
- (b) any two directors of the Corporation; or
- (c) any one officer together with any one director of the Corporation;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations and conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing:

- (a) any two officers of the Corporation;
- (b) any two directors of the Corporation; or
- (c) any one officer together with any one director of the Corporation;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or, if specifically authorized by the board of directors, on any bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

58. *Financial Year.* The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

AMENDED AND RESTATED by the directors of the Corporation this 28th day of February, 2008.



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 5454.

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

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