

ONEX CORPORATION

Annual Information Form
for the Year Ended December 31, 2015

February 25, 2016

ONEX

TABLE OF CONTENTS

KEY DEFINITIONS AND INTERPRETATION	3
INCORPORATION BY REFERENCE	3
NAME, ADDRESS AND INCORPORATION	3
BACKGROUND AND BUSINESS	4
Private Equity	4
Credit Strategies	6
Other – Real Estate	6
FINANCIAL STATEMENTS AND INFORMATION REGARDING REPORTABLE SEGMENTS	6
DIVIDENDS	6
RISK FACTORS	7
CAPITAL STRUCTURE	7
Authorized and Outstanding shares	7
Normal Course Issuer Bids	7
Deferred Share Unit Plans.....	8
Trading Information	8
DIRECTORS, OFFICERS AND EXECUTIVES	8
Directors	8
Officers and Executives	8
Related Party Transactions Involving a Director or Executive Officer	10
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	10
AUDIT AND CORPORATE GOVERNANCE COMMITTEE	11
INTERESTS OF EXPERTS	11
ADDITIONAL INFORMATION	12
Additional Information	12
Registrar and Transfer Agent	12

KEY DEFINITIONS AND INTERPRETATION

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

AIF	This Annual Information Form for Onex Corporation dated February 25, 2016
Company	Unless the context otherwise requires or implies, references to the “Company” are intended to be broad and to include Onex’ various asset management platforms and their respective subsidiaries and other investee businesses irrespective of legal form.
ONCAP	ONCAP I, II and III collectively
ONCAP I	ONCAP L.P.
ONCAP II	ONCAP II L.P.
ONCAP III	ONCAP III LP
Onex	Onex Corporation
Onex Credit	Onex Credit Holdings LLC and its subsidiaries
Onex Partners	Onex Partners I, II, III and IV collectively
Onex Partners I	Onex Partners LP
Onex Partners II	Onex Partners II LP
Onex Partners III	Onex Partners III LP
Onex Partners IV	Onex Partners IV LP
2015 Information Circular	Notice of Annual Meeting of Shareholders and Information Circular of Onex dated March 20, 2015
2016 Information Circular	Notice of Annual Meeting of Shareholders and Information Circular of Onex to be filed in connection with Onex’ 2016 annual general meeting.

Throughout this AIF, all amounts are in U.S. dollars unless otherwise indicated. All references to C\$ are to Canadian dollars.

INCORPORATION BY REFERENCE

This AIF incorporates by reference certain information contained in Onex’ 2015, 2014 and 2013 Management’s Discussion & Analysis, each of which is available at www.sedar.com. Those filings are referred to herein as the “2015 MD&A”, “2014 MD&A” and “2013 MD&A” respectively.

NAME, ADDRESS AND INCORPORATION

Onex was incorporated under the Business Corporations Act (Ontario) on December 30, 1980 and its corporate name was changed to its present name on March 11, 1987. A summary of the Company’s share provisions can be found in the 2015 Information Circular and the current amended and restated articles of the Company are available at www.sedar.com. Onex’ registered and principal office is located on the 49th Floor, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

BACKGROUND AND BUSINESS

Onex is one of the oldest and most successful private equity firms. Through its Onex Partners and ONCAP private equity funds, Onex focuses on creating long-term value by building industry-leading businesses in partnership with outstanding management teams. At Onex Credit, Onex manages and invests in leveraged loans, collateralized loan obligations (“CLOs”) and other credit securities. At December 31, 2015, the Company had approximately \$22.5 billion of assets under management, including \$6.0 billion of Onex’ capital. Onex is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation. Onex generates annual management fee income, and is entitled to a carried interest or incentive fees on a majority of limited partners’ capital.

Onex operates from offices in Toronto, New York, London and, in the case of Onex Credit, Englewood, New Jersey. Onex’ Subordinate Voting Shares are listed on the Toronto Stock Exchange under the symbol OCX.

Onex was founded in 1984 to make private equity investments in companies located primarily in North America. To fund the firm’s early investment activity, Onex raised approximately C\$50 million in 1984 and C\$80 million in 1986 from U.S. and Canadian institutional and high net worth investors. In 1987, in order to continue to fund the Company’s private equity investment activities, Onex completed an initial public offering on the Toronto Stock Exchange, raising a total of C\$520 million in this and subsequent offerings in 1994 and 1997. As of December 31, 2015, Onex had an equity market capitalization of approximately C\$9.0 billion.

Private Equity

Onex has built 80 businesses, completing about 490 acquisitions with a total value of \$58 billion. The Company has generated a gross multiple of capital invested of 2.8 times from its core private equity activities since inception, resulting in a 28% gross IRR on realized, substantially realized and publicly traded investments. Onex is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation.

Onex’ private equity investment activities are conducted exclusively through two platforms: Onex Partners (for larger transactions) and ONCAP (for middle-market transactions). Onex participates in all of the Onex Partners and ONCAP Funds as the largest limited partner and through its ownership of the funds’ general partners and managers. A discussion of the Company’s current private equity investments, including economic ownership and voting interests, and its significant private equity transactions over each of the last three years is set forth under “Our strategies” and “Industry segments” on pages 9-22 of the 2015 MD&A, pages 9-21 of the 2014 MD&A and pages 7-17 of the 2013 MD&A, which discussion is incorporated herein by reference.

Onex Partners

Onex Partners has raised four institutional private equity funds, each of which was established with a view to making control investments in businesses organized or domiciled in North America and, in the case of the most recent Onex Partners Fund, opportunistically in Europe. Onex typically pursues investments requiring between \$125 million and \$750 million of equity. As at December 31, 2015, the Onex Partners Funds comprised:

<i>Fund</i>	<i>Vintage</i>	<i>Aggregate Commitments⁽¹⁾</i>	<i>Total Investments</i>	<i>Remaining Investments at Original Cost</i>
Onex Partners I	2003	\$1.7 billion	10 companies (\$1.5 billion) ⁽²⁾	2 companies (\$291 million equity) ⁽²⁾
Onex Partners II	2006	\$3.5 billion	7 companies (\$2.9 billion) ⁽²⁾	1 company (\$471 million equity) ⁽²⁾
Onex Partners III	2009	\$4.7 billion	10 companies (\$4.2 billion) ⁽²⁾	8 companies ⁽³⁾ (\$3.2 billion equity) ^{(2) (3)}
Onex Partners IV	2014	\$5.7 billion	5 companies (\$1.7 billion) ⁽²⁾	5 companies (\$1.7 billion) ⁽²⁾

(1) Includes Onex' commitment.

(2) Excluding both Onex and third party co-investment, as applicable.

(3) Includes an investment that Onex Partners III entered into an agreement to sell in January 2016. The transaction is expected to close in the first half of 2016 and is subject to customary closing conditions and regulatory approvals.

In aggregate, the four Onex Partners Funds have invested \$10.3 billion, or \$12.3 billion including Onex and third party co-investments, in 29 operating companies since 2003.

ONCAP

In 1999, Onex launched the first of the ONCAP Funds, a series of private equity funds focused on investing in North American small and medium-sized businesses. The target investment size of the most recent ONCAP Fund is generally less than \$125 million in equity or equity-related capital. As at December 31, 2015, the ONCAP Funds comprised:

<i>Fund</i>	<i>Vintage</i>	<i>Aggregate Commitments⁽¹⁾</i>	<i>Total Investments</i>	<i>Remaining Investments at Original Cost</i>
ONCAP I	1999	C\$400 million	6 companies (C\$208 million) ⁽²⁾	N/A ⁽³⁾
ONCAP II	2006	C\$574 million	8 companies (C\$481 million) ⁽²⁾	4 companies (C\$269 million) ⁽²⁾
ONCAP III	2011	C\$800 million	7 companies (C\$556 million) ⁽²⁾	7 companies (C\$556 million) ⁽²⁾

(1) Includes Onex' commitment.

(2) Excluding both Onex and third party co-investment, as applicable.

(3) ONCAP I was dissolved effective October 31, 2012 as all investments had been realized.

In aggregate, the three ONCAP Funds have invested C\$1.2 billion, or C\$1.3 billion including Onex and third party co-investments, in 20 operating companies.

Other (legacy investments)

Prior to the formation of its private equity funds, Onex built 31 businesses, completing 148 acquisitions having an aggregate transaction value of C\$18 billion. Currently, Onex holds one such legacy investment: Celestica Inc. (TSX/NYSE: CLS).

Credit Strategies

In addition to private equity investing, Onex has a credit platform (“Onex Credit”) that manages \$6.5 billion as of December 31, 2015. Onex Credit manages a number of credit-related investments, including CLOs, event-driven, long/short, long only, market dislocation and high yield debt strategies. Onex established Onex Credit in partnership with its existing executive management in 2007 and acquired full ownership and control of the platform in January 2015.

Other – Real Estate

In January 2005, Onex established the Onex Real Estate Partners platform with a mandate to seek to invest in attractive real estate assets in North America. Onex Real Estate Partners participated in an aggregate of 7 investments and as of December 31, 2015, its primary remaining investment was Flushing Town Center, a three million-square-foot retail and residential development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of 1,248 condominium units constructed above retail space and parking structures. During 2015, substantially all of the first phase of the project was sold.

FINANCIAL STATEMENTS AND INFORMATION REGARDING REPORTABLE SEGMENTS

Pages 31 to 63 of Onex’ 2015 MD&A and Note 33 to its audited annual consolidated financial statements for the year ended December 31, 2015 set forth detailed financial and other information in respect of the Company’s reportable segments. That information is available at www.sedar.com and is incorporated by reference herein.

DIVIDENDS

Dividends are paid quarterly on or about the last day of January, April, July and October in each year. The Board of Directors normally reviews dividends in May of each year, with any changes becoming effective with the July payment. For the first quarter of 2013, the quarterly dividend was C\$0.0275 per Subordinate Voting Share. The quarterly dividend was increased by 36% to C\$0.0375 per share in May 2013, by 33% to C\$0.05 per share in May 2014 and by 25% to C\$0.0625 per share in 2015. As of December 31, 2015, the quarterly dividend remained at C\$0.0625 per Subordinate Voting Share.

RISK FACTORS

The Company's risk factors and the general risks inherent in the business carried on by Onex are contained in the 2015 MD&A under the heading "Risk Management" available at www.sedar.com, which disclosure is incorporated by reference herein.

CAPITAL STRUCTURE

Authorized and Outstanding Shares

Onex had the following authorized and outstanding share capital at December 31, 2015:

- i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's Directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid in value. At December 31, 2015, Onex had 100,000 Multiple Voting Shares outstanding.
- ii) An unlimited number of Subordinate Voting Shares, which carry one vote per share and as a class are entitled to: 40% of the aggregate votes attached to all shares of the Company carrying voting rights; elect 40% of the Directors; and appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. At December 31, 2015, Onex had 105,893,578 Subordinate Voting Shares outstanding.
- iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Onex directors are empowered to fix the rights to be attached to each series. There were no Senior or Junior Preferred Shares issued and outstanding at December 31, 2015.

Details in respect of the terms and conditions of the outstanding shares, including changes to the voting rights attached to the Multiple Voting Shares and the Subordinate Voting Shares upon the occurrence of certain events is set forth in the 2015 Information Circular, under the heading "Voting Shares", which information is incorporated herein by reference.

Normal Course Issuer Bids

Onex had in place Normal Course Issuer Bids ("NCIBs") during 2015 and 2016, which enables the Company to repurchase up to 10% of its public float of Subordinate Voting Shares. Under the NCIB that expired on April 15, 2015, Onex repurchased 1,615,734 Subordinate Voting Shares at a total cost of \$92 million (C\$109 million). As of December 31, 2015 Onex had repurchased 2,025,515 Subordinate Voting Shares at a total cost of \$116 million (C\$143 million) under the NCIB that expires April 15, 2016.

Deferred Share Unit Plans

Onex established a Director Deferred Share Unit Plan (“Director DSU Plan”) and a Management Deferred Share Unit Plan (“Management DSU Plan”), the terms and conditions of which are described in the 2015 Information Circular under the headings “Compensation of Directors and Executive Officers of the Corporation and its Subsidiaries” and “Management Share Ownership Program”, which information is incorporated herein by reference. At December 31, 2015, Onex had 626,481 Director DSUs outstanding under the Director DSU Plan and 684,515 Management DSUs outstanding under the Management DSU Plan. Onex has hedged 578,799 of the outstanding Director DSUs and all of the outstanding Management DSUs with a counterparty financial institution.

Trading Information

The following table sets out trading information for Onex’ publicly traded Subordinate Voting Shares that were outstanding at any time during 2015, all of which are or were listed on the Toronto Stock Exchange under the symbol OCX.

	2015		
	Share Volume (millions)	Share Price	
		High	Low
January	2.8	71.70	64.30
February	3.1	74.24	68.82
March	2.4	75.94	70.35
April	2.9	75.72	71.64
May	3.7	72.59	67.81
June	3.6	71.74	68.20
July	2.6	75.45	67.32
August	2.3	80.44	71.43
September	4.1	83.73	76.21
October	2.7	80.00	74.37
November	2.0	83.34	78.80
December	2.2	87.86	80.01
Fiscal 2015:	34.3	87.86	64.30

DIRECTORS, OFFICERS AND EXECUTIVES

Directors

The names and biographical information of the members of the Onex Board of Directors is set out starting on page 3 of the 2015 Information Circular under the heading “Election of Directors”, which information is incorporated herein by reference.

Officers and Executives

The following table includes executives of the Company and of certain of its subsidiaries performing analogous functions.

Name and Municipality of Residence

Executive Office

Gerald W. Schwartz
Toronto, Ontario

*Chairman of the Board,
President and Chief Executive Officer*

Ewout R. Heersink
Oakville, Ontario

Senior Managing Director

Robert M. LeBlanc
Newtown, Connecticut

Senior Managing Director

Seth M. Mersky
Toronto, Ontario

Senior Managing Director

Anthony Munk
New York, New York

Senior Managing Director

Christopher A. Govan
Oakville, Ontario

Chief Financial Officer

Todd Clegg
New York, New York

Managing Director

Konstantin Gilis
Toronto, Ontario

Managing Director

Joshua Hausman
New York, New York

Managing Director

David R. Hirsch
London, England

Managing Director

David J. Mansell
Toronto, Ontario

Managing Director

Tony Morgan
London, England

Managing Director

Tawfiq Popatia
Toronto, Ontario

Managing Director

Matthew Ross
New York, New York

Managing Director

Manish Srivastava
Toronto, Ontario

Managing Director

Nigel Wright
London, England

Managing Director

David Copeland
Toronto, Ontario

Managing Director - Tax

Andrea E. Daly
Toronto, Ontario

Managing Director - General Counsel

Christine M. Donaldson
Oakville, Ontario

Managing Director - Finance

Donald W. Lewtas
Toronto, Ontario

Managing Director

Name and Municipality of Residence

Emma Thompson
Toronto, Ontario

Executive Office

Managing Director - Investor Relations

All of the executives have held these positions over the past five years except for those as noted below. Mr. Morgan joined the Company in 2012 as a Managing Director and prior to that was Vice President in the Principal Investing Group at the Canada Pension Plan Investment Board. Messrs. Heersink, LeBlanc, Mersky and Munk assumed the position of Senior Managing Directors on January 1, 2013 and prior to that date held the position of Managing Directors. Mr. Hausman assumed the position of Managing Director on January 1, 2013 and prior to that date held the position of Principal. Messrs. Hirsch and Popatia assumed the position of Managing Directors on January 1, 2014 and prior to that date held the position of Principals. Mr. Wright took a temporary leave of absence from the Company from 2010 to 2013 to serve as Chief of Staff in the Office of the Prime Minister of Canada and returned to the Company in 2014. Messrs. Ross and Srivastava assumed the position of Managing Directors on January 1, 2015 and prior to that date held the position of Principals. Mr. Govan succeeded Mr. Lewtas as Chief Financial Officer effective March 1, 2015 and prior to that date held the position of Managing Director. Mr. Lewtas held the position of Chief Financial Officer from January 1, 2008 to March 1, 2015. Mr. Clegg assumed the position of Managing Director on January 1, 2016 and prior to that date held the position of Principal.

At December 31, 2015, the Directors, Officers and other Executives of Onex, beneficially owned directly or indirectly, or exercised control or direction, or may be deemed to have exercised control or direction, over an aggregate of 25,725,539 of the outstanding Subordinate Voting Shares, inclusive of Deferred Share Units described on page 8, (representing 24.28% of the outstanding Subordinate Voting Shares on an undiluted basis) and 10,653,850 options to acquire Subordinate Voting Shares (which, together with their holdings of Subordinate Voting Shares, represents 30.94% of the outstanding Subordinate Voting Shares on a fully-diluted basis). Mr. Gerald W. Schwartz beneficially owns and controls, directly or indirectly, 100% of the outstanding Multiple Voting Shares of the Company.

Related Party Transactions Involving a Director or Executive Officer

Mr. Schwartz is Onex' founder, Chairman, Chief Executive Officer and controlling shareholder. In each of November 2013, July 2014 and January 2016, Onex repurchased 1,000,000 of its Subordinate Voting Shares from Mr. Schwartz in private transactions approved by the Board of Directors for a cash cost of C\$56.50, C\$65.99 and C\$84.12, respectively, per Subordinate Voting Share. In each case, the purchase price represented a slight discount to the trading price of Onex shares at that date.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Hawker Beechcraft Corporation, a joint venture operating company of Onex Partners II, filed for bankruptcy protection in the United States in the second quarter of 2012 and exited bankruptcy on

February 15, 2013. Messrs Mersky and Hirsch, executive officers of Onex, were members of the board of directors of Hawker Beechcraft prior to its bankruptcy filing.

Arni C. Thorsteinson, a member of the Onex Board of Directors, 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.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Board of Directors and the Company's management believe that both full compliance with all applicable laws and stock exchanges requirements and the implementation of appropriate corporate governance practices are important for the effective management of the Company and value creation for its shareholders. Onex' commitment to good governance is outlined in the 2015 Information Circular on page 11 under the heading "Corporate Governance Practices", which information is incorporated herein by reference.

The Audit and Corporate Governance Committee has the responsibility to review and monitor the Company's corporate governance practices and to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls that management and the Board of Directors have established, and Onex' and its subsidiaries' audit and financial reporting process. The 2015 Information Circular contains further information about Onex' Audit and Corporate Governance Committee on page 18 under the heading "Audit and Corporate Governance Committee Charter", which information is incorporated herein by reference.

INTERESTS OF EXPERTS

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued an independent auditors' report dated February 25, 2016 in respect of the Company's consolidated financial statements as at December 31, 2015 and December 31, 2014. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional Information

Additional information, including information concerning the remuneration of Directors and Officers, their indebtedness to the Company, principal holders of the Company's securities, options and share appreciation rights to acquire securities, and interests of insiders in material transactions is, where applicable, contained in the 2015 Information Circular and will be contained in the 2016 Information Circular. A review of the Corporation's corporate governance policies, with reference to the current and proposed Corporate Governance Guidelines of the Toronto Stock Exchange, is also included in the Information Circulars.

Additional financial information, including comparative consolidated audited financial statements, is provided in the 2015 MD&A and in the audited financial statements of Onex for the year ended December 31, 2015.

Copies of the 2015 Information Circular, this Annual Information Form, the 2015 MD&A and the audited financial statements of Onex for the year ended December 31, 2015, as well as any interim unaudited financial statements of Onex subsequent to such date, are available at www.sedar.com, on the Company's website (www.onex.com) or, upon request, from Investor Relations, Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1.

Registrar and Transfer Agent

The registrar and transfer agent for the Company's Subordinate Voting Shares is:

CST Trust Company
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860
or call toll-free throughout Canada and the United States
1-800-387-0825
www.canstockta.com
or inquiries@canstockta.com (e-mail)