

MEMORANDUM

ONEXcorporation

161 Bay Street
P.O. Box 700
Toronto, Canada
M5J 2S1

Phone: (416) 362-7711

TO: Onex Shareholders

FROM: Gerald Schwartz

Date: March 25, 2020

Dear Shareholders:

We didn't see COVID-19 coming and like everyone else we're working hard to manage our way through the global crisis it's created. This includes looking after the safety of our employees so that they, in turn, can appropriately oversee the investments and businesses owned by our shareholders, limited partners and clients.

Onex is criticized from time-to-time for having too much cash. It's a drag on our overall return on investment to remain so liquid, as we earn very little income on our cash. With the current crisis, though, its purpose should be clear. It ensures that we can continue investing through good and bad times – it also ensures that we are never a forced seller. So, as we make our way through the crisis, the approximately C\$2.8 billion (C\$28/share) we have in cash and near cash provides us both opportunity and comfort. We are also debt-free at Onex Corp. and our ability to maintain our dividends, to survive a crisis and to seize opportunities is not in question.

We currently own 36 businesses in Canada, the United States, the United Kingdom and Europe. Most of our businesses are owned through our Onex Partners or ONCAP Funds. Onex' ownership interests in these businesses varies quite a bit. Our largest single exposure in any private business represented approximately 5% of our investing capital at year end.

All our businesses will be affected by the crisis. A few will suffer near total shutdown for some time. During that time, they will consume cash and much of that cash will be lost for all time. Then, those businesses will re-open and again serve their customers and generate cash. That's why it's so critically important for all our businesses to have balance sheets created for sustainability.

We also had investments in credit markets of approximately C\$1.0 billion at year end (C\$10/share). Of that amount, approximately C\$560 million was invested in the equity of collateralized loan obligations (CLOs). This CLO loan exposure is overwhelmingly first lien loans to businesses in North America and Europe – some 360 individual borrowers. The mark-to-market value of those loans is down significantly. Though once again, we are not pressured to sell at this moment in the market. Our CLOs do not have provisions forcing us to maintain mark-to-market coverage ratios, so market volatility does not cause a wind-up of

the structure or acceleration of liabilities. We are confident that, in the fullness of time, our CLO equity will recover its value.

We manage client capital at Gluskin Sheff in both public equity and public credit markets. Those markets change minute-by-minute and in times like these cause anxiety for our clients. We hope all our clients and limited partners are doing what we're doing: remaining calm, looking for opportunities to make great investments and above all else, not being driven by fear or panic to sell as markets find their bottom.

Onex employees had approximately C\$2.5 billion invested at year end in Onex shares and the various Funds managed by Onex and Gluskin Sheff. All of us have suffered losses on paper, but we look forward to better days when those losses are just unpleasant memories (and maybe helpful reminders) of the capriciousness of markets and the value of prudent capitalization.

We hope that you and your families are, and remain, healthy.

Gerry