



SCHEDULE OF FEES AND EXPENSES

(in millions of U.S. dollars)

Last twelve months ended	December 31, 2017	December 31, 2016	December 31, 2015
Private Equity			
Management and Advisory Fees ⁽¹⁾⁽²⁾	\$ 105	\$ 96	\$ 107
Carried Interest ⁽³⁾	121	14	1
Revenue Items	226	110	108
Base Compensation	21	19	16
Variable Compensation	95	69	52
Other Expenses, net ⁽⁴⁾	34	25	20
Expense Items	150	113	88
Net Contribution	76	[3]	20
Credit			
Management and Advisory Fees ⁽⁵⁾	43	39	34
Carried Interest ⁽³⁾⁽⁵⁾	2	4	1
Revenue Items	45	43	35
Base Compensation	8	7	6
Variable Compensation	14	13	10
Other Expenses	3	4	4
Expense Items	25	24	20
Net Contribution	20	19	15
Parent Company and Other			
Base Compensation	17	15	15
Variable Compensation	11	10	9
Other Expenses, net ⁽⁴⁾	12	7	7
Expense Items	40	32	31
Net Contribution	[40]	[32]	[31]
Net Amount	\$ 56	\$ [16]	\$ 4

(1) The management and advisory fees include those earned in the Onex Partners and ONCAP private equity funds and Onex' retained portion of the management and advisory fees earned from operating companies. No fees are included in respect of Onex capital invested in or committed to Onex Partners and ONCAP private equity funds.

(2) Management fees for Onex Partners IV are based on 1.7% of committed capital. Since August 2016, management fees for ONCAP III were based on 1.5% of net funded commitments. Onex began to receive management fees for ONCAP IV in November 2016, which were based on 2% of committed capital by investors other than Onex and management of Onex and ONCAP. Management fees for Onex Partners V have not yet begun to accrue. Run-rate private equity management fees are \$98 million.

(3) Private equity carried interest is reported on a cash received basis. Credit carried interest and performance fees are typically accrued in the fourth quarter each year, since they are typically received shortly after the end of the calendar year.

(4) Expenses include those of the Onex corporate office and Onex Real Estate Partners. This schedule excludes stock-based compensation and amounts paid to Onex and ONCAP management under the Management Investment Plan and carried interest in connection with Onex capital.

(5) Credit management and advisory fees and carried interest include \$3 million paid by Onex in respect of its investment in Onex Credit Funds (year ended December 31, 2016 – \$5 million and December 31, 2015 – \$3 million). Run-rate credit management fees at December 31, 2017 are \$50 million.

Refer to the Appendix for a discussion on the use of non-GAAP measures in the Pro Forma Schedule of Fees and Expenses.



PRO FORMA SCHEDULE OF FEES AND EXPENSES

This schedule reflects pro forma adjustments including for fees and carried interest on Onex' private equity capital assuming this capital is subject to the same fee structure as our institutional investors.

(in millions of U.S. dollars)
Last twelve months ended

	December 31, 2017	December 31, 2016	December 31, 2015
Private Equity			
Management and Advisory Fees ⁽¹⁾⁽²⁾	\$ 105	\$ 96	\$ 107
Management and Advisory Fees on Onex Capital ⁽²⁾⁽³⁾	42	35	37
Carried Interest ⁽⁴⁾	121	14	1
Carried Interest on Onex Capital ⁽⁴⁾⁽⁵⁾	40	6	1
Revenue Items	308	151	146
Base Compensation	21	19	16
Variable Compensation	95	69	52
Adjustment to Variable Compensation ⁽⁶⁾	(21)	(3)	-
Other Expenses, net ⁽⁷⁾	34	25	20
Expense Items	129	110	88
Net Contribution	179	41	58
Credit			
Management and Advisory Fees ⁽⁸⁾	43	39	34
Carried Interest ⁽⁴⁾⁽⁸⁾	2	4	1
Revenue Items	45	43	35
Base Compensation	8	7	6
Variable Compensation	14	13	10
Other Expenses	3	4	4
Expense Items	25	24	20
Net Contribution	20	19	15
Parent Company and Other			
Base Compensation	17	15	15
Variable Compensation	11	10	9
Other Expenses, net ⁽⁷⁾	12	7	7
Expense Items	40	32	31
Net Contribution	(40)	(32)	(31)
Net Amount	\$ 159	\$ 28	\$ 42

- (1) The management and advisory fees include those earned in the Onex Partners and ONCAP private equity funds and Onex' retained portion of the management and advisory fees earned from operating companies. No fees are included in respect of Onex capital invested in or committed to Onex Partners and ONCAP private equity funds.
- (2) Management fees for Onex Partners IV are based on 1.7% of committed capital. Since August 2016, management fees for ONCAP III were based on 1.5% of net funded commitments. Onex began to receive management fees for ONCAP IV in November 2016, which were based on 2% of committed capital by investors other than Onex and management of Onex and ONCAP. Management fees for Onex Partners V have not yet begun to accrue. Run-rate private equity management fees are \$145 million, which includes \$47 million of run-rate management and advisory fees that would be earned on Onex capital.
- (3) The management and advisory fees from Onex capital is a pro forma adjustment and represents the additional net fees that would be earned on Onex capital if that capital was subject to the same management and advisory fees as other investors in the Onex Partners and ONCAP private equity funds.
- (4) Private equity carried interest is reported on a cash received basis. Credit carried interest and performance fees are typically accrued in the fourth quarter each year, since they are typically received shortly after the end of the calendar year.
- (5) The carried interest from Onex capital is a pro forma adjustment and represents 40% of the additional carried interest that would have been received on Onex capital if that capital was subject to the same carried interest provisions as other investors in the Onex Partners and ONCAP private equity funds.
- (6) The adjustment to variable compensation is a pro forma adjustment and reflects the estimated reduction in Private Equity variable compensation that would occur if Onex capital was subject to the same carried interest provisions as other investors. In this scenario, the Onex management team would be allocated 60% of the pro forma carried interest on Onex capital instead of participating in Onex investments through the Management Investment Plan. The adjustment to variable compensation is the excess of 60% of the pro forma carried interest from Onex capital over actual payments under the Management Investment Plan.
- (7) Expenses include those of the Onex corporate office and Onex Real Estate Partners. This schedule excludes stock-based compensation and amounts paid to Onex and ONCAP management under the Management Investment Plan and carried interest in connection with Onex capital.
- (8) Credit management and advisory fees and carried interest include \$3 million paid by Onex in respect of its investment in Onex Credit Funds (year ended December 31, 2016 – \$5 million and December 31, 2015 – \$3 million). Run-rate credit management fees at December 31, 2017 are \$50 million.

Refer to the Appendix for a discussion on the use of non-GAAP measures in the Pro Forma Schedule of Fees and Expenses.

NON-GAAP MEASURES

The Company reports its financial results in accordance with International Financial Reporting Standards (“IFRS”). To supplement our consolidated financial statements reported on an IFRS basis, we provide the following non-GAAP financial measure: Net contribution from Onex’ asset management business. The Schedule of Fees and Expenses and the Pro Forma Schedule of Fees and Expenses detail the Company’s fees, carried interest and expenses associated with Onex’ asset management business, a component of the other reportable segment. The Pro Forma Schedule of Fees and Expenses is adjusted for fees generated on Onex’ private equity capital assuming this capital was subject to the same fees and carried interest as other investors in the Onex Partners and ONCAP private equity funds. The presentation of these schedules is a non-GAAP financial measure. These schedules may be used by investors to assess the value of Onex’ asset management business. The presentation of the Onex asset management business in this manner does not have a standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar measures presented by other companies.

Onex’ consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2017 are available on Onex’ website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. Reconciliations for the preceding non-GAAP financial measures to information contained in the consolidated financial statements have not been presented as it is impractical.