



ONEX CORPORATION 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 is comprised of at least three directors, each of whom is an independent director, as defined in applicable law.

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 International Financial Reporting Standards, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans. Review with the external auditor their views on the adequacy of the Corporation's financial personnel;
- (i) Approve the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function;
- (j) Review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any non-audit services being provided;
- (k) Evaluate the lead audit partner and discuss rotation of the lead audit partner and other active audit engagement team partners;
- (l) Assess the effectiveness of the working relationship of the external auditors with management and become involved, if necessary, to resolve disagreements between management and the external auditor regarding financial reporting matters;
- (m) Review the financial risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof. Review the use of derivative financial instruments by the Corporation;

- (n) Review and approve management’s decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service;
- (o) Review annually the Audit and Corporate Governance Committee Charter for compliance and adequacy and recommend any changes to the Board;
- (p) Determine the nature of non-audit services the external auditor is prohibited from providing to the Corporation. The Committee will pre-approve all non-audit services provided by the external auditor to the Corporation;
- (q) Review compliance with regulatory requirements relating to CEO/CFO certifications;
- (r) Review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the external auditor;
- (s) Establish and review procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (t) Report to the Board on the major items covered at each Audit and Corporate Governance Committee meeting and make recommendations to the Board and management concerning these matters. Annually report to the Board on the effectiveness of the Audit and Corporate Governance Committee;
- (u) Perform any other activities consistent with this Charter, the Corporation’s by-laws and governing law as the Committee or the Board deems necessary or appropriate;
- (v) Establish criteria for immediate reporting of significant complaints to the Committee and obtaining periodic reports about other complaints received;
- (w) Review of management’s antifraud programs and controls, including the fraud risk assessment process; and
- (x) Review, on a timely basis, reports describing the nature, status and eventual disposition of any alleged or suspected fraud.

Corporate Governance Responsibilities

While corporate governance remains the responsibility of the Board 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;
- (d) Reviewing financial qualifications of Committee members;
- (e) Overseeing the orientation of new directors;
- (f) Monitoring on a continuing basis the overall effectiveness of the Corporation’s system of corporate governance; and

- (g) Annually assessing the performance of the 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.