UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ Registration statement pursuant to Section 12(b) or (g)
of the Securities Exchange Act of 1934
or
☒ Annual report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2014
or
☐ Transition report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the transition period from ___________ to ___________
or
☐ Shell company report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of event requiring this shell company report: ___________

Commission file number: 1-14832

CELESTICA INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada
(Jurisdiction of incorporation or organization)

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(Address of principal executive offices)

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SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class:	*Name of each exchange on which registered:*
Subordinate Voting Shares	The Toronto Stock Exchange New York Stock Exchange

SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
N/A

SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT TO SECTION 15(d) OF THE ACT:
N/A

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.
155,641,075 Subordinate Voting Shares 0 Preference Shares
18,946,368 Multiple Voting Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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Part I

In this Annual Report on Form 20-F for the year ended December 31, 2014 (referred to herein as "this Annual Report"), "Celestica", the "Corporation", "we", "us" and "our" refer to Celestica Inc. and its subsidiaries.

In this Annual Report, all dollar amounts are expressed in United States dollars, except where we state otherwise. All references to "U.S.$" or "$" are to U.S. dollars and all references to "C$" are to Canadian dollars. Unless we indicate otherwise, any reference in this Annual Report to a conversion between U.S.$ and C$ is a conversion at the average of the exchange rates in effect for the year ended December 31, 2014. During that period, based on the relevant noon buying rates in New York City for cable transfers in Canadian dollars, as certified for customs purposes by the Board of Governors of the Federal Reserve Bank, the average daily exchange rate was U.S.$1.00 = C$1.1043.

Unless we indicate otherwise, all information in this Annual Report is stated as of February 11, 2015.

Forward-Looking Statements

Item 4, "Information on the Company", Item 5, "Operating and Financial Review and Prospects" and other sections of this Annual Report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the U.S. Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the U.S. Exchange Act, and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"), including, without limitation: statements related to our future growth; trends in the electronics manufacturing services ("EMS") industry; our financial or operational results; the impact of acquisitions and program wins or losses on our financial results and working capital requirements; anticipated expenses, charges, capital expenditures and/or benefits; our expected tax and litigation outcomes; our cash flows, financial targets and priorities; changes in our mix of revenue by end market; our ability to diversify and grow our customer base and develop new capabilities; the effect of the global economic environment on customer demand; and the number of subordinate voting shares and price thereof we may repurchase under our current Normal Course Issuer Bid ("NCIB"). Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "continues", "project", "potential", "possible", "contemplate", "seek", or similar expressions, or may employ such future or conditional verbs as "may", "might", "will", "could", "should" or "would", or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995, and applicable Canadian securities laws.

Forward-looking statements are provided for the purpose of assisting readers in understanding management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from conclusions, forecasts or projections expressed in such forward-looking statements, including, as is described in more detail in Item 3(D), "Key Information — Risk Factors", and elsewhere in this Annual Report, risks related to:

- customer concentration and the challenges of diversifying our customer base and replacing revenue from completed or lost programs or customer disengagements;
- our customers' ability to compete and succeed in the marketplace with the services we provide and the products we manufacture;
- price and other competitive factors generally affecting the EMS industry;
- managing our operations and our working capital performance during uncertain market and economic conditions;
- responding to changes in demand, rapidly evolving and changing technologies, and changes in our customers' business and outsourcing strategies, including the insourcing of programs;
- changing commodity, material and component costs as well as labor costs and conditions;
- disruptions to our operations, or those of our customers, component suppliers or logistics partners, including as a result of global or local events outside our control, including natural disasters, epidemics,

extreme weather conditions, political instability, labor or social unrest, criminal activity and other risks present in the jurisdictions in which we operate;

- retaining or expanding our business due to execution problems relating to the ramping of new programs or new offerings;
- the incurrence of future impairment charges;
- recruiting or retaining skilled personnel;
- current or future litigation and/or governmental actions;
- successfully resolving commercial and operational challenges, and improving financial results in our semiconductor business;
- delays in the delivery and availability of components, services and materials;
- non-performance by counterparties;
- our financial exposure to foreign currency volatility;
- our dependence on industries affected by rapid technological change;
- variability of revenue and operating results;
- managing our global operations and supply chain;
- increasing income taxes, tax audits, and defending our tax positions or meeting the conditions of tax incentives and credits;
- completing any restructuring actions and integrating any acquisitions;
- computer viruses, malware, hacking attempts or outages that may disrupt our operations;
- any U.S. government shutdown or delay in the increase of the U.S. government debt ceiling;
- any failure to adequately protect our intellectual property or the intellectual property of others; and
- compliance with applicable laws, regulations and social responsibility initiatives.

These and other material risks and uncertainties are discussed in our public filings at www.sedar.com and www.sec.gov, including in this Annual Report, subsequent reports on Form 6-K furnished to the U.S. Securities and Exchange Commission, and our Annual Information Form filed with the Canadian Securities Administrators.

Our forward-looking statements are based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include those related to:

- production schedules from our customers, which generally range from 30 days to 90 days and can fluctuate significantly in terms of volume and mix of products or services;
- the timing and execution of, and investments associated with, ramping new business;
- the success in the marketplace of our customers' products;
- the stability of general economic and market conditions, currency exchange rates and interest rates;
- our pricing, the competitive environment and contract terms and conditions;
- supplier performance, pricing and terms;
- compliance by third parties with their contractual obligations, the accuracy of their representations and warranties, and the performance of their covenants;
- components, materials, services, plant and capital equipment, labor, energy and transportation costs and availability;
- operational and financial matters, including the extent, timing and costs of replacing revenue from completed or lost programs, or customer disengagements;
- technological developments;

- overall demand improvement in the semiconductor industry, and revenue growth and improved financial results in our semiconductor business;
- the timing and execution of any restructuring actions; and
- our ability to diversify our customer base, and develop new capabilities.

Our assumptions and estimates are based on management's current views with respect to current plans and events, and are and will be subject to the risks and uncertainties discussed above and elsewhere in this Annual Report. While management believes these assumptions to be reasonable under current circumstances, they may prove to be inaccurate.

Except as required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should read this Annual Report, and the documents, if any, that we incorporate herein by reference, with the understanding that our actual future results may be materially different from what we expect. All forward-looking statements attributable to us are expressly qualified by the cautionary statements contained in this Annual Report.

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

You should read the following selected financial data together with Item 5, "Operating and Financial Review and Prospects", the Consolidated Financial Statements in Item 18 and the other information in this Annual Report. The selected financial data presented below is derived from our Consolidated Financial Statements.

We prepare our Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). See Item 18.

The consolidated financial information in the following three tables was prepared in accordance with IFRS. No dividends have been declared by the Corporation.

	Year ended December 31				
	2010	2011	2012	2013	2014
	(in millions, except per share amounts)				
Consolidated Statements of Operations Data[1]:					
Revenue	$6,526.1	$7,213.0	$6,507.2	$5,796.1	$5,631.3
Cost of sales[1]	6,082.0	6,724.4	6,068.8	5,406.6	5,225.9
Gross profit[1]	444.1	488.6	438.4	389.5	405.4
Selling, general and administrative expenses (SG&A), including research and development[2]	252.1	267.2	252.2	239.7	230.0
Amortization of intangible assets	15.8	13.5	11.3	12.2	10.6
Other charges[3]	49.9	6.5	59.5	4.0	37.1
Earnings from operations[1]	126.3	201.4	115.4	133.6	127.7
Finance costs[4]	6.9	5.4	3.5	2.9	3.1
Earnings before income taxes[1]	119.4	196.0	111.9	130.7	124.6
Income tax expense (recovery)	18.2	3.7	(5.8)	12.7	16.4
Net earnings[1]	$ 101.2	$ 192.3	$ 117.7	$ 118.0	$ 108.2
Other Financial Data:					
Basic earnings per share	$ 0.44	$ 0.89	$ 0.56	$ 0.64	$ 0.61
Diluted earnings per share	$ 0.44	$ 0.88	$ 0.56	$ 0.64	$ 0.60
Property, plant and equipment and computer software cash expenditures	$ 60.8	$ 62.3	$ 105.9	$ 52.8	$ 61.3
Shares used in computing per share amounts (in millions):					
Basic	227.8	216.3	208.6	183.4	178.4
Diluted	230.1	218.3	210.5	185.4	180.4

	As at December 31				
	2010	2011	2012	2013	2014
	(in millions)				
Consolidated Balance Sheet Data[1]:					
Cash and cash equivalents	$ 632.8	$ 658.9	$ 550.5	$ 544.3	$ 565.0
Working capital[5]	1,009.1	1,116.0	911.8	1,011.3	1,049.9
Property, plant and equipment	332.2	322.7	337.0	313.6	312.4
Total assets	3,013.9	2,969.6	2,658.8	2,638.9	2,583.6
Capital stock	3,329.4	3,348.0	2,774.7	2,712.0	2,609.5
Total equity[1]	1,290.5	1,470.5	1,322.7	1,402.0	1,394.9

(1) Changes in accounting policies:

Effective January 1, 2014, we adopted IFRIC Interpretation 21, Levies, which clarifies when the liability for certain levies should be recognized and requires retroactive adoption, and IAS 32, Financial Instruments — Presentation (revised), which clarifies the requirements for offsetting financial assets and liabilities. The adoption of these standards did not have a material impact on our Consolidated Financial Statements.

Effective January 1, 2013, we adopted the amendment issued by the IASB to IAS 19, Employee Benefits, which requires a retroactive restatement of prior periods related to unrecognized past service credits that we had been amortizing to operations on a straight-line basis over the vesting period. Upon retroactive adoption of this amendment, we recognized these past service credits on our balance sheet and decreased our post-employment benefit obligations and our deficit. Our net earnings for 2011 also decreased to reflect the reversal of past service credits that we retroactively recorded directly to deficit as of December 31, 2010 and the changes in the

calculation of the interest component of pension expense. The impact on our net earnings for 2010 and 2012 was not significant. The impact of adopting the amendment was as follows:

	As at December 31,		
	2010	2011	2012
	(in millions) — increase (decrease)		
Post-employment benefit obligations	$(7.6)	$(6.7)	$(6.0)
Deficit*	$(7.6)	$(6.7)	$(6.0)

	Year ended December 31,		
	2010	2011	2012
	(in millions) — increase (decrease)		
Cost of sales	$—	$ 2.8	$—
Net Earnings	$—	$(2.8)	$—

* Under this amendment, we continue to recognize actuarial gains or losses on plan assets or obligations in other comprehensive income and to reclassify the amounts to deficit. Our actuarial gains on pension and non-pension post-employment benefit plans for 2011 increased by $1.9 million and our actuarial losses for 2012 increased by $0.7 million.

(2) SG&A expenses include research and development costs of $19.7 million in 2014, $17.4 million in 2013 and $15.2 million in 2012.

(3) Other charges in 2010 totaled $49.9 million, comprised primarily of: (a) a $35.8 million restructuring charge, (b) a non-cash write-down of $9.1 million relating to the annual impairment assessment, primarily against computer software assets and property, plant and equipment and (c) an $8.8 million loss on repurchase of long-term debt.

Other charges in 2011 totaled $6.5 million, comprised primarily of: (a) a $14.5 million restructuring charge offset, in part, by (b) a $6.5 million reversal of provisions.

Other charges in 2012 totaled $59.5 million, comprised primarily of: (a) a $44.0 million restructuring charge and (b) a non-cash write-down of $17.7 million relating to the annual impairment assessment, primarily against goodwill.

Other charges in 2013 totaled $4.0 million, comprised primarily of: (a) a $28.0 million restructuring charge offset, in part, by (b) a $24.0 million recovery of damages from the settlement of class action lawsuits in which we were a plaintiff.

Other charges in 2014 totaled $37.1 million, comprised primarily of: (a) a non-cash write-down of $40.8 million against the goodwill of our semiconductor business resulting from our annual impairment assessment; and (b) a non-cash settlement loss of $6.4 million relating to a certain pension plan, offset, in part, by: (i) an $8.0 million recovery of damages resulting from the settlement of class action lawsuits in which we were a plaintiff; and (ii) a $2.1 million net reversal to restructuring charges. See note 15 to the Consolidated Financial Statements in Item 18.

(4) Finance costs are comprised primarily of interest expenses and fees related to our credit facilities and our accounts receivable sales program.

(5) Calculated as current assets less current liabilities.

Exchange Rate Information

The rate of exchange as of February 11, 2015 for the conversion of Canadian dollars into United States dollars was U.S.$0.7915 and for the conversion of United States dollars into Canadian dollars was C$1.2635. The following table sets forth the exchange rates for the conversion of U.S.$1.00 into Canadian dollars for the identified periods. The rates of exchange set forth herein are shown as, or are derived from, the reciprocals of the noon buying rates in New York City for cable transfers payable in Canadian dollars, as certified for customs purposes by the Federal Reserve Bank of New York. The source of this data is the Board of Governors of the Federal Reserve's website (http://www.federalreserve.gov).

	2010	2011	2012	2013	2014
Average	1.0298	0.9887	0.9995	1.0300	1.1043

	February 2015 (through February 11th)	January 2015	December 2014	November 2014	October 2014	September 2014
High	1.2635	1.2716	1.1644	1.1426	1.1291	1.1207
Low	1.2419	1.1725	1.1343	1.1236	1.1135	1.0862

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Any of the following risk factors, or any combination of them, could have a material adverse effect on our business, financial condition, and operating results. Our shareholders and prospective investors should carefully consider each of the following risks and all of the other information set forth in this Annual Report.

We are dependent on a limited number of customers and end markets. We are also dependent on our customers' ability to compete and succeed in the marketplace with the services we provide and the products we manufacture.

Our customers include original equipment manufacturers ("OEMs") and service providers. We depend upon a small number of customers for a significant portion of our revenue. During 2014, three customers (each of 2013 and 2012 — two customers) individually represented more than 10% of our total revenue, and our top 10 customers represented 65% (2013 — 65%; 2012 — 67%) of our total revenue. A decline in revenue from any significant customer or the loss of any significant customer could have a material adverse effect on our financial condition and operating results. We are also dependent on revenue from our traditional end markets (Communications, Servers and Storage), which represented 67% of our consolidated revenue in 2014 (2013 — 69%; 2012 — 62%). These end markets are characterized by rapid shifts in technology, commoditization of certain products, changes in preferences by the end customer or other changes in demand, such as trends in enterprise infrastructure and virtualization, and increased competition. A decline in revenue from our traditional end markets could have a material adverse effect on our financial condition and operating results. Our operating results are highly dependent upon our customers' ability to compete and succeed in the marketplace with the products we manufacture. Certain of our customers have experienced, and may in the future experience, severe revenue erosion, pricing and margin pressures, and excess inventories that, in turn, have adversely affected (and in the future may adversely affect) our operating results.

The mix of our customers and the types of products or services we provide to these customers will have an impact on our operating results from period-to-period. To reduce our reliance on any one customer or end market, we continue to target new customers and services, including expanding business in our Diversified end market (which is comprised of industrial, aerospace and defense, healthcare, solar, green technology, semiconductor equipment, and other), and exploring acquisition opportunities. We are also focused on expanding revenue in our higher value-added services, such as design and development, engineering, supply chain management and after-market services, and have de-emphasized our lower margin business, including our consumer portfolio. Notwithstanding these expansion efforts, we are still dependent on our traditional end markets for a significant portion of our revenue, which are subject to the various factors described above and are currently experiencing slower growth rates and increased pricing pressures, particularly in our Communications end market. Failure to secure business from existing or new customers in our traditional end markets would adversely impact our operating results.

There can be no assurance that our efforts to secure new customers and services in our traditional and new markets, including the impact of acquisitions, will succeed in reducing our customer concentration. Acquisitions are also subject to integration risk, and revenues and margins could be lower than we anticipate.

There can be no assurance that present or future customers will not terminate their manufacturing or service arrangements with us, or that they will not significantly change, reduce or delay the volume of manufacturing or other services they order from us, any of which would adversely affect our operating results. Customers may also shift business to our competitors, in-source programs, or adjust the concentration of their supplier base. Significant reductions in, or the loss of, revenue from any of our major customers may have a material adverse effect on us. We cannot assure the replacement of completed, delayed, cancelled or reduced orders with new business. In addition, the ramping of new programs may take from several months to more than a year before production starts and may require significant up-front investments and increased working capital requirements. During this start-up period, these programs may generate losses or may not achieve the expected

financial performance due to production ramp inefficiencies, lower than expected volume or delays in ramping to volume. Our customers may significantly change these programs, or even cancel them altogether, due to changes in end-market demand or changes in the actual or anticipated success of their products in the marketplace. See "*Our revenue and operating results may vary significantly from period to period*".

All of the foregoing may adversely affect our margins, cash flow, and our ability to grow our revenue, and may increase the variability of our operating results from period to period.

We operate in an industry comprised of numerous competitors and aggressive pricing dynamics.

We operate in a highly competitive industry. Our competitors include Benchmark Electronics, Inc., Flextronics International Ltd., Hon Hai Precision Industry Co., Ltd., Jabil Circuit, Inc., Plexus Corp., and Sanmina Corporation, as well as smaller EMS companies that often have a regional, product, service or industry-specific focus, and original design manufacturers ("ODMs") that provide internally designed products and manufacturing services. We also face indirect competition from the manufacturing operations of our current and prospective customers, as these companies may choose to manufacture products internally rather than outsource to EMS providers, or they may choose to insource previously outsourced business, particularly where internal excess capacity exists.

The competitive environment in our industry is very intense and aggressive pricing is a common business dynamic. Some of our competitors have greater scale and a broader range of services than we offer. While we have increased our capacity in lower-cost regions to reduce our costs, these regions may not provide the same operational benefits that they have in the past due to rising costs and a continued aggressive pricing environment. Additionally, our current or potential competitors may: increase or shift their presence in new lower-cost regions to try to offset continuous competitive pressure and increasing labor costs or to secure new business; develop or acquire services comparable or superior to those we develop; combine or merge to form larger competitors; or adapt more quickly than we may to new technologies, evolving industry trends and changing customer requirements. Some of our competitors have increased their vertical capabilities by manufacturing modules or components used in the products they assemble, such as metal or plastic parts and enclosures, backplanes, circuit boards, cabling and related products. This expanded capability may provide them with a competitive advantage and greater cost savings and may lead to more aggressive pricing for electronics manufacturing services. Competition may cause pricing pressures, reduced profits or a loss of market share (for example, from program losses or customer disengagements). We may not be able to compete successfully against our current and future competitors.

We continue to operate in an uncertain global economic environment.

The global economy continues to be uncertain and may continue to negatively impact end market demand and our operations. Uncertainty surrounding the current global economic and geo-political outlook continues to limit the overall demand visibility of our end markets and may impact the future demand for some of the products we manufacture or services we provide. This environment may also impact the financial condition of our customers or suppliers, as well as the number and pace of customer consolidation.

A deterioration in the economic environment may accelerate the effect of the various risk factors described in this Annual Report and could result in other unforeseen events that may adversely impact our business and financial condition.

Our customers may be negatively affected by rapid technological changes, shifts in business strategy and/or the emergence of new business models.

Many of our customers compete in markets that are characterized by rapidly changing technology, evolving industry standards, continuous improvements in products and services, commoditization of certain products, changes in preferences by end customers or other changes in demand, and the emergence of competitors with new business models that deemphasize the traditional OEM distribution channels. These conditions frequently result in shorter product lifecycles and may lead to shifts in our customers' business strategy. Our success will depend on the success achieved by our customers in developing, marketing and selling their products. If technologies or standards supported by our customers' products and services or their business models become obsolete, fail to gain widespread acceptance or are cancelled, our business could be adversely affected.

As an example, declines in end-market demand for customer-specific proprietary systems in favor of open systems with standardized technologies could have an adverse impact on our business. Other examples include the shift from traditional network infrastructures to highly virtualized and cloud-based environments, the prevalence of solid state memory as a replacement for hard disk drives, as well as the proliferation of software-defined networks and software-defined storage, any or all of which could adversely impact our business. The highly competitive nature of our customers' products and services could also drive consolidation among OEMs, and result in product line consolidation that could adversely impact our customer relationships and our revenue. Including as a result of the foregoing, certain of our customers have experienced, and may in the future experience, severe revenue erosion, pricing and margin pressures, and excess inventories that, in turn, have adversely affected (and in the future may adversely affect) our operating results.

Our results may be negatively affected by rising labor costs.

There is some uncertainty with respect to the pace of rising labor costs in various regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers would negatively impact our margins and operating results.

Our operations could be adversely affected by global or local events outside our control, including natural disasters, epidemics, extreme weather conditions, political instability, labor or social unrest, criminal activity and other risks present in the jurisdictions in which we operate.

Our operations and those of our customers, component suppliers and/or our logistics partners may be disrupted by global or local events outside our control, including: natural disasters and related disruptions; political instability; terrorism; armed conflict; labor or social unrest; criminal activity; disease or illness, epidemics and health advisories, including those related to SARS, avian flu, and Ebola, that affect local, national or international economies; unusually adverse weather conditions; and other risks present in the jurisdictions in which we, our customers, our suppliers and/or our logistics partners operate. Such events could materially adversely affect our results of operations and increase our costs. We carry insurance to cover damage to our sites and interruptions to our operations, including those that may occur as a result of natural disasters, such as flooding and earthquakes, hurricanes, tsunamis or other events. However, our insurance policies are subject to deductibles, coverage limitations and exclusions, and may not provide adequate coverage should such events occur.

Increased international political instability, terrorism, enhanced national security measures, armed conflicts, security issues at the U.S./Mexico border related to illegal immigration or criminal activities associated with illegal drug activities, labor or social unrest, strained international relations and the related decline in consumer confidence arising from these and other factors may materially hinder our ability to conduct business, or may reduce demand for our products or services. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could adversely affect the availability of materials needed to manufacture our products or the means to transport those materials to manufacturing sites and finished products to customers.

We rely on a variety of common carriers for the transportation of materials and products and for their ability to route these materials and products through various international ports and other transportation hubs. A work stoppage, strike or shutdown of any important supplier's site or operations, or at any major port or airport, or the inability to access any such site for any reason, could result in manufacturing and shipping delays or expediting charges, which could have a material adverse effect on our operating results.

Such events have had and may in the future have an adverse impact on the U.S. and global economy in general, and on consumer confidence and spending, which may adversely affect our revenue and financial results. Such events could increase the volatility of the market price of our securities and may limit the capital resources available to us and our customers and suppliers.

We may encounter difficulties expanding our operations or introducing new competencies or new offerings, which could adversely affect our operating results.

As we expand our business, open new sites, enter into new markets, products and technologies, invest in research, design and development, acquire new businesses or capabilities, transfer business from one location to

another location within our network, and/or introduce new business models or programs, we may encounter difficulties that result in higher than expected costs associated with such activities and/or customer dissatisfaction with our performance. Potential difficulties related to our growth and/or operations include our ability to: manage growth effectively, including having trained personnel to manage expanded operations, new customers, and/or new products or services; maintain existing customer, supplier, employee and other favorable business relationships during periods of transition; anticipate disruptions in our operations that may impact our ability to deliver to customers on time, to produce quality products and to ensure overall customer satisfaction; and respond rapidly to changes in customer demand or volumes, including as a result of program completions or losses, or customer disengagements.

We may also encounter difficulties in ramping and executing new programs from existing or new customers. We may require significant investments to support these new programs, including increased working capital requirements, and may generate lower margins or losses during and/or following the ramp period. There can be no assurance that our increased investments will benefit us or result in business growth. As we pursue opportunities in new markets or technologies, we may encounter challenges due to our limited knowledge or experience. In addition, the success of new business models or programs depends on a number of factors including: understanding the new business or markets, including appropriate staffing needs; timely and successful development of products or services (by us and/or our customer); market acceptance; the effective management of purchase commitments and inventory levels in line with anticipated demand; the development or acquisition of appropriate intellectual property and capital investments, to the extent required; the availability of materials in adequate quantities and at appropriate costs to meet anticipated demand; and the risk that new offerings may have quality or other defects in the early stages of introduction. Any of these factors could prevent us from realizing the anticipated benefits of growth in new markets or technologies, which could materially adversely affect our business and operating results. For example, we completed acquisitions in 2011 and in 2012 in order to expand our diversified end market offerings to include semiconductor capital equipment. The semiconductor market has historically been cyclical and subject to significant and rapid shifts in product demand and technological changes. Our semiconductor business has underperformed due to factors including the overall demand weakness in the semiconductor industry in recent years, the cost of investments we made, operational challenges, and the costs, terms and timing of ramping new programs. In addition, in 2014, we incurred higher than expected losses in this business primarily due to weaker than anticipated customer demand for the year, challenges associated with the ramping of new sites and programs, as well as operational inefficiencies and commercial challenges associated with a particular customer. See Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview of business environment" for further discussion of the factors which have negatively impacted our semiconductor business. Primarily as a result of management's assessment of the impact of these negative factors, we recorded a $40.8 million non-cash impairment charge against the goodwill of our semiconductor business in the fourth quarter of 2014.

Inherent challenges in managing unanticipated changes in customer demand may impact our planning, supply chain execution and manufacturing, and may adversely affect our operating performance and results.

Our customers use EMS providers for new product introductions and expect rapid response times to meet changes in volume requirements. Although we generally enter into master supply agreements with our customers, the level of business to be transacted under those agreements is not guaranteed. Instead, we bid on a program-by-program basis and typically receive customer purchase orders for specific quantities and timing of products. Most of our customers typically do not commit to production schedules for more than 30 days to 90 days in advance and we often experience volatility in customer orders. Additionally, a significant portion of our revenue can occur in the last month of the quarter, and purchase orders may be subject to change or cancellation, all of which affect our operating results when they occur. Accordingly, our forecasts of customer orders may be inaccurate, and may make it difficult to order appropriate levels of materials, schedule production, and maximize utilization of our manufacturing capacity and resources.

Our customers may change their forecasts, production quantities or product type requirements, or may accelerate, delay or cancel production quantities for various reasons. When customers change production volumes or request different products to be manufactured from those in their original forecast, the unavailability of components and materials for such changes could also adversely impact our revenue and working capital

performance. Further, to guarantee continuity of supply for many of our customers, we are required to manufacture and warehouse specified quantities of finished goods. The uncertainty of demand in our customers' end markets, intense competition in our customers' industries and general order volume volatility may result in customers delaying or canceling the delivery of products we manufacture for them or placing purchase orders for lower volumes of products than previously anticipated.

Order cancellations, or changes or delays in production, may result in higher than expected levels of inventory, which could in turn have a material adverse impact on our operating results and working capital performance. We may not be able to return or re-sell this inventory, or we may be required to hold the inventory for a period of time, any of which may result in our having to record additional reserves for the inventory if it becomes excess or obsolete. Order cancellations and delays could lower our asset utilization, resulting in higher levels of unproductive assets, lower inventory turns, and lower margins.

Consolidation may adversely affect our business relationships or the volume of business we conduct with our customers.

Our customers, competitors and suppliers may be subject to consolidation. Consolidation in industries that utilize our services may increase as companies combine to achieve economies of scale and other synergies, which could result in an increase in excess manufacturing capacity as companies seek to divest manufacturing operations or eliminate product lines. Excess manufacturing capacity may increase pricing and competitive pressures in our industry as a whole and for us in particular. Consolidation could also result in an increasing number of very large companies offering products in multiple industries. The significant purchasing power and market power of these large companies could increase pricing and competitive pressures for us. If one of our customers is acquired by another company that does not rely on us to provide services, has its own production services, or relies on another provider of similar services, we may lose that customer's business. Such consolidation may reduce the number of customers from which we generate a significant percentage of our revenue, and further expose us to increased risks relating to our dependence on a small number of customers. Any of the foregoing results of industry consolidation could adversely affect our business. Consolidation among our competitors may create a competitive advantage over us, which may also result in a loss of business and revenue if customers shift their production. Such consolidation may also result in pricing pressures, which could negatively impact our profit margins. Changes in OEM strategies, including the divestiture or exit from certain of their businesses, may also result in a loss of business for us.

We may encounter challenges in completing or integrating our acquisitions which could adversely affect our operating results.

We intend to expand our presence in new end markets and expand our capabilities in existing markets and technologies, some of which may occur through acquisitions. These transactions may involve acquisitions of entire companies or acquisitions of selected assets. Potential challenges related to our acquisitions include: integrating acquired operations, systems and businesses; retaining customer, supplier, employee or other business relationships of acquired operations; addressing unforeseen liabilities of acquired businesses; limited experience with new technologies and markets; and not achieving anticipated business volumes or operating margins.

Any of these factors may prevent us from realizing the anticipated benefits of an acquisition, including additional revenue, operational synergies and economies of scale. Any delay or failure to realize the anticipated benefits of acquisitions may adversely affect our business and operating results and may require us to write-down the carrying value of any related goodwill and intangible assets in periods subsequent to the acquisitions. For example, in 2014, we recorded a $40.8 million impairment to the goodwill of our semiconductor business (which arose from our 2011 acquisition of the semiconductor equipment contract manufacturing operations of Brooks Automation Inc. and our 2012 acquisition of D&H Manufacturing Company (D&H)), and the majority of the $17.7 million impairment charge we recorded in 2012 represented the write-down of goodwill related to the healthcare business we acquired in 2010.

If we are unable to recruit or retain highly skilled personnel, our business could be adversely affected.

The recruitment of personnel in the EMS industry is highly competitive. We believe that our future success depends, in part, on our ability to attract and retain highly skilled executive, technical and management

personnel. We do not have employment or non-competition agreements with the majority of our employees. The loss of the services of certain executive, management and technical employees, individually or in the aggregate, could have a material adverse effect on our operations. In addition, our CEO recently announced that he will retire by the end of 2015. The process of identifying his successor could be disruptive to our business and the failure to identify and hire his successor in a timely manner could adversely affect our business and results of operations. Further, changes in our management team may be disruptive to our business, and any failure to successfully integrate key new hires or promoted employees could adversely affect our business and results of operations.

Our results can be negatively affected by the availability and cost of components.

The purchase of materials and electronic components represents a significant portion of our costs. A delay or interruption in supply from a component supplier, especially for single-sourced components, could have a significant impact on our operations and on our customers, if we are unable to deliver finished products in a timely manner. Additionally, quality or reliability issues at any of our component providers, or financial difficulties that affect their production and ability to supply us with components, could halt or delay production of a customer's product, which could materially adversely impact our operating results.

Supply shortages for a particular component can delay production of, and revenue from, products using that component. Shortages also may result in our carrying higher levels of inventory and extended lead times, or result in increased component prices, which may require price increases in the products and services that we provide. Any increase in our costs that we are unable to recover in our pricing to our customers would negatively impact our margins and operating results.

At various times in our industry's history, there have been industry-wide shortages of electronic components. Shortages, or fluctuations in the cost of components, may have a material adverse effect on our business or cause our operating results to fluctuate from period-to-period. Changes in forecasted volumes or in our customers' requirements can negatively affect our ability to obtain components and adversely impact our operating results.

Volatility in oil and other commodity prices may negatively impact our operating results due to higher production and transportation costs.

We rely on various energy sources in our production and transportation activities. The price of commodities, including oil, has been volatile and remains uncertain. Increases in prices for energy and other commodities could result in higher raw material and component costs and transportation costs. Any increase in our costs that we are unable to recover in our pricing to our customers would negatively impact our margins and operating results.

We may experience increased financial and reputational risk due to non-performance by counterparties.

A failure by a counterparty, which includes customers, suppliers, financial institutions and other third parties with which we conduct business, to fulfill its contractual obligations may result in a financial loss to us, and may adversely affect our reputation. We generally provide payment terms to our customers ranging from 30 days to 90 days. Our accounts receivable balance at December 31, 2014 was $693.5 million, with one customer individually representing more than 10% of our total accounts receivable. If any of our customers have insufficient liquidity, we could encounter significant delays or defaults in payments owed to us by such customers, or we may extend our payment terms, which could adversely impact our financial condition and operating results. We also may not be able to recover all of the amounts owed to us by a customer, including amounts to cover unused inventory or capital investments we acquired to support that customer's business. If a key supplier experiences financial difficulties, this may affect its ability to supply us with materials or components, which could halt or delay the production of a customer's product, and have a material adverse impact on our operations and customer relationships.

We face financial risks due to foreign currency volatility.

Global currency markets can be volatile. Although we conduct the majority of our business in U.S. dollars, our financial results are affected by the valuation of foreign currencies relative to the U.S. dollar.

Our significant non-U.S. currency exposures include the Canadian dollar, Thai baht, Malaysian ringgit, Mexican peso, British pound sterling, Chinese renminbi, Euro, the Romanian leu and the Singapore dollar. We enter into forward exchange contracts, generally for periods of up to 15 months, intended to hedge our cash flows and significant balance sheet exposures against significant fluctuations in the foreign exchange rates of many of these foreign currencies. The intent of our hedging program is to mitigate the volatility impact of currency fluctuations on our foreign currency costs and exposures. However, it will not necessarily mitigate the longer-term impact of currency fluctuations on the operating costs of our global business operations. If our hedging program is not successful, or if we change our hedging activities in the future, we may experience significant unexpected expenses from fluctuations in exchange rates.

Our ability to successfully manage unexpected changes or risks inherent in our global operations and supply chain may adversely impact our financial performance.

We have sites in the following countries: Canada, the United States, China, Ireland, Japan, Malaysia, Mexico, Romania, Singapore, Spain and Thailand. During 2014, approximately 80% of our revenue was produced at locations outside of North America. We also purchase the majority of our components and materials from international suppliers.

Global operations are subject to inherent risks which may adversely affect us, including:

- changes in local tax rates and tax incentives and the adverse tax consequences of repatriating earnings;
- labor unrest and differences in regulations and statutes governing employee relations;
- cultural differences and/or differences in local business customs;
- changes in regulatory requirements;
- inflation and rising costs;
- changes in international political relations;
- difficulty in staffing (including skilled labor availability and cost) and managing foreign operations;
- challenges in building and maintaining infrastructure to support operations;
- compliance with a variety of foreign laws, including changing import and export regulations;
- adverse changes in trade policies between countries in which we maintain operations;
- changes in logistics costs;
- changes in the availability, lead time, and cost of components and materials;
- weaker laws protecting intellectual property rights and/or greater difficulty enforcing such rights;
- global economic, political and social instability;
- potential restrictions on the transfer of funds and/or other restrictive actions by foreign governments;
- the effects of terrorist activity, armed conflict and epidemics; and
- global currency fluctuations.

Any of these risks could disrupt the supply of our components or materials, slow or stop our production, and/or increase our costs. Compliance with trade and foreign tax laws may increase our costs and actual or alleged violations of such laws could result in enforcement actions or financial penalties that could result in substantial costs. In addition, the introduction or expansion of certain social programs in foreign jurisdictions would likely increase our costs, and certain supplier's costs, of doing business.

We may not keep pace with rapidly evolving technology.

We continue to evaluate the advantages and feasibility of new manufacturing processes. We believe our future success will depend, in part, upon our ability to continually develop and deliver electronic and complex mechanical manufacturing services that meet our customers' evolving needs. This may involve investing in new processes, capabilities or equipment to support new technologies used in our customers' current or future products, and to support their supply chain processes. Additionally, as we expand our service offerings, such as

our Joint Design and Manufacturing ("JDM") offering, or pursue business in new markets, including the semiconductor capital equipment, precision machining, green technology and energy storage markets, where our experience may be limited, we may be less effective in adapting to technological change. Our manufacturing and supply chain processes, test development efforts and design capabilities may not be successful due to rapid technological shifts in any of these areas.

Various industry-specific standards, qualifications and certifications are required to produce certain types of products for our customers. Failure to obtain or maintain those certifications may adversely affect our ability to maintain existing levels of business or win new business.

We may not adequately protect our intellectual property or the intellectual property of others.

We believe that certain of our proprietary intellectual property rights and information provide us with a competitive advantage. Accordingly, we take steps to protect this proprietary information, including entering into non-disclosure agreements with customers, suppliers, employees and other parties, and by implementing security measures. However, our protection measures may not be sufficient to prevent or detect the misappropriation or unauthorized use or disclosure of our property or information.

There is also a risk that claims of intellectual property infringement could be brought against us, our customers and/or our suppliers. If such claims are successful, we may be required to spend significant time and money to develop processes that do not infringe upon the rights of another person or to obtain licenses for the technology, process or information from the owner. We may not be successful in such development, or any such licenses may not be available on commercially acceptable terms, if at all. In addition, any litigation could be lengthy and costly and could adversely affect us even if we are successful in the litigation. As we expand our service offerings and pursue business in new end markets, we may be less effective in anticipating or mitigating the intellectual property risks related to new manufacturing, design and other services, which could be significant.

There may be problems with the products we design or manufacture that could result in liability/warranty claims against us, which may reduce demand for our services, damage our reputation, and/or cause us to incur significant costs.

In certain of our sales contracts, we provide warranties against defects or deficiencies in our products, services, or designs. We generally design and manufacture products to our customers' specifications, many of which are highly complex, and include products for industries, such as healthcare, aerospace and defense, that tend to have higher risk profiles. The customized design solutions that form a part of our JDM offering also subject us to the risk of liability claims if defects are discovered or alleged. Despite our quality control and quality assurance efforts, problems may occur, or may be alleged, in or resulting from the design and/or manufacturing of these products. Whether or not we are responsible, problems in the products we design and/or manufacture, or in products which include components we manufacture, whether real or alleged, whether caused by faulty customer specifications, the design or manufacturing processes or a component defect, may result in increased costs to us, as well as delayed shipments to customers, and/or reduced or canceled customer orders. These potential claims may include damages for the recall of a product and/or injury to person or property, including consequential and/or punitive damages.

Even if customers or third parties, such as component suppliers, are responsible for defects, they may not, or may not be able to, assume responsibility for any such costs or required payments to us. While we seek to insure against many of these risks, insurance coverage may be inadequate, not cost effective or unavailable, either in general or for particular types of products or issues.

As we expand our service offerings (for example, our solar panel manufacturing business and our JDM offerings) and pursue business in new end markets, our warranty obligations may increase and we may not be successful in pricing our products to appropriately cover our warranty costs. A successful claim for damages arising from defects or deficiencies for which we are not adequately insured, and for which indemnification from a third party is not timely (or otherwise) available, could have a material adverse effect on our reputation and/or our operating results and financial condition.

We are subject to the risk of increasing income taxes, tax audits, and the challenges of successfully defending our tax positions or meeting the conditions of tax incentives and credits, any of which may adversely affect our financial performance.

We conduct business operations in a number of countries, including countries where tax incentives have been extended to encourage foreign investment or where income tax rates are low. Our taxes could increase significantly if certain tax incentives from which we benefit are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, or if they are not renewed or replaced upon expiration. Our taxes could also increase if tax rates applicable to us in such jurisdictions are otherwise increased, or due to changes in legislation or administrative practices. Changes in our outlook in any particular country could impact our ability to meet the required conditions. See Item 5 "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Income taxes" for a discussion of Malaysian tax incentives which expired as of the end of 2014.

We develop our tax filing positions based upon the anticipated nature and structure of our business and the tax laws, administrative practices and judicial decisions currently in effect in the jurisdictions in which we have assets or conduct business, all of which are subject to change or differing interpretations, possibly with retroactive effect.

Certain of our subsidiaries provide financing or products and services to, and may from time-to-time undertake certain significant transactions with, other subsidiaries in different jurisdictions. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's-length pricing principles, and that contemporaneous documentation must exist to support such pricing.

We are subject to tax audits globally by various tax authorities of historical information, which could result in additional tax expense in future periods relating to prior results. Any such increase in our income tax expense and related interest and/or penalties could have a significant impact on our future earnings and future cash flows. See Item 5 "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Income taxes". The successful pursuit of the assertions made by any taxing authority related to pending or newly-instituted tax audits could result in our owing significant amounts of tax, interest and/or penalties. We believe we have substantial defenses to the asserted positions and have adequately accrued for any probable potential adverse tax impact. However, there can be no assurance as to the final resolution of these claims and any resulting proceedings. If these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material, and could be in excess of amounts currently accrued.

As at December 31, 2014, a significant portion of our cash and cash equivalents was held by subsidiaries outside of Canada. Although substantially all of the cash and cash equivalents held outside of Canada could be repatriated, a significant portion may be subject to withholding taxes under current tax laws. We have not recognized deferred tax liabilities for cash and cash equivalents held by certain subsidiaries related to unremitted earnings that are considered indefinitely reinvested outside of Canada and that we do not intend to repatriate in the foreseeable future (approximately $310 million of cash and cash equivalents as at December 31, 2014 and December 31, 2013).

We have incurred significant restructuring charges, impairment charges and operating losses in the past and may experience such charges and losses in future periods.

In the past, we have recorded charges resulting primarily from restructuring actions and the write-down of goodwill and other intangible assets, and have incurred operating losses for certain of our businesses. These amounts have varied from period to period.

We have undertaken numerous initiatives to restructure and reduce our capacity and cost structures in response to changes in the EMS industry and in end-market demand, with the intention of improving utilization and reducing our overall cost structure. See note 15 to the Consolidated Financial Statements in Item 18. We may not be able to retain or expand existing business due to execution issues relating to significant headcount reductions, plant closures or product transfers resulting from any restructuring actions we take. We may also incur higher operating expenses during periods of transition. During 2012, we announced that we would take

restructuring actions throughout our global network. These restructuring actions have been completed. In connection with these restructuring actions, we recorded aggregate restructuring charges of $72.0 million, comprised of $44.0 million in 2012 and $28.0 million in 2013. We evaluate our operations from time to time and may propose additional restructuring actions in the future. Any failure to successfully execute or realize the expected benefits from these initiatives, including any delay in implementing these initiatives, may have a material adverse impact on our operating results.

We evaluate the recoverability of the carrying amount of our goodwill, intangible assets, and property, plant and equipment on an ongoing basis, and we may incur impairment charges, which could be substantial and could adversely affect our financial results. Impairment assessments inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact our assumptions as to prices, costs, holding periods or other factors that may result in changes in our estimates of future cash flows. Factors that might reduce the recoverable amount of goodwill, intangible assets, and property, plant and equipment below their respective carrying values include declines in our stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in any of our businesses. We recorded non-cash impairment charges of $40.8 million in 2014 and $17.7 million in 2012. See note 15(b) to the Consolidated Financial Statements in Item 18.

Our semiconductor business has underperformed, and in 2014 incurred higher than expected operating losses primarily as a result of lower than anticipated customer demand for the year, challenges associated with the ramping of new sites and programs, and operational inefficiencies and commercial challenges associated with a particular customer. We continue to work with this customer to resolve these issues. We may incur additional operating losses and/or further impairments for this business in future periods. See Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview of business environment".

Our operations and our customer relationships may be adversely affected by disruptions to our information technology ("IT") systems, including disruptions from cybersecurity breaches of our IT infrastructure.

We rely on information technology networks and systems, including those of third-party service providers, to process, transmit and store electronic information. In particular, we depend on our IT infrastructure for a variety of functions, including worldwide financial reporting, inventory and other data management, procurement, invoicing and email communications. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, terrorist attacks, sabotage and similar events. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to our IT systems to sophisticated and targeted measures known as 'advanced persistent threats'. The ever-increasing use and evolution of technology, including cloud-based computing, creates opportunities for the unintentional dissemination or intentional destruction of confidential information stored in our systems or in non-encrypted portable media or storage devices. We could also experience a business interruption, information theft of confidential data, or reputational damage from industrial espionage attacks, malware or other cyber attacks, which may compromise our system infrastructure or lead to data leakage, either internally or at our third-party providers. Despite the implementation of network security measures and disaster recovery plans, our systems and those of third parties on which we rely may also be vulnerable to computer viruses, break-ins and similar disruptions. If we or our vendors are unable (or are perceived as unable) to prevent such outages and breaches, our operations may be disrupted and our business reputation could be adversely affected.

We expect that risks and exposures related to cybersecurity attacks will remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats.

We may not be able to prevent or detect all errors or fraud.

Due to the inherent limitations of internal control systems, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. Accordingly, we cannot provide absolute assurance that all control issues, errors or instances of fraud, if any, within (or otherwise impacting) the Corporation have been or will be prevented or detected. In addition, over time, certain aspects of a control system may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate, which we may not be able to address quickly enough to prevent all instances of error or fraud.

We may not be able to increase revenue if outsourcing by OEMs or service providers slows.

Future growth in our revenue includes a dependence on new outsourcing opportunities in which we assume additional manufacturing and supply chain management responsibilities from OEMs or service providers. Our future growth will be limited to the extent that these opportunities are not available as a result of decisions of OEMs or service providers to perform these functions internally or delaying their decision to outsource, or if we are unable to win new contracts. Customers may also decide to insource production that they had previously outsourced to better utilize their internal capacity or for other reasons. In addition, the global economic environment, political pressures, negative sentiment by our customers' customers or local governments may impact our customers' business decisions. These and other factors could adversely affect the rate of outsourcing generally, or adversely affect the rate of outsourcing to EMS providers like Celestica.

Our revenue and operating results may vary significantly from period to period.

Our quarterly and annual results may vary significantly depending on various factors, certain of which are described below, and many of which are beyond our control.

- the volume and timing of customer demand relative to our capacity;
- the typical short life cycle of our customers' products and success in the marketplace of our customers' products;
- customers' financial conditions;
- changes to our mix of customers, programs and/or end market demand;
- varying revenues and gross margins among geographies and programs for the products or services we provide;
- pricing pressure, the competitive environment and contract terms and conditions;
- challenges associated with the ramping of programs for new or existing customers;
- unanticipated customer disengagements;
- the timing of expenditures in anticipation of future orders;
- our effectiveness in planning production and managing inventory, fixed assets and manufacturing processes;
- operational inefficiencies and disruptions in production at individual sites;
- changes in cost and availability of commodities, materials, components, services and labor;
- current or future litigation and/or governmental actions;
- currency fluctuations; and
- changes in U.S. and global economic and political conditions and world events.

Our mix of revenue by end market is also impacted by, among other factors, overall end market demand, the timing and extent of new program wins, program completions or losses, customer disengagements, or follow-on business from customers and from acquisitions. Changes to our mix of revenue by end market, and the conditions that are specific to each end market, could lead to volatility in our revenue and margins from period to period and adversely impact our financial position and cash flows.

In the past we have experienced, and may in the future experience, seasonality in our quarterly revenue patterns across certain of the end markets we serve. As our revenue from quarter-to-quarter is dependent on various factors, including the level of demand and mix in each of our end markets, it is difficult for us to predict the extent and impact of seasonality on our business.

Compliance with governmental laws and obligations could be costly and may negatively impact our financial performance.

We are subject to various federal/national, state/provincial, local and supra-national environmental laws and regulations. Our environmental management systems and practices have been designed to provide for compliance with these laws and regulations. Maintaining compliance with and responding to increasingly

stringent regulations require a significant investment of time and resources and may restrict our ability to modify or expand our manufacturing sites or to continue production. Any failure to comply with these laws and regulations may potentially result in significant fines and penalties, our operations may be suspended or subjected to increased oversight, and our cost of related investigations could be material in any period.

More complex and stringent environmental legislation continues to be imposed, including laws that place increased responsibility and requirements on the "producers" of electronic equipment and, in turn, their providers and suppliers. Such laws may relate to product inputs (such as hazardous substances and energy consumption), product use (such as energy efficiency and waste management/recycling), and/or operational outputs/by-products from our manufacturing processes that can result in environmental contamination (such as waste water, air emissions and hazardous waste). Noncompliance with these requirements may potentially result in substantial costs, including fines and penalties, and we may incur liability to our customers and consumers.

Where compliance responsibility rests primarily with OEMs rather than with EMS companies, OEMs may turn to EMS companies like Celestica for assistance in meeting their obligations. Our customers are becoming increasingly focused on issues such as waste management (including recycling), climate change (including the reduction of carbon emissions) and product stewardship, and expect their EMS providers to be environmental leaders. We strive to meet such customer expectations, although these demands may extend beyond our regulatory obligations and require significant investments of time and resources to attract and retain customers.

We generally have obtained environmental assessment reports, or reviewed assessment reports undertaken by others, for most of our manufacturing sites at the time of acquisition or leasing. Such assessments may not reveal all environmental liabilities, and current assessments are not available for all sites. In addition, some of our operations involve the use of hazardous substances that could cause environmental contamination. Although if deemed necessary, we may investigate, remediate or monitor air, soil and/or groundwater contamination at some of our owned or leased sites, we may not be aware of, or adequately address, all such conditions, and we may incur significant costs to perform such work in the future. In many jurisdictions in which we operate, environmental laws impose liability for the costs of removal, remediation or risk assessment of hazardous or toxic substances on an owner, occupier or operator of real estate, even if such person or company was unaware of or not responsible for the discharge or migration of such substances. In some instances where soil or groundwater contamination existed prior to our ownership or occupation, landlords or former owners may have retained some contractual responsibility or regulatory liability, but this may not provide sufficient protection to reduce or eliminate liability to us. Third-party claims for damages or personal injury are also possible and could result in significant costs to us. Moreover, current remediation, mitigation and risk assessment measures may not be adequate to comply with future laws.

In addition to the environmental regulations described above, which generally apply to all of our manufacturing operations and processes, certain end markets in which we operate (particularly the healthcare and aerospace and defense markets) are subject to additional regulatory oversight.

Our healthcare business is subject to regulation by the U.S. Food and Drug Administration (the "FDA"), Health Canada, the European Medicines Agency, the Brazilian Health Surveillance Agency, and similar regulatory bodies in other jurisdictions, relating to the medical devices and hardware we manufacture for our customers. Several of our sites around the world are certified or registered in quality management standards applicable to the healthcare industry. We are required to comply with the various statutes and regulations related to the design, development, testing, manufacturing and labeling of our medical devices in addition to reporting of certain information with respect to the safety of such products. Any failure to comply with these regulations could result in fines, injunctions, product recalls, import detentions, additional regulatory controls, suspension of production, and/or the shutting down of one or more of our sites, among other adverse outcomes. Failure to comply with these regulations may also materially affect our reputation and/or relationships with customers and regulators.

We provide design, engineering and manufacturing related services to our customers in the aerospace and defense end market. As part of these services, we are subject to substantial regulation from government agencies including the U.S. Department of Defense ("DOD") and the U.S. Federal Aviation Administration. Several of our sites around the world are certified in quality management standards applicable to the aerospace and defense industry. Failure to comply with these regulations or the loss of any of our quality management

certifications may result in fines, penalties and injunctions, and could prevent us from executing on current or winning future contracts, any of which may materially adversely affect our financial condition and operating results. In addition to quality management standards, there are several other U.S. regulations that we are also required to follow, including the Federal Acquisition Regulations ("FAR"), which provides uniform policies and procedures for acquisition; the Defense Federal Acquisition Regulation Supplement, a DOD agency supplement to the FAR that provides DOD-specific acquisition regulations that DOD government acquisition officials, and those contractors doing business with DOD, must follow in the procurement process for goods and services; and the Truth in Negotiations Act, which is a law enacted for the purpose of providing for full and fair disclosure by contractors in the conduct of negotiations with the government.

Our international operations require us to comply with various anti-bribery laws, including the U.S. Foreign Corrupt Practices Act ("FCPA") and the Corruption of Foreign Public Officials Act (Canada) ("CFPOA"). In some countries in which we operate, it may be customary for businesses to engage in business practices that are prohibited by the FCPA, CFPOA or other laws and regulations. Although we have implemented policies and procedures designed to ensure compliance with the FCPA, CFPOA and similar laws, there can be no assurance that all of our employees and agents, as well as those companies to which we outsource certain business operations, will not be in violation of our policies or procedures. In addition to the difficulty of monitoring compliance, any suspected or alleged activity would require a costly investigation by us and may result in the diversion of management's time, resources and attention. Failure to comply with these laws may subject us to, among other things, adverse publicity, penalties and legal expenses that may harm our reputation and have a material adverse effect on our business, financial condition and operating results.

As a public company, we are subject to stringent laws, regulations and other requirements, including those resulting from the U.S. Sarbanes-Oxley Act and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank"), affecting, among other areas, our accounting, internal controls, corporate governance practices, securities disclosures and reporting. For example, Dodd-Frank contains provisions concerning specified minerals originating from the Democratic Republic of Congo and adjoining countries that are believed to benefit armed groups (referred to as "conflict minerals"). As required by this Act, the U.S. Securities and Exchange Commission ("SEC") has adopted due diligence, disclosure and reporting requirements for companies that manufacture, or contract to manufacture, products that include conflict minerals. We manufacture such products for our customers. Due to our complex supply chain, compliance with these rules is time-consuming and costly. If we are unable to ascertain the origins of all such minerals used in the manufacturing of our products through the due diligence procedures we implement, we may be unable to satisfy our customers' certification requirements. This may harm our reputation, damage our customer relationships and result in a loss of revenue. If the SEC rules or other new social or environmental standards limit our pool of suppliers in order to produce "conflict free" or "socially responsible" products, or otherwise adversely affect the sourcing, supply and pricing of materials used in our products, we could also experience cost increases and a material adverse impact on our operating results.

The regulatory climate can itself affect the demand for our services. For example, government reimbursement rates and other regulations, as well as the financial health of healthcare providers, and pending changes in how healthcare in the U.S. is structured, including as a result of the U.S. Affordable Care Act, and how medical devices are taxed, could affect the willingness and ability of end customers to purchase the products of our customers in this market as well as impact our margins.

Our customers are also required to comply with various government regulations, legal requirements and industry standards, including many of the industry-specific regulations discussed above. Our customers' failure to comply could affect their businesses, which in turn would affect our sales to them. In addition, if our customers are required by regulation or other requirements to make changes in their product lines, these changes could significantly disrupt particular programs for these customers and create inefficiencies in our business.

Any failure to comply with customer-driven policies and standards, and third party certification requirements, including those related to social responsibility, could adversely affect our business and reputation.

In addition to government regulations and industry standards, our customers may require us to comply with their own social responsibility, conflict minerals, quality or other business policies or standards, which may be more restrictive than current laws and regulations and our pre-existing policies, before they commence, or

continue, doing business with us. Such policies or standards may be customer-driven, established by the industries in which we operate, or imposed by third party organizations. For example, we are a member of the Electronic Industry Citizenship Coalition ("EICC"). The EICC is a non-profit coalition of electronics companies and establishes standards for its members in responsible and ethical practices in the areas of labor, environmental compliance, employee health and safety, ethics and social responsibility. Our compliance with these policies, standards and third-party certification requirements could be costly, and our failure to comply could adversely affect our operations, customer relationships, reputation and profitability.

Compliance or the failure to comply with employment laws and regulations may negatively impact our financial performance.

We are subject to a variety of domestic and foreign employment laws, including those related to: workplace safety, discrimination, harassment, whistle-blowing, wages and overtime, classification of employees and severance payments. Compliance with such laws may increase our costs. In addition, such laws are subject to change, and enforcement activity relating to these laws, particularly outside the United States, can increase as a result of greater media attention due to alleged violations by other companies, changes in law, political and other factors. There can be no assurance that, in the future, we will not be found to have violated elements of such laws. Any such violations could lead to the assessment of fines or damages against us by regulatory authorities or claims by employees, any of which could adversely affect our operating results and/or our reputation.

We may be required to make larger contributions to our defined benefit pension and supplemental pension plans in the future.

We maintain multiple defined benefit pension plans, as well as supplemental pension plans. Our pension funding policy is to contribute amounts sufficient, at minimum, to meet local statutory funding requirements that are based on actuarial calculations. Our obligations are based on certain assumptions relating to expected plan asset performance, salary escalation, employee turnover, retirement ages, life expectancy, expected healthcare costs, the performance of the financial markets and future interest rates. If actual results or future expectations differ from these assumptions or if statutory funding requirements change, the amounts we are obligated to contribute to the pension plans may increase and such increase could be significant.

Failure to comply with the conditions of government grants may lead to grant repayments and adversely impact our financial performance.

We have received grants from government organizations or other third parties as incentives related to capital investments or other spending. These grants often have future conditions with which we must comply. If we do not meet these future conditions, we could be obligated to repay all or a portion of the grant, which could adversely affect our financial position and operating results.

There are inherent uncertainties involved in the estimates, judgments and assumptions used in the preparation of our financial statements. Any changes in estimates, judgments and assumptions could have a material adverse effect on our financial position and results of operations.

Our Consolidated Financial Statements are prepared in accordance with IFRS. The preparation of our financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of our assets, liabilities and related reserves, revenues and expenses. Estimates, judgments and assumptions are inherently subject to changes in future periods, which could have a material adverse effect on our financial position and results of operations.

Our credit agreement contains restrictive covenants that may impair our ability to conduct business.

Our credit agreement contains restrictive covenants that limit our management's discretion with respect to certain business matters. Among other factors, these covenants restrict our ability and our subsidiaries' ability to incur additional debt, create liens or other encumbrances, change the nature of our business, sell or otherwise dispose of assets, merge or consolidate with other entities, or effect a change in control. This agreement also contains certain financial covenants related to indebtedness and interest coverage.

We are subject to interest rate fluctuations.

We have a $300.0 million revolving credit facility (which may be increased by an additional $150.0 million under specified circumstances) that matures in October 2018. Outstanding borrowings under this facility bear interest at LIBOR, Prime or Federal Funds rate plus a margin. At December 31, 2014, we had no amounts outstanding under this facility (December 31, 2013 — no amounts outstanding; December 31, 2012 — $55.0 million outstanding). Our borrowings under this facility, which vary from time to time, expose us to interest rate risks due to fluctuations in these rates. If the amount we borrow under our credit facility is substantial, an increase in interest rates would have a more pronounced impact on our interest expense. Significant interest rate fluctuations may affect our business, operating results and financial condition.

Deterioration in financial markets or in the macro-economic environment may adversely affect our ability to raise funds or increase the cost of raising funds.

We currently have access to a revolving credit facility through financial institutions that matures in October 2018. We may also issue debt or equity securities to fund our operations or make acquisitions. Our ability to borrow or raise capital, or renew our facility, may be impacted if financial markets are unstable. Disruptions in the capital and credit markets could adversely affect our ability to draw on our revolving credit facility. Our access to funds under our credit facility is dependent on the ability of our senior lenders to meet their funding commitments. They may not be able to meet their funding commitments to us if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from us and other borrowers within a short period of time. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives, or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding sources can be arranged. Such measures could include deferring capital expenditures, and reducing or eliminating discretionary uses of cash.

Our credit rating may be downgraded.

Any potential future negative change in our credit rating may make it more expensive for us to raise additional capital in the future on terms that are acceptable to us, if at all.

The interest of our controlling shareholder, Onex Corporation, with a 76% voting interest, may conflict with the interests of other shareholders.

Onex Corporation (“Onex”), owns, directly or indirectly, all of our outstanding multiple voting shares and less than 1% of our outstanding subordinate voting shares. The number of subordinate voting shares and multiple voting shares beneficially owned by Onex, directly or indirectly, represents 76% of the voting interest in Celestica. Accordingly, Onex has the ability to exercise a significant influence over our business and affairs and generally has the power to determine all matters submitted to a vote of our shareholders where our shares vote together as a single class. Onex may make decisions regarding Celestica and our business that are opposed to other shareholders’ interests or with which other shareholders may disagree. Onex’s voting power could have the effect of deterring or preventing a change in control of our Corporation that might otherwise be beneficial to our other shareholders.

Through its shareholdings, Onex has the power to elect our directors and its approval is required for significant corporate transactions such as certain amendments to our articles of incorporation, the sale of all or substantially all of our assets and plans of arrangement. The directors so elected have the authority, subject to applicable laws, to appoint or replace senior management, cause us to issue additional subordinate voting shares or multiple voting shares or repurchase subordinate voting shares or multiple voting shares, declare dividends or take other actions. Under our credit agreement, it is an event of default entitling our lenders to demand repayment if Onex ceases to control Celestica unless the shares of Celestica become widely held (“widely held” meaning that no one person or entity owns more than 33% of the votes).

Gerald W. Schwartz, the Chairman of the Board, President and Chief Executive Officer of Onex, is also one of our directors, and holds, indirectly or directly, shares representing the majority of the voting rights of the shares of Onex. The interests of Onex and Mr. Schwartz may differ from the interests of the remaining holders

of subordinate voting shares. For additional information about shareholder rights and restrictions relative to our subordinate voting shares and multiple voting shares, see Item 10(B), “Memorandum and Articles of Incorporation”. For additional information about our principal shareholders, see Item 7(A), “Major Shareholders”. Onex has, from time-to-time, issued debentures exchangeable and redeemable under certain circumstances for our subordinate voting shares, entered into forward equity agreements with respect to our subordinate voting shares, sold our subordinate voting shares (after exchanging multiple voting shares for subordinate voting shares), or redeemed these debentures through the delivery of our subordinate voting shares, and could take similar actions in the future. These sales may impact our share price or have consequences on our debt and ownership structure.

We are subject to litigation, including securities class action and shareholder derivative lawsuits, which may result in substantial litigation expenses, settlement costs or judgments, require the time and attention of key management resources, and result in adverse publicity, any of which may negatively impact our financial performance.

We are party to securities class action lawsuits commenced in 2007 against us and our former Chief Executive and Chief Financial Officers in the United States District Court for the Southern District of New York by certain individuals, on behalf of themselves and other unnamed purchasers of our subordinate voting shares, as well as parallel class proceedings, including a claim issued in October 2011, against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice. See Item 5, “Operating and Financial Review and Prospects — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Litigation and contingencies” and note 23 to the Consolidated Financial Statements under the caption “Litigation” in Item 18 for a detailed description of the history and status of such lawsuits, including an agreement in principle reached by the parties to settle the U.S. case on February 24, 2015. It is anticipated that the settlement amount will be covered by our liability insurance. However, as the settlement has not yet been finalized, and is in any event subject to approval by the District Court, there can be no assurance that the settlement will be entered into at all, that any actual settlement or other disposition of the lawsuit will not be in excess of amounts accrued or on terms less favorable to us than the agreement in principle, or that the actual settlement or other disposition of the lawsuit will not have a material adverse impact on our financial position or liquidity. If a settlement is not achieved on terms acceptable to us, we intend to continue to vigorously defend this lawsuit.

The parallel class proceedings in the Ontario Superior Court of Justice are not affected by the agreement in principle discussed above. There have been some settlement discussions among the parties to the Canadian proceedings. However, there can be no assurance that such discussions will lead to a settlement, or that any settlements or other dispositions of the Canadian lawsuit will not be in excess of amounts covered by our liability insurance policies. If a related appeal currently pending in the Supreme Court of Canada does not result in a dismissal of the Canadian action and/or settlement on terms acceptable to us is not reached, we intend to continue to vigorously defend the lawsuit. We believe the allegations in the claim are without merit. However, there can be no assurance that the outcome of the lawsuit will be favorable to us or that it will not have a material adverse impact on our financial position or liquidity. In addition, we may incur substantial litigation expenses in defending the claim. As the matter is ongoing, we cannot predict its duration or the resources required.

In addition, in the ordinary course of our business, we are from time to time party to various copyright, patent and trademark infringement, unfair competition, breach of contract, customs, employment and other legal actions incidental to our business, as plaintiff or defendant. From time to time, we are involved in various claims, suits, investigations and legal proceedings. Additional legal claims or regulatory matters may arise in the future and could involve matters relating to commercial disputes, government regulation and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. Regardless of the merits of the claims, litigation may be both time-consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in our margins, which could have a material adverse effect on our business, financial condition, or results of operations. We cannot predict the final outcome of such lawsuits or the likelihood that other proceedings will be instituted against us. Accordingly, the cost of defending against such lawsuits or any future lawsuits or proceedings may be high and, in any event, these legal proceedings may result in the diversion of our management’s time and attention away from our business. In the event that there is an

adverse ruling in any legal proceeding, we may be required to make payments to third parties that could have a material adverse effect on our reputation, financial condition and results of operations.

Changes in accounting standards enacted by the relevant standard-setting bodies may adversely affect our reported operating results, profitability and financial performance.

Accounting standards are revised periodically and/or expanded upon by applicable standard-setting bodies. We are required to adopt new or revised accounting standards and to comply with revised interpretations issued from time-to-time by these authoritative bodies, which include the Canadian Accounting Standards Board ("CASB"), the International Accounting Standards Board ("IASB"), and the SEC. Such standards could have a significant effect on our accounting methods and reported results. For example, the IASB issued a new revenue recognition standard that will apply to us beginning January 1, 2017, and amended the standard relating to the classification, measurement and impairment of financial assets and hedge accounting that will apply to us beginning January 1, 2018. Changes in accounting standards could adversely affect our reported operating results or financial condition. Our Consolidated Financial Statements are prepared in accordance with IFRS. Our reported financial information may not be comparable to the information reported by our competitors or other public companies who use different accounting standards. The Financial Accounting Standards Board and IASB have been jointly collaborating on a series of projects to converge, improve and align the U.S. and international accounting standards as one global high quality standard. While there have been delays in the convergence effort, we continue to monitor developments and consider the potential impacts.

Shares eligible for public sale may adversely affect our share price.

Future sales of our subordinate voting shares in the public market, or the issuance of subordinate voting shares in connection with our equity-based compensation plans or otherwise could adversely affect the market price of the subordinate voting shares.

At February 11, 2015, we had 151.5 million subordinate voting shares and 18.9 million multiple voting shares outstanding. In addition, as of such date, there were 16.5 million subordinate voting shares reserved for issuance from treasury under our employee equity-based compensation plans and for director compensation, including 3.1 million subordinate voting shares underlying stock options (vested and unvested), 0.4 million subordinate voting shares underlying unvested restricted share units, 4.6 million subordinate voting shares underlying unvested performance share units, and 1.1 million subordinate voting shares underlying deferred share units that have not been settled. Moreover, pursuant to our articles of incorporation, we may issue an unlimited number of additional subordinate voting shares without further shareholder approval (subject to any required stock exchange approvals). Sales of a substantial number of our subordinate voting shares in the public market by holders of exercised vested options or vested share units settled in or exercised for subordinate voting shares may lower the prevailing market price for such shares and could impair our ability to raise capital through the future sale of our equity securities. Additionally, if we issue additional subordinate voting shares, or if holders of outstanding vested options exercise those options or if vested shares units are settled in newly-issued subordinate voting shares, our shareholders will incur dilution. The exercise price of all options is subject to adjustment upon stock dividends, splits and combinations, if any, as well as anti-dilution adjustments as set forth in the relevant award agreement.

The market price of our stock may be volatile.

The stock market in recent years has experienced significant price and volume fluctuations that have affected the market price of our stock. These fluctuations have often been unrelated to the operating performance of our company. Factors such as changes in our operating results, announcements by our customers, competitors or other events affecting companies in the electronics industry, currency fluctuations, general market fluctuations, and macro-economic conditions may cause the market price of our subordinate voting shares to decline.

We cannot assure our shareholders that our NCIB will enhance shareholder value, and share repurchases could increase the volatility of the price of our stock.

Under our current NCIB (approved in September 2014), we are authorized to repurchase our subordinate voting shares at times and prices we consider appropriate depending upon prevailing market conditions and other corporate considerations, up to an aggregate of approximately 10.3 million subordinate voting shares (representing approximately 5.8% of our then-total subordinate voting shares and multiple voting shares). The timing and actual number of shares repurchased will depend on a variety of factors including the timing of open trading windows, price, corporate and regulatory requirements, and other market conditions. The existence of the NCIB, however, could also cause our subordinate voting share price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our subordinate voting shares.

A U.S. government shutdown could impact our results of operations.

Approximately one-quarter of our cash equivalents at December 31, 2014 were invested in money market funds that primarily hold U.S. government securities. As a result, a U.S. government shutdown and/or U.S. government debt ceiling impasse could result in a default by the U.S. government on such securities, which could have a material adverse effect on our results of operations and financial condition. In addition, such events could result in a U.S. credit rating downgrade, significant U.S. and global economic and financial market dislocations, interest rate and foreign exchange rate impacts and other potential unforeseen consequences that could have a material adverse effect on our results of operations and financial condition.

Potential unenforceability of judgments.

We are incorporated under the laws of the Province of Ontario, Canada. A majority of our directors, officers and controlling persons are residents of (or organized in) Canada. Also, a substantial portion of our assets and the assets of these persons are located outside of the United States. As a result, it may be difficult to effect service of process within the United States upon those directors, officers, or controlling persons who are not residents of the United States, or to enforce judgments in the United States obtained in courts of the United States predicated upon the civil liability provisions of U.S. federal securities laws. It may also be difficult for securityholders to enforce a U.S. judgment in Canada or to succeed in a lawsuit in Canada based only on U.S. securities laws.

Item 4. Information on the Company

A. History and Development of the Company

We were incorporated in Ontario, Canada on September 27, 1996. Our legal and commercial name is Celestica Inc. We are a corporation domiciled in the Province of Ontario, Canada and operate under the Business Corporations Act (Ontario). Our principal executive offices are located at 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7 and our telephone number is (416) 448-5800. Our website is www.celestica.com. Information on our website is not incorporated by reference into this Annual Report.

Prior to our incorporation, we were an IBM manufacturing unit that provided manufacturing services to IBM for more than 75 years. In 1993, we began providing electronics manufacturing services to non-IBM customers. In October 1996, we were purchased from IBM by an investor group, led by Onex.

Certain information concerning our acquisition activities, our principal capital expenditures (including property, plant and equipment), and financing activities, over the last three fiscal years is set forth in notes 3, 4, 7, 11, 12, 21, 23 and 24 to the Consolidated Financial Statements in Item 18, and Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations". Certain information concerning our divestiture activities, including our restructurings over the last three fiscal years is set forth in notes 6 and 15 to the Consolidated Financial Statements in Item 18, and Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations". See Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and

Capital Resources — Cash Requirements" for our significant commitments for capital expenditures at December 31, 2014 and planned for 2015.

There were no public takeover offers by third parties in respect of the Corporation's subordinate voting shares or multiple voting shares or by the Corporation in respect of other companies' shares which occurred during the last or current financial year.

B. Business Overview

General

We deliver innovative supply chain solutions globally to customers in the Communications (comprised of enterprise communications and telecommunications), Consumer, Diversified (comprised of industrial, aerospace and defense, healthcare, solar, green technology, semiconductor equipment and other), Servers and Storage end markets. We believe our services and solutions create value for our customers by accelerating their time-to-market, and by providing higher quality, lower cost, and reduced cycle times in our customers' supply chains, resulting in lower total cost of ownership, greater flexibility, higher return on invested capital and improved competitive advantage for our customers in their respective markets.

Our global headquarters is located in Toronto, Canada. We operate a network of sites in various geographies with specialized end-to-end supply chain capabilities tailored to meet specific market and customer product lifecycle requirements. In an effort to drive speed, quality and flexibility for our customers, we execute our business in centers of excellence strategically located in North America, Europe and Asia. We strive to align our preferred suppliers in close proximity to these centers of excellence to increase the speed and flexibility of our supply chain, deliver higher quality products, and reduce time to market.

We offer a range of services to our customers, including design and development (such as our JDM offering, which is focused on developing design solutions in collaboration with customers as well as managing aspects of the supply chain and manufacturing), engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services.

Although we supply products and services to over 100 customers, we depend upon a small number of customers for a significant portion of our revenue. In 2014, our top 10 customers represented, in the aggregate, 65% of revenue, and our largest customer represented 14% of total revenue. In 2014, our revenue by end market was as follows: Communications (40% of revenue); Consumer (5% of revenue); Diversified (28% of revenue); Servers (9% of revenue); and Storage (18% of revenue). The products and services we provide serve a wide variety of applications, including servers; networking, wireless and telecommunications equipment; storage systems; optical equipment; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products for diagnostic imaging; audiovisual equipment; set top boxes; printer supplies; semiconductor equipment; and a range of industrial and green technology products, including solar panels and inverters.

In order to increase the value we deliver to our customers, we continue to make investments in people, service offerings, new capabilities, capacity, technology, IT systems, software and tools. We intend to continuously work to improve our productivity, quality, delivery performance and flexibility in our efforts to be recognized as one of the leading companies in innovative supply chain solutions and services.

Our current priorities include: (i) profitable growth in our end markets, including improving the operational and financial performance of our semiconductor business; (ii) continuous improvement in our financial results, including revenue growth, operating margins, and returns on invested capital ("ROIC"), and continued positive free cash flow generation; (iii) developing and building long-term profitable relationships with leading customers; and (iv) investing in and strengthening our capabilities in design, engineering, process technologies, software tools and various service offerings to expand beyond our traditional areas of electronics manufacturing services. We believe that continued investments in these areas support our long-term strategy, and will strengthen our competitive position, enhance customer satisfaction, and increase long-term shareholder value. We will continue to focus on expanding our revenue base in our higher-value-added services, such as design and development, engineering, supply chain management and after-market services, and to grow our business with

new and existing customers in our end markets. Note that operating margin, ROIC and free cash flow are non-IFRS measures without standardized meanings and may not be comparable to similar measures presented by other companies. See “Non-IFRS measures” in Item 5 — Operating and Financial Review and Prospects, for a discussion of the non-IFRS measures included herein, and a reconciliation of our non-IFRS measures to comparable IFRS measures (where a comparable IFRS measure exists).

Electronics Manufacturing Services Industry

Overview

Leading EMS companies manage global networks that are capable of delivering customized supply chain solutions. They offer end-to-end services for the entire product lifecycle, including design and engineering services, manufacturing, assembly and test, systems integration, fulfillment and after-market services. OEMs, service providers and other companies use these services to enhance their competitive positions. Outsourcing manufacturing and related services can help companies to address their business challenges related to cost, asset utilization, quality, time-to-market, demand volatility, customer support, and rapidly changing technologies.

We believe outsourcing by OEMs and other companies will continue across a number of industries as a means to:

Reduce Operating Costs and Invested Capital. OEMs are under continued pressure to reduce total product lifecycle costs, and property, plant and equipment expenditures. The manufacturing process of electronics products has become increasingly automated, which requires greater levels of investment in property, plant and equipment. EMS companies help enable OEMs to gain access to a global network of manufacturing sites with supply chain management expertise, advanced engineering capabilities, flexible capacity and economies of scale. By working with EMS companies, OEMs can reduce their overall product lifecycle and operating costs, working capital and property, plant and equipment investment requirements, and improve their financial performance.

Focus Resources on Core Competencies. Our customers operate in a highly competitive environment, characterized by rapid technological change and short product lifecycles. In this environment, many customers prioritize their resources on their core competencies of product development, sales, marketing and customer service, by outsourcing design, engineering, manufacturing, supply chain and other product support requirements to their EMS partners.

Improve Time-to-Market. Electronic products experience short lifecycles, requiring OEMs to continually reduce the time and cost of bringing products to market. We believe that OEMs can significantly improve product development cycles and enhance time-to-market by benefiting from the expertise and infrastructure of EMS providers, including capabilities relating to design and engineering services, prototyping and the rapid ramp-up of new products to high-volume production, all with the critical support of global supply chain management and manufacturing networks.

Utilize EMS Companies’ Procurement, Inventory Management and Logistics Expertise. We believe that the successful manufacturing of electronic products requires significant resources to manage the complexities in planning, procurement and inventory management, frequent design changes, short product lifecycles and product demand fluctuations. OEMs can help manage these complexities by outsourcing to those EMS providers that (i) possess sophisticated IT systems and global supply chain management capabilities and (ii) can leverage significant component procurement advantages to lower product costs.

Access Leading Engineering Capabilities and Technologies. Electronic products and the electronics manufacturing technology needed to support them are complex and require significant investment. As a result, some OEMs rely on EMS companies to provide design and engineering services, supply chain management, and manufacturing and technological expertise. Through their design and engineering services, and through the knowledge gained from manufacturing and repairing products, EMS companies can assist OEMs in the development of new product concepts, or the re-design of existing products, as well as assist with improvements in the performance, cost and time required to bring products to market. In addition, OEMs can gain access to high-quality manufacturing expertise and capabilities in the areas of advanced process, interconnect and test technologies.

Improve Access to Global Markets. Some of our customers provide products or services to a global customer base. EMS companies with global infrastructure and support capabilities help to provide customers with efficient global manufacturing solutions, distribution capabilities and after-market services.

Access to Value-Added Service Offerings. EMS providers strive to expand their offerings to include services such as design, fulfillment and after-market services, including repair and recycling, in order to enable OEMs to benefit from outsourcing more of their cost of goods sold.

Celestica's Strategy

We are focused on building solid partnerships and delivering informed, flexible solutions intended to enable our customers' success. To achieve this, we collaborate with our customers in an effort to identify and meet their current and future requirements. We strive to exceed our customers' expectations by offering a range of services designed to deliver lower costs, increased flexibility and predictability, improved quality and more responsive service to their customers. We constantly seek to advance our quality, engineering, manufacturing and supply chain capabilities to help our customers achieve a competitive advantage. We will continue to focus on our pursuit of the following, intended to strengthen our competitive position and enhance customer satisfaction and shareholder value:

Increase Penetration in our End Markets. We strive to establish a diverse customer base across several industries. We believe our expertise in technology, quality and supply chain management, in addition to our service offerings and centers of excellence, have positioned us as an attractive partner to companies across various markets. Our goal is to grow across our end markets, with particular emphasis on expanding business in our diversified end market, which is comprised of the industrial, aerospace and defense, healthcare, solar, green technology, semiconductor equipment and other end markets. Revenue from our diversified end market has increased from 20% of total revenue in 2012 to 28% of total revenue in 2014, representing a 19% growth in revenue dollars over the same period.

Our revenue by end market as a percentage of total revenue is as follows:

	2012	2013	2014
Communications	35%	42%	40%
Consumer	18%	6%	5%
Diversified	20%	25%	28%
Servers	15%	13%	9%
Storage	12%	14%	18%

Selectively Pursue Strategic Acquisitions. We will selectively seek acquisition opportunities in order to (i) profitably grow our revenue, (ii) further develop strategic relationships with customers in our end markets and (iii) enhance the scope of our capabilities and service offerings. As an example, in 2012 we acquired D&H, a manufacturer of precision machined components and assemblies for the semiconductor capital equipment market.

Continuously Improve Financial Performance. We will continue to focus on (i) managing the mix of business, service offerings and volume of business to improve our overall margins, (ii) leveraging our supply chain practices globally to lower material costs, minimize lead times and improve our planning cycle to better meet changes in customers' demand and improve asset utilization, (iii) improving operating efficiencies to reduce costs and improve margins, and (iv) maximizing free cash flow.

Develop and Grow Profitable Relationships with Leading Customers. We continue to seek to build profitable, strategic relationships with targeted industry leaders that we believe can benefit from our services and solutions. We strive to conduct ourselves as an extension of our customers' organizations, in an effort to respond to their needs with speed, flexibility and predictability in delivering results. We have established and maintain strong relationships with a diverse mix of leading OEMs and service providers across our end markets. We believe that our customer base is a strong potential source of growth for us as we seek to strengthen these relationships through the delivery of additional services.

Expand Range of Service Offerings. We continually seek to expand the services we offer to our customers, which currently include prototyping, design and development, engineering, supply chain services, systems assembly, logistics, fulfillment and after-market services. Our 2012 acquisition of D&H was intended to strengthen our offerings beyond our traditional EMS areas. This acquisition expanded our precision machining offering to semiconductor capital equipment customers.

Continue to Invest in Developing New Technology, Quality Products and Supply Chain Solutions and Services. We are committed to meeting our customers' needs in the areas of technology, quality and supply chain management. We believe our expertise in these areas enables us to meet the rigorous demands of our customers, and allows us to produce a variety of electronic products ranging from high-volume electronics to highly complex technology infrastructure products. We believe our commitment to quality allows us to deliver consistently reliable products to our customers. The systems and collaborative processes associated with our expertise in supply chain management generally help enable us to rapidly adjust our operations to meet the lead time requirements of our customers, flexibly shift capacity in response to product demand fluctuations and quickly and effectively deliver products directly to end customers. We collaborate with our suppliers to influence component design for the benefit of our customers. As a result of the successes that we have had in these areas, we have been recognized with numerous customer and industry achievement awards.

Celestica's Business

Innovative Supply Chain Solutions and Services

We are a global provider of innovative supply chain solutions. We offer a range of services including design and development, engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services. We leverage our global network of sites and centers of excellence, information technology and supply chain expertise using collaborative processes and a team of highly skilled, customer-focused employees. We believe that our ability to deliver a range of supply chain solutions to our customers provides them with a competitive lead time, and advantages in quality, flexibility and total cost of ownership.

The objective of our centers of excellence program is to help ensure that our operations reflect a solid understanding of the markets we serve, have current capabilities and standardized practices, and are positioned to provide efficiency, consistency, and value to our customers around the globe. To obtain "center of excellence" status, our sites must meet our defined criteria pertaining to quality, supply chain, capabilities, Lean and Six Sigma, market specific certifications (to the extent applicable), and other matters regarding their operations.

Quality, Lean and Six Sigma Culture

We believe one of our strengths is our ability to consistently deliver high-quality services and products. We have an extensive quality management system that focuses on continual process improvement and achieving high levels of customer satisfaction. We employ a variety of advanced statistical engineering techniques and other tools to assist in improving product and service quality. All of our principal sites are ISO 9001 and ISO 14001 certified (international quality management standards), and have other required industry-specific certifications.

In addition to these standards, we continue to deploy Lean and Six Sigma initiatives (processes intended to improve product consistency, and reduce defects and waste) throughout our operations network. Implementing Lean initiatives throughout the manufacturing process helps improve efficiency, shorten cycle times and reduce waste in areas such as inventory on hand, set up times, floor space and the number of people required for production. We also use value stream mapping techniques to improve efficiencies and simplify processes in our non-production operations. Six Sigma is intended to drive continuous improvement by reducing process variation. We also apply the knowledge we gain in our after-market services to help improve the quality and reliability of next-generation products for our customers. Success in these areas can help our customers to lower their costs, positioning them more competitively in their respective markets.

Design and Engineering Services

Our global design services and solutions architects are focused on opportunities that span the entire product lifecycle. Supported by a disciplined approach to program management, we strive to provide flexible design solutions and expertise to help customers optimize their development to reduce overall product costs, improve time-to-market and introduce competitively differentiated products. For customer-owned designs, we use design analysis capabilities to minimize design revisions, shorten time-to-market and provide improved manufacturing yields for our customers. Our JDM offering is focused on developing design solutions in collaboration with customers as well as managing aspects of the supply chain and manufacturing. We continue to invest in leading-edge product roadmaps and design capabilities aligned with market standards and emerging technologies. Our goal is to deliver customized solutions to customers in the storage, servers and communications markets, allowing them to reach their markets faster, while reducing design costs and building valuable IP for their product portfolios. Through our collective experience with common technologies across multiple industries and product groups, we believe we can provide quality and cost-focused solutions for a wide range of our customers' design needs.

We collaborate with some of our core customers' product designers in the early stages of product development, using advanced tools to enable new product ideas to progress from electrical and application-specific integrated circuit design, to simulation, physical layout and design for manufacturing. Collaborative links and databases between a customer and our design and manufacturing groups help to ensure that new designs are released rapidly, smoothly and cohesively into production.

Our engineering services team works as an extension of our customers' teams throughout the product life cycle. We believe our engineering expertise and experience in design review, product test solutions, assembly technology, quality and reliability enable us to deliver services and directly address the challenges facing our customers today, accelerating speed-to-market of new products, reducing total product cost and delivering high-quality products. We complement our resources and expertise with ties to key industry associations and engineering firms to help us stay apprised of advances in technical knowledge.

Prototyping and New Product Introduction

Prototyping is a critical early-stage process in the development of new products. Our engineers collaborate with our customers' engineers to provide quick responses in the early stages of the product development lifecycle.

Supply Chain Management and Services

We use advanced enterprise resource planning and supply chain management systems to optimize materials management from suppliers through to our customers' customers. We believe that the effective management of the supply chain is critical to our customers' success, as it directly impacts the time and cost required to deliver products to market and the capital requirements associated with carrying inventory.

We strive to reduce our customers' total cost of ownership by producing, delivering and supporting their products so that we can meet or exceed their expectations for time-to-market and quality. We also attempt to align our preferred suppliers in close proximity to our centers of excellence to increase the speed and flexibility of our supply chain, deliver higher quality products, and reduce time-to-market. We believe we deliver a differentiated supply chain offering.

Through our global supply chain management processes and integrated IT tools, we endeavor to provide our customers with enhanced visibility to balance their global demand and supply requirements, including inventory and order management.

Manufacturing Services

Printed Circuit Board Assembly

Printed circuit board assembly includes the attachment of electronic components, such as capacitors, microprocessors, resistors and memory modules, to printed circuit boards. Our global network of engineers

helps us to provide our customers with full printed circuit board (“PCB”) assembly technology capabilities. These capabilities include design for manufacturing, PCB layout, packaging, assembly, lead-free soldering, test development, and data analytics for complex flexible and rigid-flex circuits and hybrid PCBs.

Complex Mechanical Assembly

We provide systems integration and precision machined components to our semiconductor capital equipment customers. Complex mechanical systems integration consists of multiple interconnected subsystems that interact with various materials, *e.g.*, fluids, solids, particles and rigid bodies. Such systems are often used in advanced manufacturing applications such as semiconductor manufacturing and processes equipment, medical applications using robotics, and other applications such as cash handling machines where precise standards are required.

Precision Machining

We utilize specialized computer-controlled machines to manufacture high quality components to tight tolerance requirements. Such components are often used in similar applications as noted above for complex mechanical assembly.

Systems Assembly and Test

We use sophisticated technologies in the assembly and testing of our products. We continue to make investments in the development of new assembly and test process techniques intended to enhance product quality, reduce cost and improve delivery time to customers. We work independently and also collaborate with customers and suppliers to develop assembly and test technologies. Systems assembly and testing require sophisticated logistics capabilities to rapidly procure components, assemble products, perform complex testing and distribute products to customers around the world. Our full systems assembly services involve combining and testing a wide range of subassemblies and components before shipping to their final destination. Increasingly, customers require custom build-to-order system solutions with very short lead times and we are focused on using our advanced supply chain management capabilities to respond to our customers’ needs.

Quality and Product Assurance

We provide complete product reliability testing, inspection and qualification capabilities to support our customers’ full product lifecycle requirements. Our quality and product assurance teams perform product life testing and full circuit characterization to ensure that designs meet or exceed required specifications. We are capable of testing to various industry standards, and we work closely with our customers to execute unique test protocols. We believe that this service allows our customers to assess certification risks early in the product development lifecycle, reducing cost and time-to-market.

Failure Analysis and After-Market Services

Our extensive failure analysis capabilities concentrate on identifying the root cause of product failures and determining corrective actions. The root causes of failures typically relate to inherent component defects and/or deficiencies in design specifications. Products are subjected to various environmental extremes, including temperature, humidity, vibration, voltage and contamination. Field conditions are simulated in failure analysis laboratories which employ electron microscopes, spectrometers and other advanced equipment. Our engineers work proactively in partnership with suppliers and customers in an effort to discover product failures before products are shipped, and to develop and implement resolutions if required.

We seek to provide value to our customers through our after-market services offerings which include repair, fulfillment, reverse logistics, reclamation and returns processing and prevention. Our fulfillment offering includes the design and management of integrated supply chain and materials management for light manufacturing and final assembly. Our reverse logistics offering includes the design and management of transportation networks, warehousing and distribution of product, asset recovery services, and transportation and supply chain event monitoring. The returns processing and prevention offering provides our customers with product screening and testing and product design and process analysis. We offer these services individually or

integrated through a ‘Control Tower’ model which coordinates our people, systems and processes with those of our customers to improve service levels by providing an increased level of visibility and analytics throughout the entire after-market value chain.

Geographies

For 2014, approximately three-quarters (2013 — two-thirds; 2012 — one-half) of our revenue was produced in Asia and less than one-fifth (2013 — one-fifth; 2012 — one-third) of our revenue was produced in North America. Revenue produced in Canada represented 7% of revenue in 2014 (2013 — 7%; 2012 — 8%). Our property, plant and equipment in Canada represented 10% of our property, plant and equipment at December 31, 2014 (December 31, 2013 — 11%; December 31, 2012 — 12%). A listing of our principal locations is included in Item 4(D), “Information on the Company — Property, Plants and Equipment”. Certain geographic information for countries exceeding 10% of our external revenue or property, plant and equipment, intangible assets and goodwill is set forth in note 24 to the Consolidated Financial Statements in Item 18. All other countries individually represented less than 10% in each such category.

Marketing, Sales and Solutions

We structure our business development teams by end market, region and location, with a focus on offering complete manufacturing and supply chain solutions to our customers. We have customer-focused teams, each headed by a group general manager who oversees the global relationship with our key customers. These teams work with our solutions architects to develop specific solutions that meet the needs of each customer’s product or supply chain requirements. Our global network is comprised of customer-focused teams, including account sales teams, operational and project managers, regional executives, and supply chain management teams, as well as senior executives.

Customer Experience and Relationship Management

As stated above, we supply products and services to over 100 customers. We target industry leading customers in our end markets. Our customers include Applied Materials, Inc., Cisco Systems, Inc., EMC Corporation, Hewlett-Packard Company, HGST, Inc., Honeywell Inc., IBM Corporation, Juniper Networks, Inc., NEC Corporation, and Oracle Corporation. We are focused on strengthening our relationships with these strategic customers through the delivery of new and expanding end-to-end solutions.

During 2014, three customers individually represented more than 10% of total revenue (2013 and 2012 — two customers). Our top 10 customers represented 65%, 65%, and 67%, respectively, of total revenue for 2014, 2013, and 2012.

We generally enter into master supply agreements with our customers that provide the framework for our overall relationship, although the level of business under those agreements is not guaranteed. Instead, we bid on a program-by-program basis and typically receive customer purchase orders for specific quantities and timing of products. A majority of these agreements also require the customer to purchase unused inventory that we have purchased to fulfill that customer’s forecasted manufacturing demand.

Research and Technology Development

We use advanced technology to design, assemble and test the products we manufacture. We continue to increase investment in our global design services and capabilities to conceive differentiated JDM product solutions for our customers.

We believe that our customer-focused factories are highly flexible and can be reconfigured as needed to meet customer-specific product requirements and fluctuations in volumes. We have extensive capabilities across a broad range of specialized assembly, configuration and test processes. We work with a variety of substrates based on the products we build for our customers, from thin, flexible printed circuit boards to highly complex, dense multi-layer printed circuit boards, as well as a broad array of advanced component and attachment technologies employed in our customers’ products and our own product designs. We believe that increasing demand for full-system assembly solutions continues to drive technical advancement in complex mechanical

assembly and configuration. We also develop and manufacture sub-components, such as optical modules and complex machined parts, intended to drive targeted technical advancements to support these opportunities.

Our automated electronics assembly lines are continuously refreshed with the latest generation technology, with a focus on flexible lines with quick changeover, large board capability, and small component capability. Our assembly capabilities are complemented by advanced test capabilities. The technologies we use include high-speed functional testing, optical, burn-in, vibration, radio frequency, in-circuit and in-situ dynamic thermal cycling stress testing. Our inspection technology includes X-ray laminography, advanced automated optical inspection, three-dimensional paste volumetric inspection and scanning electron microscopy. We work directly with leaders in the equipment industry to optimize their products and solutions or to jointly design solutions to better meet our needs and the needs of our customers. We apply automation solutions for higher volume products, where possible, to help lower product costs.

Our ongoing research and development activities include the development of processes and test technologies, as well as some focused product development and technology building blocks that can be used by customers in the development of their products or to accelerate their products' time-to-market. Our JDM offering is focused on developing these design solutions and subsequently managing the other aspects of the supply chain, including manufacturing. We focus our solutions in developing current and next generation storage, server and communications products, in particular, elements of data centers, an area we believe will grow in the future. We work directly with our customers to understand their product roadmaps and to develop technology solutions intended to optimally meet their future needs. We are proactive in developing manufacturing techniques that take advantage of the latest component, product and packaging designs. We have worked with, and have taken a leadership role in, industry and academic groups that strive to advance the state of technology in the industry. As we continue to pursue deeper relationships with our customers, and participate in additional services and revenue opportunities with them, we anticipate an increase in our spending in these development areas.

Supply Chain Management

We share data electronically with our key suppliers and ensure speed of supply through strong relationships with our component suppliers and logistics partners. We view the size and scale of our procurement activities, including our IT systems, as an important competitive advantage, as they enhance our ability to obtain better pricing, influence component packaging and designs, and obtain a supply of components in constrained markets. We procure substantially all of our materials and components on behalf of our customers pursuant to individual purchase orders that are short-term in nature.

Components and raw materials are sourced globally, with a majority of electronic components originating from Asian countries. In general, prices for our raw materials have been relatively stable, and we believe that such prices will remain relatively stable in the near term. See Item 3(D) — Key Information — Risk Factors for a discussion of various risks related to our foreign operations.

We strive to align our preferred suppliers in close proximity to our centers of excellence to increase the speed and flexibility of our supply chain and to deliver short overall product lead times.

We utilize our enterprise systems, as well as specific supply chain IT tools, to provide comprehensive information on our logistics, financial and engineering support functions. These systems provide management with the data required to manage the logistical complexities of the business and are augmented by and integrated with other applications, such as shop floor controls, component and product database management, and design tools.

To minimize the risk associated with inventory, we primarily order materials and components only to the extent necessary to satisfy existing customer orders and forecasts covered by the applicable customer contract terms and conditions. We have implemented specific inventory management strategies with certain suppliers, such as "supplier managed inventory" (pulling inventory at the production line on an as-needed basis) and on-site stocking programs. Our initiatives in Lean and Six Sigma also focus on eliminating excess inventory throughout the supply chain.

All of the products we manufacture or assemble require one or more components. In many cases, there may be only one supplier of a particular component. Some of these components could be rationed in response to supply shortages. We work with our suppliers and customers to attempt to ensure continuity in the supply of these components. In cases where unanticipated customer demand or supply shortages occur, we attempt to arrange for alternative sources of supply, where available, or defer planned production in response to the availability of the critical components. See Item 3(D) Key Information — Risk Factors, "Our results can be negatively affected by the availability and cost of components".

Intellectual Property

We hold licenses to various technologies which we have acquired in connection with acquisitions. In addition, we believe that we have secured access to all required technology that is material to the current conduct of our business.

We regard our manufacturing processes and certain designs as proprietary trade secrets and confidential information. We rely largely upon a combination of trade secret laws, non-disclosure agreements with our customers, suppliers, employees and other parties, and upon our internal security systems, confidentiality procedures and employee confidentiality agreements to maintain the trade secrecy of our designs and manufacturing processes. Although we take steps to protect our trade secrets, there can be no assurance that misappropriation will not occur. See Item 3(D) Key Information — Risk Factors, "We may not adequately protect our intellectual property or the intellectual property of others".

We currently have a limited number of patents and patent applications pending to protect our intellectual property. However, we believe that the rapid pace of technological change makes patent protection less significant than such factors as the knowledge and experience of management and personnel, and our ability to develop, enhance and market electronics manufacturing services.

We license some technology from third parties that we use in providing electronics manufacturing services to our customers. We believe that such licenses are generally available on commercial terms from a number of licensors. Generally, the agreements governing such technology grant to us non-exclusive, worldwide licenses with respect to the subject technologies and terminate upon a material breach by us of the terms of such agreements.

Competition

The EMS industry is highly competitive with multiple global EMS providers competing for the same customers and programs. Our competitors include Benchmark Electronics, Inc., Flextronics International Ltd., Hon Hai Precision Industry Co., Ltd., Jabil Circuit, Inc., Plexus Corp., and Sanmina Corporation, as well as smaller EMS companies that often have a regional, product, service or industry-specific focus, and ODMs that provide internally designed products and manufacturing services.

We also face indirect competition from current and prospective customers who evaluate our capabilities and commercial models against the merits of manufacturing products internally. We compete with different companies depending on the type of service or geographic area. Some of our competitors have greater scale and a broader range of services than we offer. We believe our competitive advantage is our track record in manufacturing technology, quality, complexity, responsiveness and cost-effective, value-added services. To remain competitive, we believe we must continue to provide technologically advanced manufacturing services and solutions, maintain quality levels, offer flexible delivery schedules, deliver finished products and services on time and compete favorably on price. To enhance our competitiveness, we continue to focus on expanding our service offerings and capabilities beyond our traditional areas of EMS expertise. See Item 3(D) Key Information — Risk Factors — "We operate in an industry comprised of numerous competitors and aggressive pricing dynamics".

Environmental Matters

We are subject to various federal/national, state/provincial, local and supra-national laws and regulations, including environmental measures relating to the release, use, storage, treatment, transportation, discharge,

disposal and remediation of contaminants, hazardous substances and waste, and health and safety measures related to practices and procedures applicable to the construction and operation of our sites. We have management systems in place designed to maintain compliance with such laws and regulations.

Our past operations and historical operations of others may have resulted in soil and groundwater contamination on our sites. From time-to-time we investigate, remediate and monitor soil and groundwater contamination at certain of our operating sites. Generally, Phase I or similar environmental assessments (which involve general inspections without soil sampling or groundwater analysis) were obtained for most of our manufacturing sites at the time of acquisition or leasing. Where contamination is suspected at sites being acquired, Phase II intrusive environmental assessments (including soil and/or groundwater testing) are usually performed. We expect to conduct Phase I or similar environmental assessments in respect of future property acquisitions and intend to perform Phase II assessments where appropriate. Past environmental assessments have not revealed any environmental liability that we believe will have a material adverse effect on our operating results or financial condition, in part because of contractual retention of liability by landlords and former owners at certain sites. See Item 3(D) Key Information — Risk Factors, "Compliance with governmental laws and obligations could be costly and may negatively impact our financial performance".

Environmental legislation also occurs at the product level. Since 2004, we have offered a suite of services that help our customers comply with environmental legislation, such as the European Union's Restriction of Hazardous Substances ("RoHS") and Waste Electrical and Electronic Equipment directive laws and China's RoHS legislation.

Backlog

Although we obtain purchase orders from our customers, they typically do not commit to delivery of products more than 30 days to 90 days in advance. We do not believe that the backlog of expected product sales covered by purchase orders is a meaningful measure of future sales, since orders may be rescheduled or cancelled.

Seasonality

Seasonality is reflected in the mix of products we manufacture from quarter-to-quarter. In the past we have experienced, and may in the future experience, some level of seasonality in our quarterly revenue patterns across certain of the end markets we serve. The pace of technological change, the frequency of customers transferring business among EMS competitors and the constantly changing dynamics of the global economy will also continue to impact us. As a result of these factors, the impact of new program wins or program losses, overall demand variability, and limited visibility in technology end markets, it is difficult for us to predict the extent and impact of seasonality on our business.

Controlling Shareholder Interest

Onex is our controlling shareholder with a 76% voting interest in Celestica. Accordingly, Onex has the ability to exercise a significant influence over our business and affairs and generally has the power to determine all matters submitted to a vote of our shareholders where the subordinate voting shares and multiple voting shares vote together as a single class. Such matters include electing our board of directors and thereby influencing significant corporate transactions, including mergers, acquisitions, divestitures and financing arrangements. Gerald W. Schwartz, the Chairman of the Board, President and Chief Executive Officer of Onex, is also one of our directors, and holds, indirectly or directly, shares representing the majority of the voting rights of the shares of Onex. For further details, refer to footnote 2 in Item 7(A) "Major Shareholders and Related Party Transactions — Major Shareholders".

Government Regulation

Information regarding material effects of government regulations on Celestica's business is provided in the risk factors entitled "We are subject to the risk of increasing income taxes, tax audits and the challenges of successfully defending our tax positions or meeting the conditions of tax incentives and credits, any of which may adversely affect our financial performance", "Compliance with governmental laws and obligations could be

costly and may negatively impact our financial performance", "Compliance or the failure to comply with employment laws and regulations may negatively impact our financial performance", and "A U.S. government shutdown could impact our results of operations" in Item 3(D) "Key Information — Risk Factors".

Sustainability

Our belief in strong corporate citizenship is manifested in policies and principles focused across five key focus areas: energy and water, materials stewardship, sustainable solutions, our employees, and community giving.

Our guiding policies and principles include:

- Our Values, developed with input from our employees to reflect the characteristics and behaviors that are core to Celestica;
- Our Business Conduct Governance Policy, which outlines the ethics and practices we consider necessary for a positive working environment and the high legal and ethical standards to which our employees are held accountable; and
- The Electronic Industry Citizenship Coalition ("EICC"), of which we were a founding (and remain a) member. The EICC's Code of Conduct outlines industry standards to ensure that working conditions in the supply chain are safe, workers are treated with respect and dignity, and manufacturing processes are environmentally responsible. We are continually working to implement, manage and audit our compliance with this Code.

We publish a Sustainability Report and a Business Conduct Governance Policy, both of which are available (along with our Values) on our corporate website at www.celestica.com. These documents outline our sustainability strategy, our high standards for business ethics, the policies we value and uphold, the progress we have made as a socially responsible organization and the key milestones we are working to achieve in 2015 and beyond.

Financial Information Regarding Geographic Areas

Details of our financial information regarding geographic areas are disclosed in note 24 to the Consolidated Financial Statements in Item 18, Item 4(B) "Information on the Company — Business Overview — Geographies", and Item 4(D) "Information on the Company — Property, Plants and Equipment". Risks associated with the foreign operations are disclosed in Item 3(D) "Key Information — Risk Factors".

C. Organizational Structure

Onex, a Canadian corporation, is the Corporation's controlling shareholder with a 76% voting interest in Celestica (via its direct and indirect beneficial ownership of approximately 18.9 million (or 100%) of the Corporation's multiple voting shares, and approximately 0.5 million of the Corporation's subordinate voting shares). Gerald W. Schwartz, a director of Celestica, is the Chairman of the Board, President and Chief Executive Officer of Onex, and owns, directly or indirectly, multiple voting shares of Onex carrying the right to elect a majority of the Onex Board of Directors (see footnotes 2 and 3 to the Major Shareholders Table in Item 7A below). Celestica conducts its business through subsidiaries operating on a worldwide basis. The following companies are considered significant subsidiaries of Celestica, and each of them is wholly-owned, directly or indirectly, by Celestica:

Celestica Cayman Holdings 1 Limited, a Cayman Islands corporation;

Celestica Cayman Holdings 9 Limited, a Cayman Islands corporation;

Celestica (Dongguan-SSL) Technology Limited, a China corporation;

Celestica Electronics (S) Pte Ltd, a Singapore corporation;

Celestica Holdings Pte Limited, a Singapore corporation;

Celestica Hong Kong Limited, a Hong Kong corporation;

Celestica LLC, a Delaware, U.S. limited liability company;

Celestica (Thailand) Limited, a Thailand corporation;

Celestica (USA) Inc., a Delaware, U.S. corporation;

Celestica (US Holdings) LLC, a Delaware, U.S. limited liability company;

1681714 Ontario Inc., an Ontario, Canada corporation; and

1755630 Ontario Inc., an Ontario, Canada corporation.

D. Property, Plants and Equipment

The following table summarizes our principal owned and leased properties as of February 11, 2015. These sites are used to provide manufacturing services and solutions, such as the manufacture of printed circuit boards, assembly and configuration of final systems, complex mechanical assembly, precision machining as well as other related services and customer support activities, including design and development, warehousing, distribution, fulfillment and after-market services.

Major locations	Square Footage[1] (in thousands)	Owned/Leased
Canada[2]	888	Owned
California[3]	513	Leased
Oregon	188	Leased
Mexico[3]	241	Leased
Ireland[3]	189	Leased
Spain	109	Owned
Romania	200	Owned
China[3][4]	993	Owned/Leased
Malaysia[3][4]	1,549	Owned/Leased
Thailand[3][4]	1,070	Owned/Leased
Singapore[3]	200	Leased
Japan	274	Owned

(1) Represents estimated square footage being used.

(2) Our owned property in Canada is included in the assets pledged as security for borrowings under our revolving credit agreement.

(3) Represents multiple locations.

(4) Certain leases pertain to the lease of land only (i.e., building is owned by us). Our land leases expire between 2018 and 2060.

We consider each of the properties in the table above to be adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations.

Our principal executive office is located at 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7. Our principal sites are certified to ISO 9001 and ISO 14001 standards, as well as to other industry-specific certifications.

Excluding the land leases described in footnote (4) above, the leases set forth in the table above expire between 2015 and 2022. We currently expect to be able to extend the terms of expiring leases or to find replacement sites on commercially acceptable terms.

Also see "Environmental Matters" in Item 4(B) above.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

CELESTICA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our 2014 consolidated financial statements, which we prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Unless otherwise noted, all dollar amounts are expressed in U.S. dollars. The information in this discussion is provided as of February 11, 2015 unless we indicate otherwise.

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (U.S. Exchange Act), and contain forward-looking information within the meaning of Canadian securities laws. Such forward-looking information includes, without limitation: statements related to our future growth; trends in the electronics manufacturing services (EMS) industry; our financial or operational results; the impact of acquisitions and program wins or losses on our financial results and working capital requirements; anticipated expenses, charges, capital expenditures and/or benefits; our expected tax and litigation outcomes; our cash flows, financial targets and priorities; changes in our mix of revenue by end market; our ability to diversify and grow our customer base and develop new capabilities; the effect of the global economic environment on customer demand; and the number of subordinate voting shares and price thereof we may repurchase under our normal course issuer bid (NCIB). Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "continues", "project", "potential", "possible", "contemplate", "seek", or similar expressions, or may employ such future or conditional verbs as "may", "might", "will", "could", "should" or "would", or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

Forward-looking statements are provided for the purpose of assisting readers in understanding management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from conclusions, forecasts or projections expressed in such statements, including, among others, risks related to: our customers' ability to compete and succeed in the marketplace with the services we provide and the products we manufacture; price and other competitive factors generally affecting the EMS industry; managing our operations and our working capital performance during uncertain market and economic conditions; responding to changes in demand, rapidly evolving and changing technologies, and changes in our customers' business and outsourcing strategies, including the insourcing of programs; customer concentration and the challenges of diversifying our customer base and replacing revenue from completed or lost programs, or customer disengagements; changing commodity, material and component costs, as well as labor costs and conditions; disruptions to our operations, or those of our customers, component suppliers or logistics partners, including as a result of global or local events outside our control; retaining or expanding our business due to execution problems relating to the ramping of new programs or new offerings; the incurrence of future impairment charges; recruiting or retaining skilled personnel; current or future litigation and/or governmental actions; successfully resolving commercial and operational challenges, and improving financial results in our semiconductor business; delays in the delivery and availability of components, services and materials; non-performance by counterparties; our financial exposure to foreign currency volatility; our dependence on industries affected by rapid technological change; variability of revenue and operating results; managing our global operations and supply chain; increasing income taxes, tax audits, and defending our tax positions or meeting the conditions of tax incentives and credits; completing any restructuring actions and integrating any acquisitions; computer viruses, malware, hacking attempts or outages that may disrupt our operations; any failure to adequately protect our intellectual property or the intellectual property of others; any U.S. government shutdown or delay in the increase of the U.S. government debt ceiling; and compliance

with applicable laws, regulations and social responsibility initiatives. These and other material risks and uncertainties are discussed in our public filings at www.sedar.com and www.sec.gov, including in this MD&A, our Annual Report on Form 20-F and subsequent reports on Form 6-K filed with or furnished to (as applicable) the U.S. Securities and Exchange Commission, and our Annual Information Form filed with the Canadian Securities Administrators.

Our forward-looking statements are based on various assumptions, many of which involve factors that are beyond our control. The material assumptions include those related to the following: production schedules from our customers, which generally range from 30 days to 90 days and can fluctuate significantly in terms of volume and mix of products or services; the timing and execution of, and investments associated with, ramping new business; the success in the marketplace of our customers' products; the stability of general economic and market conditions, currency exchange rates, and interest rates; our pricing, the competitive environment and contract terms and conditions; supplier performance, pricing and terms; compliance by third parties with their contractual obligations, the accuracy of their representations and warranties, and the performance of their covenants; components, materials, services, plant and capital equipment, labor, energy and transportation costs and availability; operational and financial matters including the extent, timing and costs of replacing revenue from completed or lost programs, or customer disengagements; technological developments; overall demand improvement in the semiconductor industry; revenue growth and improved financial results in our semiconductor business; the timing and execution of any restructuring actions; and our ability to diversify our customer base and develop new capabilities. While management believes these assumptions to be reasonable under the current circumstances, they may prove to be inaccurate. Except as required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Overview

What Celestica does:

We deliver innovative supply chain solutions globally to customers in the Communications (comprised of enterprise communications and telecommunications), Consumer, Diversified (comprised of industrial, aerospace and defense, healthcare, solar, green technology, semiconductor equipment and other), Servers, and Storage end markets. We believe our services and solutions create value for our customers by accelerating their time-to-market, and by providing higher quality, lower cost and reduced cycle times in our customers' supply chains, resulting in lower total cost of ownership, greater flexibility, higher return on invested capital and improved competitive advantage for our customers in their respective markets.

Our global headquarters is located in Toronto, Canada. We operate a network of sites in various geographies with specialized end-to-end supply chain capabilities tailored to meet specific market and customer product lifecycle requirements. In an effort to drive speed, quality and flexibility for our customers, we execute our business in centers of excellence strategically located in North America, Europe and Asia. We strive to align our preferred suppliers in close proximity to these centers of excellence to increase the speed and flexibility of our supply chain, deliver higher quality products, and reduce time to market.

We offer a range of services to our customers, including design and development (such as our JDM) offering, which is focused on developing design solutions in collaboration with customers as well as managing aspects of the supply chain and manufacturing), engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services.

Although we supply products and services to over 100 customers, we depend upon a small number of customers for a significant portion of our revenue. In the aggregate, our top 10 customers represented 65% of revenue in 2014 (2013 — 65%).

The products and services we provide serve a wide variety of applications, including: servers; networking, wireless and telecommunications equipment; storage systems; optical equipment; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products for diagnostic imaging; audiovisual equipment; set top boxes; printer supplies; semiconductor equipment; and a range of industrial and green technology products, including solar panels and inverters.

In order to increase the value we deliver to our customers, we continue to make investments in people, service offerings, new capabilities, capacity, technology, IT systems, software and tools. We intend to continuously work to improve our productivity, quality, delivery performance and flexibility in our efforts to be recognized as one of the leading companies in innovative supply chain solutions and services.

Our current priorities include (i) profitable growth in our end markets, including improving the operational and financial performance of our semiconductor business, (ii) continuous improvement in our financial results, including revenue growth, operating margins, and return on invested capital (ROIC), and continued positive free cash flow generation, (iii) developing and building long-term profitable relationships with our leading customers, and (iv) investing in and strengthening our capabilities in design, engineering, process technologies, software tools and various service offerings to expand beyond our traditional areas of electronics manufacturing services. We believe that continued investments in these areas support our long-term strategy and will strengthen our competitive position, enhance customer satisfaction, and increase long-term shareholder value. We will continue to focus on expanding our revenue base in our higher-value-added services, such as design and development, engineering, supply chain management and after-market services, and to grow our business with new and existing customers in our end markets. While we are focused on expanding our business in our diversified end market, we are still dependent on revenue from our traditional end markets for a significant portion of our revenue.

Operating margin, ROIC and free cash flow are non-IFRS measures without standardized meanings and may not be comparable to similar measures presented by other companies. See "Non-IFRS measures" below for a discussion of the non-IFRS measures included herein, and a reconciliation of our non-IFRS measures to comparable IFRS measures (where a comparable IFRS measure exists).

Our financial results vary from period to period, and are impacted by factors such as the changing demand for our customers' products in various end markets, our revenue mix, changes in our customers' supply chain strategies, the size and timing of customer program wins by end market, the costs, terms and timing of ramping new business, program completions, losses or customer disengagements, the margins achieved and capital deployed for the services we provide to customers, and other factors discussed below.

Overview of business environment:

The EMS industry is highly competitive, with multiple global EMS providers competing for the same customers and programs. Although the industry is characterized by a large revenue base and new business opportunities, revenue can be volatile from period to period, and aggressive pricing is a common business dynamic. Capacity utilization, customer mix and the types of products and services we provide are important factors affecting our margins. The number and location of qualified personnel, manufacturing capacity, and the mix of business through that capacity are vital considerations for EMS providers. The EMS industry is also working capital intensive. As a result, we believe that ROIC (discussed in "Non-IFRS measures" below), which is primarily affected by non-IFRS operating earnings and investments in working capital and equipment, is an important metric for measuring an EMS provider's financial performance.

EMS companies service a variety of customers and end markets. Demand remains volatile, making customer revenue and mix, and revenue by end market difficult to forecast. Short product lifecycles in the markets we serve, short production lead times expected by our customers, rapid shifts in technology, model obsolescence, commoditization of certain products, the emergence of new business models that de-emphasize the products and services offered through traditional original equipment manufacturer distribution channels, shifting patterns of demand, such as the shift from traditional network infrastructures to highly virtualized and cloud-based environments as well as the proliferation of software-defined networks and software-defined storage, increased competition and pricing pressure, and the general volatility of the economy, are all contributing factors. The global economy and financial markets continue to be uncertain and may continue to negatively impact end market demand and the operations of EMS providers, including Celestica. Continued uncertainty surrounding the extent and timing of a global economic recovery may impact future demand for our products and services. We continue to monitor the dynamics and impacts of the global economic environment and work to manage our priorities, costs and resources to address changes as they occur.

External factors that could impact the EMS industry and our business include natural disasters and related disruptions, political instability, terrorism, armed conflict, labor or social unrest, criminal activity, disease or illness that affects local, national or international economies, unusually adverse weather conditions, and other risks present in the jurisdictions in which we, our customers, our suppliers, and/or our logistics partners operate. These types of events could disrupt operations at one or more of our sites or those of our customers, component suppliers and/or our logistics partners. These events could lead to higher costs or supply shortages or may disrupt the delivery of components to us, or our ability to provide finished products or services to our customers, any of which could adversely affect our operating results. We carry insurance to cover damage to our sites and interruptions to our operations, including those that may occur as a result of natural disasters, such as flooding and earthquakes or other events. Our insurance policies, however, are subject to deductibles, coverage limitations and exclusions, and may not provide adequate coverage should such events occur.

Our business is also affected by customers who may shift production between EMS providers for a number of reasons, including pricing concessions, more favorable terms and conditions, their preference or need to consolidate their supply chain capacity or the number of supply chain partners, or consolidation among customers. Customers may also choose to accelerate the amount of business they outsource, insource previously outsourced business, or change the concentration or location of their EMS suppliers to better manage their supply continuity risk. These customer decisions may impact, among other items, our revenue and margins, the need for future restructuring, the level of capital expenditures and our cash flows.

Demand is volatile across our end markets. Our revenue and margins are impacted by overall end market demand, the timing, extent and pricing of new or follow-on business, including the costs, terms and timing of ramping new business, and program completions, losses, or customer disengagements. Despite the challenging demand environment, we remain committed to making the investments we believe are required to support our long-term objectives and create shareholder value. The costs of these investments and ramping activities may be significant and could continue to negatively impact our margins in the short and medium term. Simultaneously, we intend to continue to manage our costs and resources to maximize our efficiency and productivity. Our margin and ROIC performance for each quarter of 2014 improved compared to the corresponding quarter of 2013, despite the lower revenue in 2014, primarily due to our continued focus on cost containment, as well as a favorable program mix as we continue to de-emphasize the lower margin portion of our server and consumer businesses.

We acquired the semiconductor equipment contract manufacturing operations of Brooks Automation, Inc. (Brooks) in 2011 and D&H Manufacturing Company (D&H) in 2012 in order to expand our diversified end market offerings to include semiconductor capital equipment. Revenue from our semiconductor business for 2014 represented 5% (2013 — 4%) of our total revenue. We believe that semiconductor market demand continues to be difficult to predict due to, among other things, significant and often rapid changes in product demand, changes in customer requirements for new manufacturing capacity and technology transitions, significant expenditures for capital equipment and product development, and general economic conditions. Our semiconductor business has been, and continues to be, negatively impacted by overall demand weakness in the semiconductor industry in recent years, the cost of investments we have made, operational challenges, and the costs, terms and timing of ramping new programs. In addition, in 2014, we incurred higher than expected losses in our semiconductor business, primarily due to lower than expected revenue as a result of weaker than anticipated customer demand for the year, challenges associated with the ramping of new sites and programs, as well as operational inefficiencies and commercial challenges associated with a particular customer. We continue to work with this customer to resolve these issues. Primarily as a result of management's assessment of the negative impact of these factors on the timing and level of previously assumed future revenue growth of, and profitability improvements to, this business, we reduced our long-term cash flow projections for this business in the fourth quarter of 2014 and recorded a non-cash impairment charge of $40.8 million in such period against the goodwill of our semiconductor business. See "Other charges (recoveries)" below for further details. Despite the challenges facing our semiconductor business, we continued to win new business from the customer described above and our other customers in the semiconductor capital equipment market during 2014, as we continue our efforts to strengthen our existing relationships and develop new business opportunities with the leading customers in this market. However, these factors affecting our semiconductor business may lead to

increased volatility in our revenue and profitability and may also adversely impact our financial position and cash flows.

Summary of 2014

Our consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and accounting policies we adopted in accordance with IFRS. These consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to present fairly our financial position as at December 31, 2014 and the financial performance, comprehensive income and cash flows for the year ended December 31, 2014. See "Critical Accounting Policies and Estimates" below.

The following table shows certain key operating results and financial information for the years indicated (in millions, except per share amounts):

	Year ended December 31		
	2012	**2013**	**2014**
Revenue	$6,507.2	$5,796.1	$5,631.3
Gross profit	438.4	389.5	405.4
Selling, general and administrative expenses (SG&A)	237.0	222.3	210.3
Other charges (recoveries)	59.5	4.0	37.1
Net earnings	$ 117.7	$ 118.0	$ 108.2
Diluted earnings per share	$ 0.56	$ 0.64	$ 0.60

	December 31 2012	December 31 2013	December 31 2014
Cash and cash equivalents	$ 550.5	$ 544.3	$ 565.0
Total assets	2,658.8	2,638.9	2,583.6

Revenue of $5.6 billion for 2014 decreased 3% from 2013. Compared to 2013, revenue dollars in 2014 from our communications end market decreased 7%, primarily due to weaker demand from certain customers and program completions during 2014; revenue dollars from our server end market decreased 25%, primarily due to the insourcing of a lower margin server program by one of our existing customers in 2013 and overall demand weakness in this end market; and revenue dollars from our consumer end market decreased 29%, primarily due to program completions as we continued to de-emphasize the lower margin business in our consumer portfolio. These decreases were offset in part by a 7% increase in revenue from our diversified end market and a 26% increase in revenue from our storage end market in 2014 compared to 2013. Compared to 2013, the revenue increase in our diversified end market in 2014 was driven primarily by new program wins in our industrial and semiconductor businesses, offset in part by demand weakness in our solar business; and the revenue increase in our storage end market was primarily due to new programs we launched in 2014, in part driven by our JDM offering. Communications and diversified continued to be our largest end markets for 2014, representing 40% and 28%, respectively, of total revenue for the year.

Despite the revenue decrease in 2014, gross profit increased 4% to $405.4 million (7.2% of total revenue) for 2014 from $389.5 million (6.7% of total revenue) for 2013, primarily as a result of our continued focus on cost containment, as well as improved program mix as we de-emphasized the lower margin portion of our server and consumer businesses. SG&A for 2014 decreased 5% to $210.3 million from $222.3 million for 2013, primarily due to our overall spending reductions in 2014, mostly driven by savings in compensation and related expenses resulting from headcount reductions attributable to our previous restructuring actions. Net earnings for 2014 of $108.2 million were $9.8 million lower compared to $118.0 million for 2013, primarily due to a $40.8 million non-cash goodwill impairment charge and a $6.4 million non-cash settlement loss related to one of our pension plans (discussed below), which more than offset our gross profit improvement and our SG&A savings discussed above. In 2013, we also recorded higher restructuring charges and a higher amount of recoveries related to the settlement of certain class action lawsuits in which we were a plaintiff.

We believe that our balance sheet remains strong. Our cash and cash equivalents at December 31, 2014 were $565.0 million (December 31, 2013 — $544.3 million). Our non-IFRS free cash flow for 2014 was

$177.4 million and increased $79.3 million from $98.1 million for 2013, primarily due to improved working capital performance. At December 31, 2014, there were no amounts outstanding (December 31, 2013 — no amounts outstanding) under our revolving credit facility and we had sold $50.0 million of accounts receivable (A/R) under our A/R sales facility as of December 31, 2014 (December 31, 2013 — sold $50.0 million of A/R).

In August 2014, we liquidated the asset portfolio for the defined benefit component of a pension plan for certain Canadian employees, following which substantially all of the proceeds were used to purchase annuities from insurance companies for plan participants. The purchase of the annuities resulted in the insurance companies assuming responsibility for payment of the defined benefit pension benefits under the plan, and the employer eliminating significant financial risk in respect of these obligations. We re-measured the pension assets and liabilities relating to this pension plan immediately before the purchase of the annuities, and recorded a net re-measurement actuarial gain of $2.3 million in other comprehensive income that was subsequently reclassified to deficit in the same period. The purchase of the annuities also resulted in a non-cash settlement loss of $6.4 million which we recorded in other charges in our consolidated statement of operations. For accounting purposes, on a gross-basis, we reduced the value of our pension assets by $149.8 million, and the value of our pension liabilities by $143.4 million as of the date of the annuity purchase.

We have repurchased subordinate voting shares in the open market and otherwise for cancellation in recent years pursuant to normal course issuer bids (NCIBs), which allow us to repurchase a limited number of subordinate voting shares during a specified period, and pursuant to a substantial issuer bid (SIB). As part of the NCIB process, we have entered into Automatic Share Purchase Plans (ASPPs) with brokers, that allow such brokers to purchase our subordinate voting shares in the open market on our behalf for cancellation under our NCIBs (including during any applicable trading blackout periods). In addition, we have entered into program share repurchases (PSRs) as part of the NCIB process, pursuant to which we make a pre-payment to a broker in consideration for the right to receive a variable number of subordinate voting shares upon such PSR's completion. Under such PSRs, the price and number of subordinate voting shares to be repurchased by us is determined based on a discount to the volume weighted average market price of our subordinate voting shares during the term of the PSR, subject to certain terms and conditions. The subordinate voting shares repurchased under any PSR are cancelled upon completion of each PSR under the NCIB.

In August 2014, we completed an NCIB launched in August 2013 (the 2013 NCIB), which allowed us to repurchase, at our discretion, up to approximately 9.8 million subordinate voting shares in the open market, or as otherwise permitted. During 2014, we paid $59.6 million (including transaction fees) to repurchase and cancel 5.5 million subordinate voting shares at a weighted average price of $10.82 per share under the 2013 NCIB, including 4.0 million subordinate voting shares repurchased pursuant to two PSRs and 0.9 million subordinate voting shares repurchased pursuant to an ASPP completed during the term of the 2013 NCIB. The maximum number of subordinate voting shares we were permitted to repurchase for cancellation under the 2013 NCIB was reduced by 0.3 million subordinate voting shares we purchased in the open market during the term of the 2013 NCIB to satisfy obligations under our stock-based compensation plans.

On September 9, 2014, the TSX accepted our notice to launch a new NCIB (the 2014 NCIB), which allows us to repurchase, at our discretion, until the earlier of September 10, 2015 or the completion of purchases thereunder, up to approximately 10.3 million subordinate voting shares (representing approximately 5.8% of our total outstanding subordinate voting and multiple voting shares at the time of launch) in the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. During 2014, we paid $31.0 million (including transaction fees) to repurchase and cancel 2.9 million subordinate voting shares under the 2014 NCIB at a weighted average price of $10.53 per share. In December 2014, the TSX accepted our notice to amend the 2014 NCIB to permit the repurchase of our subordinate voting shares thereunder through one or more PSRs. In connection therewith, we paid $50.0 million to a broker in December 2014 under a PSR for the right to receive a variable number of our subordinate voting shares upon such PSR's completion. We completed this PSR on January 28, 2015 pursuant to which we repurchased and cancelled 4.4 million subordinate voting shares at a weighted average price of $11.38 per share.

During 2014, we repurchased an aggregate of 8.5 million subordinate voting shares for cancellation pursuant to our 2013 and 2014 NCIBs.

Summary of 2013

Revenue of $5.8 billion for 2013 decreased 11% from $6.5 billion for 2012, primarily due to our disengagement from BlackBerry Limited (BlackBerry), formerly known as Research In Motion Limited, in 2012. Compared to 2012, revenue dollars from our consumer end market decreased 68% due to our disengagement from BlackBerry, and revenue dollars from our server end market decreased 27% primarily due to the insourcing of a server program by one of our customers and overall weaker demand. These decreases were offset in part by an 11% increase in revenue from our diversified end market, an 8% increase in revenue from our communications end market, and a 1% increase in revenue from our storage end market. The revenue increase in our diversified end market was primarily due to new program wins and our D&H acquisition. This acquisition contributed approximately one-third of the revenue increase in our diversified end market compared to 2012, with the balance driven primarily by revenue growth across our industrial and aerospace and defense businesses. The revenue increase in our communications end market was primarily driven by new program wins and, to a lesser extent, stronger customer demand compared to 2012. The modest revenue increase in our storage end market from 2012 was primarily due to new program wins, offset in part by weaker demand from one customer. Communications and diversified were our largest end markets for 2013, representing 42% and 25%, respectively, of total revenue.

Gross profit decreased 11% to $389.5 million for 2013 from $438.4 million for 2012, in line with the revenue decrease in 2013. Gross profit as a percentage of total revenue (gross margin) for 2013 of 6.7% was flat compared to 2012 despite the 11% revenue decrease due to improved program mix and our continued focus on cost containment in 2013. SG&A for 2013 decreased 6% to $222.3 million from $237.0 million for 2012, primarily due to our overall spending reductions, offset in part by higher variable compensation expenses in 2013. During 2013, we recorded lower restructuring charges, a $24.0 million recovery in connection with the settlement of certain class action lawsuits in which we were a plaintiff (see "Other charges (recoveries)" below), no impairment charges, and lower income tax recoveries compared to 2012. Net earnings for 2013 of $118.0 million were relatively flat compared to $117.7 million for 2012.

Due to our disengagement from BlackBerry in 2012 and in response to the challenging demand environment, we announced in 2012 restructuring actions throughout our global network intended to reduce our overall cost structure and improve our margin performance. We completed these restructuring actions by the end of 2013 (although payments with respect thereto continued throughout 2014). Compared to our previously announced range of $55 million to $65 million, we recorded aggregate restructuring charges of $72.0 million, comprised of $44.0 million in 2012 and $28.0 million in 2013. We exceeded our estimate as we decided to take additional restructuring actions in the fourth quarter of 2013 to further streamline and simplify our business and global operating network in response to the continuing challenging market environment. The restructuring charges we recorded in 2013 were primarily cash charges related to employee termination costs throughout our global network.

During 2013, we paid $43.6 million (including transaction fees) to repurchase and cancel 4.1 million subordinate voting shares under the 2013 NCIB at a weighted average price of $10.70 per share. At December 31, 2013, we also recorded a liability of $9.8 million, representing the estimated cash required to repurchase the remaining 0.9 million subordinate voting shares available for purchase under an ASPP that we entered into in December 2013.

Other performance indicators:

In addition to the key operating results and financial information described above, management reviews the following non-IFRS measures:

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Cash cycle days:								
Days in A/R	46	42	41	42	45	43	46	44
Days in inventory	54	53	57	58	61	54	54	52
Days in A/P	(60)	(58)	(58)	(56)	(58)	(53)	(55)	(52)
Cash cycle days	40	37	40	44	48	44	45	44
Inventory turns	6.7x	6.9x	6.4x	6.3x	6.0x	6.8x	6.8x	7.1x

	2013				2014			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
Amount of A/R sold (in millions)	$60.0	$50.0	$50.0	$50.0	$60.0	$60.0	$50.0	$50.0

Days in A/R is calculated as the average A/R for the quarter divided by the average daily revenue. Days in inventory is calculated as the average inventory for the quarter divided by the average daily cost of sales. Days in accounts payable (A/P) is calculated as the average A/P for the quarter divided by average daily cost of sales. Cash cycle days is calculated as the sum of days in A/R and days in inventory, minus the days in A/P. Inventory turns is calculated as 365 divided by the number of days in inventory. A lower number of days in A/R, days in inventory, and cash cycle days, and a higher number of days in A/P and inventory turns generally reflect improved cash management performance. These non-IFRS measures do not have comparable measures under IFRS to which we can reconcile.

Cash cycle days for the fourth quarter of 2014 of 44 days was flat compared to the fourth quarter of 2013. Compared to the same period in 2013, there was a 6-day reduction in the days in inventory, reflecting improved inventory management and inventory turns in the fourth quarter of 2014, which was offset by a 2-day increase in the days in A/R, and a 4-day decrease in the days in A/P primarily due to the timing of purchases and payments in the respective quarters. The higher inventory days in the fourth quarter of 2013 was also impacted by increased inventory levels required primarily to support new customer programs.

Compared to the third quarter of 2014, cash cycle days decreased 1 day in the fourth quarter of 2014 as a result of a 2-day decrease in each of days in A/R and days in inventory, which were offset in part by a 3-day decrease in days in A/P.

We believe that cash cycle days (and the components thereof) and inventory turns are useful measures in providing investors with information regarding our cash management performance and are accepted measures of working capital management efficiency in our industry. These are not measures of performance under IFRS, and may not be defined and calculated in the same manner by other companies. These measures should not be considered in isolation or as an alternative to working capital as an indicator of performance.

Management reviews other non-IFRS measures including adjusted net earnings, operating margin, ROIC and free cash flow. See "Non-IFRS measures" below.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and the related disclosures of contingent assets and liabilities. Actual results could differ materially from these estimates and assumptions. We review our estimates and underlying assumptions on an ongoing basis and make revisions as determined necessary by management. Revisions are recognized in the period in which the estimates are revised and may impact future periods as well. Significant

accounting policies and methods used in the preparation of our consolidated financial statements are consistent with those described in note 2 to our 2014 audited consolidated financial statements.

Key sources of estimation uncertainty and judgment: We have applied significant estimates and assumptions in the following areas which we believe could have a significant impact on our reported results and financial position: our valuations of inventory, assets held for sale and income taxes; the amount of our restructuring charges or recoveries; the measurement of the recoverable amount of our cash generating units (CGUs) (we define a CGU as the smallest identifiable group of assets that cannot be tested individually and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets), which includes estimating future growth, profitability and discount rates; our valuations of financial assets and liabilities, pension and non-pension post-employment benefit costs, employee stock-based compensation expense, provisions and contingencies; and the allocation of the purchase price and other valuations related to our business acquisitions. The near-term economic environment could also impact certain estimates necessary to prepare our consolidated financial statements, in particular, the recoverable amount used in our impairment testing of our non-financial assets (see note 15(b) to our 2014 audited consolidated financial statements), and the discount rates applied to our net pension and non-pension post-employment benefit assets or liabilities (see note 18 to our 2014 audited consolidated financial statements).

We have also applied significant judgment in the following areas: the determination of our CGUs and whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted, and the timing of the recognition of charges and recoveries associated with our restructuring actions. Prior to our 2014 annual impairment assessment of goodwill, intangible assets and property, plant and equipment, we did not identify any triggering event during the course of 2014 that would indicate the carrying amount of our CGUs may not be recoverable (see "Other charges (recoveries)" below).

Inventory valuation:

We procure inventory and manufacture based on specific customer orders and forecasts and value our inventory on a first-in, first-out basis at the lower of cost and net realizable value. The cost of our finished goods and work-in-progress includes direct materials, labor and overhead. We may require valuation adjustments if actual market conditions or demand for our customers' products are less favorable than originally projected. The determination of net realizable value involves significant management judgment. We consider factors such as shrinkage, the aging of and future demand for the inventory, and contractual arrangements with customers. We attempt to utilize excess inventory in other products we manufacture or return inventory to the relevant suppliers or customers. We use future sales volume forecasts to estimate excess inventory on-hand. A change to these assumptions may impact our inventory valuation and our gross margins. Should circumstances change, we may adjust our previous write-downs in our consolidated statement of operations in the period a change in estimate occurs.

Income taxes:

We record an income tax expense or recovery based on the income earned or loss incurred in each tax jurisdiction at the enacted or substantively enacted tax rate applicable to that income or loss. In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain and estimates are required for exposures related to examinations by taxation authorities. We review these transactions and exposures and record tax liabilities for open years based on our assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter. The determination of tax liabilities is subjective and generally involves a significant amount of judgment. We believe that our income tax liability reflects the probable outcome of our income tax obligations based on the known facts and the circumstances; however, the final income tax outcome may be different from our estimates. A change to these estimates could impact our income tax provision.

We recognize deferred income tax assets to the extent we believe it is probable that the amount will be realized. We consider factors such as the reversal of taxable temporary differences, projected future taxable income, the character of the income tax asset, tax planning strategies, changes in tax laws and other factors. A change to these factors could impact the amount of deferred income tax assets we recognize.

Goodwill, intangible assets and property, plant and equipment:

We estimate the useful lives of intangible assets and property, plant and equipment based on the nature of the asset, historical experience, the projected period of future economic benefits to be provided by the assets, the terms of any related customer contract, and expected changes in technology. We review the carrying amounts of goodwill, intangible assets and property, plant and equipment for impairment on an annual basis and whenever events or changes in circumstances (triggering events) indicate that the carrying amount of an asset or CGU may not be recoverable. If any such indication exists, we test the carrying amount of an asset or a CGU for impairment. Absent triggering events during the year, we conduct our annual impairment assessment in the fourth quarter of each year to correspond with our annual planning cycle. Judgment is required in the determination of our CGUs and whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted prior to the annual assessment.

We recognize an impairment loss when the carrying amount of an asset, CGU or group of CGUs exceeds its recoverable amount. The recoverable amount of an asset, CGU or group of CGUs is measured as the greater of its value-in-use and its fair value less costs to sell. The process of determining the recoverable amount is subjective and requires management to exercise significant judgment in estimating future growth and discount rates and projecting cash flows, among other factors. The process of determining fair value less costs to sell requires valuations and use of appraisals. Where applicable, we work with independent brokers to obtain market prices to estimate our real property values. We recognize impairment losses in our consolidated statement of operations. We first allocate impairment losses in respect of a CGU to reduce the carrying amount of goodwill and then to reduce the carrying amount of other assets in the CGU or group of CGUs on a pro rata basis.

We do not reverse impairment losses for goodwill in future periods. We reverse impairment losses other than for goodwill, if the losses we recognized in prior periods no longer exist or have decreased. At each reporting date, we review for indicators that could change the estimates we used to determine the recoverable amount. The amount of the reversal is limited to restoring the carrying amount to the amount that would have been determined, net of depreciation or amortization, had we recognized no impairment loss in prior periods.

Restructuring charges:

We incur restructuring charges relating to workforce reductions, site consolidations and costs associated with exiting businesses. Our restructuring charges include employee severance and benefit costs, gains, losses or impairments related to owned sites and equipment we no longer use and which are available for sale, impairment of related intangible assets, and costs related to leased sites and equipment we no longer use.

The recognition of these charges requires management to make certain judgments and estimates regarding the nature, timing and amounts associated with these restructuring plans. Our major assumptions include the timing and number of employees we will terminate, the measurement of termination costs, the timing and amount of lease obligations, and the timing of disposition and estimated fair values less costs to sell for assets we no longer use and which are available for sale. We recognize employee termination costs in the period the detailed plans are approved and the employees are informed of their termination. For owned sites and equipment that are no longer in use and are available for sale, we recognize an impairment loss based on the fair value less costs to sell, with fair value estimated based on market prices for similar assets. We may engage independent third parties to determine the fair value less costs to sell for these assets. For leased sites that we have vacated, we discount the lease obligation based on future lease payments net of estimated sublease income. We recognize the change in provisions due to the passage of time as finance costs. To estimate future sublease income, we work with independent brokers to determine the estimated tenant rents we can expect to realize. At the end of each reporting period, we evaluate the appropriateness of the remaining balances. We may require adjustments to the recorded amounts to reflect actual experience or changes in future estimates.

Pension and non-pension post-employment benefits:

We have pension and non-pension post-employment benefit costs and liabilities that are determined from actuarial valuations. Actuarial valuations require management to make certain judgments and estimates relating to salary escalation, compensation levels at the time of retirement, retirement ages, the discount rate used in measuring the net interest on the net defined benefit asset or liability, and expected healthcare costs

(as applicable). These actuarial assumptions could change from period-to-period and actual results could differ materially from the estimates originally made by management. The fair values of our pension assets were based on a measurement date of December 31, 2014. We evaluate our assumptions on a regular basis, taking into consideration current market conditions and historical data. Market driven changes may affect the actual rate of return on plan assets compared to our assumptions, as well as our discount rates and other variables which could cause actual results to differ materially from our estimates. Changes in assumptions could impact our pension plan valuations and our future pension expense and funding. See notes 2(n) and 18 to our 2014 audited consolidated financial statements.

Stock-based compensation:

We recognize the grant date fair value of options granted to employees as compensation expense in our consolidated statement of operations, with a corresponding charge to contributed surplus in our consolidated balance sheet, over the vesting period. We adjust compensation expense to reflect the estimated number of options we expect to vest at the end of the vesting period. When options are exercised, we credit the proceeds to capital stock in our consolidated balance sheet. We measure the fair value of options using the Black-Scholes option pricing model. Measurement inputs include the price of our subordinate voting shares on the grant date, the exercise price of the option, and our estimates of the following: expected price volatility of our subordinate voting shares (based on weighted average historic volatility), weighted average expected life of the option (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate.

The cost we record for restricted share units (RSUs), for all performance share units (PSUs) granted prior to 2011, and for 40% of the PSUs granted in each of 2013 and 2014, is based on the market value of our subordinate voting shares at the time of grant. The cost we record for these PSUs, which vest based on a non-market performance condition related to the achievement by the company of pre-determined financial targets over a specified period, is based on our estimate of the outcome of the performance conditions. We adjust the cost of these PSUs as new facts and circumstances arise; the timing of these adjustments is subject to judgment. We generally record adjustments to the cost of these PSUs during the last year of the three-year term based on management's estimate of the level of achievement of such performance conditions. We amortize the cost of RSUs and these PSUs to compensation expense in our consolidated statement of operations, with a corresponding charge to contributed surplus in our consolidated balance sheet, over the vesting period. Historically, we have generally settled these awards with subordinate voting shares purchased in the open market by a trustee, or by issuing subordinate voting shares from treasury. However, under certain circumstances, we have also cash-settled certain awards which we account for as liabilities and re-measure them based on our share price at each reporting date and at the settlement date, with a corresponding charge or recovery in our consolidated statement of operations.

We determine the cost we record for all PSUs granted in 2011 and 2012, and 60% of the PSUs granted in each of 2013 and 2014, using a Monte Carlo simulation model. The number of awards expected to vest is factored into the grant date Monte Carlo valuation for the award. The number of these PSUs that will vest depends on the level of achievement of a market performance condition, over a three-year period, based on our total shareholder return (TSR) relative to the TSR of a pre-defined electronics manufacturing services (EMS) competitor group. We do not adjust the grant date fair value regardless of the eventual number of awards that vest based on the level of achievement of the market performance condition. We recognize compensation expense in our consolidated statement of operations on a straight-line basis over the requisite service period and we reduce this expense for the estimated PSU awards that are not expected to vest because the employment conditions are not expected to be satisfied.

We grant deferred share units (DSUs) to certain members of our Board of Directors as part of their compensation, which is comprised of an annual equity award, an annual retainer, and meeting fees. In the case of the annual equity award, which is granted in equal amounts each quarter, the number of DSUs we grant is determined by dividing the dollar value of the award by the closing price of our subordinate voting shares on the NYSE on the last business day of the quarter. In the case of the annual retainer and meeting fees, the number of DSUs we grant is determined by dividing either 50% or 100% (depending on the election made by each director), of the dollar value of the retainer and fees earned in the quarter by the closing price of our subordinate voting shares on the NYSE on the last business day of the quarter. Each DSU represents the right

to receive one subordinate voting share or an equivalent value in cash after the individual ceases to serve as a director. For DSUs granted prior to January 1, 2007, we may settle these share units with subordinate voting shares issued from treasury or purchased in the open market, or with cash. For DSUs granted after January 1, 2007, we may only settle these share units with subordinate voting shares purchased in the open market or with cash. We expense the cost of DSUs through SG&A in our consolidated statement of operations in the period the services are rendered.

Operating Results

Our annual and quarterly operating results, including working capital performance, vary from period-to-period as a result of the level and timing of customer orders, mix of revenue, and fluctuations in materials and other costs and expenses. The level and timing of customer orders vary due to changes in demand for their products, general economic conditions, their attempts to balance their inventory, availability of components and materials, and changes in their supply chain strategies or suppliers. Our annual and quarterly operating results are specifically affected by, among other factors: our mix of customers and the types of products or services we provide; the rate at which, and the costs associated with, new program ramps; volumes and the seasonality of our business; price competition; the mix of manufacturing or service value-add; capacity utilization; manufacturing efficiency; the degree of automation used in the assembly process; the availability of components or labor; the timing of receiving components and materials; costs and inefficiencies of transferring programs between sites; program completions or losses, or customer disengagements and the timing and the margin of any replacement business; the impact of foreign exchange fluctuations; the performance of third-party providers; our ability to manage inventory, production location and equipment effectively; our ability to manage changing labor, component, energy and transportation costs effectively; fluctuations in variable compensation costs; the timing of our expenditures in anticipation of forecasted sales levels; and the timing of any acquisition and related integration costs. Our operations may also be affected by natural disasters or other local risks present in the jurisdictions in which we, our suppliers, logistics partners, and our customers operate. These events could lead to higher costs or supply shortages or may disrupt the delivery of components to us or our ability to provide finished products or services to our customers, any of which could adversely affect our operating results.

In the EMS industry, customers award new programs or shift programs to other EMS providers for a number of reasons, including changes in demand for the customers' products, pricing benefits offered by other EMS providers, execution or quality issues, preference for consolidation or a change in their supplier base, rebalancing the concentration or location of their EMS providers, consolidation among customers, and decisions to adjust the volume of business being outsourced. Customer or program transfers between EMS providers are part of the competitive nature of our industry. Some customers use more than one EMS provider to manufacture a product and/or may have the same EMS provider support them from more than one geographic location. Customers may choose to change the allocation of demand among their EMS providers and/or may shift programs from one region to another region within an EMS provider's global network. Customers may also decide to insource production they had previously outsourced to utilize their internal capacity or for other reasons. Our operating results for each period include the impacts associated with new program wins, follow-on business, program completions or losses, as well as acquisitions. The volume, profitability and the location of new business awards will vary from period-to-period and from program-to-program. Significant period-to-period variations can also result from the timing of new programs reaching full production or programs reaching end-of-life, the timing of follow-on or next generation programs and/or the timing of existing programs being fully or partially transferred internally or to a competitor.

Operating results expressed as a percentage of revenue:

	Year ended December 31		
	2012	2013	2014
Revenue	100.0%	100.0%	100.0%
Cost of sales	93.3	93.3	92.8
Gross profit	6.7	6.7	7.2
SG&A	3.6	3.8	3.7
Research and development costs	0.2	0.3	0.3
Amortization of intangible assets	0.2	0.2	0.2
Other charges	0.9	0.1	0.7
Finance costs	0.1	0.1	0.1
Earnings before income tax	1.7	2.2	2.2
Income tax expense (recovery)	(0.1)	0.2	0.3
Net earnings	1.8%	2.0%	1.9%

Revenue:

Revenue of $5.6 billion for 2014 decreased 3% from 2013. Compared to 2013, revenue dollars in 2014 from our communications end market decreased 7%, revenue dollars from our server end market decreased 25%, revenue dollars from our consumer end market decreased 29%, revenue dollars from our diversified end market increased 7%, and revenue dollars from our storage end market increased 26%, primarily due to the factors discussed in "Summary of 2014" above and the discussions below. Communications and diversified continued to be our largest end markets for 2014, representing 40% and 28%, respectively, of total revenue for the year.

Revenue of $5.8 billion for 2013 decreased 11% from $6.5 billion for 2012, primarily due to our disengagement from BlackBerry in 2012. Compared to 2012, revenue dollars from our consumer end market decreased 68%, revenue dollars from our server end market decreased 27%, revenue dollars from our diversified end market increased 11%, revenue dollars from our communications end market increased 8%, and revenue dollars from our storage end market increased 1%, primarily due to the factors discussed in "Summary of 2013" above and the discussions below. Communications and diversified were our largest end markets for 2013, representing 42% and 25%, respectively, of total revenue.

The following table shows revenue from the end markets we serve as a percentage of total revenue for the years indicated:

	2012	2013	2014
Communications	35%	42%	40%
Consumer	18%	6%	5%
Diversified	20%	25%	28%
Servers	15%	13%	9%
Storage	12%	14%	18%
Revenue (in billions)	$6.51	$5.80	$5.63

Our product and service volumes, revenue and operating results vary from period-to-period depending on various factors, including the success in the marketplace of our customers' products, changes in demand from our customers for the products we manufacture, the mix and complexity of the products or services we provide, the timing of receiving components and materials, the extent, timing and rate of new program wins, follow-on business, program completions or losses, the transfer of programs among our sites at our customers' request, the costs, terms, timing and rate at which new programs are ramped, and the impact of seasonality on various end markets. We are dependent on a limited number of customers for a substantial portion of our revenue. We also expect that the pace of technological change, the frequency of customers' transferring business among EMS

competitors or customers changing the volumes they outsource, and the dynamics of the global economy will continue to impact our business from period to period. See "Overview" above.

In the past we have experienced, and may in the future experience, some level of seasonality in our quarterly revenue patterns across some of the end markets we serve. We expect that the numerous factors described above that affect our period-to-period results will continue to make it difficult for us to predict the extent and impact of seasonality and other external factors on our business.

The significant decrease in revenue from our consumer end market attributable to our disengagement from BlackBerry in 2012 resulted in proportionately higher percentages of total revenue for all of our other end markets (prior to the impact of other factors) in 2013 and 2014 compared to their respective revenue percentages in 2012.

Our communications end market represented 40% of total revenue for 2014 compared to 42% of total revenue for 2013 and 35% of total revenue for 2012. Revenue dollars from this end market in 2014 decreased 7% compared to 2013, primarily due to weaker demand from certain customers and program completions during 2014. Revenue dollars from this end market for 2013 increased 8% compared to 2012, primarily due to new program wins and, to a lesser extent, stronger demand from a number of our customers.

Our diversified end market represented 28% of total revenue for 2014, up from 25% of total revenue for 2013 and 20% of total revenue for 2012. Revenue dollars from our diversified end market increased 7% in 2014 compared to 2013, primarily driven by new program wins in our industrial and semiconductor businesses, offset in part by demand weakness in our solar business. Revenue dollars from our diversified end market for 2013 increased 11% compared to 2012, primarily due to new program wins and acquisitions. While our diversified end market experienced year-over-year growth, our results in this end market were below our expectations for the year, primarily due to the results of our semiconductor business, as discussed in the "Overview" above.

Our storage end market represented 18% of total revenue for 2014, up from 14% of total revenue for 2013 and 12% of total revenue for 2012. Revenue dollars from our storage end market increased 26% in 2014 compared to 2013, primarily due to new programs we launched in 2014, in part driven by our JDM offering. Revenue dollars from our storage end market for 2013 increased 1% compared to 2012, primarily driven by new program wins, partially offset by weaker demand from one customer.

Our server end market represented 9% of total revenue for 2014, compared to 13% of total revenue for 2013 and 15% of total revenue for 2012. In 2014, revenue dollars from our server end market decreased 25% and 45%, respectively, compared to 2013 and 2012, primarily as a result of the insourcing of a lower-margin server program by one of our existing customers and overall weaker demand in this end market. The customer's insourcing of this lower margin program was completed in the third quarter of 2013.

Our consumer end market represented 5% of total revenue for 2014, down from 6% of total revenue for 2013 and 18% of total revenue for 2012. Revenue dollars from our consumer end market decreased 29% in 2014 compared to 2013, primarily due to program completions in 2013 and 2014, as we continued to de-emphasize the lower margin business in our consumer portfolio. Revenue dollars from our consumer end market for 2013 decreased 68% compared to 2012, primarily as a result of our disengagement from BlackBerry in 2012. Our revenue from BlackBerry represented 12% of total revenue for 2012.

For 2014, we had three customers (Cisco Systems, IBM and Juniper Networks) that individually represented more than 10% of total revenue (2013 — two customers (Cisco Systems and Juniper Networks); 2012 — two customers (BlackBerry and Cisco Systems)).

Whether any of our customers individually accounts for more than 10% of our total revenue in any period depends on various factors affecting our business with that customer and with other customers, including overall changes in demand for our customers' products, the extent and timing of new program wins, follow-on business, program completions or losses, the phasing in or out of programs, the relative growth rate or decline of our business with our various customers, price competition and changes in our customers' supplier base or supply chain strategies, and the impact of seasonality on our business.

In the aggregate, our top 10 customers represented 65% of total revenue for 2014 (2013 — 65%; 2012 — 67%). We are dependent to a significant degree upon continued revenue from our largest customers. We

generally enter into master supply agreements with our customers that provide the framework for our overall relationship. These agreements typically do not guarantee a particular level of business or fixed pricing. Instead, we bid on a program-by-program basis and typically receive customer purchase orders for specific quantities and timing of products. There can be no assurance that revenue from any of our major customers will continue at historical levels or will not decrease in absolute terms or as a percentage of total revenue. A significant revenue decrease or pricing pressures from these or other customers, or a loss of a major customer or program, could have a material adverse impact on our business, our operating results and our financial position.

In the EMS industry, customers may cancel contracts and volume levels can be changed or delayed. Customers may also shift business to a competitor or bring programs in-house to improve their own utilization or to adjust the concentration of their supplier base to manage supply continuity risk. We cannot assure the replacement of completed, delayed, cancelled or reduced orders with new business. In addition, we cannot assure that any of our current customers will continue to utilize our services. Order cancellations and changes or delays in production could have a material adverse impact on our results of operations and working capital performance, including requiring us to carry higher than expected levels of inventory. Order cancellations and delays could also lower our asset utilization, resulting in lower margins. Significant period-to-period changes in margins can also result if new program wins or follow-on business are more competitively priced than past programs.

We believe that delivering profitable revenue growth depends on increasing sales to existing customers for their current and future product generations and expanding the range of services we provide to these customers. We also continue to pursue new customers and acquisition opportunities to expand our end market penetration, diversify our end market mix, and to enhance and add new technologies and capabilities to our offerings.

Gross profit:

The following table is a breakdown of gross profit and gross margin (gross profit as a percentage of total revenue) for the years indicated:

	Year ended December 31		
	2012	**2013**	**2014**
Gross profit (in millions)	$438.4	$389.5	$405.4
Gross margin	6.7%	6.7%	7.2%

Despite the revenue decrease in 2014, gross profit for 2014 increased 4% compared to 2013. Gross margin for 2014 also increased to 7.2%, compared to 6.7% for 2013. These increases were primarily driven by our continued focus on cost containment, as well as a favorable program mix, resulting in part from our continued de-emphasis of the lower margin portion of our server and consumer businesses.

Gross profit for 2013 decreased 11% from 2012, in line with the revenue decrease in 2013. Gross margin was 6.7% for both 2012 and 2013 despite the 11% revenue decrease in 2013 due to improved program mix and our continued focus on cost containment in 2013.

In general, in addition to fluctuations in revenue, multiple factors cause gross margin to fluctuate including, among others: volume and mix of products or services; higher/lower revenue concentration in lower gross margin products and end markets; pricing pressure; contract terms and conditions; production efficiencies; utilization of manufacturing capacity; changing material and labor costs, including variable labor costs associated with direct manufacturing employees; manufacturing and transportation costs; start-up and ramp-up activities; new product introductions; disruption in production at individual sites; cost structures at individual sites; foreign exchange volatility; and the availability of components and materials.

Our gross profit and SG&A (discussed below) are also impacted by the level of variable compensation expense we record in each period. Variable compensation expense includes expense related to our team incentive plans available to eligible employees, sales incentive plans and stock-based compensation, such as stock options, PSUs and RSUs. See “Stock-based compensation” below. The amount of variable compensation

expense related to performance-based compensation varies each period depending on the level of achievement of pre-determined performance goals and financial targets.

Selling, general and administrative expenses:

SG&A for 2014 decreased 5% to $210.3 million (3.7% of total revenue) compared to $222.3 million (3.8% of total revenue) for 2013, primarily reflecting overall spending reductions in 2014, mostly due to savings in compensation and related expenses as a result of headcount reductions attributable to our previous restructuring actions.

SG&A for 2013 of $222.3 million (3.8% of total revenue) decreased 6% compared to $237.0 million (3.6% of total revenue) for 2012. The decrease in SG&A dollars reflected our overall spending reductions, offset in part by higher variable compensation expenses in 2013. The increase in SG&A as a percentage of revenue in 2013 compared to 2012 reflected the lower revenue levels in 2013.

Stock-based compensation:

Our employee stock-based compensation expense, which excludes DSU expense, varies each period, and includes mark-to-market adjustments for any awards we settle in cash and any plan amendments. The portion of our expense that relates to performance-based compensation generally varies depending on our level of achievement of pre-determined performance goals and financial targets. See the table in the section captioned "Non-IFRS Measures" below for the respective amounts of employee stock-based compensation expense recorded in each of cost of sales and SG&A for 2014 and 2013. In 2012, we recorded $13.4 million and $22.2 million of employee stock-based compensation expense in cost of sales and SG&A, respectively.

	Year ended December 31		
	2012	**2013**	**2014**
Employee stock-based compensation (in millions)	$35.6	$29.2	$28.4

Our employee stock-based compensation expense for 2014 was relatively flat compared to 2013.

Our employee stock-based compensation expense for 2013 decreased $6.4 million compared to 2012, primarily due to an adjustment recorded in 2012 to reflect the estimated level of achievement related to our performance-based compensation.

We elected to cash-settle certain RSUs vesting in the fourth quarter of 2012 due to a prohibition on the purchase of subordinate voting shares in the open market during the SIB. We account for cash-settled awards as liabilities and we re-measure these based on the closing price of our subordinate voting shares at each reporting date and at the settlement date, with a corresponding charge or recovery to compensation expense. The mark-to-market adjustment on these cash-settled awards was $0.2 million for 2012. When we made the decision in the fourth quarter of 2012 to settle these awards with cash, we reclassified $3.4 million in 2012, representing the fair value of these awards, from contributed surplus to accrued liabilities. We did not cash-settle any vested share unit awards in 2013 or in 2014. As management currently intends to settle all outstanding share unit awards with subordinate voting shares purchased in the open market by a trustee or by issuing subordinate voting shares from treasury, we have accounted for these share unit awards as equity-settled awards. See "Cash requirements" below.

In 2014, we also recorded DSU expense of $1.9 million (2013 — $1.9 million; 2012 — $1.9 million).

Other charges (recoveries):

(i) We have recorded the following restructuring charges (recoveries) for the years indicated (in millions):

	Year ended December 31		
	2012	**2013**	**2014**
Restructuring charges (recoveries)	$44.0	$28.0	$(2.1)

Due to our disengagement from BlackBerry in 2012 and in response to a challenging demand environment, we implemented restructuring actions throughout our global network in 2012 and 2013 intended to streamline and simplify our business and to reduce our overall cost structure and improve margin performance. During 2012, we recorded cash restructuring charges primarily related to employee termination costs throughout our global network, including those related to our BlackBerry operations, and we recorded non-cash restructuring charges primarily to write down the BlackBerry-related equipment to recoverable amounts. The restructuring charges we recorded in 2013 were primarily cash charges related to employee termination costs throughout our global network. At December 31, 2014, our remaining restructuring provision was $1.9 million (December 31, 2013 — $18.0 million) comprised primarily of contractual lease obligations related to operations we intend to close. In 2014, we recorded a net reversal of $2.1 million primarily to adjust for lower than estimated payouts related to this lease. All cash outlays have been, and the balance is expected to be, funded from cash on hand.

We evaluate our operations from time-to-time and may propose future restructuring actions or divestitures as a result of changes in the marketplace and/or our exit from less profitable, non-core or non-strategic operations. An increase in the frequency of customers transferring business to our EMS competitors, changes in the volumes they outsource, or requests to transfer their programs among our sites, may also result in our taking future restructuring actions.

(ii) We have recorded the following impairment charges for the years indicated (in millions):

	Year ended December 31		
	2012	**2013**	**2014**
Asset impairment	$17.7	$—	$40.8

We conduct our annual impairment assessment of goodwill, intangible assets and property, plant and equipment in the fourth quarter of each year (which corresponds to our annual planning cycle), and whenever events or changes in circumstances indicate that the carrying amount of an asset, CGU or a group of CGUs may not be recoverable. We recognize an impairment loss when the carrying amount of an asset, CGU or a group of CGUs exceeds its recoverable amount, which is measured as the greater of its value-in-use and its fair value less costs to sell. Prior to our 2014 annual impairment assessment, we did not identify any triggering event during the course of 2014 that would indicate the carrying amount of our assets and CGUs may not be recoverable. For our 2014 annual impairment assessment of goodwill, intangible assets and property, plant and equipment, we used cash flow projections which were based primarily on our plan for the following year and, to a lesser extent, on our three-year strategic plan and other financial projections. Our plan for the following year is primarily based on financial projections submitted by our subsidiaries in the fourth quarter of each year, together with inputs from our customer teams, and is subjected to in-depth reviews performed by various levels of management as part of our annual planning cycle. The plan for the following year was approved by management and presented to our Board of Directors in December 2014. See note 15(b) to our 2014 audited consolidated financial statements.

Upon completion of our 2014 annual impairment assessment of goodwill, intangible assets and property, plant and equipment, we determined that the recoverable amount of our assets and CGUs, other than that of our semiconductor CGU, exceeded their respective carrying values and no impairment exists for such assets and CGUs as of December 31, 2014. Our semiconductor CGU, which arose from our 2011 Brooks acquisition and our 2012 D&H acquisition, has underperformed due to factors including: overall demand weakness in the semiconductor industry in recent years, the cost of investments we have made, operational challenges, and the cost, terms and timing of ramping new programs. In addition, in 2014, this CGU incurred higher than expected losses, primarily due to lower than anticipated customer demand for the year, challenges associated with the ramping of new sites and programs, as well as operational inefficiencies and commercial challenges associated with a particular customer. We continue to work with this customer to resolve these issues. Primarily as a result of management's assessment of the negative impact of these factors on the timing and level of previously assumed future revenue growth of, and profitability improvements to, this CGU, we reduced our long-term cash flow projections for this CGU in the fourth quarter of 2014, and recorded a non-cash impairment charge of $40.8 million against the goodwill of our semiconductor CGU in such period, reducing its balance from $60.3 million to $19.5 million.

In 2013, we recorded no impairment against goodwill, intangible assets or property, plant and equipment as the recoverable amounts exceeded their carrying amounts.

In the second quarter of 2012, we tested the carrying amounts of the CGUs that were impacted by the wind down of our manufacturing services for BlackBerry in Mexico, Romania and Malaysia. We recorded an impairment loss on the BlackBerry-related assets that were available for sale in restructuring charges (see paragraph (i) above). We then compared the remaining carrying amounts of these CGUs to their recoverable amounts and determined there was no impairment to these assets that had not been recorded to restructuring charges in 2012.

In the fourth quarter of 2012, we performed our annual impairment assessment of goodwill, intangible assets and property, plant and equipment. We recorded non-cash impairment charges totaling $17.7 million, comprised of $14.6 million against goodwill, $0.7 million against computer software assets and $2.4 million against property, plant and equipment. The majority of our impairment related to goodwill that arose from a prior acquisition in the healthcare industry, primarily because our overall progress and the ability to ramp our healthcare business were slower than we originally anticipated. As a result, we recorded a goodwill impairment loss of $11.9 million in 2012 related to that acquisition.

We determined the recoverable amount of our CGUs based on their expected value-in-use. The process of determining the recoverable amount of a CGU is subjective and requires management to exercise significant judgment in estimating future growth, profitability, and discount rates, among other factors. The assumptions used in our impairment assessment were determined based on past experiences adjusted for expected changes in future conditions. Where applicable, we worked with independent brokers to obtain market prices to estimate our real property values. For our 2014 annual impairment assessment, we used cash flow projections ranging from 2 years to 9 years (2013 — 3 to 10 years; 2012 — 2 to 7 years) for our CGUs, in line with the remaining useful lives of the CGUs' primary assets. We generally used our weighted-average cost of capital of approximately 10% (2013 — approximately 12%; 2012 — approximately 13%) to discount our cash flows. For our semiconductor CGU, which is subject to heightened risk and volatilities (as a result of the factors discussed above), we applied a discount rate of 17% to our cash flow projections for this CGU (2013 — 17%; 2012 — 20%) to reflect management's assessment of increased risk inherent in these cash flows. We had reduced the discount rate for our semiconductor cash flow projections for 2013 to 17% compared to 20% for 2012 to reflect a perceived reduction in risk inherent in our semiconductor cash flows as a result of new business awarded in 2013. Despite the 2% decrease in our overall weighted-average cost of capital in 2014 compared to 2013, and new business awarded to this CGU in 2014, we maintained its 17% discount rate for our 2014 annual analysis in recognition of the challenges faced by this CGU during the year.

For purposes of our 2014 impairment assessment, we assumed growth for our semiconductor CGU in 2015 and future years at an average compound annual growth rate of 10% over a 9-year period, representing the remaining life of the CGU's most significant customer contract. This growth rate is supported by the level of new business awarded in 2014 and 2013, the expectation of future new business awards, and anticipated overall demand improvement in the semiconductor market based on certain market trend analyses published by external sources. We also assumed that the average annual margins for this CGU over the projection period will be slightly lower than our overall margin performance in 2014, as we continue to ramp new business and leverage our capital investments. To account for the impact of the negative factors described above, compared with our 2013 annual impairment assessment, these assumptions represent a reduction in both our projected revenue growth and the level of financial improvements previously assumed for this CGU. In addition, for our 2014 assessment, we delayed the anticipated timing (within the 9-year projection term) of the achievement of such growth and improvements. The foregoing resulted in an overall reduction in the future cash flows projected for our semiconductor CGU, and the goodwill impairment we recorded in the fourth quarter of 2014 described above.

Impairment assessments inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact our assumptions as to prices, costs or other factors that may result in changes in our estimates of future cash flows. Failure to realize the assumed revenues at an appropriate profit margin or failure to improve the financial results of this CGU could result in additional impairment losses in this CGU in a future period.

As part of our annual impairment assessment, we perform sensitivity analyses to identify the impact of changes in key assumptions, including projected growth rates, profitability, and discount rates. Based on our sensitivity analyses, an additional impairment loss of approximately $10 million would arise for our semiconductor CGU if, over the 9-year projection period, we (i) reduced its assumed average compound annual growth rate by 120 basis points; (ii) reduced its projected profitability, as a percentage of revenue, by 50 basis points; or (iii) if we increased its discount rate to 22.8%, in each case considered separately. We did not identify any key assumptions where a reasonably possible change would result in material impairments to our other CGUs.

(iii) In August 2014, we liquidated the asset portfolio for the defined benefit component of a pension plan for certain Canadian employees, following which substantially all of the proceeds were used to purchase annuities from insurance companies for plan participants. The purchase of the annuities resulted in the insurance companies assuming responsibility for payment of the defined benefit pension benefits under the plan, and the employer eliminating significant financial risk in respect of these obligations. We re-measured the pension assets and liabilities immediately before the purchase of the annuities, and recorded a net re-measurement actuarial gain of $2.3 million in other comprehensive income that was subsequently reclassified to deficit. The purchase of the annuities also resulted in a non-cash settlement loss of $6.4 million which we recorded in other charges in the same period in our consolidated statement of operations. For accounting purposes, on a gross-basis, we reduced the value of our pension assets by $149.8 million, and the value of our pension liabilities by $143.4 million as of the date of the annuity purchase.

(iv) In 2014, we recorded net recoveries of $8.0 million, consisting primarily of the recoveries of damages we received in connection with the settlement of certain class action lawsuits in which we were a plaintiff, related to certain purchases we made in prior periods. In July 2013, we received similar recoveries of damages in the amount of $24.0 million. During 2012, we released a provision of $3.2 million representing the estimated fair value of contingent consideration related to a prior acquisition, as such consideration was not earned. In 2012, we also recorded transaction costs of $0.9 million related to our acquisition of D&H.

Income taxes:

We had a net income tax expense of $16.4 million on earnings before tax of $124.6 million for 2014, compared to an income tax expense of $12.7 million on earnings before tax of $130.7 million for 2013 and an income tax recovery of $5.8 million on earnings before tax of $111.9 million for 2012.

Current income taxes for 2014 consisted primarily of tax expense recorded in jurisdictions with current taxes payable, offset in part by an income tax benefit of $14.1 million relating to the recognition of previously unrecognized tax incentives in Malaysia (discussed below) in the first quarter of 2014. Deferred income taxes for 2014 consisted primarily of net deferred income tax expense for changes in temporary differences in various jurisdictions. In 2014, we completed an internal loan reorganization whereby certain inter-company loans were forgiven. There was no net impact to our consolidated deferred tax provisions related to this internal loan reorganization. There was no tax impact associated with the $40.8 million non-cash goodwill impairment charge we recorded in the fourth quarter of 2014 (discussed above).

Current income taxes for 2013 consisted primarily of tax expense recorded in jurisdictions with current taxes payable and changes to our net provisions related to tax uncertainties. Deferred income taxes for 2013 consisted primarily of net deferred income tax recoveries for changes in temporary differences in various jurisdictions.

Current income taxes for 2012 consisted primarily of the tax expense in jurisdictions with current taxes payable and tax benefits arising from changes to our provisions related to certain tax uncertainties. Deferred income taxes for 2012 were comprised primarily of the deferred income tax assets of $10.4 million we recognized in the United States as a result of our D&H acquisition, offset in part by net deferred income tax expense for changes in temporary differences in various jurisdictions. In addition, during the fourth quarter of 2012, we commenced a corporate tax reorganization involving certain of our European subsidiaries. As a result, we recognized $17.0 million of deferred income tax assets as it became probable that the temporary differences associated with our investment in these subsidiaries would reverse in the foreseeable future.

We conduct business operations in a number of countries, including countries where tax incentives have been extended to encourage foreign investment or where income tax rates are low. Our effective tax rate can vary significantly from period to period for various reasons, including the mix and volume of business in lower tax jurisdictions in Europe and Asia, and in jurisdictions with tax holidays and tax incentives that have been negotiated with the respective tax authorities which expire between 2015 and 2026 (see discussion below). Our effective tax rate can also vary as a result of restructuring charges, foreign exchange fluctuations, operating losses, certain tax exposures, the time period in which losses may be used under tax laws and whether management believes it is probable that future taxable profit will be available to allow us to recognize deferred income tax assets.

Certain countries in which we do business negotiate tax incentives to attract and retain our business. Our taxes could increase significantly if certain tax incentives from which we benefit are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, or if they are not renewed or replaced upon expiration. Our tax expense could also increase if tax rates applicable to us in such jurisdictions are otherwise increased, or due to changes in legislation or administrative practices. Changes in our outlook in any particular country could impact our ability to meet the required conditions. Our Malaysian income tax incentives expired as of the end of 2014, including the incentive discussed below. If we are unable to obtain new Malaysian income tax incentives the periods effective as of January 1, 2015 (which are currently being negotiated), our Malaysian income tax expense may be significantly higher commencing January 1, 2015. Had we not been entitled to the Malaysian tax incentives in 2014, we estimate that our consolidated tax expense would have increased by approximately $5 million for such year.

During the first quarter of 2014, Malaysian investment authorities approved our request to revise certain required conditions related to income tax incentives for one of our Malaysian subsidiaries. The benefits of these tax incentives were not previously recognized, as prior to this revision we had not anticipated meeting the required conditions. As a result of this approval, we recognized an income tax benefit of $14.1 million in the first quarter of 2014 relating to years 2010 through 2013.

In certain jurisdictions, primarily in the Americas and Europe, we currently have significant net operating losses and other deductible temporary differences, which we expect will be used to reduce taxable income in these jurisdictions in future periods.

We develop our tax filing positions based upon the anticipated nature and structure of our business and the tax laws, administrative practices and judicial decisions currently in effect in the jurisdictions in which we have assets or conduct business, all of which are subject to change or differing interpretations, possibly with retroactive effect. We are subject to tax audits globally by various tax authorities of historical information, which could result in additional tax expense in future periods relating to prior results. Reviews by tax authorities generally focus on, but are not limited to, the validity of our inter-company transactions, including financing and transfer pricing policies which generally involve subjective areas of taxation and a significant degree of judgment. Any such increase in our income tax expense and related interest and/or penalties could have a significant impact on our future earnings and future cash flows.

Certain of our subsidiaries provide financing or products and services to, and may from time-to-time undertake certain significant transactions with, other subsidiaries in different jurisdictions. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's-length pricing principles, and that contemporaneous documentation must exist to support such pricing.

Tax authorities in Canada have taken the position that income reported by one of our Canadian subsidiaries should have been materially higher in 2001 and 2002 and materially lower in 2003 and 2004 as a result of certain inter-company transactions, and have imposed limitations on benefits associated with favorable adjustments arising from inter-company transactions and other adjustments. We have appealed this decision with the Canadian tax authorities and have sought assistance from the relevant Competent Authorities in resolving the transfer pricing matter under relevant treaty principles. We could be required to provide security up to an estimated maximum range of $20 million to $25 million Canadian dollars (approximately $17 million to $22 million at year-end exchange rates) in the form of letters of credit to the tax authorities in connection with the transfer pricing appeal, however, we do not believe that such security will be required. If the tax authorities

are successful with their challenge, we estimate that the maximum net impact for additional income taxes and interest charges associated with the proposed limitations of the favorable adjustments could be approximately $41 million Canadian dollars (approximately $35 million at year-end exchange rates).

Canadian tax authorities have taken the position that certain interest amounts deducted by one of our Canadian entities in 2002 through 2004 on historical debt instruments should be re-characterized as capital losses. If the tax authorities are successful with their challenge, we estimate that the maximum net impact for additional income taxes and interest charges could be approximately $32 million Canadian dollars (approximately $28 million at year-end exchange rates). We have appealed this decision with the Canadian tax authorities and have provided the requisite security to the tax authorities, including a letter of credit in January 2014 of $5 million Canadian dollars (approximately $5 million at year-end exchange rates), in addition to amounts previously on account, in order to proceed with the appeal. We believe that our asserted position is appropriate and would be sustained upon full examination by the tax authorities and, if necessary, upon consideration by the judicial courts. Our position is supported by our Canadian legal tax advisors.

We have and expect to continue to recognize the future benefit of certain Brazilian tax losses on the basis that these tax losses can and will be fully utilized in the fiscal period ending on the date of dissolution of our Brazilian subsidiary. While our ability to do so is not certain, we believe that our interpretation of applicable Brazilian law will be sustained upon full examination by the Brazilian tax authorities and, if necessary, upon consideration by the Brazilian judicial courts. Our position is supported by our Brazilian legal tax advisors. An adverse change to the benefit realizable on these Brazilian losses could increase our net deferred tax liabilities by approximately 25 million Brazilian reais (approximately $10 million at year-end exchange rates).

The successful pursuit of the assertions made by any taxing authority related to the above noted tax audits or others could result in our owing significant amounts of tax, interest and possibly penalties. We believe we have substantial defenses to the asserted positions and have adequately accrued for any probable potential adverse tax impact. However, there can be no assurance as to the final resolution of these claims and any resulting proceedings. If these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material, and could be in excess of amounts currently accrued.

Acquisitions:

We may, at any time, be engaged in ongoing discussions with respect to possible acquisitions that could expand our service offerings, increase our penetration in various industries, establish strategic relationships with new or existing customers and/or enhance our global supply chain network. In order to enhance our competitiveness and expand our revenue base or the services we offer our customers, we may also look to grow our services or capabilities beyond our traditional areas of EMS expertise. There can be no assurance that any of these discussions will result in a definitive purchase agreement and, if they do, what the terms or timing of any such agreement would be. There can also be no assurance that an acquisition will be successfully integrated or will generate the returns we expect.

We did not complete any acquisitions in 2014 or 2013.

In September 2012, we completed the acquisition of D&H, a manufacturer of precision machined components and assemblies based in California, U.S.A. D&H provides manufacturing and engineering services, coupled with dedicated capacity and equipment for prototype and quick-turn support, to semiconductor capital equipment manufacturers. We financed the purchase price of $71.0 million, net of cash acquired, from cash on hand. The amount of goodwill arising from the acquisition was $26.4 million (none of which was deductible for tax purposes) and the amount of amortizable customer intangible assets was $24.0 million. We expensed acquisition-related transaction costs of $0.9 million in 2012 in other charges. This acquisition did not have a significant impact on our consolidated results of operations for 2012.

As a result of our 2014 annual impairment assessment conducted in the fourth quarter of 2014, we recorded a non-cash impairment charge of $40.8 million against the goodwill of our semiconductor CGU (which arose from the D&H acquisition described above and our 2011 Brooks acquisition). See “Other charges (recoveries)” above.

Liquidity and Capital Resources

Liquidity

The following tables show key liquidity metrics for the years indicated (in millions):

	December 31		
	2012	2013	2014
Cash and cash equivalents	$550.5	$544.3	$565.0

	Year ended December 31		
	2012	2013	2014
Cash provided by operating activities	$ 312.4	$ 149.4	$ 241.5
Cash used in investing activities	(168.0)	(48.6)	(59.9)
Cash used in financing activities	(252.8)	(107.0)	(160.9)
Changes in non-cash working capital items (included with operating activities above):			
A/R	$ 116.7	$ 46.4	$ (39.4)
Inventories	147.3	(71.5)	98.2
Other current assets	6.7	3.6	(18.9)
A/P, accrued and other current liabilities and provisions	(193.1)	(47.5)	(31.6)
Working capital changes	$ 77.6	$ (69.0)	$ 8.3

Cash provided by operating activities:

In 2014, we generated $241.5 million in cash from operating activities compared to $149.4 million in 2013. Compared to 2013, cash from operating activities for 2014 increased primarily due to favorable changes in working capital, reflecting reduced inventory levels in 2014, offset in part by an unfavorable change in A/R levels due to the timing of revenue later in the fourth quarter of 2014 and changes in customer mix.

Our non-IFRS free cash flow for 2014 increased $79.3 million compared to 2013. The increase was primarily due to the improvement in cash generated from operations (discussed above). See the section captioned "Non-IFRS Measures" below for a discussion of, among other items, the definition and components of non-IFRS free cash flow, as well as a reconciliation of this measure to cash provided by operating activities measured under IFRS.

Cash provided by operating activities for 2013 decreased $163.0 million to $149.4 million from $312.4 million for 2012. The decrease was primarily due to unfavorable changes to our working capital components in 2013 compared to 2012. Compared to 2012, the change in A/R reflected primarily changes in our customer mix with different payment terms, the change in A/P, accrued and other current liabilities and provisions was primarily driven by the timing of purchases and payments, and the change in inventories reflected increased inventory levels required primarily to support customer program transitions in 2013 and, to a lesser extent, increased customer forecast variability. Cash generated from operations for 2012 benefited in part, by our disengagement from BlackBerry in 2012, which contributed to lower A/R and inventory balances at the end of 2012. The change in A/R in 2012 also benefited from the shortened payment terms of one of our significant customers.

Cash used in investing activities:

Our capital expenditures for 2014 were $61.3 million (2013 — $52.8 million; 2012 — $105.9 million). The capital expenditures were incurred primarily to enhance our manufacturing capabilities in various geographies and to support new customer programs. We spent approximately $30 million in 2012 related to a building we acquired in Malaysia. We funded these capital expenditures from cash on hand. From time-to-time, we receive cash proceeds from the sale of surplus equipment and property.

In September 2012, we completed the D&H acquisition. The purchase price of $71.0 million, net of cash acquired, was financed from cash on hand.

Cash used in financing activities:

During 2014, pursuant to the 2013 NCIB and the 2014 NCIB, we paid an aggregate of $90.6 million (including transaction fees) to repurchase and cancel a total of 8.5 million subordinate voting shares at a weighted average price of $10.72 per share. Details of each such NCIB are described in note 12 to our 2014 audited consolidated financial statements. In December 2014, the TSX accepted our notice to amend the 2014 NCIB to permit the repurchase of our subordinate voting shares thereunder through one or more PSRs. In connection therewith, we paid $50.0 million to a broker in December 2014 under a PSR for the right to receive a variable number of our subordinate voting shares upon such PSR's completion. We completed this PSR on January 28, 2015 pursuant to which we repurchased and cancelled 4.4 million subordinate voting shares at a weighted average price of $11.38 per share.

During 2013, we paid $43.6 million (including transaction fees) to repurchase and cancel 4.1 million subordinate voting shares under the 2013 NCIB, at a weighted average price of $10.70 per share.

During 2012, we paid $113.8 million (including transaction fees) to repurchase and cancel 13.3 million subordinate voting shares under the 2012 NCIB, and we also paid $175.0 million to repurchase and cancel 22.4 million subordinate voting shares under the SIB.

During 2014, we paid $23.9 million (including transaction fees) for a trustee's purchase of 2.2 million subordinate voting shares in the open market (outside of any NCIB period) for our stock-based compensation plans. During 2013, we paid $12.8 million (2012 — $21.7 million), including transaction fees, for the trustee's purchase of 1.3 million (2012 — 2.6 million) subordinate voting shares in the open market for the same purpose.

At December 31, 2012, we had $55.0 million outstanding under our revolving credit facility that we had borrowed to fund a portion of the SIB (discussed above), which we repaid in full during the first half of 2013. At December 31, 2014, there were no amounts outstanding under our revolving credit facility (December 31, 2013 — no amounts outstanding).

Cash requirements:

We maintain a revolving credit facility, uncommitted bank overdraft facilities, and an A/R sales program to provide short-term liquidity and to have funds available for working capital and other investments to support our strategic priorities. Our working capital requirements can vary significantly from month-to-month due to a range of business factors, including the ramping of new programs, timing of purchases, higher levels of inventory for new programs and anticipated customer demand, timing of payments and A/R collections, and customer forecasting variations. The international scope of our operations may also create working capital requirements in certain countries while other countries generate cash in excess of working capital needs. Moving cash between countries on a short-term basis to fund working capital is not always expedient due to local currency regulations, tax considerations, and other factors. To meet our working capital requirements and to provide short-term liquidity, we may draw on our revolving credit facility or sell A/R through our A/R sales program. The timing and the amounts we borrow or repay under these facilities can vary significantly from month-to-month depending upon our cash requirements. In addition, since our accounts receivable sales program is on an uncommitted basis, there can be no assurance that any participant bank will purchase the accounts receivable we wish to sell to them under this program. See "Capital Resources" below.

We had $565.0 million in cash and cash equivalents at December 31, 2014 (December 31, 2013 — $544.3 million). We believe that cash flow from operating activities, together with cash on hand, borrowings available under our revolving credit facility and intraday and overnight bank overdraft facilities, and cash from the sale of A/R, will be sufficient to fund our currently anticipated working capital needs and planned capital spending. We may issue debt, convertible debt or equity securities in the future to fund operations or make acquisitions. Equity or convertible debt securities could dilute current shareholders' positions; debt or convertible debt securities could have rights and privileges senior to those of equity holders and the terms of these debt securities could impose restrictions on our operations. The pricing of any such securities would be subject to market conditions at the time of issuance.

As at December 31, 2014, a significant portion of our cash and cash equivalents was held by subsidiaries outside of Canada. Although substantially all of the cash and cash equivalents held outside of Canada can be

repatriated, a significant portion may be subject to withholding taxes under current tax laws. While some of our subsidiaries are subject to local governmental restrictions on the flow of capital into and out of their jurisdictions (including in the form of cash dividends, loans or advances to us), these restrictions have not had a material impact on our ability to meet our cash obligations. We have not recognized deferred tax liabilities for cash and cash equivalents held by certain subsidiaries related to unremitted earnings that are considered indefinitely reinvested outside of Canada and that we do not intend to repatriate in the foreseeable future (December 31, 2014 and 2013 — approximately $310 million of cash and cash equivalents).

Tabular disclosure of contractual obligations:

As at December 31, 2014, we have known contractual obligations that require future payments as follows (in millions):

	Total(i)	2015	2016	2017	2018	2019	Thereafter
Operating leases	$ 69.7	$24.4	$15.5	$11.7	$ 8.3	$4.1	$ 5.7
Pension plan contributions(ii)	23.4	23.4	—	—	—	—	—
Non-pension post-employment plan payments	34.0	2.5	3.1	2.9	2.9	3.8	18.8
Program transfer purchase obligations(iii)	34.0	34.0	—	—	—	—	—
Total	$161.1	$84.3	$18.6	$14.6	$11.2	$7.9	$24.5

(i) The contractual obligations chart above does not include our agreement with a third party for the outsourcing of our IT support. Our costs under this IT support agreement have fluctuated in the range of $14 million to $17 million annually during the past three years based on our usage, and cannot be accurately estimated for future periods.

(ii) Based on our latest actuarial valuations, we estimate our minimum funding requirement for 2015 to be $23.4 million (2014 — $25.8 million; 2013 — $18.4 million). See further details in note 18 to our 2014 audited consolidated financial statements. A significant deterioration in the asset values or asset returns could lead to higher than expected future contributions. Risks and uncertainties associated with actuarial valuation measurements may also result in higher future cash contributions. We fund our pension contributions from cash on hand. Although we have defined benefit plans that are currently in a net unfunded position, we do not expect our pension obligations will have a material adverse impact on our future results of operations, cash flows or liquidity.

(iii) Represents the expected amount of inventory we have committed to purchase in relation to a program transfer scheduled for the first half of 2015 (see discussion below).

As at December 31, 2014, we have commitments that expire as follows (in millions):

	Total	2015	2016	2017	2018	2019	Thereafter
Foreign currency contracts(i)	$818.6	$781.3	$37.3	$ —	$ —	$ —	$ —
Letters of credit, letters of guarantee and surety bonds(ii)	38.5	34.2	2.0	0.2	0.1	—	2.0
Capital expenditures(iii)	25.6	25.6	—	—	—	—	—
Total	$882.7	$841.1	$39.3	$0.2	$ 0.1	$ —	$ 2.0

(i) Represents the aggregate notional amounts of the forward currency contracts.

(ii) Includes $28.5 million in letters of credit that we issued under our revolving credit facility.

(iii) Our capital spending varies each period based on the timing of new business wins and forecasted sales levels. Based on our current operating plans, we anticipate capital spending for 2015 to be approximately 1.0% to 1.5% of revenue, and expect to fund these expenditures from cash on hand. As at December 31, 2014, we had committed $25.6 million in capital expenditures, principally for machinery and equipment to support new customer programs. In addition, based on the tax incentives we have benefited from as at December 31, 2014, we have met the expenditure commitments as at that date and have other ongoing conditions for retaining these tax incentives which we currently expect to meet.

Cash outlays for our contractual obligations and commitments identified above are expected to be funded from cash on hand. We also have outstanding purchase orders with certain suppliers for the general purchase of inventory (which are excluded from the tables above). These purchase orders are generally short-term in nature. Orders for standard items can typically be cancelled with little or no financial penalty. Our policy regarding non-standard or customized orders dictates that such items are generally ordered specifically for customers who

have contractually assumed liability for the inventory. In addition, a substantial portion of the standard items covered by our purchase orders were procured for specific customers based on their purchase orders or forecasts under which the customers have contractually assumed liability for such material. We cannot quantify with a reasonable degree of accuracy the amount of our liability from purchase obligations under these purchase orders. From time-to-time, we agree to purchase significant amounts of inventory as part of program wins transitioning from a customer or a competitor (as noted under "Program transfer purchase obligations" in the contractual obligations table above).

We have granted share unit awards to employees under our stock-based compensation plans. Although we have the option to satisfy the delivery of shares upon vesting of the awards by purchasing subordinate voting shares in the open market or by settling in cash, we expect to satisfy these awards with subordinate voting shares purchased in the open market. Under one of these plans, we also have the option to satisfy the delivery of shares by issuing new subordinate voting shares from treasury, subject to certain limits.

We have funded, and expect to continue to fund, our share repurchases under our NCIBs from cash on hand.

We provide routine indemnifications, the terms of which range in duration and often are not explicitly defined. These may include indemnifications against third-party intellectual property infringement claims and certain third-party negligence claims for property damage. We have also provided indemnifications in connection with the sale of certain businesses and real property. The maximum potential liability from these indemnifications cannot be reasonably estimated. In some cases, we have recourse against other parties to mitigate our risk of loss from these indemnifications. Historically, we have not made significant payments relating to these types of indemnifications.

Litigation and contingencies:

In the normal course of our operations, we may be subject to lawsuits, investigations and other claims, including environmental, labor, product, customer disputes and other matters. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of all such pending matters will not have a material adverse impact on our financial performance, financial position or liquidity.

In 2007, securities class action lawsuits were commenced against us and our former Chief Executive and Chief Financial Officers in the United States District Court of the Southern District of New York by certain individuals, on behalf of themselves and other unnamed purchasers of our stock, claiming that they were purchasers of our stock during the period January 27, 2005 through January 30, 2007. The plaintiffs allege violations of United States federal securities laws and seek unspecified damages. They allege that during the purported period we made statements concerning our actual and anticipated future financial results that failed to disclose certain purportedly material adverse information with respect to demand and inventory in our Mexico operations and our information technology and communications divisions. In an amended complaint, the plaintiffs added one of our directors and Onex Corporation as defendants. On October 14, 2010, the District Court granted the defendants' motions to dismiss the consolidated amended complaint in its entirety. The plaintiffs appealed to the United States Court of Appeals for the Second Circuit the dismissal of their claims against us and our former Chief Executive and Chief Financial Officers, but not as to the other defendants. In a summary order dated December 29, 2011, the Court of Appeals reversed the District Court's dismissal of the consolidated amended complaint and remanded the case to the District Court for further proceedings. The discovery phase of the case has been completed. Defendants moved for summary judgment dismissing the case in its entirety, and plaintiffs moved for class certification and for partial summary judgment on certain elements of their claims. In an order dated February 21, 2014, the District Court denied plaintiffs' motion for class certification because they sought to include in their proposed class persons who purchased Celestica stock in Canada. Plaintiffs renewed their motion for class certification on April 23, 2014, removing Canadian stock purchasers from their proposed class in accordance with the District Court's February 21 order. Defendants opposed plaintiffs' renewed motion on May 5, 2014 on the grounds that the plaintiffs are not adequate class representatives. On August 20, 2014, the District Court denied our motion for summary judgment. The District

Court also denied the majority of plaintiffs' motion for partial summary judgment, but granted plaintiffs' motion on market efficiency. The District Court also granted plaintiffs' renewed class certification motion and certified plaintiffs' revised class. A trial date has been set for April 20, 2015. On February 24, 2015, the parties reached an agreement in principle to settle the U.S. case. It is anticipated that the settlement amount will be covered by our liability insurance. However, as the settlement has not yet been finalized, and is in any event subject to approval by the District Court, there can be no assurance that the settlement will be entered into at all, that any actual settlement or other disposition of the lawsuit will not be in excess of amounts accrued or on terms less favorable to us than the agreement in principle, or that the actual settlement or other disposition of the lawsuit will not have a material adverse impact on our financial position or liquidity. If a settlement is not achieved on terms acceptable to us, we intend to continue to vigorously defend this lawsuit.

Parallel class proceedings remain against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice. These proceedings are not affected by the agreement in principle discussed above. On October 15, 2012, the Ontario Superior Court of Justice granted limited aspects of the defendants' motion to strike, but dismissed the defendants' limitation period argument. The defendants' appeal of the limitation period issue was dismissed on February 3, 2014 when the Court of Appeal for Ontario overturned its own prior decision on the limitation period issue. On August 7, 2014, the defendants were granted leave to appeal the decision to the Supreme Court of Canada, together with two other cases that deal with the limitation period issue. The Supreme Court of Canada heard the appeal on February 9, 2015, and the decision is under reserve. A possible outcome of the Supreme Court appeal would be that the Canadian case is dismissed in its entirety. In a decision dated February 19, 2014, the Ontario Superior Court of Justice granted the plaintiffs leave to proceed with a statutory claim under the Ontario Securities Act and certified the action as a class proceeding on the claim that the defendants made misrepresentations regarding the 2005 restructuring. The court denied the plaintiffs leave and certification on the claims that the defendants did not properly report Celestica's inventory and revenue and that Celestica's financial statements did not comply with Canadian GAAP. The court also denied certification of the plaintiffs' common law claims. The action is at the discovery stage and, depending on the outcome of the Supreme Court appeal, the discoveries may resume. There have been some settlement discussions among the parties to the Canadian proceedings. However, there can be no assurance that such discussions will lead to a settlement, or that any settlements or other dispositions of the Canadian lawsuit will not be in excess of amounts covered by our liability insurance policies. If the Supreme Court appeal does not result in a dismissal of the Canadian action and/or settlement on terms acceptable to us is not reached, we intend to continue to vigorously defend the lawsuit. We believe the allegations in the claim are without merit. However, there can be no assurance that the outcome of the lawsuit will be favorable to us or that it will not have a material adverse impact on our financial position or liquidity. In addition, we may incur substantial litigation expenses in defending the claim. As the matter is ongoing, we cannot predict its duration or the resources required.

See "Income Taxes" above for a description of various tax audits and positions, and contingencies associated therewith.

Capital Resources

Our main objectives in managing our capital resources are to ensure liquidity and to have funds available for working capital or other investments required to grow our business. Our capital resources consist of cash, short-term investments, access to a revolving credit facility, intraday and overnight bank overdraft facilities, an A/R sales program and capital stock. We regularly review our borrowing capacity and make adjustments, as available, for changes in economic conditions and changes in our requirements.

At December 31, 2014, we had cash and cash equivalents of $565.0 million (December 31, 2013 — $544.3 million), of which approximately 70% was cash and 30% consisted of cash equivalents. At December 31, 2014, more than 90% of our cash and cash equivalents was denominated in U.S. dollars, and the remainder was held primarily in Canadian dollars and Chinese renminbi. Our current portfolio consists of bank deposits and certain money market funds that primarily hold U.S. government securities. A default by the U.S. government on such securities could have a material adverse effect on our results of operations and financial condition.

The majority of our cash and cash equivalents is held with financial institutions each of which had at December 31, 2014 a Standard and Poor's short-term rating of A-1 or above. Our cash and cash equivalents are subject to intra-quarter swings, generally related to the timing of A/R collections, inventory purchases and payments, and other capital uses.

Our $400.0 million revolving credit facility was scheduled to mature in January 2015. This facility included an accordion feature that would have allowed us to increase the credit limit under this facility by an additional $50.0 million upon satisfaction of certain terms and conditions. In October 2014, we amended this facility under generally similar terms and conditions, extending its maturity to October 2018. Based on a review of our overall requirements, the credit limit of the amended facility was reduced to $300.0 million, with an accordion feature that allows us to increase this limit by an additional $150.0 million upon satisfaction of certain terms and conditions. The facility includes a $25.0 million swing line, subject to the overall credit limit, that provides for short-term borrowings up to a maximum of seven days. Borrowings under this facility bear interest for the period of the draw at LIBOR, Prime or Federal Funds rate plus a margin. The credit facility permits us and certain designated subsidiaries to borrow funds for general corporate purposes (including acquisitions). We are required to comply with certain restrictive covenants in respect of the facility, including those relating to the incurrence of senior ranking indebtedness, the sale of assets, a change of control, and certain financial covenants related to indebtedness and interest coverage. Certain of our assets are pledged as security for borrowings under this facility. At December 31, 2014, there were no amounts outstanding under this facility (December 31, 2013 — no amounts outstanding), and we were in compliance with all applicable restrictive and financial covenants thereunder.

At December 31, 2014, we had $28.5 million (December 31, 2013 — $29.7 million) outstanding in letters of credit under our revolving credit facility. We also arrange letters of credit and surety bonds outside of our revolving credit facility. At December 31, 2014, we had $10.0 million (December 31, 2013 — $10.8 million) of such letters of credit and surety bonds outstanding.

We also have a total of $70.0 million of uncommitted bank overdraft facilities available for intraday and overnight operating requirements. There were no amounts outstanding under these overdraft facilities at December 31, 2014 or December 31, 2013.

In November 2012, we amended our existing accounts receivable sales agreement to sell up to $375.0 million at any one time in accounts receivable on an uncommitted basis (subject to pre-determined limits by customer) to two third-party banks to, among other things, amend the obligor limits thereunder. In November 2013, we further amended the agreement to reduce its overall capacity to $250.0 million based upon our annual review of our requirements under this agreement. In November 2014, we again amended this agreement at the same capacity and added a third bank. Each of these banks had a Standard and Poor's short-term rating of A-1 and a long-term rating of A or above at December 31, 2014. The term of this agreement has been extended through the foregoing amendments for additional one-year periods (and is currently extendable to November 2016 under specified circumstances), but may be terminated earlier as provided in the agreement. At December 31, 2014, we had sold $50.0 million (December 31, 2013 — $50.0 million) of A/R under this facility. Since our A/R sales program is on an uncommitted basis, there can be no assurance that any of the banks will purchase the A/R we intend to sell to them under this program.

The timing and the amounts we borrow and repay under our revolving credit and overdraft facilities, or sell under our A/R sales program, can vary significantly from month-to-month depending upon our working capital and other cash requirements.

Standard and Poor's assigns a corporate credit rating to Celestica. This rating is not a recommendation to buy, sell or hold securities, inasmuch as it does not comment as to market price or suitability for a particular investor. This rating may be subject to revision or withdrawal at any time by the rating organization. At December 31, 2014, our Standard and Poor's corporate credit rating was BB, with a stable outlook. A reduction in our credit rating could adversely impact our future cost of borrowing.

Our strategy on capital risk management has not changed significantly since the end of 2013. Other than the restrictive and financial covenants associated with our revolving credit facility noted above, we are not subject to any contractual or regulatory capital requirements. While some of our international operations are subject to

government restrictions on the flow of capital into and out of their jurisdictions, these restrictions have not had a material impact on our operations or cash flows.

Financial instruments:

Our short-term investment objectives are to preserve principal and to maximize yields without significantly increasing risk, while at the same time not materially restricting our short-term access to cash. To achieve these objectives, we maintain a portfolio consisting of a variety of securities, including bank deposits and certain money market funds that primarily hold U.S. government securities.

The majority of our cash balances are held in U.S. dollars. We price the majority of our products in U.S. dollars and the majority of our materials costs are also denominated in U.S. dollars. However, a significant portion of our non-materials costs (including payroll, pensions, site costs and costs of locally sourced supplies and inventory) are denominated in various other currencies. As a result, we may experience foreign exchange gains or losses on translation or transactions due to currency fluctuations.

We have a foreign exchange risk management policy in place to control our hedging activities. We do not enter into speculative trades. Our current hedging activity is designed to reduce the variability of our foreign currency costs where we have local manufacturing operations. We enter into forward exchange contracts to hedge against our cash flows and significant balance sheet exposures in certain foreign currencies. Balance sheet hedges are based on our forecasts of the future position of net monetary assets or liabilities denominated in foreign currencies and, therefore, may not mitigate the full impact of any translation impacts in the future. There can be no assurance that our hedging transactions will be successful in mitigating our foreign exchange risk.

At December 31, 2014, we had forward exchange contracts to trade U.S. dollars in exchange for the following currencies:

Currency	Amount of U.S. dollars (in millions)	Weighted average exchange rate of U.S. dollars	Maximum period in months	Fair value gain/(loss) (in millions)
Canadian dollar	$293.3	$0.88	14	$ (6.7)
Thai baht	129.5	0.03	15	(1.1)
Malaysian ringgit	84.4	0.30	15	(5.1)
Mexican peso	32.2	0.07	14	(2.2)
British pound	98.3	1.59	4	1.7
Chinese renminbi	98.9	0.16	12	(0.1)
Euro	34.9	1.24	4	0.6
Romanian leu	15.8	0.29	12	(1.1)
Singapore dollar	25.3	0.79	12	(1.0)
Other	6.0	—	4	—
Total	$818.6			$(15.0)

These contracts, which generally extend for periods of up to 15 months, will expire by the end of the first quarter of 2016. The fair value of the outstanding contracts at December 31, 2014 was a net unrealized loss of $15.0 million (December 31, 2013 — net unrealized loss of $17.3 million). The unrealized gains or losses are a result of fluctuations in foreign exchange rates between the date the currency forward contracts were entered into and the valuation date at period end.

Financial risks:

We are exposed to a variety of market risks associated with financial instruments and otherwise.

Currency risk: Due to the global nature of our operations, we are exposed to exchange rate fluctuations on our cash receipts, cash payments and balance sheet exposures denominated in various currencies. The majority of our currency risk is driven by the operational costs incurred in local currencies by our subsidiaries. We

manage our currency risk through our hedging program using forecasts of future cash flows and balance sheet exposures denominated in foreign currencies. We do not use derivative financial instruments for speculative purposes.

Interest rate risk: Borrowings under our revolving credit facility bear interest at LIBOR, Prime or Federal Funds rate plus a margin. Our borrowings under this facility expose us to interest rate risk due to fluctuations in these rates.

Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. We believe our credit risk of counterparty non-performance is low. To mitigate the risk of financial loss from defaults under our foreign currency forward exchange contracts, our contracts are held by counterparty financial institutions, each of which had at December 31, 2014 a Standard and Poor's rating of A-1 or above. Each financial institution with which we have our A/R sales program had a Standard and Poor's short-term rating of A-1 and a long-term rating of A or above at December 31, 2014. Each financial institution from which annuities have been purchased for the defined benefit component of a pension plan (discussed above) had a A.M. Best or Standard and Poor's long-term rating of A or above at December 31, 2014. We also provide unsecured credit to our customers in the normal course of business. We mitigate this credit risk by monitoring our customers' financial condition and performing ongoing credit evaluations as appropriate. We consider credit risk in determining our allowance for doubtful accounts and we believe our allowances are adequate.

Liquidity risk: Liquidity risk is the risk that we may not have cash available to satisfy our financial obligations as they come due. The majority of our financial liabilities recorded in accounts payable, accrued and other current liabilities and provisions are due within 90 days. We believe that cash flow from operations, together with cash on hand, cash from the sale of A/R, and borrowings available under our revolving credit facility and intraday and overnight bank overdraft facilities are sufficient to fund our currently anticipated financial obligations.

Related Party Transactions

Onex Corporation (Onex) owns, directly or indirectly, all of our outstanding multiple voting shares. Accordingly, Onex has the ability to exercise significant influence over our business and affairs and generally has the power to determine all matters submitted to a vote of our shareholders where the subordinate voting shares and multiple voting shares vote together as a single class. Gerald Schwartz, the Chairman of the Board, President and Chief Executive Officer of Onex, is also one of our directors, and holds, directly or indirectly, shares representing the majority of the voting rights of Onex.

We had manufacturing and services agreements with certain companies related to or under the control of Onex or Gerald Schwartz in 2012 and 2013. During 2013, we recorded revenue of $10.8 million from two such related companies. At December 31, 2013, we had no amounts due from either of these related companies. During 2012, we recorded revenue of $38.0 million from one such related company. At December 31, 2012, we had $6.5 million due from this related company (which was paid in accordance with the contractual terms). All transactions with these related companies were executed in the normal course of operations and were recorded at the exchange amounts as agreed to by the parties based on arm's length terms.

In January 2009, we entered into a Services Agreement with Onex for the services of Gerald Schwartz, as a director of Celestica. The initial term of this agreement was one year and it automatically renews for successive one-year terms unless either party provides a notice of intent not to renew. Onex receives compensation under the Services Agreement in an amount equal to $200,000 per year, payable in DSUs in equal quarterly installments in arrears.

Outstanding Share Data

As of February 11, 2015, we had 151,507,998 outstanding subordinate voting shares and 18,946,368 outstanding multiple voting shares. As of such date, we also had 3,094,408 outstanding stock options, 3,774,838 outstanding RSUs, 6,508,988 outstanding PSUs (based on a maximum potential payout), and 1,129,364 outstanding DSUs, each such option or unit entitling the holder thereof to receive one subordinate

voting share (or in certain cases, cash at our option) pursuant to the terms thereof (subject to certain time or performance-based vesting conditions).

Controls and Procedures

Evaluation of disclosure controls and procedures:

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. Exchange Act) designed to ensure that information we are required to disclose in the reports that we file or submit under the U.S. Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the U.S. Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2014. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2014, our disclosure controls and procedures are effective to meet the requirements of Rules 13a-15(e) and 15d-15(e) under the U.S. Exchange Act.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Changes in internal control over financial reporting:

We did not identify any change in our internal control over financial reporting in connection with our evaluation, as required by paragraph (d) of U.S. Exchange Act Rule 13a-15 or 15d-15, that occurred during the year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's report on internal control over financial reporting:

Reference is made to our Management's Report on page F-1 of our Annual Report on Form 20-F for the year ended December 31, 2014. Our auditors, KPMG LLP, an independent registered public accounting firm, have issued an audit report on our internal control over financial reporting as of December 31, 2014. This report appears on page F-2 of such Annual Report.

Unaudited Quarterly Financial Highlights (in millions, except percentages and per share amounts):

	2013				2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$1,372.4	$1,495.1	$1,491.9	$1,436.7	$1,312.4	$1,471.5	$1,423.1	$1,424.3
Gross profit %	6.3%	6.4%	6.9%	7.2%	6.9%	7.1%	7.4%	7.3%
Net earnings (loss)	$ 10.5	$ 28.0	$ 57.4	$ 22.1	$ 37.3	$ 40.9	$ 34.4	$ (4.4)
Weighted average # of basic shares	183.4	184.2	184.0	182.0	180.8	179.6	177.5	175.6
Weighted average # of diluted shares	185.0	185.9	186.4	184.5	182.6	182.0	179.6	175.6
# of shares outstanding	184.0	184.3	182.9	181.0	180.5	178.8	176.7	174.6
Net earnings (loss) per share:								
basic	$ 0.06	$ 0.15	$ 0.31	$ 0.12	$ 0.21	$ 0.23	$ 0.19	$ (0.03)
diluted	$ 0.06	$ 0.15	$ 0.31	$ 0.12	$ 0.20	$ 0.22	$ 0.19	$ (0.03)

Comparability quarter-to-quarter:

The quarterly data reflects the following: the fourth quarters of 2013 and 2014 include the results of our annual impairment testing of goodwill, intangible assets and property, plant and equipment; and all quarters of 2013 were impacted by our restructuring actions. The amounts attributable to these items vary from quarter-to-quarter.

Fourth quarter 2014 compared to fourth quarter 2013:

Revenue for the fourth quarter of 2014 was relatively flat compared to the same period in 2013. Compared to revenue from our end markets in the fourth quarter of 2013, revenue dollars from our server and communications end markets decreased 9% and 5%, respectively, primarily due to overall demand weakness in these end markets; and revenue dollars from our consumer end market decreased 47% primarily due to program completions, as we continued to de-emphasize the lower margin portion of our consumer portfolio. These decreases were offset in part by a 33% increase in our storage end market as compared to the fourth quarter of 2013, which was primarily driven by new programs across a number of customers. Compared to the same period in 2013, revenue dollars from our diversified end market remained relatively flat in the fourth quarter of 2014. Gross profit and gross margin both remained relatively flat compared to the same period in 2013. We generated a net loss of $4.4 million in the fourth quarter of 2014 compared to net earnings of $22.1 million in the fourth quarter of 2013, primarily driven by a $19.9 million increase in other charges in the fourth quarter of 2014 (reflecting a $40.8 million non-cash goodwill impairment charge in the fourth quarter of 2014, partially offset by lower restructuring charges) compared to the same period in 2013, and income tax recoveries of $8.0 million we recorded in the fourth quarter of 2013 that arose from net changes to our provisions for certain tax uncertainties.

Fourth quarter 2014 compared to third quarter 2014:

Revenue for the fourth quarter of 2014 was relatively flat compared to the third quarter of 2014. Compared to the previous quarter, revenue dollars from our diversified end market decreased 9% sequentially, primarily due to demand softness in this end market; and revenue dollars from our consumer end market decreased 27% sequentially, primarily due to program completions as we continued to de-emphasize the lower margin business in our consumer portfolio. For the fourth quarter of 2014, revenue dollars from our storage and server end markets increased sequentially by 20% and 7%, respectively, primarily due to stronger than expected demand; and revenue dollars from our communications end market were relatively flat compared to the previous quarter. Gross margin for the fourth quarter of 2014 of 7.3% decreased from 7.4% for the third quarter of 2014, primarily driven by a net credit of $2.5 million we recorded in the previous quarter related to our warranty provisions. Net loss for the fourth quarter of 2014 of $4.4 million was $38.8 million lower compared to the net earnings of $34.4 million for the previous quarter, reflecting primarily the $40.8 million non-cash goodwill impairment charge we recorded in the fourth quarter of 2014 pursuant to our annual impairment assessment.

Fourth quarter 2014 actual compared to guidance:

IFRS net loss per share for the fourth quarter of 2014 was $0.03, and included a non-cash goodwill impairment charge of $0.23 per share related to our semiconductor business. IFRS net loss for the fourth quarter of 2014 also included an aggregate charge of $0.04 (pre-tax) per share comprised of employee stock-based compensation expense and amortization of intangible assets (excluding computer software), which is within the guidance we provided on October 21, 2014 of an aggregate charge of between $0.03 and $0.07 for these items.

On October 21, 2014, we provided the following guidance for the fourth quarter of 2014:

	Q4 2014	
	Guidance	**Actual**
IFRS revenue (in billions)	$1.375 to $1.475	$1.424
Non-IFRS adjusted net earnings per share (diluted)	$0.21 to $0.27	$ 0.23

For the fourth quarter of 2014, revenue of $1.42 billion and non-IFRS adjusted net earnings per share of $0.23 were both within the range of our published guidance. Our non-IFRS adjusted EPS of $0.23 for the fourth quarter of 2014 was negatively impacted by an income tax expense of $0.02 per share resulting from foreign exchange fluctuations in the quarter.

Our guidance includes a range for adjusted net earnings per share (which is a non-IFRS measure and is defined below). We believe non-IFRS adjusted net earnings per share is an important measure for investors to understand our core operating performance and to compare our operating results with those of our competitors. A reconciliation of non-IFRS adjusted net earnings to IFRS net earnings is set forth below.

Non-IFRS measures:

Management uses adjusted net earnings and the other non-IFRS measures described herein to (i) assess operating performance and the effective use and allocation of resources, (ii) provide more meaningful period-to-period comparisons of operating results, (iii) enhance investors' understanding of the core operating results of our business, and (iv) to set management incentive targets. We believe the non-IFRS measures we present herein are useful to investors, as they enable investors to evaluate and compare our results from operations and cash resources generated from our business in a more consistent manner (by excluding specific items that we do not consider to be reflective of our ongoing operating results) and provide an analysis of operating results using the same measures our chief operating decision makers use to measure performance. The non-IFRS financial measures that can be reconciled to IFRS measures result largely from management's determination that the facts and circumstances surrounding the excluded charges or recoveries are not indicative of the ordinary course of the ongoing operation of our business.

We believe investors use both IFRS and non-IFRS measures to assess management's past, current and future decisions associated with our priorities and our allocation of capital, as well as to analyze how our business operates in, or responds to, swings in economic cycles or to other events that impact our core operations.

In addition to cash cycle days (including the components thereof) and inventory turns (each described under the caption "Other Performance Indicators" above), our non-IFRS measures consist of: adjusted gross profit, adjusted gross margin (adjusted gross profit as a percentage of revenue), adjusted SG&A, adjusted SG&A as a percentage of revenue, operating earnings (adjusted EBIAT), operating margin (operating earnings as a percentage of revenue), adjusted net earnings, adjusted net earnings per share, net invested capital, ROIC, and free cash flow. Adjusted EBIAT, net invested capital, ROIC and free cash flow are further described in the tables below. In calculating these non-IFRS financial measures, management excludes the following items, as applicable: employee stock-based compensation expense, amortization of intangible assets (excluding computer software), restructuring and other charges, net of recoveries (most significantly restructuring charges), the write-down of goodwill, intangible assets and property, plant and equipment, and gains or losses related to the repurchase of shares or debt, net of tax adjustments and significant deferred tax write-offs or recoveries associated with restructuring actions or restructured sites.

Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Non-IFRS measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any standardized measure under IFRS. The most significant limitation to management's use of non-IFRS financial measures is that the charges or credits excluded from the non-IFRS measures are nonetheless charges or credits that are recognized under IFRS and that have an economic impact on us. Management compensates for these limitations primarily by issuing IFRS results to show a complete picture of our performance, and reconciling non-IFRS results back to IFRS results where a comparable IFRS measure exists.

The economic substance of these exclusions and management's rationale for excluding these from non-IFRS financial measures is provided below:

Employee stock-based compensation expense, which represents the estimated fair value of stock options, RSUs and PSUs granted to employees, is excluded because grant activities vary significantly from quarter-to-quarter in both quantity and fair value. In addition, excluding this expense allows us to better

compare core operating results with those of our competitors who also generally exclude employee stock-based compensation expense from their core operating results, who may have different granting patterns and types of equity awards, and who may use different valuation assumptions than we do.

Amortization charges (excluding computer software) consist of non-cash charges against intangible assets that are impacted by the timing and magnitude of acquired businesses. Amortization of intangible assets varies among our competitors, and we believe that excluding these charges permits a better comparison of core operating results with those of our competitors who also generally exclude amortization charges.

Restructuring and other charges, net of recoveries, include costs relating to employee severance, lease terminations, site closings and consolidations, write-downs to owned property and equipment which are no longer used and are available for sale, reductions in infrastructure and acquisition-related transaction costs. We exclude restructuring and other charges, net of recoveries, because we believe that they are not directly related to ongoing operating results and do not reflect expected future operating expenses after completion of these activities. We believe these exclusions permit a better comparison of our core operating results with those of our competitors who also generally exclude these charges, net of recoveries, in assessing operating performance.

Impairment charges, which consist of non-cash charges against goodwill, intangible assets and property, plant and equipment, result primarily when the carrying value of these assets exceeds their recoverable amount. Our competitors may record impairment charges at different times, and we believe that excluding these charges permits a better comparison of our core operating results with those of our competitors who also generally exclude these charges in assessing operating performance.

Gains or losses related to the repurchase of shares or debt are excluded as these gains or losses do not impact core operating performance and vary significantly among those of our competitors who also generally exclude these charges or recoveries in assessing operating performance.

Significant deferred tax write-offs or recoveries associated with restructuring actions or restructured sites are excluded as these write-offs or recoveries do not impact core operating performance and vary significantly among those of our competitors who also generally exclude these charges or recoveries in assessing operating performance.

The following table sets forth, for the periods indicated, the various non-IFRS measures discussed above, and a reconciliation of IFRS to non-IFRS measures, where a comparable IFRS measure exists (in millions, except percentages and per share amounts):

	Three months ended December 31				Year ended December 31			
	2013		2014		2013		2014	
		% of revenue		% of revenue		% of revenue		% of revenue
IFRS Revenue	$1,436.7		$1,424.3		$5,796.1		$5,631.3	
IFRS gross profit	$ 103.6	7.2%	$ 104.5	7.3%	$ 389.5	6.7%	$ 405.4	7.2%
Employee stock-based compensation expense	3.1		3.0		12.5		13.4	
Non-IFRS adjusted gross profit	$ 106.7	7.4%	$ 107.5	7.5%	$ 402.0	6.9%	$ 418.8	7.4%
IFRS SG&A	$ 56.2	3.9%	$ 52.9	3.7%	$ 222.3	3.8%	$ 210.3	3.7%
Employee stock-based compensation expense	(3.5)		(2.9)		(16.7)		(15.0)	
Non-IFRS adjusted SG&A	$ 52.7	3.7%	$ 50.0	3.5%	$ 205.6	3.5%	$ 195.3	3.5%
IFRS earnings before income taxes	$ 20.8		$ 5.7		$ 130.7		$ 124.6	
Finance costs	0.8		1.0		2.9		3.1	
Employee stock-based compensation expense	6.6		5.9		29.2		28.4	
Amortization of intangible assets (excluding computer software)	1.6		1.5		6.5		6.3	
Impairment, restructuring and other charges	17.5		37.4		4.0		37.1	
Non-IFRS operating earnings (adjusted EBIAT)[1]	$ 47.3	3.3%	$ 51.5	3.6%	$ 173.3	3.0%	$ 199.5	3.5%
IFRS net earnings (loss)	$ 22.1	1.5%	$ (4.4)	(0.3)%	$ 118.0	2.0%	$ 108.2	1.9%
Employee stock-based compensation expense	6.6		5.9		29.2		28.4	
Amortization of intangible assets (excluding computer software)	1.6		1.5		6.5		6.3	
Impairment, restructuring and other charges	17.5		37.4		4.0		37.1	
Adjustments for taxes[2]	(3.4)		(0.1)		(3.2)		(0.5)	
Non-IFRS adjusted net earnings	$ 44.4		$ 40.3		$ 154.5		$ 179.5	
Diluted EPS								
Weighted average # of shares (in millions) used for IFRS earnings (loss) per share	184.5		175.6		185.4		180.4	
IFRS earnings (loss) per share	$ 0.12		$ (0.03)		$ 0.64		$ 0.60	
Weighted average # of shares (in millions) used for non-IFRS adjusted earnings per share*	184.5		177.6		185.4		180.4	
Non-IFRS adjusted net earnings per share	$ 0.24		$ 0.23		$ 0.83		$ 1.00	
# of shares outstanding at period end (in millions)	181.0		174.6		181.0		174.6	
IFRS cash provided by operations	$ 34.1		$ 78.0		$ 149.4		$ 241.5	
Purchase of property, plant and equipment, net of sales proceeds	(9.8)		(15.8)		(48.6)		(59.9)	
Finance costs paid	(0.6)		(2.2)		(2.7)		(4.2)	
Non-IFRS free cash flow[3]	$ 23.7		$ 60.0		$ 98.1		$ 177.4	
Non-IFRS ROIC %[4]	19.2%		20.8%		17.9%		19.5%	

* Non-IFRS adjusted net earnings per share is calculated by dividing non-IFRS adjusted net earnings by the number of diluted weighted average shares outstanding. Because we reported a net loss on an IFRS basis in the fourth quarter of 2014, the calculation of IFRS diluted weighted average shares outstanding for such period excludes 2.0 million shares underlying in-the-money stock-based awards, as the effect of these shares would be anti-dilutive. We included the dilutive effects of these shares in the calculation of the weighted average number of shares outstanding used to calculate non-IFRS adjusted net earnings (per diluted share) for the fourth quarter of 2014, because their effects are dilutive in relation to this measure.

(1) Management uses non-IFRS adjusted EBIAT as a measure to assess our operational performance related to our core operations. Non-IFRS adjusted EBIAT is defined as earnings before finance costs (consisting of interest and fees related to our credit facilities and accounts receivable sales program), amortization of intangible assets (excluding computer software) and income taxes. Non-IFRS adjusted EBIAT also excludes, in periods where such charges have been recorded, employee stock-based compensation expense, restructuring and other charges, net of recoveries, gains or losses related to the repurchase of shares or debt, and impairment charges.

(2) The adjustments for taxes, as applicable, represent the tax effects on the non-IFRS adjustments and significant deferred tax write-offs or recoveries associated with restructuring actions or restructured sites that we believe do not impact our core operating performance.

(3) Management uses non-IFRS free cash flow as a measure, in addition to IFRS cash flow from operations, to assess our operational cash flow performance. We believe non-IFRS free cash flow provides another level of transparency to our liquidity. Non-IFRS free cash flow is defined as cash provided by or used in operating activities after the purchase of property, plant and equipment (net of proceeds from sale of certain surplus equipment and property) and finance costs paid.

(4) Management uses non-IFRS ROIC as a measure to assess the effectiveness of the invested capital we use to build products or provide services to our customers. Our non-IFRS ROIC measure includes non-IFRS operating earnings, working capital management and asset utilization. Non-IFRS ROIC is calculated by dividing non-IFRS adjusted EBIAT by average non-IFRS net invested capital. Net invested capital (calculated in the table below) is a non-IFRS measure and consists of the following IFRS measures: total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable. We use a two-point average to calculate average non-IFRS net invested capital for the quarter and a five-point average to calculate average non-IFRS net invested capital for the year. There is no comparable measure under IFRS.

The following table sets forth, for the periods indicated, our calculation of non-IFRS ROIC % (in millions, except ROIC %):

	Three months ended December 31		Year ended December 31	
	2013	2014	2013	2014
Non-IFRS operating earnings (adjusted EBIAT)	$ 47.3	$ 51.5	$173.3	$ 199.5
Multiplier	4	4	1	1
Annualized non-IFRS adjusted EBIAT	$189.2	$206.0	$173.3	$ 199.5
Average non-IFRS net invested capital for the period	$987.8	$990.4	$968.7	$1,021.8
Non-IFRS ROIC %(1)	19.2%	20.8%	17.9%	19.5%

	December 31 2013	March 31 2014	June 30 2014	September 30 2014	December 31 2014
Non-IFRS net invested capital consists of:					
Total assets	$2,638.9	$2,590.7	$2,673.3	$2,666.3	$2,583.6
Less: cash	544.3	489.2	519.1	578.2	565.0
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,109.2	1,035.7	1,077.2	1,071.7	1,054.3
Non-IFRS net invested capital at period end(1)	$ 985.4	$1,065.8	$1,077.0	$1,016.4	$ 964.3

	December 31 2012	March 31 2013	June 30 2013	September 30 2013	December 31 2013
Non-IFRS net invested capital consists of:					
Total assets	$2,658.8	$2,643.4	$2,705.5	$2,714.4	$2,638.9
Less: cash	550.5	531.3	553.5	546.8	544.3
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,143.9	1,145.7	1,214.8	1,177.5	1,109.2
Non-IFRS net invested capital at period end(1)	$ 964.4	$ 966.4	$ 937.2	$ 990.1	$ 985.4

(1) Management uses non-IFRS ROIC as a measure to assess the effectiveness of the invested capital we use to build products or provide services to our customers. Our non-IFRS ROIC measure includes non-IFRS operating earnings, working capital management and asset utilization. Non-IFRS ROIC is calculated by dividing non-IFRS adjusted EBIAT by average non-IFRS net invested capital. Net invested capital is a non-IFRS measure and consists of the following IFRS measures: total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable. We use a two-point average to calculate average non-IFRS net invested capital for the quarter and a five-point average to calculate average non-IFRS net invested capital for the year. There is no comparable measure under IFRS.

Recent Accounting Developments:

IAS 32, Financial Instruments — Presentation (revised):

Effective January 1, 2014, we adopted this amendment issued by the IASB which clarifies the requirements for offsetting financial assets and liabilities. The adoption of this amendment did not have a material impact on our consolidated financial statements.

IFRIC Interpretation 21, Levies:

Effective January 1, 2014, we adopted this interpretation issued by the IASB which clarifies when the liability for certain levies should be recognized and requires retroactive adoption. The adoption of this interpretation did not have a material impact on our consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers:

In May 2014, the IASB issued this standard which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. This standard is effective January 1, 2017 and allows early adoption. We do not intend to adopt this standard early and are currently evaluating the anticipated impact of adopting this standard on our consolidated financial statements.

IFRS 9, Financial Instruments:

In July 2014, the IASB issued this standard which replaces IAS 39, *Financial Instruments: Recognition and Measurement.* The standard is effective for annual periods beginning on or after January 1, 2018, and allows earlier adoption. The standard introduces a new model for the classification and measurement of financial assets, a single expected credit loss model for the measurement of the impairment of financial assets, and a new model for hedge accounting that is aligned with a company's risk management activities. We do not intend to adopt this standard early, and are currently evaluating the anticipated impact of adopting this standard on our consolidated financial statements.

Research and development, patents and licenses, etc.

The information required by this item is set forth above in Item 3(A) "Key Information — Selected Financial Data" in footnote 2, and in Item 4(B) "Information on the Company — Business Overview — Research and Technology Development".

Trend Information

The information required by this item is set forth above in "Overview", "Operating Results," and "Liquidity and Capital Resources", in Item 3(D) "Key Information — Risk Factors", and in Item 4(B) "Information on the Company — Business Overview".

Off-Balance Sheet Arrangements

Not applicable.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Each director of Celestica is elected by the shareholders to serve until close of the next annual meeting of shareholders or until a successor is elected or appointed, unless such office is earlier vacated in accordance with the Corporation's by-laws. The following table sets forth certain information regarding the current directors and executive officers of Celestica as of February 11, 2015.

Name	Age	Director Since	Position with Celestica	Residence
William A. Etherington	73	2001*	Chair of the Board and Director	Ontario, Canada
Daniel P. DiMaggio	64	2010	Director	Georgia, U.S.
Laurette T. Koellner	60	2009	Director	Florida, U.S.
Joseph M. Natale	50	2012	Director	Ontario, Canada
Carol S. Perry	64	2013	Director	Ontario, Canada
Eamon J. Ryan	69	2008	Director	Ontario, Canada
Gerald W. Schwartz	73	1998	Director	Ontario, Canada
Michael M. Wilson	63	2011	Director	Alberta, Canada
Craig H. Muhlhauser	66	2007**	Director, President and Chief Executive Officer	New Jersey, U.S.
		Officer Since		
Darren G. Myers	41	2012	Executive Vice President and Chief Financial Officer	Ontario, Canada
Elizabeth L. DelBianco	55	1998	Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary	Ontario, Canada
Glen D. McIntosh	53	2011	Executive Vice President, Global Operations and Supply Chain Management	Ontario, Canada
Michael L. Andrade	51	2007	Executive Vice President, Diversified Markets	Ontario, Canada
Michael P. McCaughey	52	2007	Executive Vice President, Communications, Enterprise and Managed Services	Québec, Canada
Arpad Hevizi	43	2014	Senior Vice President and Chief Information Officer	Florida, U.S.

* Chair of the Board since April 2012

** Executive officer since 2005

The following is a brief biography of each of Celestica's directors and executive officers:

William A. Etherington. Mr. Etherington is a corporate director. In addition to being the Chair of the Board of Celestica, he is also a director of Onex* and of SS&C Technologies, Inc., each of which is a public corporation, and of St. Michael's Hospital. He is a former director and non-executive Chairman of the board of directors of the Canadian Imperial Bank of Commerce. In 2001, Mr. Etherington retired as Senior Vice President and Group Executive, Sales and Distribution, IBM Corporation, and as Chairman, President and Chief Executive Officer of IBM World Trade Corporation. He holds a Bachelor of Science degree in Electrical Engineering and a Doctor of Laws (Hon.) from the University of Western Ontario.

* Onex holds a 76% voting interest in Celestica. See "Controlling Shareholder Interest" under Item 4(B) above.

Daniel P. DiMaggio. Mr. DiMaggio is a corporate director. Prior to retiring in 2006, he spent 35 years with United Parcel Services ("UPS"), most recently as Chief Executive Officer of the UPS Worldwide Logistics Group. Prior to leading UPS' Worldwide Logistics Group, Mr. DiMaggio held a number of positions at UPS with increasing responsibility, including leadership roles for the UPS International Marketing Group, as well as the Industrial Engineering function. In addition to his senior leadership roles at UPS, Mr. DiMaggio was a member of the board of directors of Greatwide Logistics Services, Inc.* and CEVA Logistics. He holds a Bachelor of Science degree from the Lowell Technological Institute (now the University of Massachusetts Lowell).

* Mr. DiMaggio was serving as a director of Greatwide Logistics Services, Inc., a privately held company, when that entity filed for bankruptcy in 2008.

Laurette T. Koellner. Ms. Koellner is a corporate director. She was the Executive Chairman of International Lease Finance Corporation ("ILFC"), an indirect wholly owned subsidiary of American International Group, Inc. ("AIG") and the world's largest aircraft lessor from 2012 until its sale to AerCap Holdings NV in 2014. Ms. Koellner retired as President of Boeing International, a division of The Boeing Company (an aerospace company), in 2008. Prior to May 2006, she was President of Connexion by Boeing and prior to that was a member of the Office of the Chairman and served as the Executive Vice President, Internal Services, Chief Human Resources and Administrative Officer, President of Shared Services, as well as Corporate Controller for The Boeing Company. Ms. Koellner currently serves on the board of directors of Papa John's International, Inc. and The Goodyear Tire & Rubber Company, each a public corporation. Ms. Koellner previously served on the board of directors and was the Chair of the Audit Committee of Hillshire Brands Company (formerly Sara Lee Corporation), a public corporation, until its sale to Tyson Foods Inc. in 2014, and she previously served on the board of directors of AIG, a public corporation, and was Chair of its Regulatory Compliance Committee. She is also a member of the Council on Foreign Relations and a member of the University of Central Florida Dean's Executive Council. Ms. Koellner holds a Bachelor of Science degree in Business Management from the University of Central Florida and a Masters of Business Administration from Stetson University. She holds a Certified Professional Contracts Manager designation from the National Contracts Management Association.

Joseph M. Natale. Mr. Natale joined TELUS Corporation (an integrated telecommunication services company), a public company, in 2003, and is currently its President and Chief Executive Officer, a position he has held since May 2014, and a Director. Previously, since May 2010, Mr. Natale served as Executive Vice President and Chief Commercial Officer of TELUS Corporation. Prior to 2003, Mr. Natale held successive senior leadership roles within KPMG Consulting, which he joined after it acquired the company he co-founded, PNO Management Consultants Inc., in 1997. Mr. Natale served on the board of directors of KPMG Canada in 1998 and 1999. Mr. Natale is a member of the board of directors of Soulpepper Theatre and acted as Technology & Telecommunications Chair for United Way Toronto's 2014 Campaign Cabinet. He is a past recipient of Canada's Top 40 Under 40 Award and holds a Bachelor of Applied Science degree in Electrical Engineering from the University of Waterloo.

Carol S. Perry. Ms. Perry is a corporate director. She is Chair of the Independent Review Committee of the mutual funds managed by 1832 Asset Management L.P. a mutual fund manager and wholly-owned affiliate of The Bank of Nova Scotia, and a former Director of Softchoice Corporation, Atomic Energy of Canada Limited and DALSA Corporation. Previously, she was a Commissioner of the Ontario Securities Commission, and has served on adjudicative panels and acted as a Director and Chair of its Governance and Nominating Committee. With over 20 years of experience in the investment industry as an investment banker, Ms. Perry held senior positions with leading financial services companies including RBC Capital Markets, Richardson Greenshields of Canada Limited and CIBC World Markets and later founded MaxxCap Corporate Finance Inc., a financial advisory firm. Ms. Perry has a Bachelor of Engineering Science (Electrical) degree from the University of Western Ontario and a Master of Business Administration degree from the University of Toronto. She also holds the professional designation ICD.D from the Institute of Corporate Directors.

Eamon J. Ryan. Mr. Ryan is a corporate director. He is the former Vice President and General Manager, Europe, Middle East and Africa for Lexmark International Inc., a publicly traded company. Prior to that, he was the Vice President and General Manager, Printing Services and Solutions Manager, Europe, Middle East and Africa. Mr. Ryan joined Lexmark International Inc. in 1991 as the President of Lexmark Canada. Prior to that, he spent 22 years at IBM Canada, where he held a number of sales and marketing roles in its Office Products and Large Systems divisions. Mr. Ryan's last role at IBM Canada was Director of Operations for its Public Sector, a role he held from 1986 to 1990. He holds a Bachelor of Arts degree from the University of Western Ontario.

Gerald W. Schwartz. Mr. Schwartz is the Chairman of the Board, President and Chief Executive Officer of Onex, a public corporation.* 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., each of which is a public corporation. Mr. Schwartz is Vice Chairman of Mount Sinai Hospital and is a director, governor or trustee of a number of other organizations, including Junior Achievement of Toronto 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, a Doctor of Laws (Hon.) from St. Francis Xavier University and a Doctor of Philosophy (Hon.) from Tel Aviv University.

* Onex holds a 76% voting interest in Celestica. See "Controlling Shareholder Interest" under Item 4(B) above.

Michael M. Wilson. Mr. Wilson is a corporate director. Until his retirement in December 2013, he was the President and Chief Executive Officer of Agrium Inc. (an agricultural crop inputs company), a public company, and has over 30 years of international and executive management experience. Prior to joining Agrium Inc., Mr. Wilson served as President of Methanex Corporation, a public company, and held various senior positions in North America and Asia during his 18 years with The Dow Chemical Company, also a public company. Mr. Wilson also currently serves on the board of directors of Air Canada, Finning International Inc. and Suncor Energy Inc. (each a public company), is the Chair of the Calgary Prostate Cancer Centre and previously served on the board of directors of Agrium Inc. He holds a degree in Chemical Engineering from the University of Waterloo.

Craig H. Muhlhauser.* Mr. Muhlhauser is President and Chief Executive Officer of the Corporation. Prior to his current position, he was President and Executive Vice President of Worldwide Sales and Business Development. Before joining the Corporation in May 2005, Mr. Muhlhauser was the President and Chief Executive Officer of Exide Technologies. Prior to that, he held the role of Vice President, Ford Motor Company and President, Visteon Automotive Systems. Throughout his career, he has worked in a range of industries spanning the consumer, industrial, communications, utility, automotive and aerospace and defense sectors. He holds a Master of Science degree in Mechanical Engineering and a Bachelor of Science degree in Aerospace Engineering from the University of Cincinnati.

* Mr. Muhlhauser was a director of Intermet Corporation, a privately held company, which filed for bankruptcy in the U.S. in August 2008 and emerged from Chapter 11 protection in September 2009.

Darren G. Myers. Mr. Myers is Executive Vice President and Chief Financial Officer. In this role, he is responsible for overseeing Celestica's accounting, financial and investor relations functions. In addition, he has responsibility for implementing a global business service function for the Corporation, with the goal of improving efficiencies across the organization. Mr. Myers also leads Celestica's corporate development organization which focuses on creating value through acquisitions and partnerships. Mr. Myers joined Celestica in 2000 and has held numerous financial roles of increasing responsibility. Mr. Myers left Celestica and joined Bell Canada during the period of 2006-2008, where he was the Vice President of Finance for their Small and Medium Business Division. He re-joined Celestica in 2008 and most recently was the Senior Vice President and Corporate Controller with responsibilities including external reporting, corporate tax, investor relations and all corporate finance and treasury-related matters. Prior to joining Celestica, Mr. Myers held various roles at PricewaterhouseCoopers. Mr. Myers holds a Bachelor of Commerce (Honours) degree from McMaster University and is a Chartered Professional Accountant (Chartered Accountant).

Elizabeth L. DelBianco. Ms. DelBianco is Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary. In this role, she oversees human resources, legal, contracts, communications and sustainability. Ms. DelBianco joined Celestica in 1998 and since that time has been responsible for managing legal, governance, and compliance matters for Celestica on a global basis. In March 2007, Ms. DelBianco assumed the leadership of the global human resources function. In this role, she oversees all human resources policies and practices and leads Celestica's efforts to attract, develop and retain key talent. Her role also includes responsibility for overseeing Celestica's global communications and sustainability organizations. Prior to joining Celestica, Ms. DelBianco was a senior corporate legal advisor in the telecommunications industry. She holds a Bachelor of Arts degree from the University of Toronto, a Bachelor of Laws degree from Queen's University, and a Master of Business Administration degree from the University of Western Ontario. She is admitted to practice in Ontario and New York.

Glen D. McIntosh. Mr. McIntosh is Executive Vice President, Global Operations and Supply Chain Management. In this role, he is responsible for the strategy and execution of Celestica's operations and supply chain network across North America, Europe and Asia. Previously, he was Celestica's Senior Vice President, Global Customer Business Unit, with responsibility for the strategy and execution for one of Celestica's largest customer business units. Mr. McIntosh joined Celestica in 1997 and has held roles of increasing responsibility with Celestica business units that supported customers in the enterprise and communications markets. Prior to joining Celestica, he held progressively senior engineering and sales roles with other companies in the technology industry. He holds a Bachelor of Applied Science degree in Mechanical Engineering from the University of Waterloo.

Michael L. Andrade. Mr. Andrade is Executive Vice President, Diversified Markets. In this role, he is responsible for the strategy and execution of Celestica's industrial, healthcare, aerospace and defense, energy and semiconductor capital equipment businesses. Previously, he was Senior Vice President, North America Business Development, where he was responsible for leading the company's North American business strategy. He has also held the role of Senior Vice President, Strategic Business Development and Sales Operations. Mr. Andrade joined Celestica from IBM in 1994 as part of Celestica's original management team and has held positions of increasing responsibility with Celestica. He holds a Bachelor of Engineering Science degree from the University of Western Ontario and a Master of Business Administration degree from York University.

Michael P. McCaughey. Mr. McCaughey is Executive Vice President, Communications, Enterprise and Managed Services. In this role, he is responsible for the strategic direction of the Corporation's enterprise and communications market segments, and managed services businesses. He also oversees key activities for all customer accounts in the enterprise and communications segments. Prior to his current role, he was the Senior Vice President, Enterprise and Communications Markets, with responsibility for the strategic direction of Celestica's enterprise and communications business. Prior to joining Celestica in June 2005, Mr. McCaughey held the role of Senior Vice President, Wireline Network Systems, at Sanmina-SCI. Before joining Sanmina-SCI, Mr. McCaughey held senior roles at Hyperchip Inc. and SCI Systems (prior to that company's merger with Sanmina). He holds a DEC in Electrotechnology from Vanier College and studied Electrical Engineering at McGill University.

Arpad Hevizi. Mr. Hevizi has been Senior Vice President and Chief Information Officer since September 2014. In this role, he is responsible for aligning Celestica's information technology strategy and its investments in IT tools and processes with Celestica's business goals. Mr. Hevizi joined Celestica in 2009 as Vice President, Advanced Customer Solutions, where he led the efforts to leverage information technology and analytics to help Celestica launch new service offerings. Prior to joining Celestica, Mr. Hevizi held senior roles at KPMG LLP, BearingPoint, and Mahindra Satyam. Over the course of his career, Mr. Hevizi has helped high-technology companies improve supply chain performance, manage operations, implement global enterprise solutions, and develop IT and business strategies for value-added service operations. Mr. Hevizi holds a Master of Science degree in Total Quality Management from the HZ University of Applied Sciences in the Netherlands, and a Bachelor of Business Administration degree from the Budapest Business School.

There are no family relationships among any of the foregoing persons, and there are no arrangements or understandings with any person pursuant to which any of our directors or executive officers were selected.

None of the directors of the Corporation serve together as directors of other corporations other than Messrs. Schwartz and Etherington who serve together on the board of directors of Onex.

B. Compensation

Director Compensation

Director compensation is set by the Board of Directors of the Corporation (the "Board") on the recommendation of the Compensation Committee and in accordance with director compensation guidelines and principles established by the Nominating and Corporate Governance Committee. Under these guidelines and principles, the Board seeks to maintain director compensation at a level that is competitive with director compensation at comparable companies. The Compensation Committee engaged Towers Watson Inc. (the "**Compensation Consultant**") to provide market comparison information in this regard (see *Compensation Discussion and Analysis — Compensation Objectives — Independent Advice* for a discussion regarding the role of the Compensation Consultant). The director compensation guidelines and principles also contemplate that a portion of each director's compensation be paid in SVS on a deferred basis in the form of DSUs. The Compensation Committee anticipates conducting a competitive review of director compensation in 2015.

2014 Fees

The following table sets out the annual retainers and Board and standing committee meeting fees payable in 2014 to the Corporation's directors, other than Mr. Muhlhauser, President and Chief Executive Officer of the Corporation, whose compensation is set out in Table 12. In addition, the Corporation's directors may receive further retainers and meeting fees for participation on *ad hoc* committees of the Board (e.g., the CEO Search Committee).

Table 1: Retainers and Meeting Fees for 2014

Annual Retainer for Chair of the Board[(1)]	$130,000
Annual Board Retainer (for directors other than the Chair)	$ 65,000
Annual Retainer for Audit Committee Chair	$ 20,000
Annual Retainer for Compensation Committee Chair	$ 15,000
Board and Committee Per Day Meeting Fee[(2)]	$ 2,500
Travel Fee[(3)]	$ 2,500
Annual DSU Grant (for directors other than the Chair)	$120,000
Annual DSU Grant — Chair	$180,000

(1) The Chair of the Board also served as the Chair of the Nominating and Corporate Governance Committee, for which no additional fee is paid.

(2) Attendance fees are paid per day of meetings, regardless of whether a director attends more than one meeting in a single day.

(3) The travel fee is available only to directors who travel outside of their home state or province to attend a Board or Committee meeting.

DSUs

Directors receive half of their annual retainer and meeting fees (or all of such retainer and fees, subject to their election or deemed election) in DSUs. Subject to the terms of the governing plan, each DSU represents the right to receive one SVS or an equivalent value in cash when the director both (a) ceases to be a director of the Corporation and (b) is not an employee of the Corporation or a director or employee of any corporation that does not deal at arm's-length with the Corporation (collectively, "**Retires**"). The date used in valuing the DSUs for settlement is the date that is 45 days following the date on which the director Retires, or as soon as practicable thereafter. DSUs are redeemed and payable on or prior to the 90th day following the date on which the director Retires.

The number of DSUs granted in lieu of cash meeting fees is calculated by dividing the cash fee that would otherwise be payable by the closing price of SVS on the New York Stock Exchange (the "**NYSE**") on the last business day of the quarter in which the applicable meeting occurred. In the case of annual retainer fees, the

number of DSUs granted is calculated by dividing the notional cash amount for the quarter by the closing price of SVS on the NYSE on the last business day of the quarter.

Directors who receive annual retainers also receive annual grants of DSUs, credited on a quarterly basis. In 2014, each director receiving a retainer received an annual grant of $120,000 in value of DSUs, except for the Chair, who received an annual grant of $180,000. The number of DSUs granted is calculated by dividing the notional cash amount for the quarter by the closing price of SVS on the NYSE on the last business day of the quarter.

Eligible directors also receive an initial grant of DSUs when they are appointed to the Board. Currently, the initial grant is equal to the value of the annual DSU grant to eligible directors (*i.e.*, $120,000) multiplied by 150% and divided by the closing price of SVS on the NYSE on the last business day of the fiscal quarter immediately preceding the date when the individual becomes an eligible director. If an eligible director Retires within a year of becoming an eligible director, all of the DSUs comprising the initial grant are forfeited and cancelled. If an eligible director Retires less than two years but at least one year after becoming an eligible director, then two-thirds of the DSUs comprising the initial grant are forfeited and cancelled. If an eligible director Retires within three years but at least two years after becoming an eligible director, then one-third of the DSUs comprising the initial grant are forfeited and cancelled. Forfeiture does not apply if a director Retires due to a change of control of the Corporation.

Directors' Fees Earned in 2014

The compensation paid in 2014 by the Corporation to its directors is set out in Table 2, except for Mr. Muhlhauser, President and Chief Executive Officer of the Corporation, whose compensation is set out in Table 12.

Table 2: Director Fees Earned in Respect of 2014

Name	Board Annual Retainer (a)	Board Chair Annual Retainer (b)	Committee Chair Annual Retainer (c)	Total Meeting Attendance and Ad Hoc Committee Fees (d)[1]	Total Annual Retainer and Meeting Fees Payable ((a)+(b)+(c)+(d)) (e)	Portion of Fees Applied to DSUs and Value of DSUs[2] (f)	Annual DSU Grant (#) and Value of DSUs[2] (g)	Initial DSU Grant (#) and Value of DSUs (h)	Total ((e)+(g)+(h))
Daniel P. DiMaggio	$65,000	—	—	$37,500	$102,500	50%/$51,250	10,639/$120,000	—	$222,500
William A. Etherington	—	$130,000	— [3]	$30,000	$160,000	100%/$160,000	15,959/$180,000	—	$340,000
Laurette T. Koellner	$65,000	—	$20,000	$47,500	$132,500	50%/$66,250	10,639/$120,000	—	$252,500
Joseph M. Natale	$65,000	—	—	$32,500	$ 97,500	100%/$97,500	10,639/$120,000	—	$217,500
Carol S. Perry	$65,000	—	—	$37,500	$102,500	100%/$102,500	10,639/$120,000	—	$222,500
Eamon J. Ryan	$65,000	—	$15,000	$38,750	$118,750	100%/$118,750	10,639/$120,000	—	$238,750
Gerald W. Schwartz[4]	—	—	—	—	—	—	—	—	—
Michael M. Wilson	$65,000	—	—	$43,750	$108,750	100%/$108,750	10,639/$120,000	—	$228,750

(1) Includes, for applicable directors, retainers and meeting fees received for participation on *ad hoc* committees of the Board (e.g., the CEO Search Committee). Also includes travel fees payable to directors.

(2) Represents grant date fair value. The annual retainer, and meeting fees elected to be received in DSUs, and the annual grant for 2014 were credited quarterly, and the number of DSUs granted in respect of the amounts credited quarterly for each such item was determined using the closing prices of SVS on the NYSE on the last business day of each quarter, which were $10.95 on March 31, 2014, $12.56 on June 30, 2014, $10.15 on September 30, 2014 and $11.74 on December 31, 2014. For directors who elected to receive 100% of their annual retainer and meeting fees in DSUs, no cash amounts were paid by the Corporation in respect of amounts set forth in column (e).

(3) During 2014, Mr. Etherington was the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee. Mr. Etherington does not receive a committee chair annual retainer in his capacity as Chair of the Nominating and Corporate Governance Committee.

(4) Mr. Schwartz is an officer of Onex and did not receive any compensation in his capacity as a director of the Corporation in 2014. However, Onex did receive compensation for providing the services of Mr. Schwartz as a director pursuant to a Services Agreement between the Corporation and Onex entered into on January 1, 2009. The initial term of the Services Agreement was one year and the agreement automatically renews for successive one-year terms unless either the Corporation or Onex provide notice of intent not to renew. The Services Agreement terminates automatically and the rights of Onex to receive compensation (other than accrued and unpaid compensation) will terminate (a) 30 days after the first day on which Onex ceases to hold at least one MVS of Celestica or any successor company or (b) the date Mr. Schwartz ceases to be a director of Celestica, for any reason. Onex receives compensation under the Services Agreement in an amount equal to $200,000 per year, payable in DSUs in equal quarterly instalments in arrears. The number of DSUs is determined using the closing price of the SVS on the NYSE on the last day of the fiscal quarter in respect of which the instalment is to be credited.

The total annual retainer and meeting fees earned by the Board in 2014 were $822,500. In addition, total annual grants of DSUs in the amount of $900,000 were issued in 2014.

Directors' Ownership of Securities

Outstanding Share-Based Awards

Information concerning all share-based awards of the Corporation outstanding as of December 31, 2014 (this includes awards granted before the most recently completed financial year) for each director proposed for election at the Meeting (other than Mr. Muhlhauser, whose information is set out in Table 13) is set out in Table 3. DSUs that were granted prior to January 1, 2007 may be settled in the form of SVS issued from treasury, SVS purchased in the open market, or an equivalent value in cash. DSUs granted after January 1, 2007 may only be settled in SVS purchased in the open market or an equivalent value in cash. In 2005, the Corporation amended its Long-Term Incentive Plan ("**LTIP**") to prohibit the granting to directors of options to acquire SVS. There are no options granted to directors prior to the foregoing amendment which remain outstanding (other than options granted to Mr. Muhlhauser in his capacity as an employee of the Corporation, whose information is set out in Table 13).

Table 3: Outstanding Share-Based Awards

Name	Number of Outstanding DSUs[1] (#)	Payout Value of Outstanding DSUs[2] ($)
Daniel P. DiMaggio	122,514	$1,438,314
William A. Etherington	292,948	$3,439,210
Laurette T. Koellner	143,354	$1,682,976
Joseph M. Natale	92,384	$1,084,588
Carol S. Perry	41,184	$ 483,500
Eamon J. Ryan	191,554	$2,248,844
Gerald W. Schwartz[3]	—	—
Michael M. Wilson	103,729	$1,217,778

(1) Represents all outstanding DSUs, including the regular quarterly grant of DSUs issued on January 1, 2015 in respect of the fourth quarter of 2014.

(2) The payout value of such share-based awards was determined using a share price of $11.74, which was the closing price of the SVS on the NYSE on December 31, 2014.

(3) Mr. Schwartz did not have any share-based awards from the Corporation outstanding as of December 31, 2014; however, 141,694 DSUs are outstanding pursuant to the Services Agreement between the Corporation and Onex for the services of Mr. Schwartz as a director of the Corporation, and 688,807 MVS are subject to options granted to Mr. Schwartz pursuant to certain management investment plans of Onex. For further information see footnote 3 to the Major Shareholders Table and footnote 4 to Table 2.

Directors' Equity Interest

The following table sets out, for each director proposed for election at the Meeting, such director's direct or indirect beneficial ownership of, or control or direction over, equity in the Corporation, and any changes therein since February 14, 2014 (being the date of disclosure in the Corporation's 2013 Form 20-F).

Table 4: Equity Interest Other than Options and Outstanding Share-Based Awards[(1)(2)(3)]

Name	Date	SVS #	Market Value*
Daniel P. DiMaggio	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	
William A. Etherington	Feb. 14, 2014	10,000	
	Feb. 11, 2015	10,000	$ 117,100
	Change	—	
Laurette T. Koellner	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	
Craig H. Muhlhauser	Feb. 14, 2014	969,706	$7,032,909
	Feb. 11, 2015	600,590	
	Change	(369,116)	
Joseph M. Natale	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	
Carol S. Perry	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	
Eamon J. Ryan	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	
Gerald W. Schwartz[(4)]	Feb. 14, 2014	660,864	
	Feb. 11, 2015	657,264	$7,696,561
	Change	(3,600)	
Michael M. Wilson	Feb. 14, 2014	—	
	Feb. 11, 2015	—	—
	Change	—	

* *Based on the NYSE closing share price of $11.71 on February 11, 2015.*

(1) Information as to securities beneficially owned, or controlled or directed, directly or indirectly, is not within the Corporation's knowledge and therefore has been provided by each nominee.

(2) Mr. Etherington also owns 10,000 subordinate voting shares of Onex as of February 11, 2015. Other than Messrs. Schwartz and Etherington, no other director of the Corporation owns shares of Onex.

(3) For information as to outstanding share-based awards, refer to Table 3 above.

(4) In addition, as described in footnote 3 to the Major Shareholders Table, Mr. Schwartz is deemed to be the beneficial owner of the 18,946,368 MVS owned by Onex. Mr. Schwartz is also the beneficial owner, directly or indirectly, of 100,000 multiple voting shares of Onex and 19,108,018 subordinate voting shares of Onex as of February 11, 2015.

Shareholding Requirements

The Corporation has minimum shareholding requirements for directors who are not employees or officers of the Corporation or Onex (the "**Guideline**"). The Guideline provides that such a director who has been on the Board:

- for five years or more, must hold securities of the Corporation having a market value of at least five times that director's then applicable annual retainer and, after such level of ownership has been obtained, shall continue to invest a significant portion of the annual retainer in securities of the Corporation;
- for two years or more (but less than five years), must hold securities of the Corporation having a market value of at least three times that director's then applicable annual retainer;
- for one year or more (but less than two years), must hold securities of the Corporation having a market value at least equal to that director's then applicable annual retainer; and
- for less than a year, is encouraged, but not required, to hold securities of the Corporation.

Although directors will not be deemed to have breached the Guideline by reason of a decrease in the market value of the Corporation's securities, the directors are required to purchase further securities within a reasonable period of time to comply with the Guideline. Each director's holdings of securities, which for the purposes of the Guideline include all SVS and DSUs, are reviewed annually on December 31. The following table sets out, for each director proposed for election at the Meeting, whether such director was in compliance with the Guideline as of December 31, 2014.

Table 5: Shareholding Requirements

	Shareholding Requirements		
Director	Target Value as of December 31, 2014[1]	Value as of December 31, 2014[2]	Met Target as of December 31, 2014
Daniel P. DiMaggio	$195,000	$1,438,314	Yes
William A. Etherington	$650,000	$3,556,610	Yes
Laurette T. Koellner	$425,000	$1,682,976	Yes
Craig H. Muhlhauser[3]	N/A	N/A	N/A
Joseph M. Natale	$195,000	$1,084,588	Yes
Carol S. Perry	$ 65,000	$ 483,500	Yes
Eamon J. Ryan	$400,000	$2,248,844	Yes
Gerald W. Schwartz[4]	N/A	N/A	N/A
Michael M. Wilson	$195,000	$1,217,778	Yes

(1) Directors' target values are calculated by applying the applicable multiple from the Guideline to the sum of the director's Board annual retainer and committee chair annual retainer (if applicable).

(2) The value of the aggregate number of SVS and DSUs held by each director is determined using a share price of $11.74, which was the closing price of the SVS on the NYSE on December 31, 2014.

(3) Mr. Muhlhauser, as an officer of the Corporation, is not subject to the minimum shareholding requirements of the Guideline applicable to directors of the Corporation. See *Executive Share Ownership* for share ownership guidelines applicable to Mr. Muhlhauser in his role as President and Chief Executive Officer of the Corporation.

(4) Mr. Schwartz, as an officer of Onex, is not subject to the minimum shareholding requirements of the Guideline applicable to directors of the Corporation.

Attendance of Directors at Board and Committee Meetings

The following table sets forth the attendance of directors at Board meetings and at meetings of those standing committees of which they are members, from the beginning of 2014 to February 11, 2015.

Table 6: Directors' Attendance at Board and Committee Meetings

					Meetings Attended %	
Director	**Board**	**Audit**	**Compensation**	**Nominating and Corporate Governance**	**Board**	**Committee**
Daniel P. DiMaggio	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
William A. Etherington	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
Laurette T. Koellner	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
Craig H. Muhlhauser	9 of 9	—	—	—	100%	—
Joseph M. Natale	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
Carol S. Perry	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
Eamon J. Ryan	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%
Gerald W. Schwartz	8 of 9	—	—	—	89%	—
Michael M. Wilson	9 of 9	7 of 7	6 of 6	4 of 4	100%	100%

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis sets out the policies of the Corporation for determining compensation paid to the Corporation's CEO, its Chief Financial Officer ("**CFO**"), and the three other most highly compensated executive officers (collectively, the "**Named Executive Officers**" or "**NEOs**"). A description and explanation of the significant elements of compensation awarded to the NEOs during 2014 is set out in the section *Compensation Discussion and Analysis — 2014 Compensation Decisions*.

Compensation Objectives

The Corporation's executive compensation philosophies and practices are designed to attract, motivate and retain the leaders who will drive the success of the Corporation. The Compensation Committee reviews compensation policies and practices regularly, considers related risks, and makes any adjustments it deems necessary to ensure the compensation policies are not reasonably likely to have a material adverse effect on the Corporation.

A substantial portion of the compensation of our executives is linked to the Corporation's performance. A comparator group of Celestica's competitors, major suppliers, or customers, and other major international technology companies that generally fall in the range of 50% to 200% of Celestica's revenue (such group, as selected by the Compensation Committee, the "**Comparator Group**") is set out in Table 8. The Corporation establishes target compensation with reference to the median compensation of the Comparator Group, however, neither each element of compensation nor total compensation is expected to match such median exactly. NEOs have the opportunity for higher compensation for performance that exceeds target performance goals, and will receive lower compensation for performance that is below target performance goals.

The compensation package is designed to:

- ensure executives are compensated fairly and in a way that does not result in the Corporation incurring undue risk or encouraging executives to take inappropriate risks;
- provide competitive fixed compensation (*i.e.*, base salary and benefits), as well as a substantial amount of at-risk pay through the annual and equity-based incentive plans;
- reward executives, through both annual incentives and equity-based incentives, for achieving operational and financial results that meet or exceed the Corporation's business plan and that are superior to those of direct competitors in the electronics manufacturing services ("**EMS**") industry;
- align the interests of executives and shareholders through equity-based compensation;

- recognize that the executives work as a team to achieve corporate results; and
- ensure direct accountability for the annual operating results and the long-term financial performance of the Corporation.

Independent Advice

The Compensation Committee, which has the sole authority to retain and terminate an executive compensation consultant, initially engaged the Compensation Consultant in October 2006 as its independent compensation consultant to assist in identifying appropriate comparator companies against which to evaluate the Corporation's compensation levels, to provide data about those companies, and to provide observations and recommendations with respect to the Corporation's compensation practices versus those of the Comparator Group and the market in general. The Compensation Committee has considered the independence factors required by the NYSE, in both selecting and receiving advice from the Compensation Consultant.

The Compensation Consultant also provides advice (upon request) to the Compensation Committee on the policy recommendations prepared by management and keeps the Compensation Committee apprised of market trends in executive compensation. The Compensation Consultant attended portions of all Compensation Committee meetings held in 2014, in person or by telephone, as requested by the Chair of the Compensation Committee. At each of its meetings, the Compensation Committee held an *in camera* session with the Compensation Consultant without any member of management being present. Decisions made by the Compensation Committee, however, are the responsibility of the Compensation Committee and may reflect factors and considerations supplementary to the information and recommendations provided by the Compensation Consultant.

Each year, the Compensation Committee reviews the scope of activities of the Compensation Consultant and, if it deems appropriate, approves the corresponding budget. The Compensation Consultant meets with the Chair of the Compensation Committee and management at least annually to identify any initiatives requiring external support and agenda items for each Compensation Committee meeting throughout the year. The Compensation Consultant reports directly to the chair of the Compensation Committee and is not engaged by management. The Compensation Consultant may, with the approval of the Compensation Committee, assist management in reviewing and, where appropriate, developing and recommending compensation programs to align the Corporation's practices with competitive practices. Any such service in excess of $25,000 provided by the Compensation Consultant relating to executive compensation must be pre-approved by the Chair of the Compensation Committee. In addition, any non-executive compensation consulting service in excess of $25,000 must be submitted by management to the Compensation Committee for approval, and any services that will cause total non-executive compensation consulting fees to exceed $25,000 in aggregate in a calendar year must also be pre-approved by the Compensation Committee.

The following table sets out the fees paid by the Corporation to the Compensation Consultant in each of the past two years:

Table 7: Fees of the Compensation Consultant

	Year Ended December 31	
	2014	**2013**
Executive Compensation-Related Fees[1]	C$328,016	C$227,998
All Other Fees[2]	C$ 17,007	C$ 6,927

(1) Related to 2014 and 2013: support provided to the Compensation Committee on executive compensation matters that are part of its annual agenda (*e.g.*, executive compensation competitive market analysis, review of trends in executive compensation, peer group review and review of director compensation), support with ad-hoc executive compensation issues that arise throughout the year, annual valuation of PSUs for accounting purposes, and attendance at all Compensation Committee meetings. Related to 2014: a comprehensive risk assessment of compensation programs for senior executives, meetings with new director to educate on the Corporation's compensation philosophies and policies and to assist with CEO transition activities.

(2) Represents fees for non-executive compensation surveys.

Compensation Process

The Compensation Committee reviews and approves compensation for the CEO and the other NEOs, including base salaries, annual incentive awards and equity-based incentive grants. The Compensation Committee evaluates the performance of the CEO relative to financial and business goals and objectives approved by the Board from time to time for such purpose. The Compensation Committee reviews competitive data for the Comparator Group and consults with the Compensation Consultant before exercising its independent judgment to determine appropriate compensation levels. The CEO reviews the performance evaluations of the other NEOs with the Compensation Committee and provides compensation recommendations. The Compensation Committee considers these recommendations, reviews market compensation information, consults with the Compensation Consultant, and then exercises its independent judgment to determine if any adjustments are required prior to approval of the compensation of such other NEOs.

The Compensation Committee generally meets five times a year in January, April, July, October and December. At the July meeting, the Compensation Committee, based on recommendations from the Compensation Consultant, approves the comparator group that will be used for the compensation review. At the October meeting, the Compensation Consultant presents a competitive analysis of the total compensation for each of the NEOs, including the CEO, based on the established comparator group. Using this analysis, the Chief Legal and Administrative Officer (the "CLAO"), who has responsibility for Human Resources, and the CEO develop base salary and equity-based incentive recommendations for the NEOs which are then reviewed with the Compensation Consultant. The CEO and CLAO do not participate in the preparation of their own compensation recommendations. At the December meeting, preliminary compensation proposals for the NEOs for the following year are reviewed, including base salary recommendations and the value and mix of their equity-based incentives. By reviewing the compensation proposals in advance, the Compensation Committee is afforded sufficient time to discuss and provide input regarding proposed compensation changes prior to the January meeting at which time the Compensation Committee approves the compensation proposals, revised as necessary or appropriate, based on input provided at the December meeting. Previous grants of equity-based awards and the current retention value of same are reviewed and may be taken into consideration when making decisions related to equity-based compensation. The CEO and the CLAO are not present at the Compensation Committee meetings when their respective compensation is discussed.

The foregoing process is also followed for determining the CEO's compensation, except that the CLAO develops a proposal for base salary and equity-based incentive grants which is then reviewed with the Compensation Consultant. The Compensation Committee then reviews the proposal with the Compensation Consultant in the absence of the CEO. At that time, the Compensation Committee also considers the potential value of the total compensation package for the CEO at different levels of performance and different stock prices to ensure that there is an appropriate link between pay and performance, taking into consideration the range of potential total compensation.

Based on a management plan approved by the Board, the annual incentive-plan targets are approved by the Compensation Committee at the beginning of the year. The Compensation Committee reviews the Corporation's performance relative to these targets and the projected payment at the October and December meetings. At the January meeting of the following year, final payments under the annual incentive plan, as well as the vesting percentages for any previously granted equity-based incentives that have performance vesting criteria, are calculated and approved by the Compensation Committee based on the Corporation's year-end results as approved by the Audit Committee. The amounts related to the annual incentive plan are then paid in February.

Compensation Risk Assessment

The Compensation Committee, in performing its duties and exercising its powers under its mandate, considers the implications of the risks associated with the Corporation's compensation policies and practices. This includes: identifying any such policies or practices that encourage executive officers to take inappropriate or excessive risks, identifying risks arising from such policies and practices that are reasonably likely to have a

material adverse effect on the Corporation; and considering the risk implications of the Corporation's compensation policies and practices and any proposed changes to them.

In 2014, the Compensation Committee engaged the Compensation Consultant to assist with a comprehensive risk assessment of compensation programs provided to the senior executive team, including the annual performance incentive, and the Corporation's two long-term incentive plans. The compensation risk assessment included interviews with key Board and management representatives to: (a) identify significant risks; (b) understand the role of compensation in supporting appropriate risk-taking; and (c) understand how risk is governed and managed at the Corporation. The Compensation Consultant also reviewed documentation relating to the Corporation's risk factors and compensation governance processes and programs. The Corporation's executive compensation programs for the NEOs were reviewed against the Compensation Consultant's compensation risk assessment framework. Results of the review were presented to the Compensation Committee.

In 2014, the Compensation Consultant reviewed actions taken by the Corporation and applicable governance trends in risk oversight of executive compensation. Based on the results of such assessments and its own independent analysis, the Compensation Committee concluded that the Corporation's compensation programs did not promote excessive risk-taking that would be reasonably likely to have a material adverse effect on the Corporation, and that appropriate risk mitigation features are in place within the Corporation's compensation programs.

The Corporation's compensation programs are designed with a balanced approach aligned with its business strategy and risk profile. A number of compensation practices have been implemented to mitigate potential compensation policy risk. Key risk-mitigating features in the Corporation's compensation governance processes and compensation structure include:

Governance:

- ***Compensation decision-making process.*** The Corporation has formalized compensation objectives to help guide compensation decisions and incentive design and to effectively support its pay-for-performance policy. See *Compensation Discussion and Analysis — Compensation Objectives*.
- ***Non-binding shareholder advisory vote on executive compensation.*** The Corporation annually holds an advisory vote on executive compensation which allows shareholders to express approval or disapproval of its approach to executive compensation.
- ***Annual review of incentive programs.*** Each year, the Corporation reviews and sets performance measures and targets for the annual incentive plan and for PSU grants under Celestica's Share Unit Plan ("**CSUP**") and the LTIP that are aligned with the business plan and the Corporation's risk profile to ensure continued relevance and applicability. When new compensation programs are considered, they are stress-tested to ensure potential payouts would be reasonable within the context of the full range of performance outcomes. In particular, the CEO compensation is stress-tested annually.
- ***External independent compensation advisor.*** On an ongoing basis, the Compensation Committee retains the services of an independent compensation advisor, to provide an external perspective as to marketplace changes and best practices related to compensation design, governance, and compensation risk management.
- ***Overlapping Committee membership.*** All of the Corporation's independent directors sit on each standing committee of the Board, to provide continuity and to facilitate coordination between the Committees' respective oversight responsibilities.

Compensation Program Design:

- ***Review of incentive programs.*** At appropriate intervals, Celestica conducts a review of its compensation strategy, including pay philosophy and program design, in light of business requirements, market practice and governance considerations.

- ***Fixed versus variable compensation.*** For the NEOs, a significant portion of target total direct compensation is delivered through variable compensation (annual incentive plan and long-term, equity-based incentive plans). The majority of the value of target variable compensation is delivered through grants under long-term, equity-based incentive plans which are subject to time and/or performance vesting requirements. This mix provides a strong pay-for-performance relationship: it provides a competitive base level of compensation through salary, and mitigates the risk of encouraging the achievement of short-term goals at the expense of creating and sustaining long-term shareholder value, as NEOs benefit if shareholder value increases over the long-term.

- ***"One-company" annual incentive plan.*** Celestica's "one-company" annual incentive plan (the Celestica Team Incentive Plan) helps to mitigate risk-taking by tempering the results of any one business unit on Celestica's overall corporate performance, and aligning executives and employees in the various business units and regions with corporate goals.

- ***Balance of financial performance metrics as well as absolute and relative performance metrics.*** Celestica's annual incentive plan ensures a holistic assessment of performance with ultimate payout tied to measurable corporate financial metrics (*e.g.*, revenue, non-International Financial Reporting Standards ("**IFRS**") Operating Margin (as defined in footnote 2 to Table 11), and non-IFRS Return on Invested Capital ("**ROIC**") (as defined in footnote 4 to Table 11)). Individual performance is assessed based on business results, teamwork and key accomplishments, and market performance is captured through PSUs (which include both measurable corporate financial metrics and relative performance features) and RSUs.

- ***Minimum performance requirements and maximum payout caps.*** Two non-IFRS "gates" exist for any payout to occur under the annual performance incentive. In addition, target non-IFRS adjusted EBIAT must be achieved for other measures to pay above target. Each of the annual performance incentive and PSU payouts have a maximum payout of two times target.

- ***Share ownership requirement.*** The Corporation's share ownership guidelines require the CEO, Executive Vice Presidents and Senior Vice Presidents to continue to hold a minimum amount of the Corporation's securities to help align their interests with those of shareholders' and the long-term performance of the Corporation. This practice also mitigates against executives taking inappropriate or excessive risks to improve short-term performance at the expense of longer-term objectives.

- ***Anti-hedging policy.*** Executives and directors are prohibited from entering into speculative transactions and transactions designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation.

- ***Clawback policy.*** A clawback policy covers recoupment of incentive-based compensation from the CEO and CFO that was received during the 12-month period following the period covered by a restatement of the financial results of the Corporation due to misconduct or material non-compliance with financial reporting requirements, as well as any profits realized from the sale of securities during this time. (See *Compensation Hedging Policy — Clawback Provisions*). In addition, all longer-term incentive awards made to NEOs may be subject to recoupment if certain employment conditions are breached.

- ***Severance protection.*** NEOs' entitlements on termination without cause are in part contingent on complying with confidentiality, non-solicitation and non-competition obligations (three-year duration for the CEO, two years for other NEOs).

It is the Compensation Committee's view that the Corporation's compensation policies and practices do not encourage inappropriate or excessive risk-taking.

Comparator Group

The Compensation Committee establishes salary, annual incentive and equity-based incentive awards with reference to the median of such elements for the Comparator Group, which is comprised of a selection of the Corporation's competitors, major suppliers, or customers, and other major international technology companies that generally fall in the range of 50% to 200% of the Corporation's revenues, the composition of which is

approved annually by the Compensation Committee. The Compensation Committee also considers the Corporation's business objective of expanding its managed and/or diversified services and its participation in global markets when approving the Comparator Group. Because of the international scope and the size of the Corporation, the Comparator Group is comprised of companies with international operations, allowing the Corporation to offer its executives total compensation that is competitive in the markets in which it competes for talent. In 2014, changes were made to the Comparator Group used in 2013. Two companies were removed: Molex, due to its acquisition; and TE Connectivity, as its 2013 revenues were outside of the guideline range. Two companies were included to replace the removed companies as they satisfied the revenue and other criteria for inclusion in the Comparator Group: Lam Research and Freescale Semiconductor.

The following list of companies, which was reviewed and approved by the Compensation Committee at its July 2014 meeting, sets out the Corporation's 2014 Comparator Group companies.

Table 8: Comparator Group[(1)]

Company Name	2013 Annual Revenue (millions)	Company Name	2013 Annual Revenue (millions)
Advanced Micro Devices Inc.	$ 5,299	NVIDIA Corp.	$ 4,280
Agilent Technologies Inc.	$ 6,782	Plexus Corp.	$ 2,228
Applied Materials Inc.	$ 7,509	Sanmina Corporation	$ 5,917
Benchmark Electronics, Inc.	$ 2,506	SanDisk Corp.	$ 6,170
Broadcom Corp.	$ 8,305	Texas Instruments Inc.	$ 12,205
Corning Inc.	$ 7,819	Western Digital Corp.	$ 15,351
Freescale Semiconductor, Ltd.	$ 4,186		
Flextronics International Ltd.	$23,569		
Harris Corp.	$ 5,112		
Jabil Circuit, Inc.	$17,249	25th Percentile	$ 4,257
Juniper Networks, Inc.	$ 4,669	50th Percentile	$ 6,147
Lam Research Corporation	$ 3,599	75th Percentile	$ 8,497
Lexmark International Inc.	$ 3,668		
Micron Technology Inc.	$ 9,073		
NCR Corp.	$ 6,123	**Celestica Inc.**	$ 5,796
NetApp, Inc.	$ 6,332	*Percentile*	*43rd percentile*

(1) All data were provided by the Compensation Consultant (sourced by it from Standard & Poor's Capital IQ), reflect fiscal year 2013 revenue for each company, and are presented in U.S. dollars.

Additionally, broader market compensation survey data for other similarly-sized organizations provided by the Compensation Consultant is referenced in accordance with a process approved by the Compensation Committee. The Compensation Committee considered such survey data, among other matters, in making compensation decisions. In addition to the survey data, proxy disclosure of the Comparator Group companies for the most recently completed fiscal year was considered when determining the compensation of the CEO and the other NEOs.

Compensation Hedging Policy

The Corporation has adopted a policy regarding executive officer and director hedging. The policy prohibits executives and directors from, among other things, entering into speculative transactions and transactions designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation. Accordingly, executives may not sell short, buy put options or sell call options on the Corporation's securities or purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) which hedge or offset a decrease in the market value of the Corporation's securities.

“Clawback” Provisions

The Corporation is subject to the “clawback” provisions of the Sarbanes-Oxley Act of 2002. Accordingly, if the Corporation is required to restate financial results due to misconduct or material non-compliance with financial reporting requirements, the CEO and CFO would be required to reimburse the Corporation for any bonuses or incentive-based compensation they had received during the 12-month period following the period covered by the restatement, as well as any profits they had realized from the sale of securities of the Corporation during that period.

In addition, under the terms of the stock option grants and the PSU and RSU grants made under the LTIP and the CSUP, an NEO may be required by the Corporation to repay an amount equal to the market value of the shares at the time of release, net of taxes, if, within 12 months of the release date, the executive:

- accepts employment with, or accepts an engagement to supply services, directly or indirectly to, a third party that is in competition with the Corporation or any of its subsidiaries; or
- fails to comply with, or otherwise breaches, the terms and conditions of a confidentiality agreement or non-disclosure agreement with, or confidentiality obligations to, the Corporation or any of its subsidiaries; or
- on his or her behalf or on another’s behalf, directly or indirectly recruits, induces or solicits, or attempts to recruit, induce or solicit any current employee or other individual who is/was supplying services to the Corporation or any of its subsidiaries.

Executives who are terminated for cause also forfeit all unvested RSUs, PSUs and stock options as well as all vested and unexercised stock options.

Compensation Elements for the Named Executive Officers

The compensation of the NEOs is comprised of the following elements:

- base salary;
- annual cash incentives (Celestica Team Incentive Plan);
- equity-based incentives (RSUs, PSUs and stock options, as applicable);
- benefits; and
- perquisites.

Weighting of Compensation Elements

The at-risk portion of total compensation has the highest weighting at the most senior levels of management. Annual and equity-based incentive plan rewards are contingent upon the Corporation’s financial and operational performance, aligning senior management incentives with shareholder interests. The target weighting of compensation elements for NEOs for 2014 is set out in the following table.

Table 9: Target Weighting of Compensation Elements

	Base Salary	Annual Incentive	Equity-based Incentives
CEO	12.9%	16.1%	71.0%
Executive Vice Presidents	20.1%	17.2%	62.7%

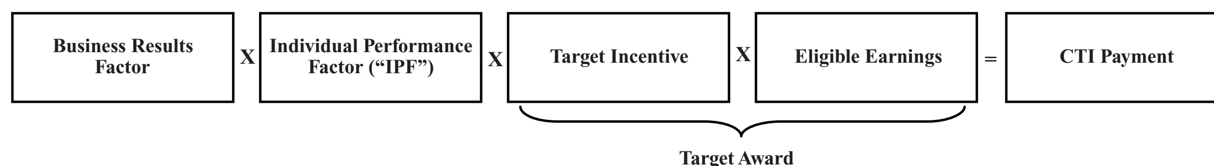
The Compensation Committee may exercise its discretion to either award compensation absent attainment of a relevant performance goal or similar condition, or to reduce or increase the size of any award or payout to any NEO. The Compensation Committee did not exercise such discretion in 2014 with respect to any NEO.

Base Salary

The objective of base salary is to attract, reward and retain top talent. Base salaries for executive positions are reviewed against those in the Comparator Group, with base salary determined with reference to the market median of this group. Base salaries are reviewed annually and adjusted as appropriate, with consideration given to individual performance, relevant knowledge, experience and the executive's level of responsibility within the Corporation.

Celestica Team Incentive Plan

The objective of the Celestica Team Incentive Plan ("**CTI**") is to reward all eligible employees, including the NEOs, for the achievement of annual corporate and individual goals and objectives. CTI awards for the NEOs are based on the achievement of pre-determined corporate and individual goals, and are paid in cash. Actual payouts can vary from 0% for performance below a threshold up to a maximum capped at 200% of the Target Award. Awards are determined in accordance with the following formula:



Business Results Factor: The Business Results Factor of CTI is based on certain corporate financial goals (described in more detail below) established at the beginning of the performance period and approved by the Compensation Committee and can vary from 0% to 200%.

Individual Performance Factor: Individual contribution is recognized through the individual performance factor of CTI ("IPF"). The IPF is determined through the annual performance review process and is based on an evaluation of the NEO's performance measured against specific criteria established at the beginning of each year. The criteria may include factors such as the NEO's individual performance relative to business results, teamwork and the executive's key accomplishments. The IPF can adjust the executive's actual award by a factor of between 0.0x and 2.0x (for exceptional performance).

Actual results relative to the targets, as described above, determine the amount of the annual incentive subject to the following: (i) a minimum corporate profitability threshold must be achieved for the Business Results Factor to exceed zero, and (ii) the maximum CTI payment is two times the Target Incentive.

Target Award: The Target Award is calculated as each NEO's Eligible Earnings (*i.e.*, base salary) multiplied by the Target Incentive (expressed as a percentage of base salary in the applicable plan year).

Equity-Based Incentives

The Corporation's equity-based incentives for the NEOs consist of RSUs, PSUs and/or stock options. The objectives of equity-based compensation are to:

- align the NEOs' interests with those of shareholders and incent appropriate behaviour for long-term performance;
- reward the NEOs' contributions to the Corporation's long-term success; and
- enable the Corporation to attract, motivate and retain the qualified and experienced employees who are critical to the Corporation's success.

At the December or January meeting, as the case may be, the Compensation Committee determines the dollar value and mix of the equity-based grants to be awarded to the NEOs, with reference to the Comparator Group data analysis. On the grant date, the dollar value is converted into the number of units that will be granted using the closing price of the SVS on the day prior to the grant. The annual grants are made following the blackout period that ends not less than 48 hours after the Corporation's year-end results have been released.

Target equity-based incentives are determined with reference to the median awards of the Comparator Group; however, consideration is given to individual performance and contribution when determining actual awards. The mix of equity-based incentives is reviewed and approved by the Compensation Committee each year, and is determined based on factors including competitive grant practice, balance between performance incentive and retention value, and the effectiveness of each equity vehicle for motivating and retaining critical leaders.

The CEO has the discretion to issue equity-based awards throughout the year to attract new hires and to retain current employees within limits set by the Compensation Committee. The number of units available throughout the year for these grants is pre-approved by the Compensation Committee at the January meeting. Subject to the Corporation's blackout periods, these grants typically take place at the beginning of the month. Any such grants to NEOs must be reviewed with the Compensation Committee at the next meeting following such grant and in practice are reviewed in advance with the Chair of the Compensation Committee.

RSUs

NEOs are granted RSUs under either the LTIP or the CSUP as part of the Corporation's annual equity grant. Each RSU entitles the holder to one SVS on the release date. The issuance of such shares may be subject to vesting requirements, including such time or other conditions as may be determined by the Board of Directors in its discretion. RSUs granted by the Corporation generally vest in instalments of approximately one-third per year, over three years. The payout value of the award is based on the number of RSUs being released and the market price of the SVS at the time of release. The Corporation has the right under the LTIP to authorize the settlement of, and has the right under the CSUP to settle, RSUs in either cash or SVS. See *Compensation of Named Executive Officers — Equity Compensation Plans*.

PSUs

NEOs are granted PSUs under the LTIP or the CSUP. Each vested PSU entitles the holder to receive one SVS on the applicable release date. The issuance of such shares may be subject to vesting requirements, including any time-based conditions established by the Board of Directors at its discretion. The vesting of PSUs also requires the achievement of specified performance-based conditions as determined by the Compensation Committee. PSUs granted by the Corporation generally vest at the end of a three-year performance period subject to pre-determined performance criteria. The payout value of the award is based on the number of PSUs that vest and the market price of the SVS at the time of release. The Corporation has the right under the LTIP to authorize the settlement of, and has the right under the CSUP to settle, the PSUs in either cash or SVS. See *Compensation of Named Executive Officers — Equity Compensation Plans*.

Stock Options

NEOs may be granted stock options. If options are granted, they are granted under the LTIP. The exercise price of a stock option is the closing market price on the business day prior to the date of the grant. In determining the number of stock options to be granted, the Corporation keeps within a maximum level for option annual "burn rate", which refers to the number of shares issuable pursuant to stock options granted under the LTIP in a given year relative to the total number of shares outstanding. Stock options granted by the Corporation generally vest at a rate of 25% annually on each of the first four anniversaries of the date of grant and expire after a ten-year term. The plan is not an evergreen plan and no stock options have been re-priced.

Other Compensation

Benefits

NEOs participate in the Corporation's health, dental, pension, life insurance and long-term disability programs. Benefit programs are determined with reference to market median levels in the local geography.

Perquisites

NEOs are entitled to a bi-annual comprehensive medical examination at a private health clinic. The Corporation also pays housing expenses for Mr. Muhlhauser in Toronto, travel costs between his home in New Jersey and Toronto, the services of a tax advisor and tax equalization payments, if any, associated with the fact that Mr. Muhlhauser performs a portion of his services in the United States.

2014 Compensation Decisions

Each element of compensation is considered independently of the other elements. However, the total package is reviewed to ensure that the achievement of target levels of corporate and individual performance will result in total compensation that is generally comparable to the median total compensation of the Comparator Group.

Comparator Group and Market Positioning

Salary, target annual incentive and equity-based incentive grants for the NEOs were established with reference to the market median of the Comparator Group for each such element and were adjusted as deemed appropriate by the Compensation Committee.

Base Salary

The base salaries for the NEOs were reviewed taking into account individual performance and experience, level of responsibility and median competitive data.

Messrs. Muhlhauser, Myers and Ms. DelBianco did not receive increases in 2014. The Compensation Committee granted increases to Messrs. McCaughey and McIntosh effective on April 1, 2014 reflecting individual performance and positioning versus the Comparator Group median data. Mr. McCaughey's salary increased from $450,000 to $475,000, and Mr. McIntosh's salary increased from $425,000 to $450,000.

Equity-Based Incentives

For equity grants made in 2015 in respect of 2014 performance, the Compensation Committee determined that the mix would be comprised of RSUs (50% weight) and PSUs (50% weight), and that no stock options would be granted to NEOs. The same equity mix was awarded in 2014 in respect of 2013 performance. In reaching its decision to maintain this mix in respect of 2014 performance, the Compensation Committee took into account competitive equity compensation trends and practices among the Corporation's Comparator Group and the Corporation's critical need to attract and retain key talent to effectively execute on its strategic business goals. The number of PSUs issued under the LTIP and the number of RSUs issued under the CSUP to the NEOs was based on the closing price of the SVS on the NYSE on the day prior to date of the grant. See the discussion regarding *Compensation Discussion and Analysis — Compensation Elements for the Named Executive Officers — Equity-Based Incentives* for a general description of the process for determining the amounts of these awards.

On January 23, 2015, the Corporation awarded equity-based compensation to the following NEOs in respect of their 2014 performance, as set forth in the table below.

Table 10: NEO Equity Awards

Name	RSUs (#)(1)(2)	PSUs (#)(1)(3)	Stock Options (#)(4)	Value of Equity Award(5)
Craig H. Muhlhauser	243,578	243,578	—	$5,500,000
Darren G. Myers	70,859	70,859	—	$1,600,000
Michael P. McCaughey	66,430	66,430	—	$1,500,000
Elizabeth L. DelBianco	63,108	63,108	—	$1,425,000
Glen D. McIntosh	59,787	59,787	—	$1,350,000

(1) Grants were based on share price of $11.29, which was the closing price of the SVS on the NYSE on January 22, 2015.

(2) The RSUs vest in instalments of approximately one-third per year over three years.

(3) The number of PSUs included in the table above represents the number of PSUs that would vest upon achievement of 100% of target level performance.

(4) As disclosed above, no stock options were granted to NEOs for 2014 performance. Accordingly, as of February 11, 2015, the total number of SVS issuable pursuant to stock options granted in respect of 2014 performance to the NEOs was equal to 0.0% of issued and outstanding shares.

(5) Represents the aggregate grant date fair value of RSUs and PSUs (for PSUs, based on target level performance). See footnote 1 above.

PSUs granted as set forth in the table above vest at the end of a three-year performance period subject to pre-determined performance criteria. For such awards, each NEO is granted a target number of PSUs. The number of PSUs that will actually vest ranges from 0% to 200% of target and will be determined by Celestica's total shareholder return ("**TSR**") and non-IFRS ROIC positioning relative to a comparator group selected by the Compensation Committee for each such purpose. TSR measures the performance of a company's shares over time. It combines share price appreciation and dividends, if any, paid over the period to determine the total return to the shareholder expressed as a percentage of the initial investment. With respect to each TSR Comparator (as defined below) TSR is calculated as the change in common share price over the three year performance period (plus any dividends paid in respect of the common shares of such TSR Comparator over the period), divided by the common share price for such TSR Comparator as at December 31, 2014, expressed as a percentage (which could be a positive or a negative number). The TSR of the Corporation is calculated in the same manner in respect of the SVS (the Corporation does not currently pay dividends).

For purposes of such PSUs, TSR will be measured relative to the information technology companies within the S&P 1500 Index as at January 1, 2015 with the addition of Flextronics International Ltd., that remain publicly traded on an established U.S. stock exchange for the entire performance period (the "**TSR Comparators**"). The Compensation Committee, with advice from the Compensation Consultant, determined that this peer group provides reasonable market alignment and was appropriate given it is broadly representative of the U.S. technology sector, and includes many of the Corporation's customers, suppliers, and competitors for talent. The Corporation's market capitalization is positioned around the median of the TSR Comparators.

For purposes of such PSUs, ROIC will be measured against five direct competitors in the EMS industry chosen by the Compensation Committee (Benchmark Electronics, Inc., Flextronics International Ltd., Jabil Circuit, Inc., Sanmina Corporation and Plexus Corp., collectively, the "**ROIC Competitors**"). The Compensation Committee, with advice from the Compensation Consultant, determined that this peer group remained appropriate for measuring relative ROIC and therefore the composition of the ROIC Competitors is unchanged from the prior year.

Of the target number of PSUs granted to each NEO in respect of the 2014 compensation, 60% will vest based on Celestica's TSR positioning and 40% will vest based on Celestica's ROIC ranking, each calculated as described below.

The PSUs that will vest based on Celestica's TSR positioning (as determined by the Corporation) will be determined as follows:

- Celestica's TSR will be ranked against that of each of the TSR Comparators;
- the percentage of PSUs that will vest and become payable on the applicable release date will correspond to Celestica's TSR position as set out in the table below;
- Celestica's percentile position will be calculated by first arranging the TSR results from highest to lowest for all TSR Comparators, excluding Celestica, and calculating the percentile rank for each TSR Comparator. The percentage of PSUs that will vest and become payable on the release date with respect to Celestica's TSR positioning will be calculated by interpolating between the corresponding payout percentages immediately above and immediately below Celestica's percentile position as set out in the table below; and
- if Celestica's TSR is less than 0%, then regardless of Celestica's TSR positioning amongst the TSR Comparators, the maximum number of PSUs that may vest and become payable on the applicable release date will be 100% of the target number.

Celestica's TSR Positioning	Percentage of target number that will vest
90th Percentile	200%
75th Percentile	175%
50th Percentile	100%
40th Percentile	75%
25th Percentile	50%
$<25^{th}$ Percentile	0%

The PSUs that will vest based on Celestica's ROIC ranking amongst the ROIC Competitors (as determined by the Corporation) will be determined as follows:

Celestica's ROIC Ranking	Percentage of target number that will vest
Highest (First)	200%
Between Median and Highest	Prorated between 100% and 200%
Median (Average of third and fourth)	100%
Between Lowest and Median	Prorated between 0% and 100%
Lowest (Sixth)	0%

The value of the RSUs granted on January 23, 2015 in respect of 2014 performance was determined at the January 19, 2015 meeting of the Compensation Committee. The number of RSUs granted was determined using the closing price on January 22, 2015 on the NYSE of $11.29.

Annual Incentive Award (CTI)

2014 Business Results Factor

The Business Results Factor portion of the CTI calculation is based on the achievement by the Corporation of specified targets with respect to certain pre-selected financial measures. The Business Results Factor for 2014 was 99% based on the following results:

Table 11: Business Results Factor

Measure	Weight	Achievement Relative to Target	Proportion of Final Business Results Factor[1]
Operating Margin (adjusted EBIAT Margin)[2]	50%	106%	65%
Revenue[3]	25%	94%	11%
ROIC[4]	25%	97%	23%
Business Results Factor			99%

(1) Positioning of Operating Margin results between target and maximum levels; positioning of Revenue and ROIC results between threshold and target levels.

(2) Operating Margin is a non-International Financial Reporting Standards ("**non-IFRS**") measure calculated as non-IFRS operating earnings (adjusted EBIAT) divided by Revenue. "Adjusted EBIAT" is defined as earnings before interest and fees relating to the Corporation's credit facilities and accounts receivable sales program, amortization of intangible assets (excluding computer software), and income taxes. Non-IFRS adjusted EBIAT also excludes, in the periods where such charges have been recorded, employee stock-based compensation expense, restructuring and other charges (net of recoveries), gains or losses related to the repurchase of shares or debt, and impairment charges.

(3) Revenue means the Corporation's annual revenue.

(4) ROIC is a non-IFRS measure calculated as non-IFRS adjusted EBIAT divided by non-IFRS average net invested capital, where non-IFRS average net invested capital consists of total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable, using a five-point average to calculate average non-IFRS net invested capital for the year (there is no comparable measure under IFRS).

In determining the Business Results Factor, the Corporation uses the following non-IFRS measures: adjusted EBIAT, operating margin (adjusted EBIAT as a percentage of revenue), net invested capital and ROIC. These non-IFRS measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Additional information regarding these non-IFRS measures can be found in the Corporation's Management's Discussion and Analysis section of this Annual Report.

Individual Performance Factor

At the beginning of each year, the Board and the CEO agree on performance goals for the CEO. Goals for the other NEOs that align with the CEO's goals are then established and agreed to between the CEO and the respective NEOs. For 2014, the CEO's goals focused on: customer growth and intimacy, financial performance, operational effectiveness, and succession planning. The performance of the CEO and the NEOs is measured against the established goals, but also contains subjective elements, such that criteria for, and payment of, annual incentive awards remains at the discretion of the Board of Directors.

Chief Executive Officer

Customer Growth and Financial Performance: Revenue in 2014 was $5.6 billion. Although revenue decreased 3% compared to the previous year, non-IFRS operating margin* increased 50 basis points from 2013. The 2014 revenue mix continued to improve with growth in the target areas of Storage, JDM and Diversified end markets despite lower demand in the Corporation's Communications end market and reductions in the lower margin business in the Server and Consumer end markets. In 2014, the Corporation actively managed its business portfolio by exiting lower margin programs and business segments to improve the customer and

business mix. Revenue from the Diversified end market grew 7% year-over-year and contributed 28% of total revenue in 2014. Continued focus to drive future growth including investments in the Corporation's semiconductor business and in the JDM offering continued to be a top priority.

Operational Effectiveness: Production spending as a percentage of operational market value added was slightly above (*i.e.,* worse than) plan, and reductions in selling, general and administrative expense exceeded (i.e., better than) plan. The 2014 improvement of $26 million in non-IFRS adjusted EBIAT* as compared to 2013 was driven by improved mix and effective cost management despite challenges in the semiconductor business. The Corporation continued its track record of delivering strong operational performance as evidenced by the Corporation's #1 or #2 ranking on the majority of customers' supplier-satisfaction "scorecards".

Succession Planning: The Corporation continued its focus on talent management and individual development planning in order to ensure a strong pipeline of future leaders with the right skills to achieve our long-term objectives. Particular emphasis was placed on identifying individuals who could be successors for key roles within one year. In 2014, the number of such positions with identified successors who meet the designated criteria exceeded the Corporation's target. Additionally, the CEO demonstrated commitment to the CEO succession plan by entering into discussions with the Board well in advance of his intended retirement by the end of 2015.

Financial Results: The Corporation's non-IFRS adjusted EBIAT (operating margin)* increased 15% compared to 2013. Non-IFRS adjusted EPS* of $1.00 was up $0.17, or 20% year over year despite lower revenue. The Corporation delivered non-IFRS free cash flow* performance of $177 million, up $79 million as compared to 2013, driven by higher non-IFRS operating earnings,* in part due to improved cost productivity as well as better working capital performance as compared to 2013. A disappointment was the performance in the semiconductor business and the associated goodwill impairment. However, revenue in the semiconductor business grew 18% from 2013, and represented 5% of the total company revenues for 2014 as the Corporation continued to win new programs from existing customers and attract new customers.

As a result of the above-described performance during 2014, the Compensation Committee determined that for purposes of the annual incentive payment, the CEO's IPF would be 1.0.

Other NEOs

Each of the other NEOs has responsibility for achievement of the overall corporate goals and objectives. Each NEO has performance objectives that are assessed at year-end and objective measures align with the targets for the CEO. The CEO undertakes an assessment of the NEO's contributions to the Corporation's results, including the CEO's assessment of each of the NEO's contributions as a part of the senior leadership team. Based on the CEO's assessment, the Compensation Committee considered each of the NEOs to have either met expectations or exceeded expectations for 2014 based on his or her individual performance and contribution to corporate goals and objectives.

Factors considered in the evaluation of each NEO included the following:

(i) Mr. Myers' organization continued to partner with the business to help drive the business results resulting in improvements in year-over-year non-IFRS operating earnings* and non-IFRS free cash flow* while continuing to return capital to shareholders. The finance organization continued to advance analytics to improve, simplify and streamline the Corporation's management reporting, to facilitate decision-making and to drive efficiency within the business. In addition, the organization under Mr. Myers' leadership continued initiatives to accelerate performance including in the areas of strategy development, performance management, tax and treasury. Mr. Myers' organization has implemented a global business service function with the goal of realizing efficiencies across the Corporation and scaling services as the Corporation grows. Under Mr. Myers' leadership, the finance

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* See "Non-IFRS measures" in Item 5 "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of the definition, components and uses of operating margin, ROIC, free cash flow, adjusted EBIAT, and adjusted EPS, as well as a reconciliation of such non-IFRS measures to IFRS measures (where a comparable IFRS measure exists). These non-IFRS measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

organization continues to work collaboratively with business leaders to anticipate and prepare for opportunities in order to achieve the Corporation's strategic goals.

(ii) Mr. McCaughey's responsibility for the Corporation's Communications and Enterprise ("**C&E**") business unit includes the Managed Services organizations that are comprised of Global Design, JDM, Engineering and After-Market Services. The introduction of the JDM converged platform offering is a key strategic investment for the C&E business unit. Revenue from C&E declined 4% from 2013, driven by the challenging end markets in Communications and Server. Revenue from Storage grew 26% from 2013 as new programs successfully ramped. In the fourth quarter of 2014, C&E contributed to 70% of the Corporation's total fourth quarter revenue. Strategic investments in JDM enabled a solid year of bookings for that business unit. The Corporation was also recognized by many C&E customers, including earning EMC's 2014 Supplier of the Year award (for the second consecutive year), Cisco's 2014 EMS Partner of the Year award and Hitachi's 2013 Excellent Partner award.

(iii) Ms. DelBianco's organization successfully led a number of initiatives across the areas of her responsibility, including legal and contracts, compliance, human resources, communications and sustainability. In support of the Corporation's goals and objectives, her organization: made significant contributions to cash flow through legal recoveries; expanded contract performance initiatives; developed new marketing communications tools and social media strategies to support new areas of growth; implemented a regional workforce planning model to facilitate the scaling required for operational efficiencies, improved HR reporting, analytics and systems; further strengthened talent development and succession planning programs; continued to enforce the Corporation's "one-team, one-vision" global incentive plan; and established sustainability as a competitive differentiator resulting in customer and industry recognition awards including being named as one of the Global 100 Most Sustainable Corporations in the World by Corporate Knights. Ms. DelBianco's continued support of Board initiatives is critical, especially with the CEO succession plan and transition requirements.

(iv) Mr. McIntosh's organization continued to champion the strategic area of the Operations and Supply Chain Management network by driving innovation and technology to continuously improve the speed, flexibility, quality and cost productivity globally throughout the network. Strong progress was made in improving year-over-year non-IFRS operating margin* and inventory turnover improved throughout 2014. Under Mr. McIntosh's leadership, the Corporation has made a significant investment in processes and systems which drive advanced planning, supply chain data analytics, and customer collaboration. These investments are driving value for customers, suppliers and Celestica as the Corporation leverages them in its efforts to improve forecast accuracy, increase supply chain visibility and reduce cycle time to respond to changes in end-market requirements. This is evidenced by the Corporation's #1 or #2 ranking on the majority of its customers' supplier-satisfaction "scorecards". Mr. McIntosh's organization had a strong 2014 in the EMS area by consistently executing on product launch quality, cost and delivery.

Target Award

The Target Incentive for each eligible NEO was as follows:

- 125% for Mr. Muhlhauser; and
- Based on a review of the competitive market, the Compensation Committee increased the Target Incentive for Mr. Myers from 80% to 100%, effective January 1, 2014; and
- There was no change to the Target Incentive for Messrs. McCaughey and McIntosh and Ms. DelBianco, which is 80%.

The Target Award for each eligible NEO is equal to the Target Incentive (as set out above) multiplied by such NEO's base salary.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation of the NEOs for the financial years ended December 31, 2012 through December 31, 2014.

Table 12: Summary Compensation Table

Name & Principal Position	Year	Salary ($)	Share-based Awards ($)[(1)(2)]	Option-based Awards ($)[(3)]	Non-equity Incentive Plan Compensation: Annual Incentive Plans ($)[(4)]	Pension Value ($)[(5)]	All Other Compensation ($)[(6)]	Total Compensation ($)
Craig H. Muhlhauser	2014	$1,000,000	$5,500,000	—	$1,237,500	$186,850	$ 96,477	$8,020,827
President and Chief	2013	$1,000,000	$5,500,000	—	$1,525,000	$115,000	$188,723	$8,328,723
Executive Officer	2012	$1,000,000	$3,375,000	$1,125,000	—	$142,400	$ 92,328	$5,734,728
Darren G. Myers	2014	$ 500,000	$1,600,000	—	$ 495,000	$ 79,724	$ 746	$2,675,470
EVP, Chief Financial Officer	2013	$ 500,000	$1,600,000	—	$ 536,800	$ 49,497	$ 800	$2,687,097
	2012	$ 370,280	$1,125,000	$ 375,000	—	$ 43,272	$ 901	$1,914,453
Michael P. McCaughey	2014	$ 468,836	$1,500,000	—	$ 371,318	$ 75,403	$ 999	$2,416,556
EVP, Communications,	2013	$ 437,671	$1,500,000	—	$ 512,601	$ 46,434	$ 1,071	$2,497,777
Enterprise and Managed Services	2012	$ 388,187	$1,150,000	$ 350,000	—	$ 47,868	$ 1,338	$1,937,393
Elizabeth L. DelBianco	2014	$ 460,000	$1,425,000	—	$ 400,752	$ 69,710	$ 1,225	$2,356,687
EVP and Chief Legal &	2013	$ 456,055	$1,425,000	—	$ 445,109	$ 49,895	$ 1,314	$2,377,373
Administrative Officer	2012	$ 444,000	$1,068,750	$ 356,250	—	$ 57,223	$ 1,763	$1,927,986
Glen D. McIntosh	2014	$ 443,836	$1,350,000	—	$ 456,973	$ 62,627	$ 999	$2,314,435
EVP Global Operations and	2013	$ 418,836	$1,200,000	—	$ 367,905	$ 46,927	$ 1,071	$2,034,739
Supply Chain Management	2012	$ 392,500	$ 900,000	$ 300,000	—	$ 46,513	$ 973	$1,639,986

(1) All amounts in this column represent the grant date fair value of share-based awards. Amounts in this column for 2014 represent RSUs and PSUs that were issued under the CSUP and LTIP, respectively, on January 23, 2015 in respect of 2014 performance. See *Compensation Discussion and Analysis — Compensation Elements for the Named Executive Officers — Equity-Based Incentives* for a description of the process followed in determining the grant, and see *Compensation Discussion and Analysis — 2014 Compensation Decisions — Equity-Based Incentives* for a description of the vesting terms of the awards. The value included for PSUs is at 100% of target level performance. The number that will actually vest will vary from 0% to 200% of the target grant depending on Celestica's level of achievement of pre-determined performance measure(s) as described in this Annual Report.

(2) The estimated accounting fair value of the share-based awards is calculated using the market price of SVS as defined under each of the plans and various fair value pricing models. The grant date fair value of the RSU portion of the share-based awards in Table 12 is the same as the accounting fair value of such awards. The accounting fair values of the PSU portion of the share-based awards to the NEOs with respect to 2014 performance were as follows: Mr. Muhlhauser — $3.2 million; Mr. Myers — $0.9 million; Mr. McCaughey — $0.9 million; Ms. DelBianco — $0.8 million; and Mr. McIntosh — $0.8 million. The accounting fair values for the PSU portion of the share-based awards reflects various assumptions as to estimated vesting for such awards in accordance with applicable accounting standards. The grant date fair value for the PSU portion of the share-based awards reflects the dollar amount of the award intended for compensation purposes, based on the market value of the underlying shares on the grant dates based on an assumption of 100% vesting. The accounting fair value for these NEOs assumed a zero forfeiture rate for all equity-based awards. 60% of PSUs granted will vest based on TSR performance. The cost the Corporation records for the PSUs that vest based on TSR performance is determined using a Monte Carlo simulation model. The number of awards expected to be earned is factored into the grant date Monte Carlo valuation for the award. The number of PSUs that will vest depends on the level of achievement of a market performance condition, TSR, over a three-year period, relative to the TSR of a pre-defined comparator group. For the 2012 and 2013 grant, the comparator group was a pre-defined EMS competitor group. 60% of PSUs granted with respect to 2014 performance will vest based on the TSR of Celestica relative to the TSR of the information technology companies within the S&P 1500 Index with the addition of Flextronics International Ltd., and which remain publicly traded on an established U.S. stock exchange for the entire performance period. The grant date fair value is not subsequently adjusted regardless of the eventual number of awards that are earned based on the market performance condition. 40% of the PSUs granted will vest depending on the level of achievement of ROIC (a non-market performance condition), over a three-year period, based on the ROIC of Celestica (as determined by the Corporation) relative to the ROIC of a pre-determined EMS competitor group (as determined by the Corporation). The cost the Corporation records for PSUs that will vest based on ROIC performance is determined based on the market value of SVS at the time of grant, and such cost may be adjusted (usually during the last year of the three-year performance period) based on management's estimate of the relative level of achievement of ROIC, as outlined above.

(3) All amounts in this column represent the grant date fair value of option-based awards. There were no stock options granted to the NEOs with respect to 2013 and 2014 performance. See *Compensation Discussion and Analysis — Compensation Elements for the Named Executive Officers — Equity-Based Incentives* for a description of the process followed in determining the value of option-based awards. The grant date fair value of the option-based awards in Table 12 with respect to 2012 performance is the same as the accounting fair value of such awards.

(4) Amounts in this column represent CTI incentive payments made to NEOs. See *Compensation Discussion and Analysis — Compensation Elements for the Named Executive Officers — Celestica Team Incentive Plan* for a description of the plan.

(5) Pension values for Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco are reported in U.S. dollars, having been converted from Canadian dollars.

(6) In 2014, amounts in this column for Mr. Muhlhauser represent: tax equalization payments of $10,388; housing expenses of $37,231 while in Canada, group life insurance premiums totalling $14,097, a 401(k) contribution of $15,600, travel expenses between Toronto and New Jersey of $16,661 and tax preparation fees of $2,500.

Option-Based and Share-Based Awards

The following table provides details of each stock option grant outstanding and the aggregate number of unvested equity-based awards for each of the NEOs as of December 31, 2014.

Table 13: Outstanding Option-Based and Share-Based Awards[1]

	Option-Based Awards				Share-Based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)[2]	Number of Shares or Units that have not Vested (#)[3]	Payout Value of Share Awards that have not Vested at Minimum ($)[4]	Payout Value of Share Awards that have not Vested at Target ($)[4]	Payout Value of Share Awards that have not Vested at Maximum ($)[4]	Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Craig H. Muhlhauser									
Jun. 6, 2005	50,000	$ 13.00	Jun. 6, 2015	—	—	—	—	—	—
Jan. 31, 2006	148,488	$ 10.00	Jan. 31, 2016	$ 258,369	—	—	—	—	—
Feb. 2, 2007	125,000	$ 6.05	Feb. 2, 2017	$ 711,250	—	—	—	—	—
Feb. 5, 2008	225,000	$ 6.51	Feb. 5, 2018	$1,176,750	—	—	—	—	—
Feb. 3, 2009	220,833	$ 4.13	Feb. 3, 2019	$1,680,539	—	—	—	—	—
Feb. 2, 2010	217,865	$ 10.20	Feb. 2, 2020	$ 335,512	—	—	—	—	—
Feb. 1, 2011	258,462	$ 9.87	Feb. 1, 2021	$ 483,324	—	—	—	—	—
Jan. 31, 2012	287,270	$ 8.21	Jan. 31, 2022	$1,014,063	191,839	—	$2,252,190	$ 4,504,380	—
Jan. 28, 2013	301,655	$ 8.24	Jan. 28, 2023	$1,055,793	336,772	$1,709,708	$3,953,703	$ 6,197,699	—
Feb. 4, 2014	—	—	—	—	595,882	$3,497,827	$6,995,655	$10,493,482	—
Jan. 23, 2015	—	—	—	—	487,156	$2,749,996	$5,500,000	$ 8,249,987	—
Darren G. Myers									
Feb. 2, 2010	26,144	C$10.77	Feb. 2, 2020	$ 68,183	—	—	—	—	—
Feb. 1, 2011	31,015	C$ 9.87	Feb. 1, 2021	$ 106,164	—	—	—	—	—
Jan. 31, 2012	19,151	C$ 8.26	Jan. 31, 2022	$ 93,474	25,579	—	$ 316,176	$ 632,352	—
Jan. 28, 2013	75,414	C$ 8.29	Jan. 28, 2023	$ 366,041	112,258	$ 600,041	$1,387,595	$ 2,175,150	—
Feb. 4, 2014	—	—	—	—	173,346	$1,071,345	$2,142,690	$ 3,214,035	—
Jan. 23, 2015	—	—	—	—	141,718	$ 898,330	$1,796,660	$ 2,694,990	—
Michael P. McCaughey									
Jul. 5, 2005	15,000	C$16.20	Jul. 5, 2015	—	—	—	—	—	—
Feb. 1, 2011	10,338	C$ 9.87	Feb. 1, 2021	$ 35,387	—	—	—	—	—
Jan. 31, 2012	25,535	C$ 8.26	Jan. 31, 2022	$ 124,634	34,105	—	$ 421,564	$ 843,128	—
Sep. 5, 2012	—	—	—	—	8,703	$ 107,576	$ 107,576	$ 107,576	—
Jan. 28, 2013	70,386	C$ 8.29	Jan. 28, 2023	$ 341,636	104,773	$ 560,029	$1,295,075	$ 2,030,121	—
Feb. 4, 2014	—	—	—	—	162,512	$1,004,387	$2,008,774	$ 3,013,161	—
Jan. 23, 2015	—	—	—	—	132,860	$ 842,181	$1,684,361	$ 2,526,542	—
Elizabeth L. DelBianco									
Feb. 2, 2010	32,679	C$10.77	Feb. 2, 2020	$ 85,226	—	—	—	—	—
Feb. 1, 2011	38,769	C$ 9.87	Feb. 1, 2021	$ 132,706	—	—	—	—	—
Jan. 31, 2012	45,484	C$ 8.26	Jan. 31, 2022	$ 222,004	60,749	—	$ 750,905	$ 1,501,809	—
Jan. 28, 2013	95,524	C$ 8.29	Jan. 28, 2023	$ 463,650	106,645	$ 570,042	$1,318,214	$ 2,066,387	—
Feb. 4, 2014	—	—	—	—	154,386	$ 954,165	$1,908,330	$ 2,862,495	—
Jan. 23, 2015	—	—	—	—	126,216	$ 800,065	$1,600,130	$ 2,400,196	—
Glen D. McIntosh									
Jan. 31, 2006	9,091	C$11.43	Jan. 31, 2016	$ 18,276	—	—	—	—	—
Feb. 1, 2011	10,338	C$ 9.87	Feb. 1, 2021	$ 35,387	—	—	—	—	—
Jan. 31, 2012	22,343	C$ 8.26	Jan. 31, 2022	$ 109,054	29,842	—	$ 368,870	$ 737,740	—
Jan. 28, 2013	60,331	C$ 8.29	Jan. 28, 2023	$ 292,832	89,806	$ 480,031	$1,110,071	$ 1,740,112	—
Feb. 4, 2014	—	—	—	—	130,010	$ 803,512	$1,607,024	$ 2,410,536	—
Jan. 23, 2015	—	—	—	—	119,574	$ 757,963	$1,515,925	$ 2,273,888	—

(1) Includes share-based awards granted on January 23, 2015 in respect of 2014 performance. See *Compensation Discussion and Analysis — 2014 Compensation Decisions — Equity-Based Incentives* for a discussion of the equity grants.

(2) The value of unexercised in-the-money stock options for Mr. Muhlhauser was determined using a share price of $11.74, which was the closing price of SVS on the NYSE on December 31, 2014. For Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco, a share price of C$13.65 was used, which was the closing price of the SVS on the TSX on December 31, 2014, converted to U.S. dollars at the average exchange rate for 2014 of $1.00 equals C$1.1043.

(3) The value included for PSUs is at 100% of target level performance.

(4) Payout values at minimum vesting include the value of RSUs only as the minimum value of PSUs would be $0.0 if the performance condition is not met. Payout value at target vesting is determined using 100% of PSUs vesting and payout values at maximum vesting is determined using 200% of PSUs vesting. Payout values for Mr. Muhlhauser are determined using a share price of $11.74, which was the closing price of the SVS on the NYSE on December 31, 2014, except for the share-based awards granted on January 23, 2015 in respect of 2014 performance for which the payout values are determined using a share price of $11.29, which was the closing price of the SVS on the NYSE on January 22, 2015, the last business day before the grants. Payout values for Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco are determined using a share price of C$13.65, which was the closing price of the SVS on the TSX on December 31, 2014, converted to U.S. dollars, except for the share-based awards granted on January 23, 2015 in respect of 2014 performance for which the payout values are determined using a share price of C$14.00, which was the closing price of the SVS on the TSX on January 22, 2015, the last business day before the grants, converted to U.S. dollars.

The following table provides details for each NEO of the value of option-based and share-based awards that vested during 2014 and the value of annual incentive awards earned in respect of 2014 performance.

Table 14: Incentive Plan Awards — Value Vested or Earned in 2014

Name	Option-based Awards — Value Vested During the Year ($)(1)	Share-based Awards — Value Vested During the Year ($)(2)	Non-equity Incentive Plan Compensation — Value Earned During the Year ($)(3)
Craig H. Muhlhauser	$244,224	$3,189,285	$1,237,500
Darren G. Myers	$ 88,026	$ 562,050	$ 495,000
Michael P. McCaughey	$ 92,872	$ 692,703	$ 371,318
Elizabeth L. DelBianco	$122,127	$1,005,736	$ 400,752
Glen D. McIntosh	$ 80,677	$ 726,595	$ 456,973

(1) Amounts in this column and in the sub-tables within this footnote reflect the value of stock options that vested in 2014 and were in-the-money on the vesting date.

Stock options for Mr. Muhlhauser vested as follows:

Vesting Date	Exercise Price	Closing Price on NYSE of SVS on Vesting Date
January 28, 2014	$8.24	$9.85
January 31, 2014	$8.21	$9.92

Stock options for Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco vested as follows:

Vesting Date	Exercise Price	Closing Price on TSX of SVS on Vesting Date
January 28, 2014	C$8.29	C$10.98
January 31, 2014	C$8.26	C$11.05
February 1, 2014	C$9.87	C$10.24

(2) Amounts in this column reflect share-based awards that were released in 2014. Share-based awards were released for Mr. Muhlhauser based on the price of the SVS on the NYSE as follows:

Type of Award	Date	Price
RSU	January 28, 2014	$ 9.85
RSU	January 31, 2014	$ 9.92
PSU	February 3, 2014	$ 9.23
RSU	December 1, 2014	$10.47

Share-based awards were released for Messrs. McCaughey and McIntosh based on the price of the SVS on the TSX as follows:

Type of Award	Date	Price
RSU	January 28, 2014	C$10.98
RSU	January 31, 2014	C$11.05
PSU	February 3, 2014	C$10.24
RSU	February 5, 2014	C$10.11
RSU	December 1, 2014	C$11.88

Share-based awards were released for Mr. Myers and Ms. DelBianco based on the price of the SVS on the TSX as follows:

Type of Award	Date	Price
RSU	January 28, 2014	C$10.98
RSU	January 31, 2014	C$11.05
PSU	February 3, 2014	C$10.24
RSU	December 1, 2014	C$11.88

All of the preceding C$ values were converted to U.S. dollars at the average exchange rate for 2014 of $1.00 equals C$1.1043. PSUs that vested in 2014 were paid out at 60% as a result of the Corporation's TSR performance (the sole performance vesting criterion for such PSUs) ranking 5th and being within 5 percentage points of the TSR performance of the 4th ranked member of a pre-defined EMS competitor group then in effect resulting in an average of the vesting levels, *i.e.*, (40% + 80%)/2. See "*Equity-Based Incentives*" above for a description of how PSUs granted in respect of 2014 performance will vest.

(3) Consists of payments under the CTI made on February 13, 2015 in respect of 2014 performance. See *Compensation Discussion and Analysis — 2014 Compensation Decisions — Target Award*. These are the same amounts as disclosed in Table 12 under the column "Non-equity Incentive Plan Compensation — Annual Incentive Plans".

The following table sets out the gains realized by NEOs from exercising stock options in 2014.

Table 15: Gains Realized by NEOs from Exercising Options

Name	Amount
Craig H. Muhlhauser	$2,301,000
Darren G. Myers	$ 199,585
Michael P. McCaughey	$ 214,462
Elizabeth L. DelBianco	$ 152,140
Glen D. McIntosh	$ 223,251

Securities Authorized for Issuance Under Equity Compensation Plans

Table 16: Equity Compensation Plans as at December 31, 2014(1)

Plan Category		Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)	Securities Remaining Available for Future Issuance Under Equity Compensation Plans(2) (#)
Equity Compensation Plans Approved by Securityholders	LTIP (Options)	3,250,157	$8.13/C$9.14	N/A(3)
	LTIP (RSUs)	813,377	N/A	N/A(3)
	LTIP (PSUs)(4)	2,485,864	N/A	N/A(3)
	Total(5)	**6,549,398**	**$8.13/C$9.14**	**10,527,398**

(1) This table sets forth information, as of December 31, 2014, with respect to subordinate voting shares of the Corporation authorized for issuance under the LTIP, and does not include subordinate voting shares of the Corporation purchased (or to be purchased) in the open market to settle equity awards under the LTIP or the Corporation's other equity compensation plans. The LTIP, which was approved by the Corporation's shareholders, is the only equity compensation plan pursuant to which the Corporation may issue new subordinate voting shares to settle equity awards.

(2) Excluding securities that may be issued upon exercise of outstanding stock options, warrants and rights.

(3) The LTIP provides for a maximum number of securities that may be issued from treasury, but does not provide separate maximums for each type of award thereunder.

(4) Assumes the maximum payout for all outstanding PSUs (200% of target).

(5) The total number of securities to be issued under all equity compensation plans approved by shareholders represent 3.75% of the total number of outstanding shares at December 31, 2014 (LTIP (Options) — 1.86%; LTIP (RSUs) — 0.47%; and LTIP (PSUs) — 1.42%).

Equity Compensation Plans

Long-Term Incentive Plan

The LTIP is the only securities-based compensation plan providing for the issuance of securities from treasury under which grants have been made and continue to be made by the Corporation since the company was listed on the TSX and the NYSE. Under the LTIP, the Board of Directors may in its discretion from time to time grant stock options, share units (in the form of RSUs and PSUs) and stock appreciation rights ("**SARs**") to employees and consultants of the Corporation and affiliated entities.

Up to 29,000,000 SVS may be issued from treasury pursuant to the LTIP. The number of SVS that may be issued from treasury under the LTIP to directors is limited to 2,000,000; however, the Corporation decided in 2004 that stock option grants under the LTIP would no longer be made to directors. Under the LTIP, as of February 11, 2015, 12,471,609 SVS have been issued from treasury, 3,094,408 SVS are issuable under outstanding stock options, and 405,291 SVS are issuable under outstanding RSUs, and up to 4,595,652 SVS are issuable under outstanding PSUs (assuming vesting at 200%). Accordingly, as of February 11, 2015, 16,528,391 SVS are reserved for issuance from treasury pursuant to current and potential future grants of securities-based compensation under the LTIP. In addition, the Corporation may satisfy obligations under the LTIP by acquiring SVS in the market.

As of February 11, 2015, the Corporation had a "gross overhang" of 9.7%. "Gross overhang" refers to the total number of shares reserved for issuance from treasury under equity plans at any given time relative to the total number of shares outstanding, including shares reserved for outstanding stock options and RSUs and PSUs. The Corporation's "net overhang" (*i.e.* the total number of shares that have been reserved for issuance from treasury to satisfy outstanding equity grants to employees relative to the total number of shares outstanding) was 4.7%.

As of December 31, 2014, the Corporation had an "overhang" for stock options of 7.9%, representing the number of shares reserved for outstanding stock options as at such date, together with shares reserved for potential future grants of stock options, relative to the total number of shares outstanding as at such date.

The LTIP limits the number of SVS that may be (a) reserved for issuance to insiders (as defined under TSX rules for this purpose), and (b) issued within a one-year period to insiders pursuant to stock options, rights or share units granted pursuant to the LTIP, together with SVS reserved for issuance under any other employee-related plan of the Corporation or stock options for services granted by the Corporation, in each case to 10% of the aggregate issued and outstanding SVS and MVS of the Corporation. The LTIP also limits the number of SVS that may be reserved for issuance to any one participant pursuant to stock options, SARs or share units granted pursuant to the LTIP, together with SVS reserved for issuance under any other employee-related equity plan of the Corporation or stock options for services granted by the Corporation, to 5% of the aggregate issued and outstanding SVS and MVS. The aggregate number of options, rights and share units that may be granted under the LTIP in any given year is limited such that the aggregate of the SVS issuable upon option exercise, the number of rights granted and the number of share units cannot exceed 1.2% of the average aggregate number of SVS and MVS outstanding during that period.

Vested stock options issued under the LTIP may be exercised during a period determined in the LTIP, which may not exceed ten years. The LTIP also provides that, unless otherwise determined by the Board of Directors, stock options will terminate within specified time periods following the termination of employment of an eligible participant with the Corporation or affiliated entities. The exercise price for stock options issued under the LTIP is the closing price for SVS on the last business day prior to the grant. The TSX closing price is used for Canadian employees and the NYSE closing price is used for all other employees. The exercise of stock options may be subject to vesting conditions, including specific time schedules for vesting and performance-based conditions such as share price and financial results. The grant of stock options to, or exercise of stock options by, an eligible participant may also be subject to certain share ownership requirements.

The interest of any participant under the LTIP is generally not transferable or assignable. However, the LTIP does provide that a participant may assign his or her rights to a spouse, or a personal holding company or family trust controlled by the participant, of which any combination of the participant, the participant's spouse, minor children or grandchildren are shareholders or beneficiaries, as applicable.

Under the LTIP, eligible participants may be granted SARs, a right to receive a cash amount equal to the amount, if any, by which the market price of the SVS at the time of exercise of the SAR exceeds the market price of the SVS at the time of the grant. The market price used for this purpose is the weighted average price for SVS during the five trading days preceding the date of determination. The TSX market price is used for Canadian employees and the NYSE market price is used for all other employees. Such amounts may also be payable by the issuance of SVS (at the discretion of the Corporation). The exercise of SARs may also be subject to conditions similar to those which may be imposed on the exercise of stock options. To date, the Corporation has not granted any SARs under the LTIP.

Under the LTIP, eligible participants may be allocated share units in the form of PSUs or RSUs, which represent the right to receive an equivalent number of SVS upon vesting. The issuance of such shares may be subject to vesting requirements similar to those described above with respect to the exercisability of stock options and SARs, including such time or performance-based conditions as may be determined by the Board of Directors in its discretion. The number of SVS that may be issued to any one person pursuant to the share unit program shall not exceed 1% of the aggregate issued and outstanding SVS and MVS. The number of SVS that may be issued under share units in the event of termination of employment without cause, death or long term disability is subject to pro-ration, unless otherwise determined by the Corporation. The LTIP provides for the express designation of share units as either RSUs (restricted share units), which have time-based vesting conditions or PSUs (performance share units), which have performance-based vesting conditions over a specified period. In the event a holder of PSUs retires, unless otherwise determined by the Corporation, the pro-rated vesting of such PSUs shall be determined based on the actual performance achieved during the period specified for the grant by the Corporation.

The following types of amendments to the LTIP or the entitlements granted under it require the approval of the holders of the voting securities by a majority of votes cast by shareholders present or represented by proxy at a meeting:

(a) increasing the maximum number of SVS that may be issued under the LTIP;

(b) reducing the exercise price of an outstanding stock option (including cancelling and, in conjunction therewith, regranting a stock option at a reduced exercise price);

(c) extending the term of any outstanding stock option or SAR;

(d) expanding the rights of participants to assign or transfer a stock option, SAR or share unit beyond that currently contemplated by the LTIP;

(e) amending the LTIP to provide for other types of security-based compensation through equity issuance;

(f) permitting a stock option to have a term of more than ten years from the grant date;

(g) increasing or deleting the percentage limit on SVS issuable or issued to insiders under the LTIP;

(h) increasing or deleting the percentage limit on SVS reserved for issuance to any one person under the LTIP (being 5% of the Corporation's total issued and outstanding SVS and MVS);

(i) adding to the categories of participants who may be eligible to participate in the LTIP; and

(j) amending the amendment provision, subject to the application of the anti-dilution or re-organization provisions of the LTIP.

The Board may approve amendments to the LTIP or the entitlements granted under it without shareholder approval, other than those specified above as requiring approval of the shareholders, including, without limitation:

(a) clerical changes (such as a change to correct an inconsistency or omission or a change to update an administrative provision);

(b) a change to the termination provisions for the LTIP or for a stock option as long as the change does not permit the Corporation to grant a stock option with a termination date of more than ten years from the date of grant or extend an outstanding stock option's termination date beyond such date; and

(c) a change deemed necessary or desirable to comply with applicable law or regulatory requirements.

During 2014, the LTIP was amended to provide for the express designation of share units as either RSUs or PSUs, clarify the treatment of PSUs on various types of termination of employment, and to effect revisions of a clerical nature. Shareholder approval of such amendments was not required pursuant to the terms of the LTIP.

Celestica Share Unit Plan

The CSUP provides for the issuance of RSUs and PSUs in the same manner as provided in the LTIP, except that the Corporation may not issue shares from treasury to satisfy its obligations under the CSUP and there is no limit on the number of share units that may be issued as RSUs and PSUs under the terms of the CSUP. The share units may be subject to vesting requirements, including any time-based conditions established by the Board of Directors at its discretion. The vesting of PSUs also requires the achievement of specified performance-based conditions as determined by the Compensation Committee.

Pension Plans

The following table provides details of the amount of Celestica's contributions to its pension plans on behalf of the NEOs, and the accumulated value thereunder as of December 31, 2014 for each NEO.

Table 17: Defined Contribution Pension Plan

Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at End of Year[1] ($)
Craig H. Muhlhauser[2]	$802,297	$186,850	$1,042,490
Darren G. Myers[3]	$258,182	$ 79,724	$ 376,341
Michael P. McCaughey[3]	$275,164	$ 75,403	$ 353,615
Elizabeth L. DelBianco[3]	$635,669	$ 69,710	$ 787,413
Glen D. McIntosh	$393,644	$ 62,627	$ 497,842

(1) The difference between (i) the sum of the Accumulated Value at Start of Year column plus the Compensatory column and (ii) the Accumulated Value at End of Year column is attributable to non-compensatory changes in the Corporation's accrued obligations during the year ended December 31, 2014.

(2) Amounts for Mr. Muhlhauser include amounts in his supplementary retirement plan, but do not include amounts in his 401(k) plan. Refer to Table 12 for the Corporation's contribution to Mr. Muhlhauser's 401(k) plan for 2014.

(3) The difference between the Accumulated Value at Start of Year reported here and the Accumulated Value at End of Year reported in the 2013 Form 20-F for Messrs. Myers and McCaughey, and Ms. DelBianco is attributable to different exchange rates used in the 2013 and 2014 Form 20-Fs. The exchange rate used in the 2013 Form 20-F was $1.00 = C$1.0300.

Mr. Muhlhauser participates in two defined contribution retirement programs, one of which qualifies as a deferred salary arrangement under section 401(k) of the Internal Revenue Code (United States) (the "**401(k) Plan**"). Under the 401(k) Plan, participating employees may defer 100% of their pre-tax earnings subject to any statutory limitations. The Corporation may make contributions for the benefit of eligible employees. The 401(k) Plan allows employees to choose how their account balances are invested on their behalf within a range of

investment options provided by third-party fund managers. Retirement benefits depend on the performance of the investment options chosen. The Corporation contributes: (i) 3% of eligible compensation for the participant, and (ii) up to an additional 3% of eligible compensation by matching 50% of the first 6% contributed by the participant. The maximum contribution of the Corporation to the 401(k) Plan, based on the Internal Revenue Code rules and the 401(k) Plan formula for 2014, is $15,600. Mr. Muhlhauser also participates in an unregistered supplementary retirement plan that is also a defined contribution plan. It is designed to provide an annual contribution equal to the difference between (i) 8% of the participant's salary and paid incentive and (ii) the amount that Celestica would contribute to the 401(k) Plan assuming the participant contributes the amount required to receive the matching 50% contribution by Celestica. A notional account is maintained for Mr. Muhlhauser and he is entitled to select from among the investment options available in the 401(k) Plan for the purpose of determining the return on his notional account.

Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco participate in the defined contribution portion of the Corporation's registered pension plan for Canadian employees (the "**Canadian Pension Plan**"). The defined contribution portion of the Canadian Pension Plan allows employees to choose how the Corporation's contributions are invested on their behalf within a range of investment options provided by third-party fund managers. Retirement benefits depend upon the performance of the investment options chosen. Messrs. Myers, McCaughey and McIntosh and Ms. DelBianco also participate in an unregistered supplementary pension plan (the "**Canadian Supplementary Plan**"). This is also a defined contribution plan that is designed to provide an annual contribution of an amount equal to the difference between (i) the maximum annual contribution limit as determined in accordance with the formula set out in the Canadian Pension Plan and with Canada Revenue Agency rules and (ii) 8% of the total salary and paid annual incentives. Notional accounts are maintained for each participant in the Canadian Supplementary Plan. Participants are entitled to select from among the investment options available in the Canadian Pension Plan for the purpose of determining the return on their notional accounts.

Termination of Employment and Change in Control Arrangements with Named Executive Officers

The Corporation has entered into employment agreements with certain of its NEOs in order to provide certainty to the Corporation and such NEOs with respect to issues such as obligations of confidentiality, non-solicitation and non-competition after termination of employment, the amount of severance to be paid in the event of termination of the NEO's employment, and to provide a retention incentive in the event of a change in control scenario.

Mr. Muhlhauser and Ms. DelBianco

The employment agreements of the above-noted individuals provide that each of them is entitled to certain severance benefits if, during a change in control period at the Corporation, they are terminated without cause or resign for good reason as defined in their agreements (a "double trigger" provision), where good reason includes, without limitation, a material adverse change in position or duties or a required relocation from Toronto at the time of a change in control. A change in control period is defined in their agreements as the period (a) commencing on the date the Corporation enters into a binding agreement for a change in control, an intention is announced by the Corporation to effect a change in control or the Board adopts a resolution that a change in control has occurred, and (b) ending three years after the completion of the change in control or, if a change in control is not completed, one year following the commencement of the period. The amount of the severance payment for Mr. Muhlhauser is equal to three times his annual base salary and the simple average of his annual incentive for the three prior completed financial years of the Corporation, together with a portion of his expected annual incentive for the year based on expected financial results, prorated to the date of termination. The amount of the severance payment for Ms. DelBianco is equal to three times her annual base salary and target annual incentive, together with a portion of her target annual incentive for the year, prorated to the date of termination. The agreements provide for a cash settlement to cover benefits that would otherwise be payable during the severance period, and the continuation of contributions to their pension and retirement plans until the third anniversary following their termination. In addition, upon a change of control (a) the stock options granted to each of them vest immediately, (b) the unvested PSUs granted to each of them vest immediately at target level performance unless the terms of a PSU grant provide otherwise, or on such other

more favourable terms as the Board in its discretion may provide, and (c) the RSUs granted to each of them shall vest immediately.

Outside a change in control period, upon termination without cause or resignation for good reason as defined in their agreements, the amount of the severance payment for Mr. Muhlhauser is equal to two times his annual base salary and the simple average of his annual incentive for the two prior completed financial years of the Corporation, together with a portion of his expected annual incentive for the year based on expected financial results, prorated to the date of termination. The amount of the severance payment for Ms. DelBianco is equal to two times her annual base salary and target annual incentive, together with a portion of her target annual incentive for the year prorated to the date of termination. There is no accelerated vesting of stock options or PSUs. Stock options that would have otherwise vested and become exercisable during the 12-week period following the date of termination shall vest and become exercisable in accordance with the terms of the plan. All remaining unvested stock options are cancelled. All RSUs shall vest immediately on a *pro rata* basis based on the ratio of (i) the number of full years of employment completed between the date of grant and the termination of employment, to (ii) the number of years between the date of grant and the vesting date. PSUs vest based on actual performance and on a *pro rata* basis based on the ratio of (i) the number of full years of employment completed between the date of grant and the termination of employment, to (ii) the number of years between the date of grant and the vesting date. The Corporation's obligations provide for a cash settlement to cover benefits for a two-year period following termination. In addition, the Corporation also provides for a cash settlement of contributions to, or continuation of their pension and retirement plans for a three-year period for Mr. Muhlhauser and a two-year period for Ms. DelBianco.

Mr. Muhlhauser and Ms. DelBianco are the only NEOs currently eligible for retirement treatment under the LTIP or CSUP. In the event of retirement, or a termination without cause at a time when the NEO is eligible for retirement treatment under the LTIP or CSUP, (a) stock options continue to vest and are exercisable until the earlier of three years following retirement or termination and the original expiry date, (b) RSUs will continue to vest on their vesting date, and (c) PSUs vest based on actual performance on a *pro rata* basis based on the number of days between the date of grant and the date of retirement or termination.

The foregoing entitlements are conferred on Mr. Muhlhauser and Ms. DelBianco in part upon their fulfillment of certain confidentiality, non-solicitation and non-competition obligations for a period of three years following termination of employment in the case of Mr. Muhlhauser and for a period of two years following termination of employment in the case of Ms. DelBianco. In the event of a breach of such obligations, the Corporation is entitled to seek appropriate legal, equitable and other remedies, including injunctive relief.

The following tables summarize the incremental payments and benefits to which Mr. Muhlhauser and Ms. DelBianco would have been entitled upon a change in control occurring on December 31, 2014, or if their employment had been terminated on December 31, 2014 as a result of a change in control, retirement or termination without cause.

Table 18: Mr. Muhlhauser's Benefits

	Cash Portion	Incremental Value of Option-Based and Share-Based Awards[1]	Other Benefits[2]	Total
Change in Control — No Termination	—	—	—	—
Change in Control — Termination	$7,000,000	—	$521,924	$7,521,924
Retirement	—	—	—	—
Termination without Cause	$6,000,000	—	$510,341	$6,510,341

(1) No incremental amount would be received in respect of accelerated vesting of options, RSUs and PSUs, if any, on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the SVS would otherwise be expected to appreciate over the period of acceleration.

(2) Other benefits include group health and welfare benefits and 401(k) contribution.

Table 19: Ms. DelBianco's Benefits

	Cash Portion	Incremental Value of Option-Based and Share-Based Awards[1]	Other Benefits[2]	Total
Change in Control — No Termination	—	—	—	—
Change in Control — Termination	$2,852,000	—	$232,727	$3,084,727
Retirement	—	—	—	—
Termination without Cause	$2,024,000	—	$154,943	$2,178,943

(1) No incremental amount would be received in respect of accelerated vesting of options, RSUs and PSUs, if any, on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the SVS would otherwise be expected to appreciate over the period of acceleration.

(2) Other benefits include group health benefits and pension plan contribution.

Messrs. Myers, McCaughey and McIntosh

The terms of employment with the Corporation for Messrs. Myers, McCaughey and McIntosh are governed by the Corporation's Executive Employment Guidelines (the "**Executive Guidelines**"). Upon termination without cause within two years following a change in control of the Corporation (a "double trigger" provision), Messrs. Myers, McCaughey and McIntosh are eligible to receive a severance payment up to two times annual base salary and the lower of target or actual annual incentive for the previous year, subject to adjustment for factors including length of service, together with a portion of their annual incentive for the year, prorated to the date of termination. In addition, upon a change in control, (a) all unvested stock options granted to Messrs. Myers, McCaughey and McIntosh vest on the date of change in control, (b) all unvested RSUs granted to them vest on the date of change in control, and (c) all unvested PSUs granted to them vest on the date of change in control at target level of performance unless the terms of a PSU grant provide otherwise, or on such other more favourable terms as the Board may in its discretion provide.

Under the Executive Guidelines, the Corporation's group benefits and pension contributions to Messrs. Myers, McCaughey and McIntosh discontinue on the date of termination.

Outside of the two-year period following a change in control, upon termination without cause, Messrs. Myers, McCaughey and McIntosh are entitled to payments and benefits that are substantially similar to those provided following a termination within two years of a change in control, except that (a) vested stock options may be exercised for a period of 30 days and unvested stock options are forfeited on the termination date, (b) RSUs shall vest immediately on a *pro rata* basis based on the ratio of (i) the number of full years of employment completed between the date of grant and termination of employment, to (ii) the number of years between the date of grant and the vesting date, and (c) PSUs vest based on actual performance on a *pro rata* basis based on the ratio of (i) the number of full years of employment completed between the date of grant and the termination of employment, to (ii) the number of years between the date of grant and the vesting date.

In the event of retirement, (a) stock options continue to vest and are exercisable until the earlier of three years following retirement and the original expiry date, (b) RSUs will continue to vest on their vesting dates, and (c) PSUs vest based on actual performance and are prorated for the number of days between the date of grant and the date of retirement.

The foregoing entitlements are conferred on Messrs. Myers, McCaughey and McIntosh in part upon their fulfillment of certain confidentiality, non-solicitation and non-competition obligations for a period of two years following termination of their employment.

The following tables summarize the incremental payments to which Messrs. Myers, McCaughey and McIntosh would have been entitled upon a change in control occurring on December 31, 2014, or if their employment had been terminated on December 31, 2014 as a result of a change in control, retirement or termination without cause.

Table 20: Mr. Myers' Benefits

	Cash Portion	Incremental Value of Option-Based and Share-Based Awards[(1)]	Other Benefits	Total
Change in Control — No Termination	—	—	—	—
Change in Control — Termination	$2,485,000	—	—	$2,485,000
Retirement	—	—	—	—
Termination without Cause	$2,485,000	—	—	$2,485,000

(1) No incremental amount would be received in respect of accelerated vesting of options, RSUs and PSUs, if any, on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the SVS would otherwise be expected to appreciate over the period of acceleration.

Table 21: Mr. McCaughey's Benefits

	Cash Portion	Incremental Value of Option-Based and Share-Based Awards[(1)]	Other Benefits	Total
Change in Control — No Termination	—	—	—	—
Change in Control — Termination	$2,063,953	—	—	$2,063,953
Retirement	—	—	—	—
Termination without Cause	$2,063,953	—	—	$2,063,953

(1) No incremental amount would be received in respect of accelerated vesting of options, RSUs and PSUs, if any, on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the SVS would otherwise be expected to appreciate over the period of acceleration.

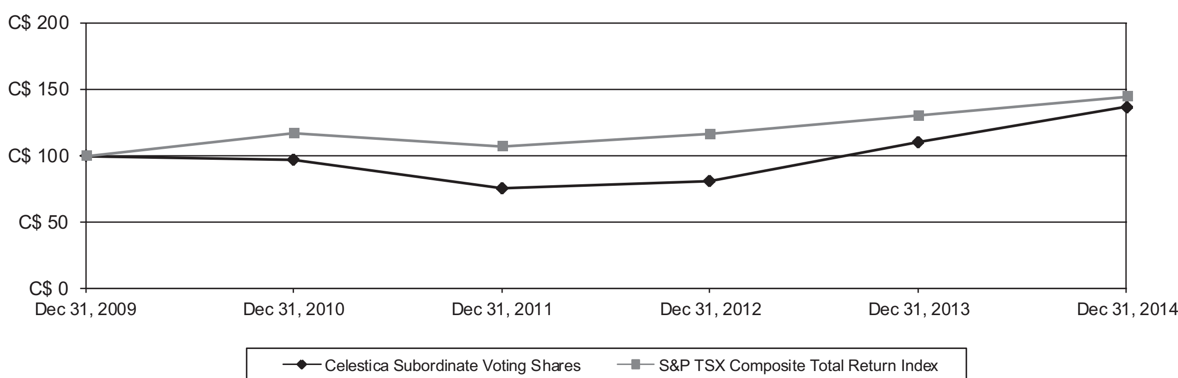
Table 22: Mr. McIntosh's Benefits

	Cash Portion	Incremental Value of Option-Based and Share-Based Awards[(1)]	Other Benefits	Total
Change in Control — No Termination	—	—	—	—
Change in Control — Termination	$2,067,110	—	—	$2,067,110
Retirement	—	—	—	—
Termination without Cause	$2,067,110	—	—	$2,067,110

(1) No incremental amount would be received in respect of accelerated vesting of options, RSUs and PSUs, if any, on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the SVS would otherwise be expected to appreciate over the period of acceleration.

Performance Graph

The SVS have been listed and posted for trading under the symbol "CLS" on the NYSE and the TSX since June 30, 1998 (except for the period commencing on November 8, 2004 and ending on May 15, 2006 during which the symbol on the TSX was CLS.SV). The following chart compares the cumulative TSR of C$100 invested in SVS with the cumulative TSR of the S&P/TSX Composite Total Return Index for the period from December 31, 2009 to December 31, 2014.



As can be seen from the performance graph above, an investment in the Corporation on January 1, 2010 would have resulted in a 37% increase in value over the five-year period ended December 31, 2014 compared with a 44% increase that would have resulted from an investment in the S&P/TSX Composite Total Return Index over the same period.

Over the same period, total NEO Compensation (as defined below) increased by 20%. In the medium to long term, compensation of the Corporation's NEOs is directly impacted by the market value of the SVS, as a significant portion of NEO Compensation is awarded in the form of equity based incentives with payout tied to the market price performance of the SVS.

For the purpose of the above discussion, NEO Compensation is defined as aggregate annual compensation (*i.e.* the sum of base salary, CTI payments (if applicable) and the grant date fair value of share-based awards and option-based awards, but excluding all other compensation). The executive compensation values have been calculated for the NEOs based on the same methodology set out in Table 12. This is a methodology adopted by Celestica solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose, and may not be comparable to methodologies used by other issuers for this purpose.

EXECUTIVE SHARE OWNERSHIP

The Corporation has share ownership guidelines for the CEO, Executive Vice Presidents and Senior Vice Presidents. The guidelines provide that these individuals are to hold a multiple of their base salary in securities of the Corporation as shown in Table 23. Executives subject to ownership guidelines are expected to achieve the specified ownership within a period of five years following the later of: (i) the date of hire, or (ii) the date of promotion to a level subject to ownership guidelines. Compliance is reviewed annually as of December 31 of

each year. As of December 31, 2014, the applicable NEOs were in compliance with the share ownership guidelines, as follows:

Table 23: Share Ownership Guidelines

Name	Ownership Guidelines	Share Ownership (Value)[1]	Share Ownership (Multiple of Salary)
Craig H. Muhlhauser[2]	$5,000,000 (5 × salary)	$12,253,871[3]	12.3x
Darren G. Myers	$1,000,000 (2 × salary)	$ 2,660,495	5.3x
Michael P. McCaughey	$950,000 (2 × salary)	$ 2,415,258	5.1x
Elizabeth L. DelBianco	$920,000 (2 × salary)	$ 2,370,036	5.2x
Glen D. McIntosh	$900,000 (2 × salary)	$ 2,409,095	5.4x

(1) Includes the following, as of December 31, 2014: (i) SVS beneficially owned, (ii) all unvested RSUs, and (iii) PSUs that vested on January 31, 2015 at 60% of target, which, on December 31, 2014, was the Corporation's anticipated payout and was in fact the resulting payout; in each case, the value of which was determined using a share price of $11.74 being the closing price of SVS on the NYSE on December 31, 2014.

(2) The Compensation Committee increased the ownership guideline applicable to the CEO from 4x salary to 5x salary, effective April 22, 2014.

(3) Mr. Muhlhauser's Share Ownership (Value) of $12,253,871 consists of the following holdings: (i) $5,695,027 in value of SVS beneficially owned by Mr. Muhlhauser, (ii) $5,207,535 in value of unvested RSUs, and (iii) $1,351,309 in value of PSUs that vested on January 31, 2015 at 60% of target, which, on December 31, 2014, was the Corporation's anticipated payout and was in fact the resulting payout; in each case, the value of which was determined using a share price of $11.74, being the closing price of SVS on the NYSE on December 31, 2014.

C. Board Practices

Members of the Board are elected until the next annual meeting or until their successors are elected or appointed. Each member of our senior management is appointed to serve at the discretion of our Board (subject to the terms and conditions of their respective employment agreements). See Item 6(A), "Directors and Senior Management" for details for the period during which each director has served in his/her office. Our non-management directors meet *in camera* (*i.e.*, without our chief executive officer, chief financial officer or other members of management present) from time to time to consider such matters as they deem appropriate. In accordance with NYSE listing standards, "non-management" directors are all those who are not executive officers of the Corporation. We have designated the Chair of the Board as the presiding non-management director at all *in camera* sessions. The non-management directors can set their own agenda, maintain minutes and report back to the Board as a whole. Among the items that the non-management directors meet privately *in camera* to review is the performance of the Corporation's executive officers. Our Audit Committee, which consists solely of independent, non-management directors, met *in camera* immediately following each Audit Committee meeting in 2014.

The Board has determined that Mr. DiMaggio, Mr. Etherington, Ms. Koellner, Mr. Natale, Ms. Perry, Mr. Ryan and Mr. Wilson (constituting a majority of the Board) are independent directors under applicable independence standards in Canada and under NYSE listing standards.

Except for the right to receive deferred compensation, no director is entitled to benefits from Celestica under any service contracts when they cease to serve as a director. See Item 6(B), "Compensation".

Communications with the Board of Directors

Shareholders and other interested parties may communicate with the Board, the Audit Committee, the Compensation Committee, any individual director, or all non-management or independent directors as a group, by writing to:

Celestica Inc.
844 Don Mills Road
Toronto, Ontario, Canada M3C 1V7
Attention: Board of Directors

If the letter is from a shareholder, the letter should state that the sender is a shareholder. Under a process approved by the Board, depending on the subject matter, management will:

- forward the letter to the director or directors to whom it is addressed; or
- attempt to handle the matter directly (as where information about the Corporation or its stock is requested); or
- not forward the letter if it is primarily commercial in nature or relates to an improper or irrelevant topic.

A summary of all relevant communications that are received after the last meeting of the full Board and which are not forwarded will be presented at each meeting of the Board, together with any specific communication requested by a director to be presented to the Board.

Shareholders and other interested parties who have concerns or complaints relating to accounting, internal accounting controls or other matters may also contact the Audit Committee by writing to the address set out above or by reporting the matter through our Ethics Hotline toll free at 1-888-312-2689. Callers outside the United States or Canada can place a collect call to 1-503-726-2457. Alternatively, concerns or complaints can be reported using a secure on-line web-based tool at www.ethics.celestica.com.

All communications will be handled in a confidential manner, to the degree the law allows. Communications may be made on an anonymous basis; however, in these cases the reporting individual must provide sufficient details for the matter to be reviewed and resolved. The Corporation will not tolerate any retaliation against an employee who makes a good faith report.

Board Committees

The Board has three standing committees, each with a specific mandate (charter): the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. All of these committees are composed solely of independent directors (as that term is defined by the SEC and in the NYSE listing standards).

Audit Committee

The Audit Committee consists of Ms. Koellner (Chair), Mr. DiMaggio, Mr. Etherington, Mr. Natale, Ms. Perry, Mr. Ryan and Mr. Wilson, all of whom the Board has determined are independent directors (as that term is defined by the SEC and in the NYSE listing standards) and are financially literate. All of the committee members have held executive positions with large corporations or financial services companies. The Audit Committee has a well-defined mandate which, among other things, sets out its relationship with, and expectations of, the external auditors, including the establishment of the independence of the external auditors and approval of any non-audit services of the external auditor; the engagement, evaluation, remuneration and termination of the external auditor; its relationship with, and expectations of, the internal auditor function and its oversight of internal control; and the disclosure of financial and related information. In addition to fulfilling the responsibilities as set forth in its mandate, in 2014, the Audit Committee implemented a formal annual review of the qualifications, expertise, resources and the overall performance of the Corporation's external auditor, including conducting a survey of each member of the Audit Committee and of certain key management personnel. The Audit Committee has direct communication channels with the internal and external auditors to discuss and review specific issues and has the authority to retain such independent legal, accounting, or other advisors as it may consider appropriate. The Audit Committee reviews and approves the mandate and plan of

the internal audit department on an annual basis. The Audit Committee's duties include responsibility for reviewing financial statements with management and the auditors, monitoring the integrity of Celestica's management information systems and internal control procedures, and reviewing the adequacy of Celestica's processes for identifying and managing risk.

The Audit Committee has established procedures for: (i) receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and (ii) confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. A copy of the Audit Committee Mandate is available on our website at www.celestica.com.

Members of the Audit Committee may not serve on more than three audit committees of public companies, including that of Celestica.

See Item 16A. Audit Committee Financial Expert for a discussion of the Corporation's Audit Committee Financial Experts.

Audit Committee Report:

The Audit Committee has reviewed and discussed the audited financial statements with management;

The Audit Committee has discussed with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board Standard No. 16;

The Audit Committee has received the written disclosures and the letter from the independent auditor as required by the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor's independence; and

Based on such review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in this Annual Report for the year ended December 31, 2014 for filing with the SEC.

The Audit Committee:

Mr. DiMaggio
Mr. Etherington
Ms. Koellner
Mr. Natale
Ms. Perry
Mr. Ryan
Mr. Wilson

Compensation Committee

The Compensation Committee consists of Mr. Ryan (Chair), Mr. DiMaggio, Mr. Etherington, Ms. Koellner, Mr. Natale, Ms. Perry and Mr. Wilson, all of whom the Board has determined are independent directors pursuant to the rules of the SEC and NYSE listing standards. It is the responsibility of the Compensation Committee to define and communicate compensation policies and principles that reflect and support our strategic direction, business goals and desired culture. Pursuant to its mandate, the Compensation Committee: approves Celestica's overall reward/compensation policy, including an executive compensation policy that is consistent with competitive practice and supports organizational objectives and shareholder interests; reviews and approves annually the elements of our incentive compensation plans and equity-based plans, including plan design, performance targets, administration and total funds/shares reserved for payment; reviews and approves the compensation of the CEO based on an assessment of the CEO's annual performance; reviews the compensation of our most senior executives; reviews our succession plans for key executive positions; reviews and approves material changes to our organizational structure and human resource policies; and regularly reviews the risks associated with our executive compensation policies and practices. See Item 6(B), "Compensation" for details regarding our processes and procedures for the consideration and determination of executive and director compensation and the role of our compensation consultant in making recommendations to the Compensation Committee regarding executive officer and director compensation.

A copy of the Compensation Committee Mandate is available on our website at www.celestica.com.

Compensation Committee Report:

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Annual Report for the year ended December 31, 2014.

The Compensation Committee:

Mr. DiMaggio
Mr. Etherington
Ms. Koellner
Mr. Natale
Ms. Perry
Mr. Ryan
Mr. Wilson

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Mr. Etherington (Chair), Mr. DiMaggio, Ms. Koellner, Mr. Natale, Ms. Perry, Mr. Ryan and Mr. Wilson, all of whom are independent directors pursuant to NYSE listing standards. The Nominating and Corporate Governance Committee recommends to the Board the criteria for selecting candidates for nomination to the Board and the individuals to be nominated for election by our shareholders. The Committee's mandate includes making recommendations to the Board relating to the Corporation's approach to corporate governance; reviewing the Corporation's corporate governance guidelines and recommending appropriate changes to the Board; assessing the performance of the CEO relative to corporate goals and objectives established by the Committee; and assessing the effectiveness of the Board and its committees.

A copy of the Nominating and Corporate Governance Committee Mandate is available on our website at www.celestica.com.

D. Employees

As of December 31, 2014, we employed approximately 25,000 permanent and temporary (contract) employees worldwide (December 31, 2013 — 27,000; December 31, 2012 — 29,000). Some of our employees in China, Japan, Mexico, Romania, Singapore and Spain are represented by unions or are covered by collective bargaining agreements. We believe we have a productive and collaborative working relationship between management and the relevant unions. We believe that our employee relationships are generally positive and stable.

The following table sets forth information concerning our employees by geographic location for the past three fiscal years:

	Number of Employees		
Date	**Americas**	**Europe**	**Asia**
December 31, 2012	7,000	2,000	20,000
December 31, 2013	5,000	2,000	20,000
December 31, 2014	4,000	2,000	19,000

Given the variable nature of our project flow and the quick response time required by our customers, it is critical that we be able to quickly adjust our production up or down to maximize efficiency. To achieve this, our approach has been to employ a skilled temporary labor force, as required. As at December 31, 2014, approximately 4,000 temporary (contract) employees (December 31, 2013 — 4,400; December 31, 2012 — 5,300) were engaged by us worldwide. We used, on average for the year, approximately 4,200 temporary (contract) employees in 2014.

E. Share Ownership

The following table sets forth certain information concerning the direct and beneficial ownership of shares of Celestica at February 11, 2015 by each director, each executive officer (including each NEO) and all directors and executive officers of Celestica as a group. Unless otherwise noted, the address of each shareholder named below is Celestica's principal executive office. In this table, multiple voting shares are referred to as MVS and subordinate voting shares are referred to as SVS.

Name of Beneficial Owner[(1)(2)]	Voting Shares	Percentage of Class	Percentage of all Equity Shares	Percentage of Voting Power
William A. Etherington	10,000 SVS	*	*	*
Daniel P. DiMaggio	0 SVS	—	—	—
Laurette T. Koellner	0 SVS	—	—	—
Joseph M. Natale	0 SVS	—	—	—
Carol S. Perry	0 SVS	—	—	—
Eamon J. Ryan	0 SVS	—	—	—
Gerald W. Schwartz[(3)(4)]	18,946,368 MVS	100.0%	11.1%	75.8%
	657,264 SVS	*	*	*
Michael M. Wilson	0 SVS	—	—	—
Craig H. Muhlhauser	2,212,519 SVS	1.5%	1.3%	*
Darren G. Myers	167,502 SVS	*	*	*
Elizabeth L. DelBianco	146,647 SVS	*	*	*
Glen D. McIntosh	163,943 SVS	*	*	*
Michael L. Andrade[(5)]	262,080 SVS	*	*	*
Michael P. McCaughey	77,413 SVS	*	*	*
Arpad Hevizi	0 SVS	—	—	—
All directors and executive officers as a group (15 persons)[(6)]	18,946,368 MVS	100.0%	11.1%	75.8%
	3,697,368 SVS	2.4%	2.2%	*
Total percentage of all equity shares and total percentage of voting power			13.3%	76.4%

* Less than 1%.

(1) As used in this table, beneficial ownership means sole or shared power to vote or direct the voting of the security, or the sole or shared investment power with respect to a security (i.e., the power to dispose, or direct a disposition, of a security). A person is deemed at any date to have beneficial ownership of any security that such person has a right to acquire within 60 days of such date. In addition, certain SVS subject to stock options granted pursuant to management investment plans of Onex are included as owned beneficially by named individuals, even though the exercise of these stock options is subject to Onex meeting certain financial targets. More than one person may be deemed to have beneficial ownership of the same securities. Information with respect to stock options held by each NEO is included in Table 13.

(2) Information as to shares beneficially owned or shares over which control or direction is exercised is not within Celestica's knowledge. Except as otherwise disclosed, such information has been provided by each director and officer.

(3) The address of this shareholder is: c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

(4) The number of shares beneficially owned, or controlled or directed, directly or indirectly, by Mr. Schwartz includes 120,657 SVS owned by a company controlled by Mr. Schwartz and all of the 18,946,368 MVS and 536,607 SVS beneficially owned, or controlled or directed, directly or indirectly, by Onex. 688,807 of the MVS are subject to options granted to Mr. Schwartz pursuant to certain management investment plans of Onex (each of which MVS will, upon exercise of such options, be automatically converted into an SVS), and 110,435 of the SVS beneficially owned by Onex are held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of employees of Celestica pursuant to Celestica's employee share purchase plan. Mr. Schwartz is a director of Celestica and the Chairman of the Board and Chief Executive Officer of Onex, and owns multiple voting shares of Onex carrying the right to elect a majority of the Onex board of directors. Accordingly, under applicable securities laws, Mr. Schwartz is deemed to be the beneficial owner of the Celestica shares owned by Onex; Mr. Schwartz has advised Celestica, however, that he disclaims any rights of such beneficial ownership of the shares held by Onex and the shares held in trust for Celestica Employee Nominee Corporation.

(5) Includes 156,007 SVS subject to exercisable stock options granted from January 31, 2006 to January 28, 2013.

(6) Includes 1,987,030 SVS subject to exercisable stock options granted from June 6, 2005 to January 28, 2013.

Multiple voting shares and subordinate voting shares have different voting rights. Multiple voting shares entitle the holder to 25 votes per share and subordinate voting shares entitle the holder to one vote per share. Subordinate voting shares represent approximately 24% of the aggregate voting rights attached to Celestica's shares. See Item 10, "Additional Information — Memorandum and Articles of Incorporation".

At February 11, 2015, approximately 100 persons (including 6 of our 7 executive officers) held stock options to acquire an aggregate of 3.1 million subordinate voting shares. These stock options were issued pursuant to our Long-Term Incentive Plan. See Item 6(B), "Compensation" and note 12(b) to the Consolidated Financial Statements in Item 18 for a discussion of the different types of equity awards, including stock options, RSUs and PSUs, issuable to our employees. The following table sets forth information with respect to stock options outstanding as at February 11, 2015.

Outstanding Options

Beneficial Holders	Number of Subordinate Voting Shares Under Option	Exercise Price	Date/Year of Issuance	Date of Expiry
Executive Officers	50,000	$13.00	June 6, 2005	June 6, 2015
	15,000	C$16.20	July 5, 2005	July 5, 2015
	168,943	$10.00/C$11.43	January 31, 2006	January 31, 2016
	125,000	$6.05	February 2, 2007	February 2, 2017
	225,000	$6.51	February 5, 2008	February 5, 2018
	220,833	$4.13	February 3, 2009	February 3, 2019
	278,867	$10.20/C$10.77	February 2, 2010	February 2, 2020
	371,667	$9.87/C$9.87	February 1, 2011	February 1, 2021
	7,435	C$10.69	March 11, 2011	March 11, 2021
	420,530	$8.21/C$8.26	January 31, 2012	January 31, 2022
	625,934	$8.24/C$8.29	January 28, 2013	January 28, 2023
All other Celestica Employees	13,600	$10.72-C$16.20	During 2005	July 5, 2015-December 5, 2015
	103,118	$10.00/C$11.43	January 31, 2006	January 31, 2016
	22,950	$9.35-$11.52	During 2006	February 6, 2016-December 5, 2016
	80,924	$6.05/C$7.10	February 2, 2007	February 2, 2017
	54,125	$5.77-$7.06	During 2007	February 26, 2017-December 7, 2017
	41,500	$6.51/C$6.51	February 5, 2008	February 5, 2018
	15,040	C$6.21-$9.21	During 2008	March 5, 2018-December 5, 2018
	22,876	C$10.77	February 2, 2010	February 2, 2020
	34,117	$9.87/C$9.87	February 1, 2011	February 1, 2021
	69,582	$8.21/C$8.26	January 31, 2012	January 31, 2022
	127,367	$8.24/C$8.29	January 28, 2013	January 28, 2023

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth certain information concerning the direct and beneficial ownership of the shares of Celestica at February 11, 2015* by each person known to Celestica to own beneficially, directly or indirectly, 5% or more of the subordinate voting shares or the multiple voting shares. In this table, multiple voting shares are referred to as MVS and subordinate voting shares are referred to as SVS. Multiple voting shares and subordinate voting shares have different voting rights (see Item 6(E) above). Subordinate voting shares represent approximately 24% of the aggregate voting rights attached to Celestica's shares. See Item 10,

* note that Mackenzie Financial Corporation filed a 13G/A on February 12, 2015 with respect to its holdings as of December 31, 2014.

"Additional Information — Memorandum and Articles of Incorporation" and Item 4(B) "Information on the Company — Business Overview — Controlling Shareholder Interest" above.

Name of Beneficial Owner[1]	Number of Shares	Percentage of Class	Percentage of all Equity Shares	Percentage of Voting Power
Onex Corporation[2]	18,946,368 MVS	100.0%	11.1%	75.8%
	536,607 SVS	*	*	*
Gerald W. Schwartz[3]	18,946,368 MVS	100.0%	11.1%	75.8%
	657,264 SVS	*	*	*
Mackenzie Financial Corporation[4]	18,772,767 SVS	12.4%	11.0%	3.0%
Letko, Brosseau & Associates Inc.[5]	18,605,268 SVS	12.3%	10.9%	3.0%
BlackRock, Inc.[6]	11,562,008 SVS	7.6%	6.8%	1.8%
Donald Smith & Co., Inc.[7]	8,649,742 SVS	5.7%	5.1%	1.4%
Total percentage of all equity shares and total percentage of voting power			45.3%	85.1%

* Less than 1%.

(1) As used in this table, beneficial ownership means sole or shared power to vote or direct the voting of the security, or the sole or shared investment power with respect to a security (i.e., the power to dispose, or direct a disposition, of a security). A person is deemed at any date to have beneficial ownership of any security that such person has a right to acquire within 60 days of such date. More than one person may be deemed to have beneficial ownership of the same securities.

(2) Includes 945,010 MVS held by a wholly-owned subsidiary of Onex, 110,435 SVS held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of employees of Celestica pursuant to Celestica's employee share purchase plan, and 102,597 SVS directly or indirectly held by certain officers of Onex, which Onex or such other person has the right to vote.

The share provisions provide "coat-tail" protection to the holders of the subordinate voting shares by providing that the multiple voting shares will be converted automatically into subordinate voting shares upon any transfer thereof, except (i) a transfer to Onex or any affiliate of Onex or (ii) a transfer of 100% of the outstanding multiple voting shares to a purchaser who also has offered to purchase all of the outstanding subordinate voting shares for a per share consideration identical to, and otherwise on the same terms as, that offered for the multiple voting shares, and the multiple voting shares held by such purchaser thereafter shall be subject to the share provisions relating to conversion as if all references to Onex were references to such purchaser. In addition, if (i) any holder of any multiple voting shares ceases to be an affiliate of Onex, (ii) Onex and its affiliates, collectively, cease to have the right, in all cases, to exercise the votes attached to, or to direct the voting of, any of the multiple voting shares held by Onex and its affiliates, or (iii) if at any time the number of outstanding multiple voting shares represents less than 5% of the aggregate number of the outstanding multiple voting shares and subordinate voting shares, such multiple voting shares shall convert automatically into subordinate voting shares on a one-for-one basis. For these purposes, (i) Onex includes any successor corporation resulting from an amalgamation, merger, arrangement, sale of all or substantially all of its assets, or other business combination or reorganization involving Onex, provided that such successor corporation beneficially owns directly or indirectly all multiple voting shares beneficially owned directly or indirectly by Onex immediately prior to such transaction and is controlled by the same person or persons as controlled Onex immediately prior to the consummation of such transaction; (ii) a corporation shall be deemed to be a subsidiary of another corporation if, but only if, (a) it is controlled by that other, or that other and one or more corporations each of which is controlled by that other, or two or more corporations each of which is controlled by that other, or (b) it is a subsidiary of a corporation that is that other's subsidiary; (iii) "affiliate" means a subsidiary of Onex or a corporation controlled by the same person or company that controls Onex; and (iv) "control" means beneficial ownership of, or control or direction over, securities carrying more than 50% of the votes that may be cast to elect directors if those votes, if cast, could elect more than 50% of the directors. For these purposes, a person is deemed to beneficially own any security which is beneficially owned by a corporation controlled by such person. Onex, which owns all of the outstanding multiple voting shares, has entered into an agreement with Computershare Trust Company of Canada (as successor to the Montreal Trust Company of Canada), as trustee for the benefit of the holders of the subordinate voting shares, for the purpose of ensuring that the holders of subordinate voting shares will not be deprived of any rights under applicable take-over bid legislation to which they would be otherwise entitled in the event of a take-over bid (as that term is defined in applicable securities legislation) if multiple voting shares and subordinate voting shares were of a single class of shares. Subject to certain permitted forms of sale, such as identical or better offers to all holders of subordinate voting shares, Onex has agreed that it, and any of its affiliates that may hold multiple voting shares from time to time, will not sell any multiple voting shares, directly or indirectly, pursuant to a take-over bid (as that term is defined under applicable securities legislation) under circumstances in which any applicable securities legislation would have required the same offer or a follow-up offer to be made to holders of subordinate voting shares if the sale had been a sale of subordinate voting shares rather than multiple voting shares, but otherwise on the same terms.

The address of Onex is: c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

(3) The number of shares beneficially owned, or controlled or directed, directly or indirectly, by Mr. Schwartz includes 120,657 SVS owned by a company controlled by Mr. Schwartz and all of the 18,946,368 MVS and 536,607 SVS beneficially owned, or controlled or directed, directly or indirectly, by Onex, of which 688,807 MVS are subject to options granted to Mr. Schwartz pursuant to certain management investment plans of Onex (each of which MVS will, upon exercise of such options, be automatically converted into an SVS), and of which 110,435 SVS are held in trust for Celestica Employee Nominee Corporation as agent for and on behalf of employees of Celestica pursuant to Celestica's employee share purchase plan. Mr. Schwartz is a director of Celestica and the Chairman of the Board and Chief Executive Officer of Onex, and owns multiple voting shares of Onex carrying the right to elect a majority of the Onex board of directors. Accordingly, under applicable securities laws, Mr. Schwartz is deemed to be the beneficial owner of the Celestica shares owned by Onex; Mr. Schwartz has advised Celestica, however, that he disclaims any rights of such beneficial ownership of the shares held by Onex and the shares held in trust for Celestica Employee Nominee Corporation.

The address of Mr. Schwartz is: 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

(4) Mackenzie Financial Corporation ("Mackenzie") is the beneficial owner of 18,772,767 SVS and has sole voting power and sole dispositive power over these shares. The address of Mackenzie is: 180 Queen Street West, Toronto, Ontario, Canada M5V 3K1, and the number of shares reported as owned by it in this Major Shareholders Table and the information in this footnote is based on the Schedule 13G/A filed by it with the SEC on February 12, 2015. The percentage ownership of SVS beneficially owned by Mackenzie was 17.2% as of February 15, 2013, 14.5% as of February 14, 2014, and 12.4% as of February 12, 2015.

(5) Letko, Brosseau & Associates Inc. ("Letko") is the beneficial owner of 18,605,268 SVS and has sole voting power and sole dispositive power over these shares. Clients of Letko have the right to receive or the power to direct the receipt of dividends from, or the proceeds from sale of, the SVS reported as beneficially owned by Letko. No clients of Letko beneficially owns more than five percent of the SVS. The address of Letko is: 1800 McGill College Av., Suite 2510, Montréal, Québec, Canada H3A 3J6. The number of shares reported as owned by Letko in this Major Shareholders Table and the information in this footnote is based on the Schedule 13G/A filed by Letko with the SEC on February 5, 2015. The percentage ownership of SVS beneficially owned by Letko was 10.6% as of February 15, 2013, 11.4% as of February 14, 2014, and 12.3% as of February 11, 2015.

(6) BlackRock, Inc. ("Blackrock") is the beneficial owner of 11,562,008 SVS and has sole voting power over 9,926,095 SVS and sole dispositive power over 11,562,008 SVS. The address of BlackRock is: 55 East 52nd Street, New York, New York 10022. The number of shares reported as owned by BlackRock in this Major Shareholders Table and the information in this footnote is based on the Schedule 13G/A filed with the SEC on January 26, 2015 by it, on behalf of itself (as a parent holding company) and certain of its subsidiaries, identified therein. One such subsidiary, Blackrock Asset Management Canada Limited, is identified as owning 5% or greater of the outstanding shares of the Corporation. The percentage ownership of SVS beneficially owned by Blackrock was 6.8% as of February 15, 2013, 6.2% as of February 14, 2014, and 7.6% as of February 11, 2015.

(7) Based on information provided by Donald Smith & Co. ("DSC") on a Form 13F-HR filed on February 2, 2015 with the SEC with respect to holdings as of December 31, 2014. The percentage ownership of SVS beneficially owned by DSC was 6.6% as of February 15, 2013, 4.7% as of February 14, 2014, and 5.7% as of February 11, 2015.

Mackenzie and Letko have been major shareholders since 2007. BlackRock has been a major shareholder since 2012. DSC was a major shareholder in 2012 and again in 2014.

Holders

As of February 11, 2015, there were approximately 1,730 holders of record of subordinate voting shares, of which 400 holders, holding approximately 66% of the outstanding subordinate voting shares, were resident in the United States and 390 holders, holding approximately 34% of the outstanding subordinate voting shares, were resident in Canada. No multiple voting shares are held in the United States.

B. Related Party Transactions

Onex, which beneficially owns, controls or directs, directly or indirectly, all of the outstanding multiple voting shares, has entered into an agreement with Celestica and with Computershare Trust Company of Canada (as successor to the Montreal Trust Company of Canada), as trustee for the benefit of the holders of the subordinate voting shares, for the purpose of ensuring that the holders of subordinate voting shares will not be deprived of any rights under applicable take-over bid legislation to which they would be otherwise entitled in the event of a take-over bid (as that term is defined in applicable securities legislation) if multiple voting shares and subordinate voting shares were of a single class of shares. Subject to certain permitted forms of sale, such as identical or better offers to all holders of subordinate voting shares, Onex has agreed that it, and any of its affiliates that may hold multiple voting shares from time to time, will not sell any multiple voting shares, directly or indirectly, pursuant to a take-over bid (as that term is defined under applicable securities legislation) under circumstances in which any applicable securities legislation would have required the same offer or a follow-up offer to be made to holders of subordinate voting shares if the sale had been a sale of subordinate voting shares rather than multiple voting shares, but otherwise on the same terms.

We had manufacturing and services agreements with two companies related to or under the control of Onex or Gerald Schwartz (the Chairman of the Board, President and Chief Executive Officer of Onex, and one of our directors) in 2013 (and no such agreements during 2014). During 2013, we recorded revenue of $10.8 million in the aggregate from such companies. At December 31, 2013, we had no amounts due from either of these related companies. All transactions with these related companies were executed in the normal course of operations and were recorded at the exchange amounts as agreed to by the parties based on arm's length terms.

On January 1, 2009, Celestica and Onex entered into a Services Agreement for the services of Mr. Schwartz as a director of the Corporation. The initial term of the Services Agreement was for one year and it automatically renews for successive one-year terms unless either party provides a notice of intent not to renew. The Services Agreement terminates automatically and the rights of Onex to receive compensation (other than accrued and unpaid compensation) will terminate (a) 30 days after the first day on which Onex ceases to hold at least one MVS of Celestica or any successor company or (b) the date Mr. Schwartz ceases to be a director of Celestica, for any reason. Onex receives compensation under the Services Agreement in an amount equal to $200,000 per year, payable in DSUs in equal quarterly installments in arrears. The number of DSUs is determined using the closing price of the subordinate voting shares on the NYSE on the last day of the fiscal quarter in respect of which the installment is to be credited.

Our related party transactions are also disclosed in Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Related Party Transactions" and note 17 to the Consolidated Financial Statements included in Item 18.

Indebtedness of Related Parties

As at February 11, 2015, no related parties (as defined in Form 20-F) were indebted to Onex, Celestica or its subsidiaries.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

See Item 18, "Financial Statements".

Certain geographic information for countries exceeding 10% of our external revenue over the last three years is set forth in note 24 to the Consolidated Financial Statements in Item 18. All other countries individually represented less than 10% of our external revenue for each of such years.

Litigation

We are party to litigation from time-to-time. We currently are not party to any legal proceedings which management expects will have a material adverse effect on the results of operations, business, or financial condition of Celestica.

We are party to securities class action lawsuits commenced in 2007 against us and our former Chief Executive and Chief Financial Officers in the United States District Court for the Southern District of New York by certain individuals, on behalf of themselves and other unnamed purchasers of our subordinate voting shares, as well as parallel class proceedings, including a claim issued in October 2011, against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice. See Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Litigation and contingencies" and note 23 to the Consolidated Financial Statements under the caption "Litigation" in Item 18 for a detailed description of the history and status of such lawsuits, including an agreement in principle reached by the parties to settle the U.S. case on February 24, 2015. It is anticipated that the settlement amount will be covered by our liability

insurance. However, as the settlement has not yet been finalized, and is in any event subject to approval by the District Court, there can be no assurance that the settlement will be entered into at all, that any actual settlement or other disposition of the lawsuit will not be in excess of amounts accrued or on terms less favorable to us than the agreement in principle, or that the actual settlement or other disposition of the lawsuit will not have a material adverse impact on our financial position or liquidity. If a settlement is not achieved on terms acceptable to us, we intend to continue to vigorously defend this lawsuit.

The parallel class proceedings in the Ontario Superior Court of Justice are not affected by the agreement in principle discussed above. There have been some settlement discussions among the parties to the Canadian proceedings. However, there can be no assurance that such discussions will lead to a settlement, or that any settlements or other dispositions of the Canadian lawsuit will not be in excess of amounts covered by our liability insurance policies. If a related appeal currently pending in the Supreme Court of Canada does not result in a dismissal of the Canadian action and/or settlement on terms acceptable to us is not reached, we intend to continue to vigorously defend the lawsuit. We believe the allegations in the claim are without merit. However, there can be no assurance that the outcome of the lawsuit will be favorable to us or that it will not have a material adverse impact on our financial position or liquidity. In addition, we may incur substantial litigation expenses in defending the claim. As the matter is ongoing, we cannot predict its duration or the resources required.

Information concerning other litigation (including with respect to certain tax matters) is disclosed in Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Litigation and contingencies" and note 23 to the Consolidated Financial Statements in Item 18.

Dividend Policy

We have not declared or paid any dividends to our shareholders. We will retain earnings for general corporate purposes to promote future growth; as such, our Board does not anticipate paying any dividends for the foreseeable future. Our Board will review this policy from time-to-time, having regard to our financial condition, financing requirements and other relevant factors.

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Market Information

The subordinate voting shares are listed on the NYSE and the TSX. The following tables set forth certain trading information for the subordinate voting shares in Canada and the United States for the periods indicated, as reported by Bloomberg LP. In the following tables, subordinate voting shares are referred to as SVS.

The annual high and low market prices for the five most recent fiscal years based on market closing prices.

	United States Composite Trading		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2010	$11.24	$7.51	207,160,000
Year ended December 31, 2011	11.98	6.94	194,790,000
Year ended December 31, 2012	10.22	6.75	122,930,000
Year ended December 31, 2013	11.31	7.65	69,130,000
Year ended December 31, 2014	12.93	9.12	63,390,000

	Canadian Composite Trading		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2010	C$11.41	C$8.04	259,630,000
Year ended December 31, 2011	11.75	7.15	295,270,000
Year ended December 31, 2012	10.14	6.63	319,390,000
Year ended December 31, 2013	11.78	7.79	214,460,000
Year ended December 31, 2014	13.77	10.11	188,820,000

The high and low market prices for each full fiscal quarter for the two most recent fiscal years based on market closing prices.

	United States Composite Trading		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2013			
First quarter	$ 8.63	$7.80	19,380,000
Second quarter	9.80	7.65	12,440,000
Third quarter	11.27	8.99	19,870,000
Fourth quarter	11.31	9.56	17,440,000
Year ended December 31, 2014			
First quarter	$10.95	$9.12	16,210,000
Second quarter	12.79	10.51	17,500,000
Third quarter	12.93	10.09	15,320,000
Fourth quarter	11.83	9.38	14,360,000

	Canadian Composite Trading		
	High	Low	Volume
	(Price per SVS)		
Year ended December 31, 2013			
First quarter	C$ 8.75	C$ 7.79	47,620,000
Second quarter	9.96	7.83	49,760,000
Third quarter	11.66	9.36	53,840,000
Fourth quarter	11.78	9.98	63,240,000
Year ended December 31, 2014			
First quarter	C$12.10	C$10.11	41,950,000
Second quarter	13.72	11.51	43,600,000
Third quarter	13.59	11.12	42,800,000
Fourth quarter	13.77	10.56	60,470,000

The high and low market prices for each month for the most recent six months based on market closing prices.

	United States Composite Trading		
	High	Low	Volume
	(Price per SVS)		
September 2014	$11.01	$10.09	4,060,000
October 2014	10.98	9.38	5,660,000
November 2014	11.11	10.70	3,290,000
December 2014	11.83	10.47	5,410,000
January 2015	11.73	10.85	8,530,000
February 2015	12.07	11.17	6,920,000

	Canadian Composite Trading		
	High	Low	Volume
	(Price per SVS)		
September 2014	C$12.00	C$11.12	18,820,000
October 2014	12.38	10.56	24,250,000
November 2014	12.63	12.08	8,170,000
December 2014	13.77	11.88	28,050,000
January 2015	14.23	13.53	18,880,000
February 2015	15.08	14.01	10,770,000

B. Plan of Distribution

Not applicable.

C. Markets

The subordinate voting shares are listed on the NYSE and the TSX.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Incorporation

Information regarding Celestica's memorandum and articles of incorporation is incorporated herein by reference to the Annual Report on Form 20-F for the fiscal year ended December 31, 2005, as filed with the SEC on March 21, 2006.

Shareholder Rights and Limitations

The rights and preferences attached to our subordinate voting shares and multiple voting shares are described in the section entitled "Description of Capital Stock" of our registration statement on Form F-3ASR (Reg. No. 333-199616), filed with the SEC on October 27, 2014, which section is incorporated herein by reference thereto.

Additional information concerning the rights and limitations of shareholders contained in Celestica's articles of incorporation is described in the section entitled "Comparison of Celestica and MSL Stockholder's Rights" of our registration statement on Form F-4/A (Reg. No. 333-110362), filed with the SEC on February 9, 2004, which information (pertaining to Celestica) is incorporated herein by reference thereto.

C. Material Contracts

Information with respect to material contracts, other than contracts entered into in the ordinary course of business, to which Celestica or its subsidiaries is a party, entered into during the two years immediately preceding the publication of this Annual Report, is included in Item 5, ''Operating and Financial Review and Prospects — Liquidity and Capital Resources'' and Item 6(B), ''Compensation''. These contracts include equity compensation plans and agreements related to our credit facilities, A/R sales program and D&H acquisition, each of which is included as an exhibit to this Annual Report. See Item 19, ''Exhibits''.

D. Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws of Canada or exchange restrictions affecting the remittance of dividends, interest, royalties or similar payments to non-resident holders of Celestica's securities, although there may be Canadian and other foreign tax considerations. See Item 10(E), ''Taxation''.

E. Taxation

Material Canadian Federal Income Tax Considerations

The following is a summary of the material Canadian federal income tax considerations generally applicable to a person (a U.S. Holder), who acquires subordinate voting shares and who, for purposes of the Income Tax Act (Canada) (the ''Canadian Tax Act'') and the Canada-United States Income Tax Convention (1980) (the ''Tax Treaty'') at all relevant times is resident in the United States and is neither resident nor deemed to be resident in Canada, is eligible for benefits under the Tax Treaty, deals at arm's length and is not affiliated with Celestica, holds such subordinate voting shares as capital property, and does not use or hold, and is not deemed to use or hold, the subordinate voting shares in carrying on business in Canada. Special rules, which are not discussed in this summary, may apply to a U.S. Holder that is a financial institution (as defined in the Canadian Tax Act), or is an insurer to whom the subordinate voting shares are designated insurance property (as defined in the Canadian Tax Act).

This summary is based on Celestica's understanding of the current provisions of the Tax Treaty, the Canadian Tax Act and the regulations thereunder, all specific proposals to amend the Canadian Tax Act or the regulations publicly announced by the Minister of Finance (Canada) prior to February 11, 2015, and the current published administrative practices of the Canada Revenue Agency.

This summary does not express an exhaustive discussion of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account the tax legislation or considerations of any province or territory of Canada or any jurisdiction other than Canada, which may differ significantly from the considerations described in this summary.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder, and no representation with respect to the Canadian federal income tax consequences to any particular holder is made. Consequently, U.S. Holders of subordinate voting shares should consult their own tax advisors with respect to the income tax consequences to them having regard to their particular circumstances.

All amounts relevant in computing a U.S. Holder's liability under the Canadian Tax Act are to be computed in Canadian dollars.

Taxation of Dividends

By virtue of the Canadian Tax Act and the Tax Treaty, dividends (including stock dividends) on subordinate voting shares paid or credited or deemed to be paid or credited to a U.S. Holder who is the beneficial owner of such dividends will generally be subject to Canadian non-resident withholding tax at the rate of 15% of the gross amount of such dividends. Under the Tax Treaty, the rate of withholding tax on dividends is reduced to 5% if that U.S. Holder is a company that beneficially owns (or is deemed to beneficially own) at least 10% of the voting stock of Celestica. Moreover, under the Tax Treaty, dividends paid to certain religious, scientific, literary, educational or charitable organizations and certain pension organizations that are resident in, and generally exempt from tax in, the U.S., generally are exempt from Canadian non-resident withholding tax. Provided that certain administrative procedures are observed by such an organization, Celestica would not be required to withhold such tax from dividends paid or credited to such organization.

Disposition of Subordinate Voting Shares

A U.S. Holder will not be subject to tax under the Canadian Tax Act in respect of any capital gain realized on the disposition or deemed disposition of subordinate voting shares unless the subordinate voting shares constitute or are deemed to constitute "taxable Canadian property" other than "treaty-protected property", as defined in the Canadian Tax Act, at the time of such disposition. Generally, subordinate voting shares will not be "taxable Canadian property" to a U.S. Holder at a particular time, where the subordinate voting shares are listed on a designated stock exchange (which currently includes the TSX and NYSE) at that time, unless at any time during the 60-month period immediately preceding that time: (A) the U.S. Holder, persons with whom the U.S. Holder did not deal at arm's length, or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Celestica; and (B) more than 50% of the fair market value of the subordinate voting shares was derived directly or indirectly from one or any combination of (i) real or immoveable properties situated in Canada, (ii) "Canadian resource properties", (iii) "timber resource properties" and (iv) options in respect of, or interests in, property described in (i) to (iii), in each case as defined in the Canadian Tax Act. In certain circumstances set out in the Canadian Tax Act, the subordinate voting shares of a particular U.S. Holder could be deemed to be "taxable Canadian property" to that holder. Even if the subordinate voting shares are "taxable Canadian property" to a U.S. Holder, they generally will be "treaty-protected property" to such holder by virtue of the Tax Treaty if the value of such shares at the time of disposition is not derived principally from "real property situated in Canada" as defined for these purposes under the Tax Treaty and the Canadian Tax Act. Consequently, on the basis that the value of the subordinate voting shares should not be considered derived principally from such "real property situated in Canada" at any relevant time, any gain realized by the U.S. Holder upon the disposition of the subordinate voting shares generally will be exempt from tax under the Canadian Tax Act.

Material United States Federal Income Tax Considerations

The following discussion describes the material United States federal income tax consequences to United States Holders (as defined below) of subordinate voting shares. A United States Holder is a citizen or resident of the United States, a corporation (or other entity taxable as a corporation), partnership or limited liability company created or organized in or under the laws of the United States or of any political subdivision thereof, an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or a trust, if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust has made an election under applicable U.S. Treasury regulations to be treated as a United States person. If a partnership (or limited liability company that is treated as a partnership) holds subordinate voting shares, the tax treatment of a partner generally will depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding subordinate voting shares, we suggest that you consult with your tax advisor. This summary is for general information purposes only. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to your decision to purchase, hold or dispose of subordinate voting shares. This summary considers only United States Holders who will own subordinate voting shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). In

this context, the term "capital assets" means, in general, assets held for investment by a taxpayer. Material aspects of U.S. federal income tax relevant to non-United States Holders are also discussed below.

This discussion is based on current provisions of the Internal Revenue Code, current and proposed Treasury regulations promulgated thereunder and administrative and judicial decisions as of February 10, 2015, all of which are subject to change, possibly on a retroactive basis. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular United States Holder based on the United States Holder's individual circumstances. In particular, this discussion does not address the potential application of the alternative minimum tax or U.S. federal income tax consequences to United States Holders who are subject to special treatment, including taxpayers who are broker dealers or insurance companies, taxpayers who have elected mark-to-market accounting, individual retirement and other tax-deferred accounts, tax-exempt organizations, financial institutions or "financial services entities", taxpayers who hold subordinate voting shares as part of a "straddle", "hedge" or "conversion transaction" with other investments, taxpayers owning directly, indirectly or by attribution at least 10% of the voting power of our share capital, and taxpayers whose functional currency (as defined in Section 985 of the Internal Revenue Code) is not the U.S. dollar.

This discussion does not address any aspect of U.S. federal gift or estate tax or state, local or non-U.S. tax laws. Additionally, the discussion does not consider the tax treatment of persons who hold subordinate voting shares through a limited liability company or through a partnership or other pass-through entity (such as an S corporation). For U.S. federal income tax purposes, income earned through a foreign or domestic partnership or similar entity is generally attributed to its owners. You are advised to consult your own tax advisor with respect to the specific tax consequences to you of purchasing, holding or disposing of the subordinate voting shares.

Taxation of Dividends Paid on Subordinate Voting Shares

Subject to the discussion of the passive foreign investment company ("PFIC") rules below, in the event that we pay a dividend, a United States Holder will be required to include in gross income as ordinary income the amount of any distribution paid on subordinate voting shares, including any Canadian taxes withheld from the amount paid, on the date the distribution is received, to the extent that the distribution is paid out of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. In addition, distributions of the Corporation's current or accumulated earnings and profits will be foreign source "passive category income" for U.S. foreign tax credit purposes and will not qualify for the dividends received deduction available to corporations. Distributions in excess of such earnings and profits will be applied against and will reduce the United States Holder's tax basis in the subordinate voting shares and, to the extent in excess of such basis, will be treated as capital gain.

Distributions of current or accumulated earnings and profits paid in Canadian dollars to a United States Holder will be includible in the income of the United States Holder in a dollar amount calculated by reference to the exchange rate on the date the distribution is received. A United States Holder who receives a distribution of Canadian dollars and converts the Canadian dollars into U.S. dollars subsequent to receipt will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the Canadian dollar against the U.S. dollar. Such gain or loss will generally be ordinary income and loss and will generally be U.S. source gain or loss for U.S. foreign tax credit purposes. United States Holders should consult their own tax advisors regarding the treatment of a foreign currency gain or loss.

United States Holders will generally have the option of claiming the amount of any Canadian income taxes withheld either as a deduction from gross income or as a dollar-for-dollar credit against their U.S. federal income tax liability, subject to specified conditions and limitations. Individuals who do not claim itemized deductions, but instead utilize the standard deduction, may not claim a deduction for the amount of the Canadian income taxes withheld, but these individuals generally may still claim a credit against their U.S. federal income tax liability. The amount of foreign income taxes that may be claimed as a credit in any year is subject to complex limitations and restrictions, which must be determined on an individual basis by each shareholder. The total amount of allowable foreign tax credits in any year cannot exceed the pre-credit U.S. tax liability for the year attributable to foreign source taxable income and further limitations may apply under the alternative minimum tax. A United States Holder will be denied a foreign tax credit with respect to Canadian income tax

withheld from dividends received on subordinate voting shares to the extent that he or she has not held the subordinate voting shares for at least 15 days of the 31-day period beginning on the date which is 15 days before the ex-dividend date or to the extent that he or she is under an obligation to make related payments with respect to substantially similar or related property. Instead, a deduction may be allowed. Any days during which a United States Holder has substantially diminished his or her risk of loss on his or her subordinate voting shares are not counted toward meeting the 16-day holding period.

Individuals, estates or trusts who receive "qualified dividend income" (excluding dividends from a PFIC) generally will be taxed at a current maximum U.S. federal rate of 20% (rather than the higher tax rates generally applicable to items of ordinary income) provided certain holding period requirements are met. Subject to the discussion of the PFIC rules below, Celestica believes that dividends paid by it with respect to its subordinate voting shares should constitute "qualified dividend income" for United States federal income tax purposes and that holders who are individuals (as well as certain trusts and estates) should be entitled to the reduced rates of tax, as applicable. Holders are urged to consult their own tax advisors regarding the impact of the "qualified dividend income" provisions of the Internal Revenue Code on their particular situations, including related restrictions and special rules.

Dividends received by certain high-income individuals and trusts will also be subject to a 3.8% unearned Medicare contribution tax on passive income.

Taxation of Disposition of Subordinate Voting Shares

Subject to the discussion of the PFIC rules below, upon the sale, exchange or other disposition of subordinate voting shares, a United States Holder will recognize capital gain or loss in an amount equal to the difference between his or her adjusted tax basis in his or her shares and the amount realized on the disposition.

A United States Holder's adjusted tax basis in the subordinate voting shares will generally be the initial cost, but may be adjusted for various reasons including the receipt by such United States Holder of a distribution that was not made up wholly of earning and profits as described above under the heading "Taxation of Dividends Paid on Subordinate Voting Shares". A United States Holder that uses the cash method of accounting calculates the dollar value of the proceeds received on the sale date as of the date that the sale settles, while a United States Holder who uses the accrual method of accounting is required to calculate the value of the proceeds of the sale as of the "trade date", unless he or she has elected to use the settlement date to determine his or her proceeds of sale. Capital gain from the sale, exchange or other disposition of shares held more than one year is long-term capital gain. Long-term capital gain that is recognized by non-corporate taxpayers is eligible for a current maximum 20% rate of taxation plus a 3.8% tax on passive income derived by certain high-income individuals and trusts. A reduced rate does not apply to capital gains realized by a United States Holder that is a corporation. Capital losses are generally deductible only against capital gains and not against ordinary income. In the case of an individual, however, unused capital losses in excess of capital gains may offset up to $3,000 annually of ordinary income. Gain or loss recognized by a United States Holder on a sale, exchange or other disposition of subordinate voting shares generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. A United States Holder who receives foreign currency upon disposition of subordinate voting shares and converts the foreign currency into U.S. dollars subsequent to receipt will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the U.S. dollar. United States Holders should consult their own tax advisors regarding the treatment of a foreign currency gain or loss.

Tax Consequences if We Are a Passive Foreign Investment Company

A non-U.S. corporation will be a passive foreign investment company, or PFIC, if, in general, either (i) 75% or more of its gross income in a taxable year, including the pro rata share of the gross income of any U.S. or foreign company in which it is considered to own 25% or more of the shares by value, is passive income or (ii) 50% or more of its assets in a taxable year, averaged over the year and ordinarily determined based on fair market value and including the pro rata share of the assets of any company in which it is considered to own 25% or more of the shares by value, are held for the production of, or produce, passive income. If Celestica were a

PFIC and a United States Holder did not make an election to treat the Corporation as a "qualified electing fund" and did not make a mark-to-market election, each as described below, then:

- "Excess Distributions" by Celestica to a United States Holder would be taxed in a special way. "Excess distributions" are amounts received by a United States Holder with respect to subordinate voting shares in any taxable year that exceed 125% of the average distributions received by the United States Holder from the Corporation in the shorter of either the three previous years or his or her holding period for his or her shares before the present taxable year. Excess distributions must be allocated ratably to each day that a United States Holder has held subordinate voting shares. A United States Holder must include amounts allocated to the current taxable year and to any non-PFIC years in his or her gross income as ordinary income for that year. A United States Holder must pay tax on amounts allocated to each prior taxable PFIC year at the highest marginal tax rate in effect for that year on ordinary income and the tax is subject to an interest charge at the rate applicable to deficiencies for income tax.
- The entire amount of gain that is realized by a United States Holder upon the sale or other disposition of shares would also be considered an excess distribution and would be subject to tax as described above.
- United States Holder's tax basis in shares that were acquired from a decedent would not receive a step-up to fair market value as of the date of the decedent's death but instead would be equal to the decedent's tax basis, if lower than such value.

The special PFIC rules do not apply to a United States Holder if the United States Holder makes an election to treat the Corporation as a "qualified electing fund" in the first taxable year in which he or she owns subordinate voting shares and if we comply with reporting requirements as described below. Instead, a shareholder of a qualified electing fund is required for each taxable year to include in income a pro rata share of the ordinary earnings of the qualified electing fund as ordinary income and a pro rata share of the net capital gain of the qualified electing fund as long-term capital gain, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. We have agreed to supply United States Holders with the information needed to report income and gain pursuant to this election in the event that we are classified as a PFIC. The election is made on a shareholder-by-shareholder basis and may be revoked only with the consent of the Internal Revenue Service, or IRS. A shareholder makes the election by attaching a completed IRS Form 8621, including the PFIC annual information statement, to a timely filed U.S. federal income tax return. Even if an election is not made, a shareholder in a PFIC who is a United States Holder generally must file a completed IRS Form 8621 every year.

A United States Holder who owns PFIC shares that are publicly traded could elect to mark the shares to market annually, recognizing as ordinary income or loss each year an amount equal to the difference as of the close of the taxable year between the fair market value of the PFIC shares and the United States Holder's adjusted tax basis in the PFIC shares. If the mark-to-market election were made, then the rules set forth above would not apply for periods covered by the election. The subordinate voting shares would be treated as publicly traded for purposes of the mark-to-market election and, therefore, such election could be made if Celestica were classified as a PFIC. A mark-to-market election is, however, subject to complex and specific rules and requirements, and United States Holders are strongly urged to consult their tax advisors concerning this election if Celestica is classified as a PFIC.

Despite the fact that we are engaged in an active business, we are unable to conclude that Celestica was not a PFIC in 2014 or in prior years, though we believe, based on our internally performed analysis, that such status is unlikely. The tests in determining PFIC status include the determination of the value of all assets of the Corporation which is highly subjective. Further, the tests for determining PFIC status are applied annually, and it is difficult to make accurate predictions of future income and assets, which are relevant to the determination as to whether we will be a PFIC in the future. Accordingly, it is possible that Celestica could be a PFIC in 2015 or in a future year. A United States Holder who holds subordinate voting shares during a period in which we are a PFIC will be subject to the PFIC rules, even if we cease to be a PFIC, unless he or she has made a qualifying electing fund election. Although we have agreed to supply United States Holders with the information needed to report income and gain pursuant to this election in the event that Celestica is classified as a PFIC, if Celestica was determined to be a PFIC with respect to a year in which we had not thought that it would be so treated, the information needed to enable United States Holders to make a qualifying electing fund election would not have

been provided. United States Holders are strongly urged to consult their tax advisors about the PFIC rules, including the consequences to them of making a mark-to-market or qualifying electing fund elections with respect to subordinate voting shares in the event that Celestica is treated as a PFIC.

Tax Consequences for Non-United States Holders of Subordinate Voting Shares

Except as described in "Information Reporting and Backup Withholding" below, a holder of subordinate voting shares that is not a United States Holder ("non-United States Holder") will not be subject to U.S. federal income or withholding tax on the payment of dividends on, and the proceeds from the disposition of, subordinate voting shares unless:

- the item is effectively connected with the conduct by the non-United States Holder of a trade or business in the United States and, generally, in the case of a resident of a country that has an income treaty with the United States, such item is attributable to a permanent establishment in the United States;
- the non-United States Holder is an individual who holds subordinate voting shares as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition and does not qualify for an exemption; or
- the non-United States Holder is subject to tax pursuant to the provisions of U.S. tax law applicable to U.S. expatriates who expatriated prior to June 17, 2008.

Information Reporting and Backup Withholding

Payments made within the United States, or by a U.S. payor or U.S. middleman, of dividends and proceeds arising from certain sales or other taxable dispositions of subordinate voting shares will be subject to information reporting. Backup withholding tax, at the then applicable rate, will apply if a United States Holder (a) fails to furnish the United States Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) is notified by the IRS that the United States Holder has previously failed to properly report items subject to backup withholding tax, or (c) fails to certify, under penalty of perjury, that the United States Holder has furnished the United States Holder's correct U.S. taxpayer identification number and that the IRS has not notified the United States Holder that the United States Holder is subject to backup withholding tax. However, United States Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a United States Holder's U.S. federal income tax liability, if any, or will be refunded, if the United States Holder follows the requisite procedures and timely furnishes the required information to the IRS. United States Holders should consult their own tax advisors regarding the information reporting and backup withholding tax rules.

U.S. individuals are required to report an interest in any "specified foreign financial asset" if the aggregate value of such assets owned by the U.S. individual exceeds $50,000 (or such higher threshold as may apply to a particular taxpayer pursuant to the instructions to IRS Form 8938). Stock issued by a foreign corporation is treated as a specified foreign financial asset for this purpose.

Non-United States Holders generally are not subject to information reporting or backup withholding with respect to dividends paid on or upon the disposition of shares, provided, in some instances, that the non-United States Holder provides a taxpayer identification number, certifies to his foreign status or otherwise establishes an exemption.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Any statement in this Annual Report about any of our contracts or other documents is not exhaustive. If the contract or document is filed as an exhibit to this Annual Report or is incorporated herein by reference thereto, the contract or document is deemed to modify our description. You must review the exhibits themselves for a complete description of the contract or document.

You may access this Annual Report, including exhibits and schedules, on our website at www.celestica.com or request a copy free of charge through our website. Requests may also be directed to clsir@celestica.com, by mail to Celestica Investor Relations, 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7, or by telephone at 416-448-2211.

You may also review a copy of our filings with the SEC, including exhibits and schedules filed with this Annual Report, at the SEC's public reference facilities in Room 1580, 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of such materials from the Public Reference Room of the SEC, Room 1580, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. We began to file electronically with the SEC in November 2000.

You may read and copy any reports, statements or other information that we file with the SEC at the addresses indicated above and you may also access some of them electronically at the website set forth above. These SEC filings are also available to the public from commercial document retrieval services.

We also file reports, statements and other information with the Canadian Securities Administrators, or the CSA, and these can be accessed electronically at the CSA's System for Electronic Document Analysis and Retrieval website (www.sedar.com).

You may access other information about Celestica on our website at www.celestica.com.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Market risk is the potential loss arising from changes in market rates and market prices. Our market risk exposure results primarily from fluctuations in foreign currency exchange rates and interest rates.

We do not hold financial instruments for trading purposes.

Exchange Rate Risk

We have entered into foreign currency contracts to hedge foreign currency risk. These financial instruments include, to varying degrees, elements of market risk. The table below presents the notional amounts and weighted average exchange rates by expected (contractual) maturity dates. These notional amounts generally are used to calculate the contractual payments to be exchanged under the contracts. At December 31, 2014, we had foreign currency contracts covering various currencies in an aggregate notional amount of $818.6 million (December 31, 2013 — $809.8 million). These contracts had a fair value net unrealized loss of $15.0 million at December 31, 2014 (December 31, 2013 — $17.3 million net unrealized loss).

At December 31, 2014, we had forward exchange contracts to trade U.S. dollars in exchange for the following currencies:

	Expected Maturity Date				
	2015	2016	2017 and thereafter	Total	Fair Value Gain (Loss) (in millions)
Forward Exchange Agreements					
(Contract amounts in millions)					
Receive C$/Pay U.S.$					
Contract amount	$286.7	$ 6.6	$—	$293.3	$ (6.7)
Average exchange rate	0.88	0.87			
Receive Thai Baht/Pay U.S.$					
Contract amount	$113.0	$16.5	—	$129.5	$ (1.1)
Average exchange rate	0.03	0.03			
Receive Malaysian Ringgit/Pay U.S.$					
Contract amount	$ 71.8	$12.6	—	$ 84.4	$ (5.1)
Average exchange rate	0.30	0.29			
Receive Mexican Peso/Pay U.S.$					
Contract amount	$ 30.6	$ 1.6	—	$ 32.2	$ (2.2)
Average exchange rate	0.07	0.07			
Pay British Pound Sterling/Receive U.S.$					
Contract amount	$ 98.3	—	—	$ 98.3	$ 1.7
Average exchange rate	1.59				
Receive Chinese Renminbi/Pay U.S.$					
Contract amount	$ 98.9	—	—	$ 98.9	$ (0.1)
Average exchange rate	0.16				
Pay Euro/Receive U.S.$					
Contract amount	$ 34.9	—	—	$ 34.9	$ 0.6
Average exchange rate	1.24				
Receive Romanian Leu/Pay U.S.$					
Contract amount	$ 15.8	—	—	$ 15.8	$ (1.1)
Average exchange rate	0.29				
Receive Singapore Dollar/Pay U.S.$					
Contract amount	$ 25.3	—	—	$ 25.3	$ (1.0)
Average exchange rate	0.79				
Receive Other/Pay U.S.$					
Contract amount	$ 6.0	—	—	$ 6.0	—
Average exchange rate	—				
Total	$781.3	$37.3	$—	$818.6	$(15.0)

Interest Rate Risk and Credit Risk

Borrowings under our revolving credit facility bear interest at LIBOR, Prime or Federal Funds rate plus a margin. If we borrow under this facility, we are exposed to interest rate risks due to fluctuations in these rates. A one-percentage point increase in these rates would increase interest expense by $3.0 million annually, assuming borrowings of $300.0 million under such credit facility (the credit limit thereunder without use of its $150.0 million accordion feature). As of December 31, 2014, there were no amounts outstanding under this facility. See note 11 to the Consolidated Financial Statements in Item 18.

We hold cash and cash equivalents at various banking institutions. Management monitors the institutions that hold our cash and cash equivalents. Management's emphasis is primarily on safety of principal. Management, in its discretion, has diversified our cash and cash equivalents among banking institutions to adjust exposure to an acceptable level with respect to any one of these entities. To date, we have experienced no loss or

lack of access to our invested cash or cash equivalents; however, we can provide no assurances that access to invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets, or that third party institutions will retain acceptable credit ratings or investment practices.

Cash balances held at banking institutions in the United States with which we do business may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. While management monitors the cash balances in these bank accounts, such cash balances could be impacted if the underlying banks were to become insolvent or could be subject to other adverse conditions in the financial markets.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. We believe our credit risk of counterparty non-performance is low. To mitigate the risk of financial loss from defaults under our foreign currency forward exchange contracts, our contracts are held by counterparty financial institutions each of which had at December 31, 2014 a Standard and Poor's rating of A-1 or above. We also provide unsecured credit to our customers in the normal course of business. We mitigate this credit risk by monitoring our customers' financial condition and performing ongoing credit evaluations as appropriate. We consider credit risk in determining our allowance for doubtful accounts and we believe our allowances are adequate.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

None.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Information required by this Item concerning our disclosure controls and procedures, and changes in our internal control over financial reporting, is set forth in Item 5, "Operating and Financial Review and Prospects — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Controls and Procedures".

Management's Report on Internal Control over Financial Reporting is set forth on page F-1 of our Consolidated Financial Statements in Item 18.

The attestation report from our independent auditors, KPMG LLP, is set forth on page F-2 of our Consolidated Financial Statements in Item 18.

Item 16. [Reserved.]

Item 16A. Audit Committee Financial Expert

The Board has considered the extensive financial experience of Mr. Etherington, Ms. Koellner, and Ms. Perry, and has determined that each of them is an audit committee financial expert within the meaning of Item 407(d)(5) of Regulation S-K of the U.S. Exchange Act, and Item 16A(b) of Form 20-F, and each are independent directors, as that term is defined by the SEC and in the NYSE listing standards.

Item 16B. Code of Ethics

The Board has adopted a Finance Code of Professional Conduct for Celestica's CEO, our senior finance officers, and all personnel in its finance organization to deter wrongdoing and promote honest and ethical conduct in the practice of financial management, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure; compliance with all applicable laws, rules and regulations; prompt internal reporting of violations of the code and accountability for adherence to the code. These professionals are expected to abide by this code as well as Celestica's Business Conduct Governance policy and all of our other applicable business policies, standards and guidelines.

The Finance Code of Professional Conduct and the Business Conduct Governance policy can be accessed electronically at www.celestica.com. Celestica will provide a copy of such policies free of charge to any person who so requests. Requests should be directed to clsir@celestica.com, by mail to Celestica Investor Relations, 844 Don Mills Road, Toronto, Ontario, Canada M3C 1V7, or by telephone at 416-448-2211.

Item 16C. Principal Accountant Fees and Services

The external auditor is engaged to provide services pursuant to pre-approval policies and procedures established by the Audit Committee of Celestica's Board. The Audit Committee approves the external auditor's Audit Plan, the scope of the external auditor's quarterly reviews and all related fees. The Audit Committee must approve any non-audit services provided by the auditor and related fees and does so only if it considers that these services are compatible with the external auditor's independence.

Our auditors are KPMG LLP ("KPMG"). KPMG did not provide any financial information systems design or implementation services to us during 2013 or 2014. The Audit Committee has determined that the provision of the non-audit services by KPMG does not compromise KPMG's independence.

Audit Fees

KPMG billed $3.1 million in 2014 (2013 — $3.2 million) for audit services.

Audit-Related Fees

KPMG billed $0.2 million in 2014 (2013 — $0.1 million) for audit-related services, including due diligence related to acquisitions and pension audits.

Tax Fees

KPMG billed $0.1 million in 2014 (2013 — $0.2 million) for tax compliance and advisory services.

All Other Fees

KPMG billed no other amounts in 2014, and billed $0.1 million in 2013 for other advisory services pertaining to system reviews.

Pre-approval Policies and Procedures — Percentage of Services Approved by Audit Committee

All KPMG services and fees are approved by the Audit Committee as follows. The Audit Committee has established an Audit and Non-Audit Services Pre-Approval Policy to pre-approve all permissible audit and

non-audit services provided by our independent auditors. On an annual basis, the Audit Committee reviews and provides pre-approval for certain types of services that may be rendered by the independent auditors and a budget for audit services for the applicable fiscal year. Upon pre-approval of the services on the initial list, management may engage the auditor for specific engagements that are within the definition of the pre-approved services. Any significant service engagements above a certain threshold will require separate pre-approval. The policy contains a provision delegating pre-approval authority to the Chair of the Audit Committee in instances when pre-approval is needed prior to a scheduled Audit Committee meeting. The Chair of the Audit Committee is required to report on such pre-approvals at the next scheduled Audit Committee meeting. A final detailed review of all audit and non-audit services and fees is performed by the Audit Committee prior to the issuance of the audit opinion at year-end.

Percentage of Hours Expended on KPMG's engagement not performed by KPMG's full-time, permanent employees (if greater than 50%)

Not applicable.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total number of subordinate voting shares purchased (in millions)	(b) Average price paid per subordinate voting share	(c) Total number of subordinate voting shares purchased as part of publicly announced plans or programs (in millions)	(d) Maximum number (or approximate dollar value) of subordinate voting shares that may yet be purchased under the plans or programs (in millions)
January 1 — 31, 2014[1]	0.9	$10.37	0.9	4.6
February 1 — 28, 2014[1]	0.3	$ 9.30	0.3	4.3
March 1 — 31, 2014[1]	—	—	—	4.3
April 1 — 30, 2014[1]	—	—	—	4.3
May 1 — 31, 2014[1]	2.6	$10.43	2.6	1.7
June 1 — 30, 2014[1]	—	—	—	1.7
July 1 — 31, 2014[1]	1.6	$12.01	1.6	0.1
August 1 — 31, 2014[1][3]	1.5	$10.80	0.1	0.0
September 1 — 30, 2014[2][3]	1.5	$10.74	0.7	9.6
October 1 — 31, 2014[2]	1.1	$10.09	1.1	8.5
November 1 — 30, 2014[2]	1.0	$10.99	1.0	7.5
December 1 — 31, 2014[2]	0.2	$10.49	0.2	7.3
Total	**10.7**	**$10.74**	**8.5**	**7.3**

(1) On August 2, 2013, the TSX accepted our notice to launch an NCIB (the 2013 NCIB) which allowed us to repurchase, at our discretion, until the earlier of August 6, 2014 or the completion of purchases under the bid, up to 9.8 million subordinate voting shares in the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. During 2014, we repurchased for cancellation a total of 5.5 million shares at a weighted average price of $10.82 per share under the 2013 NCIB. The maximum number of subordinate voting shares we were permitted to repurchase for cancellation under the 2013 NCIB was reduced

by the number of subordinate voting shares we purchased for equity-based compensation plans during the term of the 2013 NCIB. The 2013 NCIB was announced on August 2, 2013, and was completed in August 2014.

(2) On September 9, 2014, the TSX accepted our notice to launch a new NCIB (the 2014 NCIB), which allows us to repurchase, at our discretion, until the earlier of September 10, 2015 or the completion of purchases under the bid, up to 10.3 million subordinate voting shares in the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. During 2014, we repurchased for cancellation a total of 2.9 million shares at a weighted average price of $10.53 per share under the 2014 NCIB. The maximum number of subordinate voting shares we are permitted to repurchase for cancellation under the 2014 NCIB will be reduced by the number of subordinate voting shares we purchase for equity-based compensation plans during the term of the 2014 NCIB. The 2014 NCIB was announced on September 9, 2014.

(3) From time-to-time, a trustee has purchased subordinate voting shares in the open market, on our behalf, to settle vested employee awards under our equity-based compensation plans. During 2014, approximately 2.2 million subordinate voting shares were purchased on our behalf by a trustee for such purpose (and were therefore not cancelled).

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Corporate Governance

We are subject to a variety of corporate governance guidelines and requirements enacted by the TSX, the CSA, the NYSE and by the SEC under its rules and those mandated by the United States Sarbanes Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act. We are listed on the NYSE and, although we are not required to comply with all of the NYSE corporate governance requirements to which we would be subject if we were a U.S. corporation, our governance practices differ significantly in only one respect from those required of U.S. domestic issuers by the NYSE, as described below. Celestica complies with TSX rules, which require shareholder approval of share compensation arrangements involving new issuances of shares, and of certain amendments to such arrangements, but do not require such approval if the compensation arrangements involve only shares purchased by the Corporation in the open market. NYSE rules require approval of all equity compensation plans (and material revisions thereto) regardless of whether new issuances or treasury shares are used.

Our corporate governance guidelines can be accessed electronically at www.celestica.com.

Item 16H. Mine Safety Disclosure

Not applicable.

Part III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The following financial statements have been filed as part of this Annual Report:

	Page
Management's Report on Internal Control Over Financial Reporting	F-1
Reports of Independent Registered Public Accounting Firm	F-2, F-3
Consolidated Balance Sheet as at December 31, 2013 and 2014	F-4
Consolidated Statement of Operations for the years ended December 31, 2012, 2013 and 2014	F-5
Consolidated Statement of Comprehensive Income for the years ended December 31, 2012, 2013 and 2014	F-6
Consolidated Statement of Changes in Equity for the years ended December 31, 2012, 2013 and 2014	F-7
Consolidated Statement of Cash Flows for the years ended December 31, 2012, 2013 and 2014	F-8
Notes to the Consolidated Financial Statements	F-9

Item 19. Exhibits

The following exhibits have been filed as part of this Annual Report:

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
1.1	Certificate and Articles of Incorporation	F-1	333-8700	April 29, 1998	3.1	
1.2	Certificate and Articles of Amendment effective October 22, 1996	F-1	333-8700	April 29, 1998	3.2	
1.3	Certificate and Articles of Amendment effective January 24, 1997	F-1	333-8700	April 29, 1998	3.3	
1.4	Certificate and Articles of Amendment effective October 8, 1997	F-1	333-8700	April 29, 1998	3.4	
1.5	Certificate and Articles of Amendment effective April 29, 1998	F-1/A	333-8700	June 1, 1998	3.5	
1.6	Articles of Amendment effective June 26, 1998	F-1	333-10030	February 16, 1999	3.6	
1.7	Restated Articles of Incorporation effective June 26, 1998	F-1	333-10030	February 16, 1999	3.7	
1.8	Restated Articles of Incorporation effective November 20, 2001	20-F	001-14832	April 21, 2003	1.8	
1.9	Restated Articles of Incorporation effective May 13, 2003	20-F	001-14832	May 19, 2004	1.9	
1.10	Restated Articles of Incorporation effective June 25, 2004	20-F	001-14832	March 23, 2010	1.10	
1.11	Bylaw No. 1	20-F	001-14832	March 23, 2010	1.11	
1.12	Bylaw No. 2	F-1	333-8700	April 29, 1998	3.9	
1.13	Bylaw No. 3	20-F	001-14832	May 19, 2004	1.12	
1.14	Bylaw No. 4	20-F	001-14832	May, 2004	1.14	
2.	Instruments defining rights of holders of equity securities or long-term debt:					
2.1	See Certificate and Articles of Incorporation and amendments thereto identified above					
2.2	Form of Subordinate Voting Share Certificate	F-1/A	333-8700	June 25, 1998	4.1	
4.	Certain Contracts:					
4.1	Services Agreement, dated as of January 1, 2009, between Celestica Inc. and Onex Corporation	20-F	001-14832	March 23, 2010	4.1	
4.2	Executive Employment Agreement, dated as of July 26, 2007, between Celestica Inc., Celestica International Inc. and Celestica Corporation and Craig H. Muhlhauser	20-F	001-14832	March 25, 2008	4.4	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
4.3	Executive Employment Agreement, dated as of January 1, 2008, between Celestica Inc., Celestica International Inc. and Elizabeth L. DelBianco	20-F	001-14832	March 25, 2008	4.6	
4.4	Amended and Restated Celestica Inc. Long-Term Incentive Plan as of January 29, 2014	6-K	001-14832	July 9, 2014	99.1	
4.5	Amended & Restated Celestica Share Unit Plan as of January 29, 2014	6-K	001-14832	July 9, 2014	99.2	
4.6	D2D Employee Share Purchase and Option Plan (1997)	F-1/A	333-8700	June 1, 1998	10.20	
4.7	Celestica 1997 U.K. Approved Share Option Scheme	F-1	333-8700	April 29, 1998	10.19	
4.8	1998 U.S. Executive Share Purchase and Option Plan	S-8	333-9500	October 8, 1998	4.6	
4.9	Coattail Agreement, dated June 29, 1998, between Onex Corporation, Celestica Inc. and Montreal Trust Company of Canada.	Sc TO-I	005-55523	October 29, 2012	(d)(1)	
4.10	Stock Purchase Agreement, dated July 26, 2012, among Celestica (USA) Inc., The Crossbow Group, LLC and D&H Manufacturing Company*	20-F	001-14832	March 15, 2013	4.10	
4.11	Directors' Share Compensation Plan (2008)	Sc TO-I	005-55523	October 29, 2012	(d)(3)	
4.12	Amended and Restated Revolving Trade Receivables Purchase Agreement, dated as of November 4, 2011, among the Celestica Inc., Celestica LLC, Celestica Czech Republic s.r.o., Celestica Holdings Pte Ltd., Celestica Valencia S.A., Celestica Hong Kong Ltd., Celestica (Romania) s.r.l., Celestica Japan KK, Celestica Oregon LLC, each of the financial institutions named on Schedule I thereto and Deutsche Bank AG New York Branch					X
4.13	First Amendment to Amended and Restated Revolving Trade Receivables Purchase Agreement*	20-F	001-14832	March 15, 2013	2.6	
4.14	Second Amendment to Amended and Restated Revolving Trade Receivables Purchase Agreement	20-F	001-14832	March 14, 2014	4.14	
4.15	Third Amendment to Amended and Restated Revolving Trade Receivables Purchase Agreement*	20-F	001-14382	March 14, 2014	4.15	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
4.16	Fourth Amendment to Amended and Restated Revolving Trade Receivables Purchase Agreement†					X
4.17	Directors' Share Compensation Plan, as amended July 25, 2013	20-F	001-14382	March 14, 2014	4.16	
4.18	Seventh Amended and Restated Revolving Term Credit Agreement, dated October 28, 2014, by and among Celestica Inc. and the subsidiaries specified as Designated Subsidiaries therein as Borrowers, Canadian Imperial Bank of Commerce, as Co-Lead Arranger, Sole Bookrunner and Administrative Agent, RBC Capital Markets, as Co-Lead Arranger and Co-Syndication Agent, Merrill Lynch Pierce Fenner & Smith Incorporated, as Co-Syndication Agent, and the financial institutions named therein, as lenders	6-K	001-14832	November 6, 2014	4.17	
8.1	Subsidiaries of Registrant					X
11.1	Finance Code of Professional Conduct	20-F	001-14382	March 23, 2010	11.1	
11.2	Business Conduct Governance Policy					X
12.1	Principal Executive Officer Certification pursuant to Rule 13(a)-14(a)					X
12.2	Principal Financial Officer Certification pursuant to Rule 13(a)-14(a)					X
13.1	Certification required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code**					X
15.1	Consent of KPMG LLP, Chartered Professional Accountants					X

* Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. This exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without redactions. Confidential treatment has been granted pursuant to our Application for an Order Granting Confidential Treatment Pursuant to Rule 24b-2 of the U.S. Exchange Act.

** This certification will not be deemed "filed" for purposes of Section 18 of the U.S. Exchange Act, or otherwise subject to the liability of Section 18 of the U.S. Exchange Act, and this certification will not be incorporated by reference into any filing under the U.S. Securities Act, or the U.S. Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

† Certain confidential portions of this exhibit were omitted by means of redacting a portion of the text. This exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without redactions pursuant to our Application for an Order Granting Confidential Treatment Pursuant to Rule 24b-2 of the U.S. Exchange Act.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CELESTICA INC.

By: /s/ ELIZABETH L. DELBIANCO

Elizabeth L. DelBianco
Executive Vice President
Chief Legal and Administrative Officer

Date: March 13, 2015

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Celestica Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management maintains a comprehensive system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. Management also takes steps to see that information and communication flows are effective and to monitor performance, including performance of internal control procedures.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014 based on the criteria set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2014, the Company's internal control over financial reporting is effective. The Company's independent auditors, KPMG LLP, have issued an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2014.

March 5, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Celestica Inc.

We have audited Celestica Inc.'s internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Celestica Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Celestica Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Celestica Inc. as of December 31, 2014 and December 31, 2013, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years ended December 31, 2014, 2013 and 2012, and our report dated March 5, 2015 expressed an unqualified opinion on those consolidated financial statements.

Toronto, Canada
March 5, 2015

/s/ KPMG LLP
Chartered Professional Accountants,
Licensed Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Celestica Inc.

We have audited the accompanying consolidated balance sheets of Celestica Inc. as of December 31, 2014 and December 31, 2013 and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2014. These consolidated financial statements are the responsibility of Celestica Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Celestica Inc. as of December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for each of the years in the three-year period ended December 31, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Celestica Inc.'s internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 5, 2015 expressed an unqualified opinion on the effectiveness of Celestica Inc.'s internal control over financial reporting.

Toronto, Canada
March 5, 2015

/s/ KPMG LLP
Chartered Professional Accountants,
Licensed Public Accountants

CELESTICA INC.

CONSOLIDATED BALANCE SHEET

(in millions of U.S. dollars)

	December 31 2013	December 31 2014
Assets		
Current assets:		
Cash and cash equivalents (note 20)	$ 544.3	$ 565.0
Accounts receivable (note 4)	654.1	693.5
Inventories (note 5)	817.2	719.0
Income taxes receivable	13.6	11.4
Assets classified as held for sale (note 6)	30.2	28.3
Other current assets	61.1	87.0
Total current assets	2,120.5	2,104.2
Property, plant and equipment (note 7)	313.6	312.4
Goodwill (note 8)	60.3	19.5
Intangible assets (note 8)	44.2	35.2
Deferred income taxes (note 19)	45.3	37.3
Other non-current assets (note 9)	55.0	75.0
Total assets	$ 2,638.9	$ 2,583.6
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 770.7	$ 730.9
Accrued and other current liabilities	274.5	259.6
Income taxes payable (note 19)	30.6	14.5
Current portion of provisions (note 10)	33.4	49.3
Total current liabilities	1,109.2	1,054.3
Pension and non-pension post-employment benefit obligations (note 18)	93.5	99.2
Provisions and other non-current liabilities (note 10)	16.3	18.1
Deferred income taxes (note 19)	17.9	17.1
Total liabilities	1,236.9	1,188.7
Equity:		
Capital stock (note 12)	2,712.0	2,609.5
Treasury stock (note 12)	(12.0)	(21.4)
Contributed surplus	681.7	677.1
Deficit	(1,965.4)	(1,845.3)
Accumulated other comprehensive loss (notes 2(n) & 13)	(14.3)	(25.0)
Total equity	1,402.0	1,394.9
Total liabilities and equity	$ 2,638.9	$ 2,583.6

Commitments, contingencies and guarantees (note 23)
Subsequent events (notes 12 & 23)

Signed on behalf of the Board of Directors

[Signed] William A. Etherington,
Director

[Signed] Laurette Koellner,
Director

The accompanying notes are an integral part of these consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(in millions of U.S. dollars, except per share amounts)

	Year ended December 31		
	2012	**2013**	**2014**
Revenue	$6,507.2	$5,796.1	$5,631.3
Cost of sales (notes 5 & 14)	6,068.8	5,406.6	5,225.9
Gross profit	438.4	389.5	405.4
Selling, general and administrative expenses (SG&A) (note 14)	237.0	222.3	210.3
Research and development	15.2	17.4	19.7
Amortization of intangible assets (note 8)	11.3	12.2	10.6
Other charges (note 15)	59.5	4.0	37.1
Earnings from operations	115.4	133.6	127.7
Finance costs (note 16)	3.5	2.9	3.1
Earnings before income taxes	111.9	130.7	124.6
Income tax expense (recovery) (note 19):			
Current	15.5	16.9	9.7
Deferred	(21.3)	(4.2)	6.7
	(5.8)	12.7	16.4
Net earnings	$ 117.7	$ 118.0	$ 108.2
Basic earnings per share	$ 0.56	$ 0.64	$ 0.61
Diluted earnings per share	$ 0.56	$ 0.64	$ 0.60
Shares used in computing per share amounts (in millions):			
Basic (note 22)	208.6	183.4	178.4
Diluted (note 22)	210.5	185.4	180.4

The accompanying notes are an integral part of these consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of U.S. dollars)

	Year ended December 31		
	2012	**2013**	**2014**
Net earnings	$117.7	$118.0	$108.2
Other comprehensive income (loss), net of tax (note 13):			
Items that will not be reclassified to net earnings:			
Actuarial gains (losses) on pension and non-pension post-employment benefit plans (notes 2 & 18)	(11.9)	7.6	11.9
Items that may be reclassified to net earnings:			
Currency translation differences for foreign operations	(0.1)	(3.3)	(10.0)
Changes from derivatives designated as hedges	16.5	(15.1)	(0.7)
Total comprehensive income	$122.2	$107.2	$109.4

The accompanying notes are an integral part of these consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of U.S. dollars)

	Capital stock (note 12)	Treasury stock (note 12)	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)[(a)]	Total equity
Balance — January 1, 2012	$3,348.0	$(37.9)	$369.5	$(2,196.8)	$(12.3)	$1,470.5
Capital transactions:						
Issuance of capital stock	18.3	—	(10.8)	—	—	7.5
Repurchase of capital stock for cancellation	(591.6)	—	302.0	—	—	(289.6)
Purchase of treasury stock	—	(21.7)	—	—	—	(21.7)
Stock-based compensation and other	—	41.3	(4.1)	—	—	37.2
Reclassification of cash-settled stock-based compensation to accrued liabilities (note 12)	—	—	(3.4)	—	—	(3.4)
Total comprehensive income:						
Net earnings for 2012	—	—	—	117.7	—	117.7
Other comprehensive income (loss), net of tax:						
Actuarial losses on pension and non-pension post-employment benefit plans (note 18)	—	—	—	(11.9)	—	(11.9)
Currency translation differences for foreign operations	—	—	—	—	(0.1)	(0.1)
Change from derivatives designated as hedges	—	—	—	—	16.5	16.5
Balance — December 31, 2012	$2,774.7	$(18.3)	$653.2	$(2,091.0)	$ 4.1	$1,322.7
Capital transactions:						
Issuance of capital stock	19.9	—	(12.8)	—	—	7.1
Repurchase of capital stock for cancellation	(82.6)	—	29.2	—	—	(53.4)
Purchase of treasury stock	—	(12.8)	—	—	—	(12.8)
Stock-based compensation and other	—	19.1	12.1	—	—	31.2
Total comprehensive income:						
Net earnings for 2013	—	—	—	118.0	—	118.0
Other comprehensive income (loss), net of tax:						
Actuarial gains on pension and non-pension post-employment benefit plans (note 18)	—	—	—	7.6	—	7.6
Currency translation differences for foreign operations	—	—	—	—	(3.3)	(3.3)
Change from derivatives designated as hedges	—	—	—	—	(15.1)	(15.1)
Balance — December 31, 2013	$2,712.0	$(12.0)	$681.7	$(1,965.4)	$(14.3)	$1,402.0
Capital transactions:						
Issuance of capital stock	20.1	—	(12.3)	—	—	7.8
Repurchase of capital stock for cancellation[(b)]	(122.6)	—	(8.2)	—	—	(130.8)
Purchase of treasury stock	—	(23.9)	—	—	—	(23.9)
Stock-based compensation and other	—	14.5	15.9	—	—	30.4
Total comprehensive income:						
Net earnings for 2014	—	—	—	108.2	—	108.2
Other comprehensive income (loss), net of tax:						
Actuarial gains on pension and non-pension post-employment benefit plans (note 18)	—	—	—	11.9	—	11.9
Currency translation differences for foreign operations	—	—	—	—	(10.0)	(10.0)
Change from derivatives designated as hedges	—	—	—	—	(0.7)	(0.7)
Balance — December 31, 2014	$2,609.5	$(21.4)	$677.1	$(1,845.3)	$(25.0)	$1,394.9

(a) Accumulated other comprehensive income (loss) is net of tax. See note 13.

(b) Includes $50.0 prepayment under a program share repurchase. See note 12.

The accompanying notes are an integral part of these consolidated financial statements.

CELESTICA INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of U.S. dollars)

	Year ended December 31		
	2012	**2013**	**2014**
Cash provided by (used in):			
Operating activities:			
Net earnings	$ 117.7	$ 118.0	$ 108.2
Adjustments to net earnings for items not affecting cash:			
Depreciation and amortization	81.7	71.7	68.7
Equity-settled stock-based compensation (note 12)	35.4	29.2	28.4
Other charges (note 15)	30.8	1.9	47.1
Finance costs	3.5	2.9	3.1
Income tax expense (recovery)	(5.8)	12.7	16.4
Other	(11.2)	3.8	(14.7)
Changes in non-cash working capital items:			
Accounts receivable	116.7	46.4	(39.4)
Inventories	147.3	(71.5)	98.2
Other current assets	6.7	3.6	(18.9)
Accounts payable, accrued and other current liabilities and provisions	(193.1)	(47.5)	(31.6)
Non-cash working capital changes	77.6	(69.0)	8.3
Net income taxes paid	(17.3)	(21.8)	(24.0)
Net cash provided by operating activities	312.4	149.4	241.5
Investing activities:			
Acquisitions, net of cash acquired (note 3)	(71.0)	—	—
Purchase of computer software and property, plant and equipment	(105.9)	(52.8)	(61.3)
Proceeds from sale of assets	8.9	4.2	1.4
Net cash used in investing activities	(168.0)	(48.6)	(59.9)
Financing activities:			
Borrowings under credit facilities (note 11)	55.0	—	—
Repayments under credit facilities (note 11)	—	(55.0)	—
Issuance of capital stock (note 12)	7.5	7.1	7.8
Repurchase of capital stock for cancellation (note 12)	(289.6)	(43.6)	(140.6)
Purchase of treasury stock (note 12)	(21.7)	(12.8)	(23.9)
Finance costs paid	(4.0)	(2.7)	(4.2)
Net cash used in financing activities	(252.8)	(107.0)	(160.9)
Net increase (decrease) in cash and cash equivalents	(108.4)	(6.2)	20.7
Cash and cash equivalents, beginning of year	658.9	550.5	544.3
Cash and cash equivalents, end of year	$ 550.5	$ 544.3	$ 565.0

The accompanying notes are an integral part of these consolidated financial statements.

CELESTICA INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of U.S. dollars, except percentages and per share amounts)

1. REPORTING ENTITY:

Celestica Inc. (Celestica) is incorporated in Canada with its corporate headquarters located at 844 Don Mills Road, Toronto, Ontario, M3C 1V7. Celestica's subordinate voting shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE).

Celestica delivers innovative supply chain solutions globally to customers in the Communications (comprised of enterprise communications and telecommunications), Consumer, Diversified (comprised of industrial, aerospace and defense, healthcare, solar, green technology, semiconductor equipment and other), Servers, and Storage end markets. Our product lifecycle offerings include a range of services to our customers including design, engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorized for issuance by our Board of Directors on March 5, 2015.

Functional and presentation currency:

The consolidated financial statements are presented in U.S. dollars, which is also our functional currency. Unless otherwise noted, all financial information is presented in millions of U.S. dollars (except percentages and per share amounts).

Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and the related disclosures of contingent assets and liabilities. Actual results could differ materially from these estimates and assumptions. We review our estimates and underlying assumptions on an ongoing basis and make revisions as determined necessary by management. Revisions are recognized in the period in which the estimates are revised and may impact future periods as well.

Key sources of estimation uncertainty and judgment: We have applied significant estimates and assumptions in the following areas which we believe could have a significant impact on our reported results and financial position: our valuations of inventory, assets held for sale and income taxes; the amount of restructuring charges or recoveries; the measurement of the recoverable amount of our cash generating units (CGUs) (we define a CGU as the smallest identifiable group of assets that cannot be tested individually and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets), which includes estimating future growth, profitability and discount rates; our valuations of financial assets and liabilities, pension and non-pension post-employment benefit costs, employee stock-based compensation expense, provisions and contingencies; and the allocation of the purchase price and other valuations related to our business acquisitions. The near-term economic environment could also impact certain estimates necessary to prepare our consolidated financial statements, in particular, the recoverable amount used in our impairment testing of our non-financial assets, and the discount rates applied to our net pension and non-pension post-employment benefit assets or liabilities.

We have also applied significant judgment in the following areas: the determination of our CGUs and whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted; and the timing of the recognition of charges or recoveries associated with our restructuring actions.

We describe our use of judgment and estimation uncertainties in greater detail in the following accounting policies.

SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies below are in compliance with IFRS and have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of measurement:

The consolidated financial statements have been prepared primarily on the historical cost basis. Other measurement bases are described in the applicable notes.

(b) Basis of consolidation:

These consolidated financial statements include our direct and indirect subsidiaries, all of which are wholly-owned. Subsidiaries that are acquired during the year are consolidated from their respective dates of acquisition. Inter-company transactions and balances are eliminated on consolidation.

(c) Business combinations:

We use the acquisition method to account for any business combinations. All identifiable assets and liabilities are recorded at fair value at the acquisition date. Any goodwill that arises from business combinations is tested annually for impairment (see note 2(l)). Obligations for contingent consideration and contingencies are also recorded at fair value on the acquisition date. We generally record subsequent changes in the fair value of contingent liabilities from the date of acquisition to the settlement date in our consolidated statement of operations. We expense acquisition-related transaction costs as incurred in our consolidated statement of operations.

We use judgment to determine the purchase price allocation and estimates to value identifiable net assets, including the fair value of contingent consideration, if applicable, at the acquisition date. We may engage independent third parties to determine the fair value of property, plant and equipment and customer intangible assets. We use estimates to determine cash flow projections, including the period of future benefit, and future growth and discount rates, among other factors.

(d) Foreign currency translation:

The majority of our subsidiaries have a U.S. dollar functional currency which represents the currency of the primary economic environment in which they operate. For these subsidiaries, we translate monetary assets and liabilities denominated in foreign currencies into U.S. dollars at the period-end exchange rates. We translate non-monetary assets and liabilities denominated in foreign currencies at historic rates, and we translate revenue and expenses at the average exchange rates prevailing during the month of the transaction. Exchange gains and losses also arise on the settlement of foreign-currency denominated transactions. We recognize foreign currency differences arising on translation in our consolidated statement of operations.

For foreign operations with a non-U.S. dollar functional currency, we translate assets and liabilities into U.S. dollars using the period-end exchange rates, and we translate revenue and expenses at the average exchange rates prevailing during the month of the transaction. We defer gains and losses arising from the translation of these foreign operations in the foreign currency translation account included in accumulated other comprehensive income.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash on account and short-term investments with original maturities of three months or less. These instruments are subject to an insignificant risk of change in fair value over their terms and, as a result, we carry cash and cash equivalents at cost.

(f) Accounts receivable:

We initially value our accounts receivable at fair value. We record an allowance for doubtful accounts against accounts receivable that management believes are impaired. We record specific allowances against customer receivables based on our evaluation of the customers' credit worthiness and knowledge of their financial condition. We also consider the aging of the receivables, customer and industry concentrations, the current business environment, and historical experience.

(g) Inventories:

We procure inventory and manufacture based on specific customer orders and forecasts and value our inventory on a first-in, first-out basis at the lower of cost and net realizable value. The cost of our finished goods and work-in-progress includes direct materials, labor and overhead. We may require valuation adjustments if actual market conditions or demand for our customers' products is less favorable than originally projected. The determination of net realizable value involves significant management judgment. We consider factors such as shrinkage, the aging of and future demand for the inventory, and contractual arrangements with customers. We attempt to utilize excess inventory in other products we manufacture or return inventory to the suppliers or customers. We use future sales volume forecasts to estimate excess inventory on-hand. A change to these assumptions may impact our inventory valuation and our gross margins. Should circumstances change, we may adjust our previous write-downs in our consolidated statement of operations in the period a change in estimate occurs.

(h) Assets classified as held for sale:

We classify assets as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continued use. Management must be committed to the sale transaction and the asset must be immediately available for sale in its present condition. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are no longer depreciated. The determination of fair value less costs to sell involves judgment by management on the probability and timing of disposition and the amount of recoveries and costs. We may engage independent third parties to determine the estimated fair values less costs to sell for assets classified as held for sale. At the end of each reporting period, we evaluate the appropriateness of our estimates and assumptions. We may require adjustments to reflect actual experience or changes in estimates.

(i) Property, plant and equipment:

We carry property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. Cost consists of expenditures directly attributable to the acquisition of the asset, including interest on any borrowed funds used for constructing qualified long-term assets. We capitalize the cost of an asset when the economic benefits associated with that asset are probable and when the cost can be measured reliably. We capitalize the costs of major renovations and we write-off the carrying amount of replaced assets. We expense all other maintenance and repair costs in our consolidated statement of operations as incurred. We do not depreciate land. We recognize depreciation expense on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	25 years
Building/leasehold improvements	Up to 25 years or term of lease
Machinery and equipment	3 to 10 years

We estimate the useful life of property, plant and equipment based on the nature of the asset, historical experience, the terms of any related customer contract and expected changes in technology. When major components of an asset have a significantly different useful life than their primary asset, the components are accounted for and depreciated separately. We review our estimates of residual values, useful lives and the methods of depreciation annually at each year end and, if required, adjust for these prospectively. We determine gains and losses on the disposal or retirement of property, plant and equipment by comparing the proceeds from disposal with the carrying amount of the asset and we recognize these gains and losses in our consolidated statement of operations in the period of disposal.

(j) Leases:

We are the lessee of property, plant and equipment, primarily buildings and machinery. We classify leases as operating leases where the risks and rewards of ownership are retained by the lessor. We generally treat payments made under operating leases as rentals and recognize them as expenses on a straight-line basis over the term of the lease in our consolidated statement of operations. For operating leases, we do not record the leased asset or associated obligation on our consolidated balance sheet. We classify leases as finance leases if the risks and rewards of ownership have substantially transferred to us. We capitalize finance leases at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments, and we depreciate finance leases over the shorter of the useful life of the asset and the lease term. We include the corresponding liabilities, net of finance costs, in our consolidated balance sheet. We allocate each finance lease payment between the liability and finance costs.

(k) Goodwill and intangible assets:

Goodwill:

We initially measure goodwill on our consolidated balance sheet as the excess of the fair value of the consideration paid compared to the fair value of the identifiable net assets acquired, including the fair value of any contingent consideration. In subsequent reporting periods, we measure goodwill at cost less accumulated impairment losses. We do not amortize goodwill. For purposes of impairment testing, we allocate goodwill to the CGU, or group of CGUs, that we expect will benefit from the acquisition. See note 2(l), Impairment of goodwill, intangible assets and property, plant and equipment.

Intangible assets:

We record intangible assets on our consolidated balance sheet at fair value on the date of acquisition. We capitalize intangible assets when the economic benefits associated with the asset are probable and when the cost can be measured reliably. We estimate the useful life of intangible assets based on the nature of the asset, historical experience and the projected period of expected future economic benefits to be provided by the asset. In subsequent reporting periods, we measure intangible assets at cost less accumulated amortization and accumulated impairment losses. We amortize these assets on a straight-line basis over their estimated useful lives as follows:

Intellectual property	3 to 5 years
Other intangible assets	4 to 10 years
Computer software assets	1 to 10 years

Intellectual property assets consist primarily of certain non-patented intellectual property and process technology. Other intangible assets consist primarily of customer relationships and contract intangibles. Computer software assets consist primarily of software licenses. We review our estimates of residual values, useful lives and the methods of amortization annually at each year end and, if required, adjust for these prospectively. We reflect changes in useful lives on a prospective basis.

(l) Impairment of goodwill, intangible assets and property, plant and equipment:

We review the carrying amounts of goodwill, intangible assets and property, plant and equipment for impairment on an annual basis and whenever events or changes in circumstances (triggering events) indicate that the carrying amount of an asset or CGU may not be recoverable. If any such indication exists, we test the carrying amount of an asset or a CGU for impairment. Absent triggering events during the year, we conduct our annual impairment assessment in the fourth quarter of the year to correspond with our annual planning cycle. Judgment is required in the determination of our CGUs and whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted prior to the annual assessment.

We recognize an impairment loss when the carrying amount of an asset, CGU or group of CGUs exceeds its recoverable amount. The recoverable amount of an asset, CGU or group of CGUs is measured as the greater of its value-in-use and its fair value less costs to sell. The process of determining the recoverable amount is subjective and requires management to exercise significant judgment in estimating future growth and discount rates and projecting cash flows, among other factors. The process of determining fair value less costs to sell requires valuations and use of appraisals. Where applicable, we work with independent brokers to obtain market prices to estimate our real property values. We recognize impairment losses in our consolidated statement of operations. We first allocate impairment losses in respect of a CGU to reduce the carrying amount of goodwill and then to reduce the carrying amount of other assets in the CGU or group of CGUs on a pro rata basis.

We do not reverse impairment losses for goodwill in future periods. We reverse impairment losses other than for goodwill, if the losses we recognized in prior periods no longer exist or have decreased. At each reporting date, we review for indicators that could change the estimates we used to determine the recoverable amount. The amount of the reversal is limited to restoring the carrying amount to the amount that would have been determined, net of depreciation or amortization, had we recognized no impairment loss in prior periods.

(m) Provisions:

We recognize a provision for legal or constructive obligations arising from past events when the amount can be reliably estimated and it is probable that an outflow of resources will be required to settle an obligation. The nature and type of provisions vary and management judgment is required to determine the extent of an obligation and whether the outflow of resources is probable. At the end of each reporting period, we evaluate the appropriateness of the remaining balances. We may require adjustments to the recorded amounts to reflect actual experience or changes in future estimates.

Restructuring:

We incur restructuring charges relating to workforce reductions, site consolidations and costs associated with exiting businesses. Our restructuring charges include employee severance and benefit costs, gains, losses or impairments related to owned sites and equipment we no longer use and which are available for sale, impairment of related intangible assets, and costs related to leased sites and equipment we no longer use.

The recognition of these charges requires management to make certain judgments and estimates regarding the nature, timing and amounts associated with these restructuring plans. Our major assumptions include the timing and number of employees we will terminate, the measurement of termination costs, the timing and amount of lease obligations, and the timing of disposition and estimated fair values less costs to sell for assets we no longer use and which are available for sale. We recognize employee termination costs in the period the detailed plans are approved and when the employees are informed of their termination. For owned sites and equipment that are no longer in use and are available for sale, we recognize an impairment loss based on the fair value less costs to sell, with fair value estimated based on market prices for similar assets. We may engage independent third parties to determine the fair value less costs to sell for these assets. For leased sites that we have vacated, we discount the lease obligation based on future lease payments net of estimated sublease income. We recognize the change in provisions due to the passage of time as finance costs. To estimate future sublease income, we work with independent brokers to determine the estimated tenant rents we can expect to realize. At the end of each reporting period, we evaluate the appropriateness of the remaining balances. We may require adjustments to the recorded amounts to reflect actual experience or changes in future estimates.

Legal:

In the normal course of our operations, we may be subject to lawsuits, investigations and other claims, including environmental, labor, product, customer disputes and other matters. We recognize a provision for claims based on management's estimate of the probable outcome. Judgment is required when there is a range of possible outcomes. Management considers the degree of probability of the outcome and the ability to make a reasonable estimate of the loss. We may also use third party advisors in making our determination. The filing of a suit or formal assertion of a claim does not automatically trigger a requirement to record a provision. The ultimate outcome, including the amount and timing of any payments required, may vary significantly from our original estimates. Potential material obligations that have not been recognized as provisions, as the outcome is remote or not probable, or the amount cannot be reliably estimated, are disclosed as contingent liabilities. See note 23.

Warranty:

We offer product and service warranties to our customers. We record a provision for future warranty costs based on management's estimate of probable claims under these warranties. Management considers several factors including the terms of the warranty (which vary by customer, product or service), the current volume of products sold or services rendered during the warranty period, and historical warranty information. We review and adjust these estimates as necessary to reflect our experience and new information. The amount and aging of our provision will vary depending on various factors including the length of the warranty offered, the remaining life of the warranty and the extent and timing of warranty claims. We have classified a portion of our warranty provision as current and a portion as non-current.

(n) Employee benefits:

Pension and non-pension post-employment benefits:

We classify pension and non-pension post-employment benefits as either defined contribution plans or defined benefit plans.

Under defined contribution plans, our obligation is to make a fixed contribution to a separate entity. The related investment risk is borne by the employee. We recognize our obligations to make contributions to defined contribution plans as an employee benefit expense in our consolidated statement of operations in the period the employee services are rendered.

Under defined benefit plans, our obligation is to provide an agreed upon benefit to specified plan participants. We remain exposed to the actuarial and investment risks with respect to defined benefit plans. The net obligation is actuarially determined using the projected unit credit method, based on service and management's estimates. Actuarial valuations require management to make certain judgments and estimates relating to salary escalation, compensation levels at the time of retirement, retirement ages, the discount rate used in measuring the net interest on the net defined benefit asset or liability, and expected healthcare costs (as applicable). These actuarial assumptions could change from period-to-period and actual results could differ materially from the estimates originally made by management. We evaluate our assumptions on a regular basis, taking into consideration current market conditions and historical data. Market driven changes may affect the actual rate of return on plan assets compared to our assumptions, as well as our discount rates and other variables which could cause actual results to differ materially from our estimates. Changes in assumptions could impact our defined benefit pension plan valuations and our future defined benefit pension plan expense and funding.

Our obligation for each defined benefit plan consists of the present value of the defined benefit obligation less the fair value of plan assets, and is presented on a net basis on our consolidated balance sheet. When the actuarial calculation results in a benefit, the asset we recognize is restricted to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, we also consider any minimum funding requirements that apply to the plan. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

We recognize past service costs or credits arising from plan amendments, whether vested or unvested, immediately in our consolidated statement of operations. We determine the net interest expense (income) on the net defined benefit liability (asset) for each year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit liability (asset) position, taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of operations. The difference between the interest income on plan assets and the actual net return on plan assets is included in the re-measurement of the net defined benefit liability (asset). We recognize actuarial gains and losses on plan assets or obligations, as well as any year over year change in the impairment of the balance sheet position in other comprehensive income (OCI) and we reclassify the amounts to deficit. Curtailment gains or losses may arise from significant changes to a plan. We record curtailment gains or losses in our consolidated statement of operations when the curtailment occurs.

Stock-based compensation:

We generally grant stock options, performance share units (PSUs) and restricted share units (RSUs) to employees as part of our stock-based compensation plans. Stock options and RSUs vest in installments over the vesting period. Stock options generally vest 25% per year for four years, and RSUs vest approximately one-third per year for three years. We treat each installment of stock options and RSUs as a separate grant in determining the compensation expense. PSUs vest at the end of their respective terms, generally three years from the grant date, to the extent that specified performance conditions have been met.

Options are exercisable for subordinate voting shares. We recognize the grant date fair value of options granted to employees as compensation expense in our consolidated statement of operations, with a corresponding charge to contributed surplus in our consolidated balance sheet, over the vesting period. We

adjust compensation expense to reflect the estimated number of options we expect to vest at the end of the vesting period. When options are exercised, we credit the proceeds to capital stock in our consolidated balance sheet. We measure the fair value of options using the Black-Scholes option pricing model. Measurement inputs include the price of our subordinate voting shares on the grant date, the exercise price of the option, and our estimates of the following: expected price volatility of our subordinate voting shares (based on weighted average historic volatility), weighted average expected life of the option (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate.

The cost we record for RSUs, for all PSUs granted prior to 2011, and for 40% of the PSUs granted in each of 2013 and 2014, is based on the market value of our subordinate voting shares at the time of grant. The cost we record for these PSUs, which vest based on a non-market performance condition related to the achievement by the Company of pre-determined financial targets over a specified period, is based on our estimate of the outcome of such performance condition. We adjust the cost of these PSUs as new facts and circumstances arise; the timing of these adjustments is subject to judgment. We generally record adjustments to the cost of these PSUs during the last year of the three-year term based on management's estimate of the level of achievement of such performance conditions. We amortize the cost of RSUs and these PSUs to compensation expense in our consolidated statement of operations, with a corresponding charge to contributed surplus in our consolidated balance sheet, over the vesting period. Historically, we have generally settled these awards with subordinate voting shares purchased in the open market by a trustee, or by issuing subordinate voting shares from treasury. However, under certain circumstances, we have also cash-settled certain awards which we account for as liabilities. We re-measure the liabilities based on our share price at each reporting date and at the settlement date, with a corresponding charge or recovery recorded in our consolidated statement of operations.

We determine the cost we record for all PSUs granted in 2011 and 2012, and 60% of the PSUs granted in each of 2013 and 2014, using a Monte Carlo simulation model. The number of awards expected to vest is factored into the grant date Monte Carlo valuation for the award. The number of these PSUs that will vest depends on the level of achievement of a market performance condition, over a three-year period, based on our total shareholder return (TSR) relative to the TSR of a pre-defined electronics manufacturing services (EMS) competitor group. We do not adjust the grant date fair value regardless of the eventual number of awards that vest based on the level of achievement of the market performance condition. We recognize compensation expense in our consolidated statement of operations on a straight-line basis over the requisite service period and we reduce this expense for the estimated PSU awards that are not expected to vest because the employment conditions are not expected to be satisfied.

We grant deferred share units (DSUs) to certain members of our Board of Directors as part of their compensation, which is comprised of an annual equity award, an annual retainer, and meeting fees. In the case of the annual equity award, which is granted in equal amounts each quarter, the number of DSUs we grant is determined by dividing the dollar value of the award by the closing price of our subordinate voting shares on the NYSE on the last business day of the quarter. In the case of the annual retainer and meeting fees, the number of DSUs we grant is determined by dividing either 50% or 100% (depending on the election made by each director), of the dollar value of the retainer and fees earned in the quarter by the closing price of our subordinate voting shares on the NYSE on the last business day of the quarter. Each DSU represents the right to receive one subordinate voting share or an equivalent value in cash after the individual ceases to serve as a director. For DSUs granted prior to January 1, 2007, we may settle these share units with subordinate voting shares issued from treasury or purchased in the open market, or with cash. For DSUs granted after January 1, 2007, we may only settle these share units with subordinate voting shares purchased in the open market or with cash. We expense the cost of DSUs through SG&A in our consolidated statement of operations in the period the services are rendered.

(o) Deferred financing costs:

Deferred financing costs consist of costs relating to our revolving credit facility which we amortize to our consolidated statement of operations on a straight-line basis over the term of the facility. We record financing costs relating to the issuance of any long-term debt as a reduction to the cost of the related debt which we amortize to our consolidated statement of operations over the term of the related debt or when the debt is retired, if earlier.

(p) Income taxes:

Our income tax expense for the period is comprised of current and deferred income taxes. Current taxes and deferred taxes are recognized in our consolidated statement of operations, except to the extent that they relate to items recognized in OCI or directly in equity, in which case, the taxes are also recognized in OCI or directly in equity, respectively.

In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain until we resolve it with the relevant tax authority, which may take many years. The final tax outcome of these matters may be different from the estimates management originally made in determining our tax provision. Management periodically evaluates the positions taken in our tax returns with respect to situations in which applicable tax rules are subject to interpretation. We establish provisions related to tax uncertainties where appropriate based on our estimate of the amount that ultimately will be paid to or received from tax authorities. We recognize accrued interest and penalties relating to tax uncertainties in current income tax expense. The various judgments and estimates by management in establishing provisions related to tax uncertainties will significantly affect the amounts we recognize in our consolidated financial statements.

We use the liability method of accounting for deferred income taxes. Under this method, we recognize deferred income tax assets and liabilities for future income tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases, and on unused tax losses and tax credit carryforwards. We measure deferred income taxes using tax rates and laws that have been enacted or substantively enacted (pursuant to IFRS rules) at the reporting date and that we expect will apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. We recognize deferred income tax assets only to the extent that it is probable, based on management's estimates that future taxable profit will be available against which the deductible temporary differences as well as unused tax losses and tax credit carryforwards can be utilized. Estimates of future taxable profit in different tax jurisdictions are an area of estimation uncertainty. We review our deferred income tax assets at each reporting date and reduce them to the extent it is no longer probable that we will realize the related tax benefits. We recognize the effect of a change in income tax rates in the period of enactment or substantive enactment.

We do not recognize deferred income taxes if they arise from the initial recognition of goodwill, or for temporary differences arising from the initial recognition of an asset or a liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. We also do not recognize deferred income taxes on temporary differences relating to investments in subsidiaries to the extent we are able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

During each period, we record current income tax expense or recovery based on taxable income earned or loss incurred in each tax jurisdiction where we operate, and for any adjustments to taxes payable in respect of previous years, using tax laws that are enacted or substantively enacted at the balance sheet date.

(q) Financial assets and financial liabilities:

We recognize financial assets and financial liabilities initially at fair value and subsequently measure these at either fair value or amortized cost based on their classification as described below. See note 2(s), Impairment of financial assets.

Fair value through profit or loss:

Financial assets and financial liabilities that we purchase or incur, respectively, with the intention of generating earnings in the near term, and derivatives other than hedging instruments, are classified as fair value through profit or loss. This category includes our short-term investments in money market funds grouped with cash equivalents, and derivative assets and derivative liabilities not qualifying for hedge accounting. We initially recognize investments in our consolidated balance sheet at fair value and recognize subsequent changes in our consolidated statement of operations. We expense transaction costs as incurred in our consolidated statement of operations.

Held-to-maturity investments:

Securities that have fixed or determinable payments and a fixed maturity date, which we intend to and have the ability to hold to maturity, are classified as held-to-maturity investments and include our term deposits that we group with cash equivalents. We initially recognize held-to-maturity financial assets in our consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measure these at amortized cost using the effective interest rate method, less any impairment losses.

Loans and receivables:

We classify financial assets with fixed or determinable payments, such as our accounts receivable, as loans and receivables. This category excludes any derivative assets or assets that are quoted in active markets. We initially recognize loans and receivables in our consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measure these at amortized cost using the effective interest rate method, less any impairment losses.

Other financial liabilities:

This category is for financial liabilities that are not classified as fair value through profit or loss and includes accounts payable, the majority of our accrued liabilities and certain other provisions. We record these financial liabilities at amortized cost in the consolidated balance sheet.

Available-for-sale:

We currently do not hold any financial assets designated as available-for-sale.

(r) Derivatives and hedge accounting:

We enter into forward exchange and option contracts to hedge the cash flow risk associated with firm purchase commitments and forecasted transactions in foreign currencies that are considered highly probable and to hedge foreign-currency denominated balances. We use estimates to forecast future cash flows and the future financial position of net monetary assets or liabilities denominated in foreign currencies. We apply hedge accounting to those hedge transactions that are considered effective. Management assesses the effectiveness of hedges by comparing actual outcomes against these estimates on a regular basis. Subsequent revisions in estimates of future cash flow forecasts, if significant, may result in the discontinuation of hedge accounting for that hedge. We do not enter into derivative contracts for speculative purposes.

At the inception of a hedging relationship, we formally document the relationship between our hedging instrument and the hedged item, as well as our risk management objectives and strategy for undertaking the various hedge transactions. Our process includes linking all derivatives to specific assets and liabilities on our consolidated balance sheet or to specific firm commitments or forecasted transactions. We also formally assess, both at the hedge's inception and at the end of each quarter, whether the derivatives used in hedged transactions are highly effective in offsetting changes in the cash flows of the hedged items. We record the gain or loss from these forward contracts in the same line item where the underlying exposures are recognized in our consolidated statement of operations. For our non-designated hedges against our balance sheet exposures denominated in foreign currencies, we record the gain or loss from these forward contracts in SG&A.

Forward contracts not designated as hedges are marked to market each period, resulting in a gain or loss in our consolidated statement of operations.

We measure all derivative contracts at fair value in our consolidated balance sheet. The majority of our derivative assets and liabilities arise from foreign currency forward contracts that we designate as cash flow hedges. In a cash flow hedge, we defer the changes in the fair value of the hedging derivative, to the extent effective, in OCI until we recognize the asset, liability or forecasted transactions being hedged in our consolidated statement of operations. For hedges that we discontinue before the end of the original hedge term, we amortize the unrealized hedge gain or loss in OCI to operations in our consolidated statement of operations over the remaining duration of the original hedge term. If the hedged item ceases to exist before the end of the original hedge term, we recognize the unrealized hedge gain or loss in OCI immediately in our consolidated statement of operations. For our current cash flow hedges, the majority of the underlying expenses we hedge are included in cost of sales in our consolidated statement of operations.

We value our derivative assets and liabilities based on inputs that are either readily available in public markets or derived from information available in public markets. The inputs we use include discount rates and forward exchange rates. Changes in these inputs can cause significant volatility in the fair value of our financial instruments in the short-term.

(s) Impairment of financial assets:

We review financial assets at each reporting date and these are deemed to be impaired when objective evidence resulting from one or more events subsequent to the initial recognition of the asset indicates the estimated future cash flows of the asset have been negatively impacted. We measure an impairment loss as the excess of the carrying amount over the present value of the estimated future cash flows discounted using the financial asset's original discount rate and we recognize this loss in our consolidated statement of operations.

(t) Revenue:

We derive the majority of our revenue from the sale of electronic products and services that we have manufactured and provided to customer specifications. Our range of services includes design, engineering, manufacturing, assembly and test, fulfillment and after-market services. We recognize revenue from the sale of products and services rendered when the significant risks and rewards of ownership associated with the products sold or services rendered have passed to the buyer and no material uncertainties remain as to the collection of our receivables and we have no further performance obligations thereunder other than our manufacturing or service warranties.

We provide warehousing services in connection with manufacturing services to certain customers. We assess the contracts to determine whether the manufacturing and warehousing services can be accounted for as separate units of accounting. If the services do not constitute separate units of accounting, or the manufacturing services do not meet all of the revenue recognition requirements under IFRS, we defer recognizing revenue until we have shipped the products to the customer.

(u) Government grants:

We may receive government grants related to equipment purchases or other expenditures. We recognize these grants when there is reasonable assurance that we will retain the benefits. If we receive a grant but do not have reasonable assurance that we will comply with the conditions of the grant, we will defer the grant and record a liability on our consolidated balance sheet until the conditions are fulfilled. For grants that relate to the purchase of equipment, we reduce the cost of the asset in the period the cost is incurred or when the conditions are fulfilled, and we calculate amortization on the net amount. For grants that relate to operating expenditures, we reduce the expense in the period the cost is incurred or when the conditions are fulfilled.

(v) Research and development:

We incur costs relating to research and development activities. We expense these costs as incurred in our consolidated statement of operations unless development costs meet certain criteria under IFRS for capitalization. We did not capitalize any research and development costs in 2014, 2013 or 2012.

(w) Earnings per share (EPS):

We calculate basic EPS by dividing net earnings by the weighted average number of shares outstanding during the period. We calculate diluted EPS using the treasury stock method, which reflects the potential dilution from stock-based awards that are issued from treasury.

(x) Recently adopted accounting pronouncements:

IAS 32, Financial Instruments — Presentation (revised):

Effective January 1, 2014, we adopted this amendment issued by the IASB which clarifies the requirements for offsetting financial assets and liabilities. The adoption of this amendment did not have a material impact on our consolidated financial statements.

IFRIC Interpretation 21, Levies:

Effective January 1, 2014, we adopted this interpretation issued by the IASB which clarifies when the liability for certain levies should be recognized and requires retroactive adoption. The adoption of this interpretation did not have a material impact on our consolidated financial statements.

(y) Recently issued accounting pronouncements:

IFRS 15, Revenue from Contracts with Customers:

In May 2014, the IASB issued this standard which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. This standard is effective January 1, 2017 and allows early adoption. We do not intend to adopt this standard early and are currently evaluating the anticipated impact of adopting this standard on our consolidated financial statements.

IFRS 9, Financial Instruments:

In July 2014, the IASB issued this standard which replaces IAS 39, *Financial Instruments: Recognition and Measurement.* The standard is effective for annual periods beginning on or after January 1, 2018, and allows earlier adoption. The standard introduces a new model for the classification and measurement of financial assets, a single expected credit loss model for the measurement of the impairment of financial assets, and a new model for hedge accounting that is aligned with a company's risk management activities. We do not intend to adopt this standard early and are currently evaluating the anticipated impact of adopting this standard on our consolidated financial statements.

3. ACQUISITIONS:

We did not complete any acquisitions in 2014 or 2013.

In September 2012, we completed the acquisition of D&H Manufacturing Company (D&H), a manufacturer of precision machined components and assemblies based in California, U.S.A. D&H provides manufacturing and engineering services, coupled with dedicated capacity and equipment for prototype and quick-turn support, to semiconductor capital equipment manufacturers. We financed the purchase price of $71.0, net of cash acquired, from cash on hand. None of the goodwill was deductible for tax purposes. We expensed acquisition-related transaction costs of $0.9 during 2012 in other charges in our consolidated statement of operations.

Details of the purchase price allocation are as follows:

Current assets, net of cash acquired	$ 21.6
Property, plant and equipment and other long-term assets	15.1
Customer intangible assets and computer software assets	24.0
Goodwill	26.4
Current liabilities	(4.2)
Deferred income taxes and other long-term liabilities	(11.9)
	$ 71.0

The acquisition did not have a significant impact on our consolidated results of operations in the year of acquisition.

Pro forma disclosure: Revenue and earnings for 2012 would not have been materially different had the acquisition occurred at the beginning of 2012.

In the fourth quarter of 2014, as a result of our annual impairment assessment of goodwill and intangible assets, we recorded an impairment charge against the goodwill of our semiconductor CGU. See notes 8 and 15(b).

4. ACCOUNTS RECEIVABLE:

In November 2012, we amended our existing accounts receivable sales agreement to sell up to $375.0 at any one time in accounts receivable on an uncommitted basis (subject to pre-determined limits by customer) to two third-party banks to, among other things, amend the obligor limits thereunder. In November 2013, we further amended the agreement to reduce its overall capacity to $250.0 based upon our annual review of our requirements under this agreement. In November 2014, we again amended this agreement at the same capacity and added a third bank. Each of these banks had a Standard and Poor's long-term rating of A or above and a short-term rating of A-1 at December 31, 2014. The term of this agreement has been extended through the foregoing amendments for additional one-year periods (and is currently extendable to November 2016 under specified circumstances), but may be terminated earlier as provided in the agreement. At December 31, 2014, we had sold $50.0 of accounts receivable under this facility (December 31, 2013 — $50.0). The accounts receivable sold are removed from our consolidated balance sheet and reflected as cash provided by operating activities in our consolidated statement of cash flows. Upon sale, we assign the rights to the accounts receivable to the banks. We continue to collect cash from our customers and remit the cash to the banks when collected. We pay interest and fees which we record in finance costs in our consolidated statement of operations.

5. INVENTORIES:

Inventories is comprised of the following:

	December 31	
	2013	2014
Raw materials	$527.7	$458.3
Work in progress	109.8	96.8
Finished goods	179.7	163.9
	$817.2	$719.0

We record our inventory provisions and valuation recoveries in cost of sales. We record inventory provisions to reflect write-downs in the value of our inventory to net realizable value, and valuation recoveries primarily to reflect realized gains on the disposition of inventory previously written down to net realizable value. During 2014, we recorded net inventory provisions of $5.8 (2013 — net provisions of $7.9; 2012 — net provisions of $5.3). We regularly review our estimates and assumptions used to value our inventory through analysis of historical performance. During 2012, our net inventory provisions of $5.3 were comprised of new provisions of $10.9 for aged inventory, offset in part by a $5.6 provision reversal for the improved recovery of certain inventory.

6. ASSETS CLASSIFIED AS HELD FOR SALE:

As a result of previously announced restructuring actions, we reclassified certain assets as held for sale. At the time of reclassification, we recorded an impairment loss in restructuring charges, where the carrying value of those assets exceeded the fair value less estimated costs to sell. See note 15(a). We have programs underway to sell these assets.

At December 31, 2014, we had $28.3 (December 31, 2013 — $30.2) of assets classified as held for sale, primarily land and buildings in Europe and the Americas.

7. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are comprised of the following:

	2013		
	Cost	Accumulated Depreciation and Impairment	Net Book Value
Land	$ 24.3	$ 7.8	$ 16.5
Buildings including improvements	296.9	141.3	155.6
Machinery and equipment	681.0	539.5	141.5
	$1,002.2	$688.6	$313.6

	2014		
	Cost	Accumulated Depreciation and Impairment	Net Book Value
Land	$ 22.7	$ 7.8	$ 14.9
Buildings including improvements	294.7	147.8	146.9
Machinery and equipment	686.2	535.6	150.6
	$1,003.6	$691.2	$312.4

The following table details the changes to the net book value of property, plant and equipment for the years indicated:

	Land	Buildings including Improvements	Machinery and Equipment	Total
Balance — January 1, 2013	$19.0	$162.2	$155.8	$337.0
Additions	—	11.1	34.2	45.3
Depreciation	—	(14.5)	(45.0)	(59.5)
Reclassification to assets held for sale and other disposals	(0.1)	(1.9)	(3.3)	(5.3)
Foreign exchange and other	(2.4)	(1.3)	(0.2)	(3.9)
Balance — December 31, 2013[(i)]	16.5	155.6	141.5	313.6
Additions	—	7.6	53.0	60.6
Depreciation	—	(15.1)	(43.0)	(58.1)
Reclassification to assets held for sale and other disposals	—	(0.1)	(0.3)	(0.4)
Foreign exchange and other	(1.6)	(1.1)	(0.6)	(3.3)
Balance — December 31, 2014[(i)]	$14.9	$146.9	$150.6	$312.4

(i) The net book value of property, plant and equipment at December 31, 2014 included $0.2 (December 31, 2013 — $0.3) of assets under finance leases.

8. GOODWILL AND INTANGIBLE ASSETS:

Goodwill and intangible assets are comprised of the following:

	2013		
	Cost	Accumulated Amortization and Impairment	Net Book Value
Goodwill	$ 74.9	$ 14.6	$60.3
Intellectual property	$111.3	$111.3	$—
Other intangible assets	239.1	203.7	35.4
Computer software assets	276.2	267.4	8.8
	$626.6	$582.4	$44.2

	2014		
	Cost	Accumulated Amortization and Impairment	Net Book Value
Goodwill	$ 74.9	$ 55.4	$19.5
Intellectual property	$111.3	$111.3	$—
Other intangible assets	237.5	209.1	28.4
Computer software assets	276.7	269.9	6.8
	$625.5	$590.3	$35.2

The following table details the changes to the net book value of goodwill and intangible assets for the years indicated:

	Goodwill	Other Intangible Assets	Computer Software Assets	Total
Balance — January 1, 2013	$ 60.3	$41.5	$11.5	$113.3
Additions	—	—	3.1	3.1
Amortization	—	(6.5)	(5.7)	(12.2)
Foreign exchange and other	—	0.4	(0.1)	0.3
Balance — December 31, 2013	60.3	35.4	8.8	104.5
Additions	—	—	3.2	3.2
Amortization	—	(6.3)	(4.3)	(10.6)
Impairment loss (note 15(b))	(40.8)	—	—	(40.8)
Foreign exchange and other	—	(0.7)	(0.9)	(1.6)
Balance — December 31, 2014	$ 19.5	$28.4	$ 6.8	$ 54.7

We conduct our annual impairment assessment of goodwill and intangible assets in the fourth quarter of each year (corresponding to our annual planning cycle) and whenever events or changes in circumstances indicate that the carrying amount of an asset, CGU or a group of CGUs may not be recoverable. See notes 2(l) and 15(b). We recognize an impairment loss when the carrying amount of an asset, CGU or a group of CGUs exceeds its recoverable amount, which is measured as the greater of its value-in-use and its fair value less costs to sell.

Prior to our 2014 annual impairment assessment, we did not identify any triggering event during the course of 2014 that would indicate the carrying amount of our assets and CGUs may not be recoverable. In the fourth quarter of 2014, we completed our annual impairment assessment of goodwill and intangible assets, and as a result thereof, recorded an impairment charge of $40.8 against the goodwill of our semiconductor CGU. See note 15(b). In 2013, we recorded no impairment against goodwill or intangible assets. In the fourth quarter of 2012, we recorded impairment charges of $14.6 against goodwill and $0.7 against computer software assets.

9. OTHER NON-CURRENT ASSETS:

	December 31	
	2013	2014
Net pension assets (note 18)	$40.3	$60.3
Land rights	12.2	11.8
Other	2.5	2.9
	$55.0	$75.0

10. PROVISIONS:

Our provisions include restructuring, warranty, legal and other provisions. We have included a description of our restructuring, warranty and legal provisions in note 2(m). We include details of our restructuring provision in note 15(a). The following chart details the changes in our provisions for the year indicated:

	Restructuring	Warranty	Legal[(i)]	Other[(ii)]	Total
Balance — December 31, 2013	$ 18.0	$21.4	$ 1.7	$ 4.3	$ 45.4
Provisions	0.9	11.5	39.3	0.4	52.1
Reversal of prior year provisions[(iii)]	(2.9)	(9.0)	(0.1)	—	(12.0)
Payments/usage	(14.1)	(6.1)	(0.1)	(0.3)	(20.6)
Accretion, foreign exchange and other	—	(0.6)	0.4	—	(0.2)
Balance — December 31, 2014	$ 1.9	$17.2	$41.2	$ 4.4	$ 64.7
Current	$ 1.9	$ 6.2	$41.2	$—	$ 49.3
Non-current[(iv)]	—	11.0	—	4.4	15.4
December 31, 2014	$ 1.9	$17.2	$41.2	$ 4.4	$ 64.7

(i) During 2014, we recorded provisions for various legal actions based on our estimates of the likely outcomes. The majority of such provisions is covered by insurance recoveries which we have recorded in other current assets in our consolidated balance sheet. At the end of each reporting period, we evaluate the appropriateness of our provisions, and adjustments may be made to reflect actual experience or changes in our estimates.

(ii) Other includes our asset retirement obligations of $4.3, relating primarily to leased sites.

(iii) During 2014, we reversed prior year restructuring provisions primarily to reflect lower than estimated lease payouts related to operations we intend to close. We also reversed prior year warranty provisions for our expired warranties. In addition, during the third quarter of 2014, we reviewed the estimates and assumptions used to determine our warranty provision and recorded a net reversal of $2.5 to reflect adjustments based on historical experience.

(iv) Non-current balances are included in provisions and other non-current liabilities in our consolidated balance sheet.

See note 23 regarding contingent liabilities.

11. CREDIT FACILITIES:

Our $400.0 revolving credit facility was scheduled to mature in January 2015. This facility included an accordion feature that would have allowed us to increase the credit limit under this facility by an additional $50.0 upon satisfaction of certain terms and conditions. In October 2014, we amended this facility under generally similar terms and conditions, extending its maturity to October 2018. Based on a review of our overall requirements, the credit limit of the amended facility was reduced to $300.0, with an accordion feature that allows us to increase this limit by an additional $150.0 upon satisfaction of certain terms and conditions. The facility includes a $25.0 swing line, subject to the overall credit limit, that provides for short-term borrowings up to a maximum of seven days. Borrowings under this facility bear interest for the period of the draw at LIBOR, Prime or Federal Funds rate plus a margin. The credit facility permits us and certain designated subsidiaries to borrow funds for general corporate purposes (including acquisitions). We are required to comply with certain restrictive covenants in respect of the facility, including those relating to the incurrence of senior ranking indebtedness, the sale of assets, a change of control, and certain financial covenants related to indebtedness and interest coverage. Certain of our assets are pledged as security for borrowings under this facility.

Borrowings under our revolving credit facility have historically been outstanding for fewer than 90 days. In December 2012, we completed a substantial issuer bid (SIB) to repurchase and cancel $175.0 of our subordinate voting shares, $55.0 of which were funded through this facility and repaid in full in the first half of 2013.

See note 12. At December 31, 2014, there were no amounts outstanding under this credit facility (December 31, 2013 — no amounts outstanding), and we were in compliance with all applicable restrictive and financial covenants required by this facility. Commitment fees paid in 2014 were $2.0 (2013 and 2012 — $2.0 per year). At December 31, 2014, we had $28.5 (December 31, 2013 — $29.7) outstanding in letters of credit under this facility.

We also have a total of $70.0 of uncommitted bank overdraft facilities available for intraday and overnight operating requirements. There were no amounts outstanding under these overdraft facilities at December 31, 2014 or December 31, 2013.

The amounts we borrow and repay under these facilities can vary significantly from month-to-month depending upon our working capital and other cash requirements.

12. CAPITAL STOCK:

We are authorized to issue an unlimited number of subordinate voting shares, which entitle the holder to one vote per share, and an unlimited number of multiple voting shares, which entitle the holder to 25 votes per share. The subordinate voting shares and multiple voting shares vote together as a single class on all matters submitted to a vote of shareholders, including the election of directors, except as otherwise required by law. The holders of the subordinate voting shares and multiple voting shares are entitled to share ratably, as a single class, in any dividends declared subject to any preferential rights of any outstanding preferred shares in respect of the payment of dividends. Each multiple voting share is convertible at any time at the option of the holder thereof and automatically, under certain circumstances, into one subordinate voting share. We are also authorized to issue an unlimited number of preferred shares, issuable in series. No preferred shares have been issued to date.

(a) Capital transactions:

Number of shares (in millions)	Subordinate Voting Shares	Multiple Voting Shares
Issued and outstanding at December 31, 2013	162.0	18.9
Issued from treasury[(i)]	2.1	—
Cancelled under NCIB	(8.5)	—
Issued and outstanding at December 31, 2014	155.6	18.9

(i) During 2014, we issued 1.1 million (2013 — 1.2 million; 2012 — 1.2 million) subordinate voting shares upon the exercise of employee stock options for cash proceeds of $7.8 (2013 — $7.1; 2012 — $7.5). We also issued 1.0 million (2013 — 1.1 million; 2012 — 0.8 million) subordinate voting shares from treasury with an ascribed value of $8.6 (2013 — $9.3; 2012 — $7.7) upon the vesting of certain RSUs. We also settled RSUs and PSUs with subordinate voting shares purchased in the open market. Settlement of these awards is described below.

We have repurchased subordinate voting shares in the open market and otherwise for cancellation in recent years pursuant to normal course issuer bids (NCIBs), which allow us to repurchase a limited number of subordinate voting shares during a specified period, and pursuant to an SIB. As part of the NCIB process, we have entered into Automatic Share Purchase Plans (ASPPs) with brokers, that allow such brokers to purchase our subordinate voting shares in the open market on our behalf, for cancellation under our NCIBs (including during any applicable trading blackout periods). In addition, we have entered into program share repurchases (PSRs) as part of the NCIB process, pursuant to which we make a pre-payment to a broker in consideration for the right to receive a variable number of subordinate voting shares upon such PSR's completion. Under such PSRs, the price and number of subordinate voting shares to be repurchased by us is determined based on a discount to the volume weighted average market price of our subordinate voting shares during the term of the PSR, subject to certain terms and conditions. The subordinate voting shares repurchased under any PSR are cancelled upon completion of each PSR under the NCIB.

In August 2014, we completed an NCIB launched in August 2013 (the 2013 NCIB), which allowed us to repurchase, at our discretion, up to approximately 9.8 million subordinate voting shares in the open market, or as otherwise permitted. During 2014, we paid $59.6 (including transaction fees) to repurchase and cancel 5.5 million subordinate voting shares at a weighted average price of $10.82 per share under the 2013 NCIB, including 4.0 million subordinate voting shares repurchased pursuant to two PSRs and 0.9 million subordinate voting shares repurchased pursuant to an ASPP completed during the term of the 2013 NCIB. The maximum number of subordinate voting shares we were permitted to repurchase for cancellation under the 2013 NCIB was reduced by 0.3 million subordinate voting shares we purchased in the open market during the term of the 2013 NCIB to satisfy obligations under our stock-based compensation plans.

On September 9, 2014, the TSX accepted our notice to launch a new NCIB (the 2014 NCIB), which allows us to repurchase, at our discretion, until the earlier of September 10, 2015 or the completion of purchases thereunder, up to approximately 10.3 million subordinate voting shares (representing approximately 5.8% of our total outstanding subordinate voting and multiple voting shares at the time of launch) in the open market or as otherwise permitted, subject to the normal terms and limitations of such bids. During 2014, we paid $31.0 (including transaction fees) to repurchase and cancel 2.9 million subordinate voting shares under the 2014 NCIB at a weighted average price of $10.53 per share. In December 2014, the TSX accepted our notice to amend the 2014 NCIB to permit the repurchase of our subordinate voting shares thereunder through one or more PSRs. In connection therewith, we paid $50.0 to a broker in December 2014 under a PSR for the right to receive a variable number of our subordinate voting shares upon such PSR's completion. We completed this PSR on January 28, 2015 pursuant to which we repurchased and cancelled 4.4 million subordinate voting shares at a weighted average price of $11.38 per share.

During 2013, we paid $43.6 (including transaction fees) to repurchase and cancel 4.1 million subordinate voting shares under the 2013 NCIB, at a weighted average price of $10.70 per share. At December 31, 2013, we recorded a liability of $9.8, representing the estimated cash required to repurchase the remaining 0.9 million subordinate voting shares available for purchase under the ASPP described above.

During the third quarter of 2012, we completed an NCIB launched in February 2012 (the 2012 NCIB), which allowed us to repurchase up to 16.2 million subordinate voting shares in the open market or as otherwise permitted. During 2012, we paid $113.8 (including transaction fees) to repurchase and cancel 13.3 million subordinate voting shares under the 2012 NCIB, at a weighted average price of $8.52 per share. The maximum number of subordinate voting shares we were permitted to repurchase for cancellation under the 2012 NCIB was reduced by 2.6 million subordinate voting shares we purchased in the open market during its term to satisfy obligations under our stock-based compensation plans. In the fourth quarter of 2012, we completed an SIB, pursuant to which we paid $175.0 to repurchase and cancel 22.4 million subordinate voting shares. We funded the repurchases under the SIB using $120.0 of cash on hand and $55.0 of cash drawn from our revolving credit facility. See note 11.

(b) *Stock-based compensation*:

Long-Term Incentive Plan (LTIP):

Under the LTIP, we may grant stock options, stock appreciation rights, RSUs and PSUs to eligible employees, consultants and directors. We have the option to settle these awards in subordinate voting shares purchased in the open market, or in cash, or we may issue up to 29.0 million in subordinate voting shares from treasury.

Celestica Share Unit Plan (CSUP):

Under the CSUP, we may grant RSUs and PSUs to eligible employees. We have the option to settle RSUs and PSUs issued thereunder in subordinate voting shares purchased in the open market, or in cash.

For DSUs issued to eligible directors under our Directors' Share Compensation Plan, see note 12(c).

During 2014, we recorded employee stock-based compensation expense, which excludes DSU expense, of $28.4 (2013 — $29.2; 2012 — $35.6) in cost of sales and SG&A. The amount of our employee stock-based compensation expense varies from period-to-period. The portion of our expense that relates to a non-market performance condition generally varies depending on the level of achievement of pre-determined performance goals and financial targets.

(i) Stock option plans:

We have granted stock options under our LTIP. Options are granted at prices equal to the closing market price on the day prior to the grant date and are exercisable during a period not to exceed 10 years from the grant date.

Stock option transactions were as follows for the years indicated:

	Number of Options	Weighted Average Exercise Price
	(in millions)	
Outstanding at January 1, 2013	6.0	$ 9.52
Granted	1.0	$ 8.02
Exercised	(1.2)	$ 5.85
Forfeited/Expired	(0.5)	$13.09
Outstanding at December 31, 2013	5.3	$ 9.43
Granted	—	—
Exercised	(1.1)	$ 6.81
Forfeited/Expired	(0.9)	$15.74
Outstanding at December 31, 2014	3.3	$ 8.05
Shares reserved for issuance upon exercise of stock options or awards (in millions)	17.1	

We did not grant any stock options in 2014. Outstanding stock options were exercised throughout the year. The weighted average closing market price of our subordinate voting shares was $10.83 during 2014 (2013 — $9.62).

The following stock options were outstanding as at December 31, 2014:

Range of Exercise Prices	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Life of Outstanding Options	Exercisable Options	Weighted Average Exercise Price
	(in millions)		(years)	(in millions)	
$4.13 — $6.05	0.5	$ 5.07	3.1	0.5	$ 5.07
$6.51 — $8.21	0.8	$ 7.58	5.5	0.5	$ 7.16
$8.24 — $9.87	1.3	$ 8.79	7.4	0.4	$ 9.33
$10.00 — $10.20	0.6	$10.11	3.3	0.6	$10.11
$10.69 — $14.00	0.1	$12.57	0.9	0.1	$12.60
	3.3			2.1	

We amortize the estimated fair value of options to expense over the vesting period (generally four years). We determined the grant date fair value of the stock options using the Black-Scholes option pricing model with the following weighted average assumptions for the years indicated below:

	Year ended December 31		
	2012	2013	2014[(1)]
Risk-free interest rate	0.9%	1.0%	N/A
Dividend yield	—	—	—
Expected volatility of the market price of our shares	53%	50%	N/A
Expected option life (in years)	5.5	5.5	N/A
Weighted average fair value of options granted	$3.92	$3.73	N/A

(1) We did not grant any stock options in 2014.

We determine the expected volatility of our subordinate voting shares based on an evaluation of the historical volatility of our share price. We determine the expected option life based on historical option holder behavior and the risk-free interest rate is based on U.S. government bond yields.

(ii) RSUs and PSUs:

We have granted to our employees RSUs and PSUs pursuant to our LTIP and CSUP. These grants generally entitle the holder to receive one subordinate voting share or, at our discretion, the cash equivalent of the market value of a subordinate voting share at the date of vesting. We have the option to satisfy the delivery of shares upon vesting of the awards by purchasing subordinate voting shares in the open market or by settling such awards in cash. Under one of these plans, we also have the option to satisfy the delivery of shares by issuing subordinate voting shares from treasury, subject to certain limits. We have generally settled these awards with subordinate voting shares purchased in the open market by a trustee, or by issuing subordinate voting shares from treasury. However, under certain circumstances, we have also cash-settled certain awards upon vesting (see below). We amortize the grant date fair value of RSUs and PSUs to expense over the vesting period. The number of PSUs that will actually vest will vary from 0 to the amount set forth in the table below as outstanding on December 31, 2014 (representing the maximum potential payout) depending on the level of achievement of the relevant performance conditions. The following table outlines the RSU and PSU transactions during the years indicated. As of December 31, 2014, none of the outstanding RSUs or PSUs had vested.

Number of awards (in millions)	RSUs	PSUs
Outstanding at January 1, 2013	3.4	4.8
Granted	2.3	2.1
Settled	(2.0)	(1.3)
Forfeited/Expired	(0.2)	(0.2)
Outstanding at December 31, 2013	3.5	5.4
Granted	2.1	2.6
Settled	(2.0)	(0.5)
Forfeited/Expired	(0.2)	(1.4)
Outstanding at December 31, 2014	3.4	6.1

During 2014, we granted 2.6 million (2013 — 2.1 million) PSUs, of which 60% vest based on the achievement of a market performance condition tied to TSR, and the balance vest based on a non-market performance condition based on pre-determined financial targets. In 2012, we granted 2.4 million PSUs, all of which vest based on the achievement of a market performance condition tied to TSR. See note 2(n) for a description of TSR. We estimated the grant date fair value of the TSR-based PSUs using a Monte Carlo simulation model. The grant date fair value of the non TSR-based PSUs is determined by the market value of our subordinate voting shares at the time of grant and may be adjusted in subsequent years to reflect a change in the estimated level of achievement related to the applicable performance condition. We expect to settle these awards with subordinate voting shares purchased in the open market by a trustee or issued from treasury.

The weighted average grant date fair value of RSUs awarded in 2014 was $9.33 per unit (2013 — $8.32; 2012 — $8.18). The weighted average grant date fair value of PSUs awarded in 2014 was $9.30 per unit (2013 — $8.74; 2012 — $9.79).

From time-to-time, we pay cash for the purchase by a trustee of subordinate voting shares in the open market to satisfy the delivery of subordinate voting shares upon vesting of awards under our stock-based compensation plans. For accounting purposes, we classify these shares as treasury stock until they are delivered pursuant to the plans. During 2014, we purchased 2.2 million (2013 — 1.3 million; 2012 — 2.6 million) subordinate voting shares in the open market through a trustee for $23.9 (including transaction fees) (2013 — $12.8; 2012 — $21.7) to satisfy delivery requirements under our stock-based compensation plans. At December 31, 2014, the trustee held 2.0 million (December 31, 2013 — 1.3 million) subordinate voting shares with a value of $21.4 (December 31, 2013 — $12.0). At December 31, 2012, the trustee held 0.8 million subordinate voting shares with a value of $6.4, and $11.9 in cash, representing the estimated amount of cash required to complete the purchase of our subordinate voting shares under a previous ASPP entered into with such trustee for this purpose in December 2012.

We elected to cash-settle certain vested share unit awards in the fourth quarter of 2012 due to a prohibition on the purchase of subordinate voting shares in the open market during the SIB. We account for cash-settled awards as liabilities and we re-measure them based on the closing price of our subordinate voting shares at each reporting date and at the settlement date, with a corresponding charge or recovery recorded in our consolidated statement of operations. We recorded a mark-to-market adjustment on these cash-settled awards of $0.2 in 2012. When we made the decision in the fourth quarter of 2012 to settle these awards with cash, we reclassified $3.4 in 2012, representing the fair value of these awards, from contributed surplus to accrued liabilities. We did not cash-settle any vested share unit awards in 2014 or 2013. As management currently intends to settle all outstanding share unit awards with subordinate voting shares purchased in the open market by a trustee or subordinate voting shares issued from treasury, we have accounted for these share unit awards as equity-settled awards.

(c) *Deferred share units*:

We grant DSUs to certain members of our Board of Directors under our Directors' Share Compensation Plan. The DSUs may be settled in cash or with subordinate voting shares issued from treasury or purchased in the open market, depending on when the DSUs were granted. See note 2(n) for details. In 2014, we recorded DSU expenses of $1.9 (2013 — $1.9; 2012 — $1.9). At December 31, 2014, 1.1 million (December 31, 2013 — 1.0 million) DSUs were outstanding.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:

	Year ended December 31		
	2012	2013	2014
Opening balance of foreign currency translation account	$ (0.1)	$ (0.2)	$ (3.5)
Foreign currency translation adjustments	(0.1)	(3.3)	(10.0)
Closing balance	(0.2)	(3.5)	(13.5)
Opening balance of unrealized net gain or loss on cash flow hedges	(12.2)	4.3	(10.8)
Net gain (loss) on cash flow hedges[(i)]	16.9	(12.6)	(11.3)
Reclassification of net loss (gain) on cash flow hedges to operations[(ii)]	(0.4)	(2.5)	10.6
Closing balance[(iii)]	4.3	(10.8)	(11.5)
Actuarial gains (losses) on pension and non-pension post-employment benefit plans (notes 2(n) & 18)	(11.9)	7.6	11.9
Reclassification of actuarial gains or losses to deficit (note 2(n))	11.9	(7.6)	(11.9)
Closing balance	—	—	—
Accumulated other comprehensive income (loss)	$ 4.1	$(14.3)	$(25.0)

(i) Net of income tax recovery of $1.3 for 2014 (2013 — $0.5 income tax recovery; 2012 — $0.7 income tax expense).

(ii) Net of income tax expense of $0.3 for 2014 (2013 — nil; 2012 — $0.1 income tax recovery).

(iii) Net of income tax recovery of $1.3 as of December 31, 2014 (December 31, 2013 — $0.3 income tax recovery; December 31, 2012 — $0.2 income tax expense).

We expect that the majority of net gains (losses) on cash flow hedges reported in the 2014 accumulated other comprehensive income balance will be reclassified to operations during 2015, primarily in cost of sales as the underlying expenses that are being hedged are included in cost of sales.

14. EXPENSES BY NATURE:

We have presented our consolidated statement of operations by function. Included in our cost of sales and SG&A for the year ended December 31, 2014 were employee-related costs of $716.8 (2013 — $763.0; 2012 — $760.1) including employee stock-based compensation expense of $28.4 (2013 — $29.2; 2012 — $35.6), freight and transportation costs of $73.6 (2013 — $85.3; 2012 — $97.4), depreciation expense of $58.1 (2013 — $59.5; 2012 — $70.2) and rental expense of $29.1 (2013 — $31.5; 2012 — $35.4).

15. OTHER CHARGES (RECOVERIES):

	Year ended December 31		
	2012	2013	2014
Restructuring (a)	$44.0	$ 28.0	$ (2.1)
Asset impairment (b)	17.7	—	40.8
Pension obligation settlement loss (c)	—	—	6.4
Other (d)	(2.2)	(24.0)	(8.0)
	$59.5	$ 4.0	$37.1

(a) Restructuring:

Our restructuring charges (recoveries) are comprised of the following:

	Year ended December 31		
	2012	2013	2014
Cash charges (recoveries)	$27.8	$26.1	$(2.0)
Non-cash charges (recoveries)	16.2	1.9	(0.1)
	$44.0	$28.0	$(2.1)

Due to our disengagement from BlackBerry Limited (BlackBerry) in 2012 and in response to a challenging demand environment, we implemented restructuring actions during 2012 and 2013 throughout our global network intended to streamline and simplify our business and to reduce our overall cost structure and improve our margin performance. In connection with these actions, we recorded restructuring charges of $44.0 in 2012 and $28.0 in 2013. Although these restructuring actions were completed by the end of 2013, certain payments in connection therewith were made throughout 2014. At December 31, 2014, our remaining restructuring provision was $1.9 (December 31, 2013 — $18.0) comprised primarily of contractual lease obligations related to operations we intend to close. In 2014, we recorded a net reversal of $2.1 primarily to adjust for lower than estimated payouts related to this lease. In 2013, we recorded cash restructuring charges of $26.1 primarily related to employee termination costs throughout our global network. In 2012, we recorded cash restructuring charges of $27.8, primarily related to employee termination costs throughout our global network, including for our BlackBerry operations, and non-cash restructuring charges of $16.2 primarily to write down the BlackBerry-related equipment to recoverable amounts. See the discussion on asset impairment in note 15(b) below.

The recognition of our restructuring charges required us to make certain judgments and estimates regarding the nature, timing and amounts associated with these restructuring actions. Our major assumptions included the timing and number of employees to be terminated, the measurement of termination costs, the timing and amount of lease obligations, and the timing of disposition and estimated fair values of assets available for sale. We developed a detailed plan and recorded termination costs for employees informed of their termination. We engaged independent brokers to determine the estimated fair values less costs to sell for assets we no longer used and which were available for sale. We recognized an impairment loss for assets whose carrying amount exceeded their respective fair value less costs to sell as determined by the third-party brokers. We also recorded adjustments to reflect actual proceeds on disposition of these assets. At the end of each reporting period, we evaluate the appropriateness of our restructuring charges and balances. Further adjustments may be required to reflect actual experience or changes in estimates.

See notes 2(m) and 10 for further details and description regarding our restructuring provision.

(b) Annual impairment assessment:

We conduct our annual impairment assessment of goodwill, intangible assets and property, plant and equipment in the fourth quarter of each year (which corresponds to our annual planning cycle), and whenever events or changes in circumstances indicate that the carrying amount of an asset, CGU or a group of CGUs may not be recoverable. We recognize an impairment loss when the carrying amount of an asset, CGU or a group of CGUs exceeds its recoverable amount, which is measured as the greater of its value-in-use and its fair value less costs to sell. We first allocate impairment losses in respect of a CGU to reduce the carrying amount of goodwill and then to reduce the carrying amount of other assets in the CGU or group of CGUs on a pro rata basis. Prior to our 2014 annual impairment assessment, we did not identify any triggering event during the course of 2014 that would indicate the carrying amount of our assets and CGUs may not be recoverable. For our 2014 annual

impairment assessment of goodwill, intangible assets and property, plant and equipment, we used cash flow projections which are based primarily on our plan for the following year and, to a lesser extent, on our three-year strategic plan and other financial projections. Our plan for the following year is primarily based on financial projections submitted by our subsidiaries in the fourth quarter of each year, together with inputs from our customer teams, and is subjected to in-depth reviews performed by various levels of management as part of our annual planning cycle. The plan for the following year was approved by management and presented to our Board of Directors in December 2014.

Upon completion of our 2014 annual impairment assessment of goodwill, intangible assets and property, plant and equipment, we determined that the recoverable amount of our assets and CGUs, other than that of our semiconductor CGU, exceeded their respective carrying values and no impairment exists for such assets and CGUs as of December 31, 2014. Our semiconductor CGU, which arose from our 2011 acquisition of the semiconductor equipment contract manufacturing operations of Brooks Automation Inc. and our 2012 D&H acquisition, has underperformed due to factors including: overall demand weakness in the semiconductor industry in recent years, the cost of investments we have made, operational challenges, and the cost, terms and timing of ramping new programs. In addition, in 2014, this CGU incurred higher than expected losses, primarily due to lower than anticipated customer demand for the year, challenges associated with the ramping of new sites and programs, as well as operational inefficiencies and commercial challenges associated with a particular customer. We continue to work with this customer to resolve these issues. Primarily as a result of management's assessment of the negative impact of these factors on the timing and level of previously assumed future revenue growth of, and profitability improvements to, this CGU, we reduced our long-term cash flow projections for this CGU in the fourth quarter of 2014, and recorded an impairment charge of $40.8 against the goodwill of our semiconductor CGU in such period, reducing its balance from $60.3 to $19.5.

We determined the recoverable amount of our CGUs based on their expected value-in-use. The process of determining the recoverable amount of a CGU is subjective and requires management to exercise significant judgment in estimating future growth, profitability, and discount rates, among other factors. The assumptions used in our impairment assessment were determined based on past experiences adjusted for expected changes in future conditions. Where applicable, we worked with independent brokers to obtain market prices to estimate our real property values. For our 2014 annual impairment assessment, we used cash flow projections ranging from 2 years to 9 years (2013 — 3 to 10 years; 2012 — 2 to 7 years) for our CGUs, in line with the remaining useful lives of the CGUs' primary assets. We generally used our weighted-average cost of capital of approximately 10% (2013 — approximately 12%; 2012 — approximately 13%) to discount our cash flows. For our semiconductor CGU, which is subject to heightened risk and volatilities (as a result of the factors discussed above), we applied a discount rate of 17% to our cash flow projections for this CGU (2013 — 17%; 2012 — 20%) to reflect management's assessment of increased risk inherent in these cash flows. We had reduced the discount rate for our semiconductor cash flow projections for 2013 to 17% compared to 20% for 2012 to reflect a perceived reduction in risk inherent in our semiconductor CGU cash flows as a result of new business awarded in 2013. Despite the 2% decrease in our overall weighted-average cost of capital in 2014 compared to 2013, and new business awarded to this CGU in 2014, we maintained its 17% discount rate for our 2014 annual analysis in recognition of the challenges faced by this CGU during the year.

For purposes of our 2014 impairment assessment, we assumed growth for our semiconductor CGU in 2015 and future years at an average compound annual growth rate of 10% over a 9-year period, representing the remaining life of the CGU's most significant customer contract. This growth rate is supported by the level of new business awarded in 2014 and 2013, the expectation of future new business awards, and anticipated overall demand improvement in the semiconductor market based on certain market trend analyses published by external sources. We also assumed that the average annual margins for this CGU over the projection period will be slightly lower than our overall margin performance in 2014, as we continue to ramp new business and leverage our capital investments. To account for the impact of the negative factors described above, compared with our 2013 annual impairment assessment, these assumptions represent a reduction in both our projected

revenue growth and the level of financial improvements previously assumed for this CGU. In addition, for our 2014 assessment, we delayed the anticipated timing (within the 9-year projection term) of the achievement of such growth and improvements. The foregoing resulted in an overall reduction in the future cash flows projected for our semiconductor CGU, and the goodwill impairment we recorded in the fourth quarter of 2014 described above.

Impairment assessments inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact our assumptions as to prices, costs or other factors that may result in changes in our estimates of future cash flows. Failure to realize the assumed revenues at an appropriate profit margin or failure to improve the financial results of this CGU could result in additional impairment losses in this CGU in a future period.

As part of our annual impairment assessment, we perform sensitivity analyses to identify the impact of changes in key assumptions, including projected growth rates, profitability, and discount rates. Based on our sensitivity analyses, an additional impairment loss of approximately $10 would arise for our semiconductor CGU if, over the 9-year projection period, we (i) reduced its assumed average compound annual growth rate by 120 basis points; (ii) reduced its projected profitability, as a percentage of revenue, by 50 basis points; or (iii) if we increased its discount rate to 22.8%, in each case considered separately. We did not identify any key assumptions where a reasonably possible change would result in material impairments to our other CGUs.

In 2013, we recorded no impairment against goodwill, intangible assets or property, plant and equipment as the recoverable amounts exceeded their carrying amounts.

In the second quarter of 2012, we tested the carrying amounts of the CGUs that were impacted by the wind down of our manufacturing services for BlackBerry in Mexico, Romania and Malaysia. We recorded an impairment loss on the BlackBerry-related assets that were available for sale in restructuring charges (note 15(a) above). We then compared the remaining carrying amounts of these CGUs to their recoverable amounts and determined there was no impairment to these assets that had not been recorded to restructuring charges in 2012.

In the fourth quarter of 2012, we performed our annual impairment assessment of goodwill, intangible assets and property, plant and equipment. We recorded impairment charges totaling $17.7, comprised of $14.6 against goodwill, $0.7 against computer software assets and $2.4 against property, plant and equipment. The majority of our impairment related to goodwill that arose from a prior acquisition in the healthcare industry, primarily because our overall progress and the ability to ramp our healthcare business were slower than originally anticipated. As a result, we recorded a goodwill impairment loss of $11.9 in 2012 related to that acquisition.

(c) Pension obligation settlement loss:

In August 2014, we liquidated the asset portfolio for the defined benefit component of a pension plan for certain Canadian employees, following which substantially all of the proceeds were used to purchase annuities from insurance companies for plan participants. The purchase of the annuities resulted in the insurance companies assuming responsibility for payment of the defined benefit pension benefits under the plan, and the employer eliminating significant financial risk in respect of these obligations. The purchase of the annuities also resulted in a non-cash settlement loss of $6.4 which we recorded in other charges in our consolidated statement of operations. See note 18.

(d) Other:

In 2014, other was comprised primarily of the recoveries of damages we received in connection with the settlement of class action lawsuits in which we were a plaintiff, related to certain purchases we made in prior periods. In July 2013, we received similar recoveries of damages in the amount of $24.0.

During 2012, we released a provision of $3.2 representing the estimated fair value of contingent consideration related to a prior acquisition, as it was no longer required. In 2012, we also recorded transaction costs of $0.9 related to our D&H acquisition.

16. FINANCE COSTS:

Our finance costs are comprised primarily of interest expenses and fees related to our credit facilities and our accounts receivable sales program.

17. RELATED PARTY TRANSACTIONS:

Onex Corporation (Onex) owns, directly or indirectly, all of our outstanding multiple voting shares. Accordingly, Onex has the ability to exercise a significant influence over our business and affairs and generally has the power to determine all matters submitted to a vote of our shareholders where the subordinate voting shares and multiple voting shares vote together as a single class. Gerald Schwartz, the Chairman of the Board, President and Chief Executive Officer of Onex, is also one of our directors, and holds, directly or indirectly, shares representing the majority of the voting rights of Onex.

We had manufacturing and services agreements with certain companies related to or under the control of Onex or Gerald Schwartz in 2012 and 2013. During 2013, we recorded revenue of $10.8 from two such related companies. At December 31, 2013, we had no amounts due from either of these related companies. During 2012, we recorded revenue of $38.0 from one such related company. At December 31, 2012, we had $6.5 due from this related company (which was paid in accordance with the contractual terms). All transactions with these related companies were executed in the normal course of operations and were recorded at the exchange amounts as agreed to by the parties based on arm's length terms.

In January 2009, we entered into a Services Agreement with Onex for the services of Gerald Schwartz, as a director of Celestica. The initial term of this agreement was one year and it automatically renews for successive one-year terms unless either party provides a notice of intent not to renew. Onex receives compensation under the Services Agreement in an amount equal to $0.2 per year, payable in DSUs in equal quarterly installments in arrears.

Our key management team consists of directors and senior executive officers. The aggregate compensation expenses we recognized under IFRS for our directors and key management team were as follows:

	Year ended December 31		
	2012	2013	2014
Short-term employee benefits and costs	$ 5.7	$ 6.3	$ 5.9
Post-employment and other long-term benefits	0.4	0.3	0.5
Stock-based compensation (including DSUs)	15.5	12.1	12.1
	$21.6	$18.7	$18.5

18. PENSION AND NON-PENSION POST-EMPLOYMENT BENEFIT PLANS:

(a) Plan summaries:

We provide pension and non-pension post-employment benefit plans for our employees. Some employees in Canada, Japan and the United Kingdom (U.K.) participate in defined benefit pension plans that generally provide participants with stated benefits on retirement based on their pensionable service, either as annuities and/or lump sum payments. Defined contribution pension plans are offered to certain employees, mainly in Canada and the U.S. We provide non-pension post-employment benefits (other benefit plans) to retired and

terminated employees in Canada, the U.S., Mexico and Thailand. These benefits may include one-time retirement and specified termination benefits, medical, surgical, hospitalization coverage, supplemental health, dental and/or group life insurance. Our largest defined benefit pension plan is in the U.K. The U.K. plan is closed to new members. Approximately 1% of the plan members remain active employees of the Company.

In August 2014, we liquidated the asset portfolio for the defined benefit component of a pension plan for certain Canadian employees, following which substantially all of the proceeds were used to purchase annuities from insurance companies for plan participants. The purchase of the annuities resulted in the insurance companies assuming responsibility for payment of the defined benefit pension benefits under the plan, and the employer eliminating significant financial risk in respect of these obligations. We re-measured the pension assets and liabilities related to this pension plan immediately before the purchase of the annuities, and recorded a net re-measurement actuarial gain of $2.3 in other comprehensive income that was subsequently reclassified to deficit in the same period. The purchase of the annuities also resulted in a non-cash settlement loss of $6.4 which we recorded in other charges in our consolidated statement of operations (note 15(c)). For accounting purposes, on a gross-basis, we reduced the value of our pension assets by $149.8, and the value of our pension liabilities by $143.4 as of the date of the annuity purchase.

The overall governance of our pension plans is conducted by our Global Compensation Committee who, through annual reviews, approves material plan changes, reviews funding levels, investment performance, compliance matters and plan assumptions, and ensures that the plans are administered in accordance with local statutory requirements. We have established a Pension Committee to govern our Canadian pension plans. The U.K. pension plans are governed by a Board of Trustees, composed of employee and company representation. Both the Canadian Pension Committee and the U.K. Board of Trustees review funding levels, investment performance and compliance matters for their respective plans.

Our pension funding policy is to contribute amounts sufficient, at minimum, to meet local statutory funding requirements. For our defined benefit pension plans (primarily U.K.), local regulatory bodies either define the minimum funding requirement or approve the funding plans submitted by us. We may make additional discretionary contributions taking into account actuarial assessments and other factors. The contributions that we make to support ongoing plan obligations are recorded in the respective asset or liability accounts on our consolidated balance sheet.

Our largest defined benefit pension plan (U.K.) requires that an actuarial valuation be completed every three years. The actuarial valuation was completed using a measurement date of April 2013; the next valuation will have a measurement date of April 2016.

We currently fund our non-pension post-employment benefit plans as we incur benefit payment obligations thereunder. Excluding our mandatory plans, the most recent actuarial valuations for our largest non-pension post-employment benefit plans were completed using measurement dates of May 2013 (Canada) and January 2014 (U.S.). The next valuations for these plans will have measurement dates of May 2016 and January 2016, respectively. We accrue the expected costs of providing non-pension post-employment benefits during the periods in which the employees render service.

We used a measurement date of December 31, 2014 for the accounting valuation for pension and non-pension post-employment benefits.

Our pension plans are exposed to market risks such as changes in interest rates, inflation, and fluctuations in investment values, as well as financial risks including counterparty risks of financial institutions from which annuities have been purchased for the defined benefit component of a pension plan for certain Canadian employees. See note 20(c). Our plans are also exposed to non-financial risks, including the membership's mortality and demographic changes, as well as regulatory changes.

We manage the funding level risk of defined benefit pension plans through our asset allocation strategy for each plan. In the U.K., we follow an active de-risking strategy and allocate a higher level of the plan assets to debt instruments if the funding level of the plan improves.

Pension fund assets are invested primarily in fixed income and equity securities. Asset allocation between fixed income and equity is adjusted based on the expected life of the plan and the expected retirement of the plan participants. Currently, the weighted average asset allocation across all plans targets for 64% to 71% (2013 — 69% to 73%) investment in fixed income, 25% to 32% (2013 — 24% to 32%) investment in equities through mutual funds, and 3% to 4% (2013 — 1% to 2%) in other investments. Our pension funds do not invest directly in our shares, but may invest indirectly as a result of the inclusion of our shares in certain investment funds. All of our plan assets are measured at their fair value using inputs described in the fair value hierarchy in note 20. At December 31, 2014, $376.5 (December 31, 2013 — $464.9) of our plan assets were measured using level 1 inputs of the fair value hierarchy and $16.8 (December 31, 2013 — $18.6) of our plan assets were measured using level 2 inputs of the fair value hierarchy. Some of the plan assets are held with financial institutions, each of which had a Standard and Poor's long-term rating of A or above at December 31, 2014. The remaining assets are held with financial institutions where ratings are not available. For these institutions, Celestica monitors counterparty risk based on the diversification of plan assets. These plan assets are maintained in segregated accounts by a custodian that is independent from the fund managers. We believe that the counterparty risk is low.

Plan assets are measured at their fair values; however, the amounts we can record for defined benefit plan assets may be restricted under IFRS. A description of this restriction is in note 2(n). Based on a review of the terms and conditions, and the statutory minimum funding requirements of our defined benefit plans, we have determined that the present value of future pension refunds or reductions in future contributions of our pension plans exceed the total of the fair value of plan assets net of the present value of related obligations. This determination was made on a plan-by-plan basis. As a result of our assessment, there were no reductions to the amounts we recorded for defined benefit plan assets as at December 31, 2014 and 2013.

(b) Plan financials:

The table below presents the market value of plan assets as follows:

	Fair Market Value at December 31		Actual Asset Allocation (%) at December 31	
	2013	2014	2013	2014
Quoted market prices:				
Debt investment funds	$353.7	$280.5	73%	71%
Equity investment funds	102.6	81.4	21%	21%
Non-quoted market prices:				
Other investment funds	18.6	16.8	4%	4%
Other	8.6	14.6	2%	4%
Total	$483.5	$393.3	100%	100%

The following tables provide a summary of the financial position of our pension and other benefit plans:

	Pension Plans Year ended December 31		Other Benefit Plans Year ended December 31	
	2013	2014	2013	2014
Plan assets, beginning of year	$490.7	$ 483.5	$—	$—
Interest income	20.1	19.6	—	—
Actuarial gains (losses) in other comprehensive income (actual return on plan assets less interest income above)	(5.2)	74.5	—	—
Administrative expenses paid from plan assets	(1.2)	(0.7)	—	—
Employer contributions	8.4	16.3	—	—
Employer direct benefit payments	0.3	0.2	10.0	3.1
Voluntary employee contributions	0.1	—	—	—
Settlement payments from plan (note 18(a))	—	(149.8)	(3.6)	—
Benefit payments from plan	(20.7)	(19.4)	—	—
Benefit payments from employer	(0.3)	(0.2)	(6.4)	(3.1)
Foreign currency exchange rate changes	(8.7)	(30.7)	—	—
Plan assets, end of year	$483.5	$ 393.3	$—	$—

	Pension Plans Year ended December 31		Other Benefit Plans Year ended December 31	
	2013	2014	2013	2014
Accrued benefit obligations, beginning of year	$477.0	$ 468.9	$88.2	$68.3
Current service cost	2.9	2.8	2.4	1.9
Past service cost and settlement/curtailment losses (note 18(a))	0.1	6.4	1.6	—
Interest cost	19.1	18.6	3.3	3.2
Voluntary employee contributions	0.1	—	—	—
Actuarial losses (gains) in other comprehensive income from:				
— Changes in demographic assumptions	3.2	(1.0)	(2.3)	(0.9)
— Changes in financial assumptions	(7.4)	56.4	(6.5)	9.3
— Experience adjustments	4.5	(0.6)	(3.7)	(0.4)
Settlement payments from plan (note 18(a))	—	(149.8)	(3.6)	—
Benefit payments from plan	(20.7)	(19.4)	—	—
Benefit payments from employer	(0.3)	(0.2)	(6.4)	(3.1)
Foreign currency exchange rate changes	(9.6)	(27.8)	(4.7)	(5.2)
Accrued benefit obligations, end of year	$468.9	$ 354.3	$68.3	$73.1
Weighted average duration of benefit obligations (in years)	16	19	14	15

The present value of the defined benefit obligations, the fair value of plan assets and the surplus or deficit in our defined benefit pension and other benefit plans are summarized as follows:

	Pension Plans December 31		Other Benefit Plans December 31	
	2013	2014	2013	2014
Accrued benefit obligations, end of year	$(468.9)	$(354.3)	$(68.3)	$(73.1)
Plan assets, end of year	483.5	393.3	—	—
Excess (deficiency) of plan assets over accrued benefit obligations	$ 14.6	$ 39.0	$(68.3)	$(73.1)

The following table outlines the plan balances as reported on our consolidated balance sheet:

	December 31 2013			December 31 2014		
	Pension Plans	Other Benefit Plans	Total	Pension Plans	Other Benefit Plans	Total
Pension and non-pension post-employment benefit obligations	$(25.7)	$(67.8)	$(93.5)	$(26.1)	$(73.1)	$(99.2)
Accrued liabilities(i)	—	(0.5)	(0.5)	—	—	—
Non-current net pension assets (note 9)	40.3	—	40.3	60.3	—	60.3
Current pension assets(i)	—	—	—	4.8	—	4.8
	$ 14.6	$(68.3)	$(53.7)	$ 39.0	$(73.1)	$(34.1)

(i) The remainder of the proceeds from the sale of the plan assets, after the purchase of the annuities for a particular Canadian pension plan (described in note 18(a)), will be used to fund our future defined contribution obligations in Canada. The portion relative to contributions for the following year has been reclassified to current pension assets as of December 31, 2014. In connection with certain restructuring actions announced prior to the end of 2013, we reclassified a current portion of the accumulated post-employment benefits totaling $0.5 to accrued liabilities on our consolidated balance sheet as of December 31, 2013.

The following table outlines the net expense recognized in our consolidated statement of operations for pension and non-pension post-employment benefit plans:

	Pension Plans Year ended December 31			Other Benefit Plans Year ended December 31		
	2012	2013	2014	2012	2013	2014
Current service cost	$ 3.2	$ 2.9	$ 2.8	$ 2.9	$2.4	$1.9
Net interest cost (income)	(1.0)	(1.0)	(1.0)	4.2	3.3	3.2
Past service cost and settlement/curtailment losses	—	0.1	6.4	16.3	1.6	—
Plan administrative expenses and other	1.2	1.4	0.8	(0.2)	—	—
	3.4	3.4	9.0	23.2	7.3	5.1
Defined contribution pension plan expense	10.1	9.7	9.3	—	—	—
Total expense for the year	$13.5	$13.1	$18.3	$23.2	$7.3	$5.1

We generally record the expenses for pension plans and non-pension post-employment benefits in cost of sales and SG&A expenses depending on the nature of the expenses. Our settlement loss of $6.4 in pension plans arose as a result of annuity purchases for a particular Canadian pension plan during 2014. See note 15(c). Our

past service cost and settlement/curtailment losses of $1.6 in other benefit plans related to restructuring actions completed during 2013 (2012 — $16.3, related to restructuring actions completed in 2012).

The following table outlines the actuarial gains and losses, net of tax, recognized in OCI and reclassified directly to deficit:

	Year ended December 31		
	2012	2013	2014
Cumulative actuarial losses, beginning of year	$13.6	$25.5	$ 17.9
Actuarial losses (gains) recognized during the year(i)	11.9	(7.6)	(11.9)
Cumulative actuarial losses, end of year(ii)	$25.5	$17.9	$ 6.0

(i) Net of income tax recovery of $0.2 for 2014 (2013 — $0.6 income tax recovery; 2012 — $0.3 income tax recovery).

(ii) Net of income tax recovery of $2.1 as at December 31, 2014 (December 31, 2013 — $1.9 income tax recovery; December 31, 2012 — $1.3 income tax recovery).

The following percentages and assumptions were used in measuring the plans for the year ended December 31 as follows:

	Pension Plans			Other Benefit Plans		
	2012	2013	2014	2012	2013	2014
Weighted average discount rate at December 31 (i) for:						
Benefit obligations	4.3	4.6	3.7	4.4	4.9	3.9
Net pension cost	4.7	4.3	4.6	5.1	4.4	4.9
Weighted average rate of compensation increase for:						
Benefit obligations	3.4	3.7	3.8	4.4	4.6	4.6
Net pension cost	3.4	3.4	3.7	4.2	4.4	4.6
Healthcare cost trend rates:						
Immediate trend	—	—	—	6.9	6.7	6.2
Ultimate trend	—	—	—	4.5	4.5	4.5
Year the ultimate trend rate is expected to be achieved	—	—	—	2030	2030	2030

(i) The weighted average discount rate is determined using publicly available rates for high quality bonds for each country where there is a pension or non-pension benefit plan. A lower discount rate would increase the present value of the benefit obligation.

Management applied significant judgment in determining these assumptions. We evaluate these assumptions on a regular basis taking into consideration current market conditions and historical market data. Actual results could differ materially from those estimates and assumptions.

For purposes of measuring our Canadian pension plans for the year ended December 31, 2014, we adopted the 2014 final report of Canadian pensioners mortality tables and improvement scales prepared by the Canadian Institute of Actuaries. The impact of adopting the final report issued in February 2014 compared to the draft tables and scales which we adopted in 2013 was not significant on the measurement of these pension plans. For purposes of measuring our U.S. pension plans for the year ended December 31, 2014, we adopted the final report of RP-2014 mortality tables prepared by the Society of Actuaries. The updated mortality tables resulted, in the aggregate, in a small actuarial gain on the measurement of these pension plans.

A one percentage-point increase or decrease to one of the following actuarial assumptions, holding other assumptions constant in each case, would increase (decrease) our benefit obligations as follows:

	Pension Plans Year ended December 31, 2014		Other Benefit Plans Year ended December 31, 2014	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	$(57.8)	$76.0	$(9.5)	$11.9
Healthcare cost trend rate	$ —	$—	$ 9.4	$(7.6)

The sensitivity figures shown above were calculated by determining the change in the obligation as at December 31, 2014 due to a 100 basis point increase or decrease to each of our significant actuarial assumptions used, primarily the discount rate and healthcare cost trend rate, in isolation, leaving all other assumptions unchanged from the original calculation.

In 2014, we made contributions to the pension plans of $25.8 (2013 — $18.4) of which $9.3 (2013 — $9.7) was for defined contribution plans and $16.5 (2013 — $8.7) was for defined benefit plans. We may, from time-to-time, make voluntary contributions to the pension plans. In 2014, we made aggregate contributions to the non-pension post-employment benefit plans of $3.1 (2013 — $10.0) to fund benefit payments.

We currently estimate that our 2015 contributions will be $14.1 for defined benefit pension plans, $9.3 for defined contribution pension plans, and $2.5 for our non-pension post-employment benefit plans. Our actual contributions could differ materially from these estimates.

19. INCOME TAXES:

	Year ended December 31		
	2012	2013	2014
Current income tax expense (recovery):			
Current year	$ 21.3	$ 28.8	$ 25.3
Adjustments for prior years, including changes to net provisions related to tax uncertainties	(5.8)	(11.9)	(15.6)
	15.5	16.9	9.7
Deferred income tax expense (recovery):			
Origination and reversal of temporary differences(i)	(2.8)	(10.7)	89.7
Changes in previously unrecognized tax losses and deductible temporary differences, including adjustments for prior years(i)	(18.5)	6.5	(83.0)
	(21.3)	(4.2)	6.7
Income tax expense (recovery)	$ (5.8)	$ 12.7	$ 16.4

A reconciliation of income taxes calculated at the statutory income tax rate to the income tax expense (recovery) at the effective tax rate is as follows:

	Year ended December 31		
	2012	2013	2014
Earnings before income taxes	$111.9	$130.7	$124.6
Income tax expense at Celestica's statutory income tax rate of 26.5% (2013 — 26.5%; 2012 — 26.5%)	$ 29.6	$ 34.7	$ 33.0
Impact on income taxes from:			
Manufacturing and processing deduction	(0.5)	(0.6)	(0.6)
Foreign income taxed at different rates[(i)]	(47.9)	(17.9)	75.6
Foreign exchange	19.5	(27.6)	(11.7)
Goodwill impairment	2.0	—	13.4
Other, including non-taxable/non-deductible items and changes to net provisions related to tax uncertainties	10.0	(41.6)	(10.5)
Change in unrecognized tax losses and deductible temporary differences[(i)]	(18.5)	65.7	(82.8)
Income tax expense (recovery)	$ (5.8)	$ 12.7	$ 16.4

(i) These line items for 2014 in the two tables above were impacted by an internal loan reorganization which we completed during 2014, whereby certain inter-company loans were forgiven. There was no net impact to our consolidated deferred tax provisions for 2014.

Our effective tax rate can vary significantly period-to-period for various reasons, including the mix and volume of business in lower tax jurisdictions within Europe and Asia, in jurisdictions with tax holidays and tax incentives, and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which tax losses and deductible temporary differences could be utilized. Our effective tax rate can also vary due to the impact of restructuring charges, foreign exchange fluctuations, operating losses, and changes in our provisions related to tax uncertainties.

During 2014, we recorded an income tax benefit of $14.1 related to the recognition of previously unrecognized tax incentives in Malaysia (discussed below). There was no tax impact associated with the $40.8 goodwill impairment charge we recorded in the fourth quarter of 2014. See note 15(b).

During 2013, we recorded net income tax recoveries of $9.8 arising from net changes to our provisions for certain tax uncertainties.

During 2012, as a result of our D&H acquisition, we recognized $10.4 of previously unrecognized deferred tax assets in the United States. We also recorded net income tax recoveries of $10.6 arising from net changes to our provisions for certain tax uncertainties. In 2012, we commenced a corporate tax reorganization involving certain of our European subsidiaries. As a result, we recognized $17.0 of deferred tax assets during 2012 as it became probable that the temporary differences associated with our investment in these subsidiaries would reverse in the foreseeable future.

Changes in deferred tax assets and liabilities for the periods indicated are as follows:

	Unrealized foreign exchange gains	Accounting provisions not currently deductible	Pensions and non-pension post-retirement benefits	Tax losses carried forward	Property, plant and equipment and intangibles	Other	Reclassification between deferred tax assets and deferred tax liabilities(i)	Total
Deferred tax assets:								
Balance — January 1, 2013	$ 7.0	$ 5.2	$—	$114.0	$ 24.2	$13.4	$(127.2)	$ 36.6
Credited (charged) to net earnings	(2.9)	2.5	—	(14.0)	4.7	3.2	—	(6.5)
Credited (charged) directly to equity	—	—	—	—	—	0.4	—	0.4
Effects of foreign exchange	(0.2)	—	—	(3.4)	0.3	(8.2)	—	(11.5)
Other	—	(0.8)	—	(0.3)	(11.1)	—	38.5	26.3
Balance — December 31, 2013	3.9	6.9	—	96.3	18.1	8.8	(88.7)	45.3
Credited (charged) to net earnings	(3.9)	(5.3)	—	(25.2)	(9.0)	6.3	—	(37.1)
Credited (charged) directly to equity	—	—	—	—	—	0.9	—	0.9
Effects of foreign exchange	—	(0.3)	—	(9.4)	—	(0.5)	—	(10.2)
Other	—	7.9	—	15.0	(9.1)	9.8	14.8	38.4
Balance — December 31, 2014	$ —	$ 9.2	$—	$ 76.7	$ —	$25.3	$ (73.9)	$ 37.3
Deferred tax liabilities:								
Balance — January 1, 2013	$123.9	$ 0.8	$ 4.9	$ —	$ 11.1	$—	$(127.2)	$ 13.5
Charged (credited) to net earnings	(7.5)	—	(3.1)	—	—	—	—	(10.6)
Charged (credited) directly to equity	—	—	(0.6)	—	—	—	—	(0.6)
Effects of foreign exchange	(11.0)	—	—	—	—	—	—	(11.0)
Other	—	(0.8)	—	—	(11.1)	—	38.5	26.6
Balance — December 31, 2013	105.4	—	1.2	—	—	—	(88.7)	17.9
Charged (credited) to net earnings	(36.6)	—	(0.5)	—	6.7	—	—	(30.4)
Charged (credited) directly to equity	—	—	(0.2)	—	—	—	—	(0.2)
Effects of foreign exchange	(9.4)	—	—	—	0.8	—	—	(8.6)
Other	—	—	23.6	—	—	—	14.8	38.4
Balance — December 31, 2014	$ 59.4	$—	$24.1	$ —	$ 7.5	$—	$ (73.9)	$ 17.1

(i) This reclassification reflects the offsetting of deferred tax assets and deferred tax liabilities to the extent they relate to the same taxing authorities and there is a legally enforceable right to such offset.

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized at December 31, 2014 is $1,940.8 (December 31, 2013 — $1,902.3). We have not recognized deferred tax assets in respect of these items because, based on management's estimates, it is not probable that future taxable profit will be available against which we can utilize the benefits. A portion of these tax losses expires between 2015 and 2034 and a portion can be carried forward indefinitely to offset taxable profits. The deductible temporary differences do not expire under current tax legislation.

The aggregate amount of temporary differences associated with investments in subsidiaries for which we have not recognized deferred tax liabilities is $1.3 (December 31, 2013 — $14.6).

We have recorded net deferred tax assets of $0.5 for one of our subsidiaries which realized losses in 2014. We have recognized deferred tax assets based on our estimate of future taxable profit that we expect that subsidiary to achieve based on our review of their financial projections.

Certain countries in which we do business negotiate tax incentives to attract and retain our business. Our tax expenses could increase significantly if certain tax incentives from which we benefit are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, or if they are not renewed or replaced upon expiration. Our tax expense could also increase if tax rates applicable to us in such jurisdictions are otherwise increased, or due to changes in legislation or administrative practices. Changes in our outlook in any particular country could impact our ability to meet the conditions.

We have been granted tax incentives, including tax holidays for profits for our Malaysia and Thailand subsidiaries and tax incentives for dividend withholding taxes for our Thailand subsidiary. The tax benefit arising from these incentives was approximately $45.6 or $0.25 per diluted share for 2014, $19.8 or $0.11 per diluted share for 2013, and $29.1 or $0.14 per diluted share for 2012. Our Malaysian income tax incentives have expired as of the end of 2014, including the incentive discussed below. All of our remaining tax incentives are subject to certain conditions with which we intend to comply and they expire between 2015 and 2026. If we are unable to obtain new Malaysian income tax incentives for periods effective as of January 1, 2015 (which are currently being negotiated), our Malaysian income tax expense may be significantly higher commencing January 1, 2015. Had we not been entitled to the Malaysian tax incentives in 2014, we estimate that our consolidated tax expense would have increased by approximately $5 for such year.

During the first quarter of 2014, Malaysian investment authorities approved our request to revise certain required conditions related to income tax incentives for one of our Malaysian subsidiaries. The benefits of these tax incentives were not previously recognized, as prior to this revision we had not anticipated meeting the required conditions. As a result of this approval, we recognized an income tax benefit of $14.1 in the first quarter of 2014 relating to years 2010 through 2013.

See note 23 regarding income tax contingencies.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:

Our financial assets are comprised primarily of cash and cash equivalents, accounts receivable and derivatives used for hedging purposes. Our financial liabilities are comprised primarily of accounts payable, certain accrued and other liabilities and provisions, and derivatives. We record the majority of our financial liabilities at amortized cost except for derivative liabilities, which we measure at fair value. We classify our term deposits as held-to-maturity. We record our short-term investments in money market funds at fair value, with changes recognized in our consolidated statement of operations. We classify the financial assets and liabilities that we measure at fair value based on the inputs used to determine fair value at the measurement date. There have been no significant changes to the source of our inputs since December 31, 2013.

Cash and cash equivalents are comprised of the following:

	December 31	
	2013	2014
Cash	$294.3	$397.2
Cash equivalents	250.0	167.8
	$544.3	$565.0

Our current portfolio consists of bank deposits and certain money market funds that primarily hold U.S. government securities. The majority of our cash and cash equivalents is held with financial institutions each of which had at December 31, 2014 a Standard and Poor's short-term rating of A-1 or above.

Financial risk management objectives:

We have exposures to a variety of financial risks through our operations. We regularly monitor these risks and have established policies and business practices to mitigate the adverse effects of these potential exposures. We have used derivative financial instruments, such as foreign currency forward contracts, to reduce the effects of some of these risks. We do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Currency risk:

Due to the global nature of our operations, we are exposed to exchange rate fluctuations on our financial instruments denominated in various currencies. The majority of our currency risk is driven by the operational costs incurred in local currencies by our subsidiaries. We manage our currency risk through our hedging program using forecasts of future cash flows and balance sheet exposures denominated in foreign currencies.

Our major currency exposures at December 31, 2014 are summarized in U.S. dollar equivalents in the following table. We have included in this table only those items that we classify as financial assets or liabilities and which were denominated in non-functional currencies. In accordance with the IFRS financial instruments standard, we have excluded items such as pension and non-pension post-employment benefits and income taxes. The local currency amounts have been converted to U.S. dollar equivalents using the spot rates at December 31, 2014.

	Canadian dollar	Euro	Malaysian ringgit	Thai baht
Cash and cash equivalents	$ 10.6	$ 3.2	$ 2.1	$ 0.3
Accounts receivable and other financial assets	0.1	19.7	0.4	0.2
Accounts payable and certain accrued and other liabilities and provisions	(46.7)	(7.3)	(15.7)	(17.9)
Net financial assets (liabilities)	$(36.0)	$15.6	$(13.2)	$(17.4)

Foreign currency risk sensitivity analysis:

The financial impact of a one-percentage point strengthening or weakening of the following currencies against the U.S. dollar for our financial instruments denominated in non-functional currencies is summarized in the following table as at December 31, 2014. The financial instruments impacted by a change in exchange rates include our exposures to the above financial assets or liabilities denominated in non-functional currencies and our foreign exchange forward contracts.

	Canadian dollar	Euro	Malaysian ringgit	Thai baht
	Increase (decrease)			
1% Strengthening				
Net earnings	$ 0.5	$(0.1)	$(0.1)	$(0.1)
Other comprehensive income	1.0	—	0.8	1.1
1% Weakening				
Net earnings	(0.5)	0.1	0.1	0.1
Other comprehensive income	(1.0)	—	(0.8)	(1.1)

(b) Interest rate risk:

We amended our revolving credit facility in October 2014 and reduced the credit limit from $400.0, with an accordion feature that allowed us to increase the limit by $50.0 upon satisfaction of certain terms and conditions, to $300.0, with an accordion feature that allows us to increase the limit by $150.0 upon satisfaction of certain terms and conditions. Borrowings under this credit facility bear interest for the period of the draw at LIBOR, Prime or Federal Funds rate plus a margin. A one-percentage point increase in these rates would increase interest expense, assuming maximum borrowings under our $300.0 credit limit (with no use of the accordion feature), by $3.0 annually. At December 31, 2014, we had no amounts outstanding under this credit facility (December 31, 2013 — no amounts outstanding).

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. We believe the credit risk of counterparty non-performance is low. With respect to our financial market activities, we have adopted a policy of dealing only with credit-worthy counterparties to mitigate the risk of financial loss from defaults. We monitor the credit risk of the counterparties with whom we conduct business, through a combined process of credit rating reviews and portfolio reviews. To mitigate the risk of financial loss from defaults under our foreign currency forward exchange contracts, our contracts are held by counterparty financial institutions each of which had a Standard and Poor's rating of A-1 or above at December 31, 2014. In addition, we maintain cash and short-term investments in high quality investments or on deposit with major financial institutions. Each financial institution with which we have our accounts receivable sales program had a Standard and Poor's short-term rating of A-1 and a long-term rating of A or above at December 31, 2014. Each financial institution from which annuities have been purchased for the defined benefit component of a pension plan for certain Canadian employees in 2014 (discussed in note 18) had an A.M. Best or Standard and Poor's long-term rating of A or above at December 31, 2014.

We also provide unsecured credit to our customers in the normal course of business. Exposures that potentially subject us to credit risk include our accounts receivable, inventory on hand, and non-cancelable purchase orders in support of customer demand. We mitigate our risk by monitoring our customers' financial condition and performing ongoing credit evaluations. In certain instances, we may obtain letters of credit or other forms of security from our customers. We consider credit risk in determining our estimates of reserves for potential credit losses. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances or reserves for losses, represents our estimate of maximum exposure to credit risk.

At December 31, 2014, less than 1% of our gross accounts receivable are over 90 days past due. Accounts receivable are net of an allowance for doubtful accounts of $2.5 at December 31, 2014 (December 31, 2013 — $2.1).

(d) Liquidity risk:

Liquidity risk is the risk that we may not have cash available to satisfy our financial obligations as they come due. The majority of our financial liabilities recorded in accounts payable, accrued and other current liabilities and provisions are due within 90 days. We manage liquidity risk by maintaining a portfolio of liquid funds and investments and having access to a revolving credit facility, intraday and overnight bank overdraft facilities and an accounts receivable sales program. Since our accounts receivable sales program is conducted on an uncommitted basis, there can be no assurance that any participant bank will purchase all the accounts receivable that we wish to sell under this program. However, we believe that cash flow from operating activities, together with cash on hand, cash from the sale of accounts receivable, and borrowings available under our revolving credit facility and intraday and overnight bank overdraft facilities are sufficient to fund our financial obligations.

Fair values:

We used the following methods and assumptions to estimate the fair value of each class of financial instruments:

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and provisions, and borrowings under our revolving credit facility approximate the fair values of these financial instruments due to the short-term nature of these instruments. The fair values of foreign currency contracts are estimated using generally accepted valuation models based on a discounted cash flow analysis with inputs of observable market data, including currency rates and discount factors. Discount factors are adjusted by our own credit risk or the credit risk of the counterparty, depending if the fair values are in liability or asset positions, respectively.

Fair value measurements:

In the table below, we have segregated our financial assets and liabilities that are measured at fair value, based on the inputs used to determine fair value at the measurement date. The three levels within the fair value hierarchy, based on the reliability of inputs, are as follows:

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (*i.e.* prices) or indirectly (*i.e.* derived from prices); and
- level 3 inputs are inputs for the asset or liability that are not based on observable market data (*i.e.* unobservable inputs).

	December 31, 2013			December 31, 2014		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Cash equivalents (money market funds)	$96.9	$ —	$ 96.9	$47.7	$ —	$ 47.7
Derivatives — foreign currency forward contracts	—	1.5	1.5	—	3.6	3.6
	$96.9	$ 1.5	$ 98.4	$47.7	$ 3.6	$ 51.3
Liabilities:						
Derivatives — foreign currency forward contracts	$—	$(18.8)	$(18.8)	$—	$(18.6)	$(18.6)

See note 18 for the input levels used to measure the fair value of our pension assets.

Money market funds are valued using a market approach based on the quoted market prices of identical instruments. Foreign currency forward contracts are valued using an income approach, by comparing the current quoted market forward rates to our contract rates and discounting the values with appropriate market observable credit risk adjusted rates. We have not valued any of our financial instruments using level 3 (unobservable) inputs. There were no transfers of fair value measurements between level 1 and level 2 of the fair value hierarchy in 2014 or 2013.

Derivatives and hedging activities:

We enter into foreign currency contracts to hedge foreign currency risks relating to cash flow and balance sheet exposures. At December 31, 2014, we had forward exchange contracts to trade U.S. dollars in exchange for the following currencies:

Currency	Amount of U.S. dollars	Weighted average exchange rate of U.S. dollars	Maximum period in months	Fair value gain/(loss)
Canadian dollar	$293.3	$0.88	14	$ (6.7)
Thai baht	129.5	0.03	15	(1.1)
Malaysian ringgit	84.4	0.30	15	(5.1)
Mexican peso	32.2	0.07	14	(2.2)
British pound	98.3	1.59	4	1.7
Chinese renminbi	98.9	0.16	12	(0.1)
Euro	34.9	1.24	4	0.6
Romanian leu	15.8	0.29	12	(1.1)
Singapore dollar	25.3	0.79	12	(1.0)
Other	6.0	—	4	—
Total	$818.6			$(15.0)

At December 31, 2014, the fair value of these outstanding contracts was a net unrealized loss of $15.0 (December 31, 2013 — net unrealized loss of $17.3). Changes in the fair value of hedging derivatives to which we apply cash flow hedge accounting, to the extent effective, are deferred in OCI until the expenses or items being hedged are recognized in our consolidated statement of operations. Any hedge ineffectiveness, which at December 31, 2014 was not significant, is recognized immediately in our consolidated statement of operations. At December 31, 2014, we recorded $3.6 of derivative assets in other current assets and $18.6 of derivative liabilities in accrued and other current liabilities and other non-current liabilities (December 31, 2013 — $1.5 of derivative assets in other current assets and $18.8 of derivative liabilities in accrued and other current liabilities and other non-current liabilities). The unrealized gains or losses are a result of fluctuations in foreign exchange rates between the date the currency forward contracts were entered into and the valuation date at period end.

We have not designated certain forward contracts to trade U.S. dollars as hedges, most significantly certain Canadian dollar and British pound sterling contracts, and have marked these contracts to market each period in our consolidated statement of operations.

21. CAPITAL DISCLOSURES:

Our main objectives in managing our capital resources are to ensure liquidity and to have funds available for working capital or other investments we determine we require to grow our business. Our capital resources consist of cash, short-term investments, access to a revolving credit facility, intraday and overnight bank overdraft facilities, an accounts receivable sales program and capital stock.

We regularly review our borrowing capacity and make adjustments, to the extent available, for changes in economic conditions and the perceived needs of our business. As of December 31, 2014, we have a $300.0 revolving credit facility with an accordion feature that allows us to increase this limit by an additional $150.0 upon satisfaction of certain terms and conditions. See note 11. We also have access to $70.0 in intraday and overnight bank overdraft facilities, and we may sell up to $250.0 in accounts receivable on an uncommitted basis under an accounts receivable sales program to provide short-term liquidity. At December 31, 2014, we had sold $50.0 of accounts receivable under our accounts receivable sales program and we had no amounts outstanding under our revolving credit facility. At December 31, 2014, we also had $28.5 outstanding in letters of credit

under our revolving credit facility. Our $300.0 revolving credit facility matures in October 2018, and has restrictive covenants, including those relating to the incurrence of senior ranking indebtedness, the sale of assets and a change of control. The facility also contains financial covenants relating to indebtedness and interest coverage. Certain of our assets are pledged as security for borrowing under this facility. We closely monitor our business performance to evaluate compliance with our restrictive and financial covenants. We were in compliance with all applicable restrictive and financial covenants under our credit facility as of December 31, 2014. We continue to monitor and review the most cost-effective methods of raising capital, taking into account these restrictions and covenants. The term of our accounts receivable sales program has been extended by amendment for additional one-year periods (and is currently extendable to November 2016 under specified circumstances), but may be terminated earlier as provided in the agreement governing the program. See note 4. In addition, since our accounts receivable sales program is on an uncommitted basis, there can be no assurance that any participant bank will purchase the accounts receivable we intend to sell to them under this program. The timing and amounts we may borrow and repay under these facilities can vary significantly from month-to-month depending on our working capital and other cash requirements.

We commenced an NCIB in each of 2012, 2013, and 2014, pursuant to which we repurchased and cancelled 13.3 million, 4.1 million, and 8.5 million subordinate voting shares in 2012, 2013 and 2014, respectively. In 2012, we also completed an SIB pursuant to which we repurchased and cancelled 22.4 million subordinate voting shares. See note 12. In addition, we have purchased, and expect to continue to purchase, subordinate voting shares from time-to-time in the open market through a trustee for delivery under our stock-based compensation plans. We have not distributed, nor do we have any current plan to distribute, any dividends to our shareholders.

Our strategy on capital risk management has not changed significantly since the end of 2013. Other than the restrictive and financial covenants associated with our revolving credit facility noted above, we are not subject to any contractual or regulatory capital requirements. While some of our international operations are subject to government restrictions on the flow of capital into and out of their jurisdictions, these restrictions have not had a material impact on our operations or cash flows.

22. WEIGHTED AVERAGE NUMBER OF SHARES DILUTED (in millions):

	2012	2013	2014
Weighted average number of shares (basic)	208.6	183.4	178.4
Dilutive effect of outstanding awards under stock-based compensation plans	1.9	2.0	2.0
Weighted average number of shares (diluted)	210.5	185.4	180.4

For the year ended December 31, 2014, we excluded 0.3 million of stock-based awards (year ended December 31, 2013 — 2.8 million; year ended December 31, 2012 — 4.5 million) from the diluted weighted average per share calculation as they were out-of-the-money.

References to shares in this note 22 are to our subordinate voting shares and our multiple voting shares taken collectively.

23. COMMITMENTS, CONTINGENCIES AND GUARANTEES:

At December 31, 2014, we have future minimum lease payments as follows:

	Operating Leases
2015	$24.4
2016	15.5
2017	11.7
2018	8.3
2019	4.1
Thereafter	5.7

Our operating leases primarily relate to premises. As at December 31, 2014, we had committed $25.6 for capital expenditures, principally for machinery and equipment to support new customer programs, and we had also committed to purchasing up to $34.0 of inventory in relation to a program transfer scheduled for the first half of 2015.

We have contingent liabilities in the form of letters of credit, letters of guarantee and surety bonds which we have provided to various third parties. The foregoing, which are all guarantees, cover various payments, including customs and excise taxes, utility commitments and certain bank guarantees. At December 31, 2014, these guarantees amounted to $38.5 (December 31, 2013 — $40.5), including $28.5 (December 31, 2013 — $29.7) of letters of credit outstanding under our revolving credit facility.

In addition to the above guarantees, we provide routine indemnifications, the terms of which range in duration and often are not explicitly defined. These may include indemnifications against third-party intellectual property infringement claims and certain third-party negligence claims for property damage. We have also provided indemnifications in connection with the sale of certain businesses and real property. The maximum potential liability from these indemnifications cannot be reasonably estimated. In some cases, we have recourse against other parties to mitigate our risk of loss from these indemnifications. Historically, we have not made significant payments relating to these types of indemnifications.

Litigation:

In the normal course of our operations, we may be subject to lawsuits, investigations and other claims, including environmental, labor, product, customer disputes and other matters. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of all such pending matters will not have a material adverse impact on our financial performance, financial position or liquidity.

In 2007, securities class action lawsuits were commenced against us and our former Chief Executive and Chief Financial Officers, in the United States District Court of the Southern District of New York by certain individuals, on behalf of themselves and other unnamed purchasers of our stock, claiming that they were purchasers of our stock during the period January 27, 2005 through January 30, 2007. The plaintiffs allege violations of United States federal securities laws and seek unspecified damages. They allege that during the purported period we made statements concerning our actual and anticipated future financial results that failed to disclose certain purportedly material adverse information with respect to demand and inventory in our Mexico operations and our information technology and communications divisions. In an amended complaint, the plaintiffs added one of our directors and Onex Corporation as defendants. On October 14, 2010, the District Court granted the defendants' motions to dismiss the consolidated amended complaint in its entirety. The plaintiffs appealed to the United States Court of Appeals for the Second Circuit the dismissal of their claims

against us, and our former Chief Executive and Chief Financial Officers, but not as to the other defendants. In a summary order dated December 29, 2011, the Court of Appeals reversed the District Court's dismissal of the consolidated amended complaint and remanded the case to the District Court for further proceedings. The discovery phase of the case has been completed. Defendants moved for summary judgment dismissing the case in its entirety, and plaintiffs moved for class certification and for partial summary judgment on certain elements of their claims. In an order dated February 21, 2014, the District Court denied plaintiffs' motion for class certification because they sought to include in their proposed class persons who purchased Celestica stock in Canada. Plaintiffs renewed their motion for class certification on April 23, 2014, removing Canadian stock purchasers from their proposed class in accordance with the District Court's February 21 order. Defendants opposed plaintiffs' renewed motion on May 5, 2014 on the grounds that the plaintiffs are not adequate class representatives. On August 20, 2014, the District Court denied our motion for summary judgment. The District Court also denied the majority of plaintiffs' motion for partial summary judgment, but granted plaintiffs' motion on market efficiency. The District Court also granted plaintiffs' renewed class certification motion and certified plaintiffs' revised class. A trial date has been set for April 20, 2015. On February 24, 2015, the parties reached an agreement in principle to settle the U.S. case. It is anticipated that the settlement amount will be covered by our liability insurance. However, as the settlement has not yet been finalized, and is in any event subject to approval by the District Court, there can be no assurance that the settlement will be entered into at all, that any actual settlement or other disposition of the lawsuit will not be in excess of amounts accrued or on terms less favorable to us than the agreement in principle, or that the actual settlement or other disposition of the lawsuit will not have a material adverse impact on our financial position or liquidity. If a settlement is not achieved on terms acceptable to us, we intend to continue to vigorously defend this lawsuit.

Parallel class proceedings remain against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice. These proceedings are not affected by the agreement in principle discussed above. On October 15, 2012, the Ontario Superior Court of Justice granted limited aspects of the defendants' motion to strike, but dismissed the defendants' limitation period argument. The defendants' appeal of the limitation period issue was dismissed on February 3, 2014 when the Court of Appeal for Ontario overturned its own prior decision on the limitation period issue. On August 7, 2014, the defendants were granted leave to appeal the decision to the Supreme Court of Canada, together with two other cases that deal with the limitation period issue. The Supreme Court of Canada heard the appeal on February 9, 2015, and the decision is under reserve. A possible outcome of the Supreme Court appeal would be that the Canadian case is dismissed in its entirety. In a decision dated February 19, 2014, the Ontario Superior Court of Justice granted the plaintiffs leave to proceed with a statutory claim under the Ontario Securities Act and certified the action as a class proceeding on the claim that the defendants made misrepresentations regarding the 2005 restructuring. The court denied the plaintiffs leave and certification on the claims that the defendants did not properly report Celestica's inventory and revenue and that Celestica's financial statements did not comply with Canadian GAAP. The court also denied certification of the plaintiffs' common law claims. The action is at the discovery stage and, depending on the outcome of the Supreme Court appeal, the discoveries may resume. There have been some settlement discussions among the parties to the Canadian proceedings. However, there can be no assurance that such discussions will lead to a settlement, or that any settlements or other dispositions of the Canadian lawsuit will not be in excess of amounts covered by our liability insurance policies. If the Supreme Court appeal does not result in a dismissal of the Canadian action and/or settlement on terms acceptable to us is not reached, we intend to continue to vigorously defend the lawsuit. We believe the allegations in the claim are without merit. However, there can be no assurance that the outcome of the lawsuit will be favorable to us or that it will not have a material adverse impact on our financial position or liquidity. In addition, we may incur substantial litigation expenses in defending the claim. As the matter is ongoing, we cannot predict its duration or the resources required.

Income taxes:

We are subject to tax audits globally by various tax authorities of historical information, which could result in additional tax expense in future periods relating to prior results. Reviews by tax authorities generally focus on, but are not limited to, the validity of our inter-company transactions, including financing and transfer pricing policies which generally involve subjective areas of taxation and a significant degree of judgment. If any of these tax authorities are successful with their challenges, our income tax expense may increase significantly and we could also be subject to interest and penalty charges.

Tax authorities in Canada have taken the position that income reported by one of our Canadian subsidiaries should have been materially higher in 2001 and 2002 and materially lower in 2003 and 2004 as a result of certain inter-company transactions, and have imposed limitations on benefits associated with favorable adjustments arising from inter-company transactions and other adjustments. We have appealed this decision with the Canadian tax authorities and have sought assistance from the relevant Competent Authorities in resolving the transfer pricing matter under relevant treaty principles. We could be required to provide security up to an estimated maximum range of $20 million to $25 million Canadian dollars (approximately $17 to $22 at year-end exchange rates) in the form of letters of credit to the tax authorities in connection with the transfer pricing appeal, however, we do not believe that such security will be required. If tax authorities are successful with their challenge, we estimate that the maximum net impact for additional income taxes and interest charges associated with the proposed limitations of the favorable adjustments could be approximately $41 million Canadian dollars (approximately $35 at year-end exchange rates).

Canadian tax authorities have taken the position that certain interest amounts deducted by one of our Canadian entities in 2002 through 2004 on historical debt instruments should be re-characterized as capital losses. If the tax authorities are successful with their challenge, we estimate that the maximum net impact for additional income taxes and interest charges could be approximately $32 million Canadian dollars (approximately $28 at year-end exchange rates). We have appealed this decision with the Canadian tax authorities and have provided the requisite security to the tax authorities, including a letter of credit in January 2014 of $5 million Canadian dollars (approximately $5 at year-end exchange rates), in addition to amounts previously on account, in order to proceed with the appeal. We believe that our asserted position is appropriate and would be sustained upon full examination by the tax authorities and, if necessary, upon consideration by the judicial courts. Our position is supported by our Canadian legal tax advisors.

We have and expect to continue to recognize the future benefit of certain Brazilian tax losses on the basis that these tax losses can and will be fully utilized in the fiscal period ending on the date of dissolution of our Brazilian subsidiary. While our ability to do so is not certain, we believe that our interpretation of applicable Brazilian law will be sustained upon full examination by the Brazilian tax authorities and, if necessary, upon consideration by the Brazilian judicial courts. Our position is supported by our Brazilian legal tax advisors. An adverse change to the benefit realizable on these Brazilian losses could increase our net deferred tax liabilities by approximately 25 million Brazilian reais (approximately $10 at year-end exchange rates).

The successful pursuit of the assertions made by any taxing authority related to the above noted tax audits or others could result in our owing significant amounts of tax, interest and possibly penalties. We believe we have substantial defenses to the asserted positions and have adequately accrued for any probable potential adverse tax impact. However, there can be no assurance as to the final resolution of these claims and any resulting proceedings. If these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material, and could be in excess of amounts currently accrued.

24. SEGMENT AND GEOGRAPHIC INFORMATION:

We are required to disclose certain information regarding operating segments, products and services, geographic areas and major customers. Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Our one reportable segment is comprised of our electronics manufacturing services business. Our chief operating decision maker is our Chief Executive Officer.

The following table indicates revenue by end market as a percentage of total revenue for the years indicated. Our revenue fluctuates from period-to-period depending on numerous factors, including but not limited to: the mix and complexity of the products or services we provide, the extent, timing and rate of new program wins, follow-on business or program losses, the phasing in or out of programs, the success in the marketplace of our customers' products, changes in customer demand, and the seasonality of our business. We expect that the pace of technological change, the frequency of customers transferring business among EMS competitors, the level of outsourcing by customers (including decisions to insource), and the dynamics of the global economy will also continue to impact our business from period-to-period.

	Year ended December 31		
	2012	2013	2014
Communications	35%	42%	40%
Consumer	18%	6%	5%
Diversified	20%	25%	28%
Servers	15%	13%	9%
Storage	12%	14%	18%

The following table details our external revenue allocated by manufacturing location among countries exceeding 10%:

	Year ended December 31		
	2012	2013	2014
Mexico	19%	*	*
Thailand	21%	34%	33%
China	17%	19%	23%
Malaysia	12%	13%	14%

* Less than 10% in the period indicated

The following table details our allocation of property, plant and equipment, intangible assets and goodwill among countries exceeding 10%:

	December 31	
	2013	2014
China	23%	22%
Canada	10%	10%
Thailand	13%	16%
United States	19%	16%
Malaysia	18%	19%

Customers:

We had three customers that individually represented more than 10% of total revenue in 2014. In aggregate, those customers comprised 37% of total revenue. At December 31, 2014, we had one customer that individually represented more than 10% of total accounts receivable.

We had two customers that individually represented more than 10% of total revenue in 2013. In aggregate, those customers comprised 24% of total revenue. At December 31, 2013, we had one customer that individually represented more than 10% of total accounts receivable.

We had two customers that individually represented more than 10% of total revenue in 2012. In aggregate, those customers comprised 23% of total revenue. At December 31, 2012, we had one customer that individually represented more than 10% of total accounts receivable.

25. COMPARATIVE INFORMATION:

We have reclassified certain prior year information to conform to the current year's presentation.

Exhibit 4.12

US$250,000,000

AMENDED AND RESTATED REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT

among

CELESTICA INC.,

as Servicer

and

CELESTICA LLC,
CELESTICA CZECH REPUBLIC S.R.O.,
CELESTICA HOLDINGS PTE LTD.,
CELESTICA VALENCIA S.A. (SOCIEDAD UNIPERSONAL),
CELESTICA HONG KONG LTD.
CELESTICA (ROMANIA) S.R.L.
CELESTICA JAPAN KK
CELESTICA OREGON LLC
as Sellers,

and

EACH OF THE PURCHASERS LISTED HEREIN,
as Purchasers,

and

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Administrative Agent

Dated as of November 4, 2011

DEUTSCHE BANK AG NEW YORK, as Lead Arranger

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AMENDED AND RESTATED REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT (this "Agreement"), dated as of November 4, 2011 among Celestica Inc., a corporation organized and existing under the laws of the Province of Ontario, Canada ("Celestica Canada"), as delegated servicer hereunder (in such capacity, the "Servicer"), Celestica LLC, a corporation organized and existing under the laws of Delaware ("Celestica LLC"), as a Seller hereunder, Celestica Czech Republic s.r.o., a limited liability company organized and existing under the laws of the Czech Republic ("Celestica Czech Republic"), as a Seller hereunder, Celestica Holdings Pte Ltd., a limited liability company organized and existing under the laws of Singapore ("Celestica Holdings"), as a Seller hereunder, Celestica Valencia S.A., a sociedad unipersonal organized and existing under the laws of Spain ("Celestica Valencia"), as a Seller hereunder, Celestica Hong Kong Ltd., a limited liability company incorporated under the laws of Hong Kong ("Celestica Hong Kong"), as a Seller hereunder, Celestica (Romania) s.r.l. ("Celestica Romania"), a corporation incorporated under the laws of Romania, Celestica Japan KK, a limited liability company organized and existing under the laws of Japan ("Celestica Japan"), as a Seller hereunder, Celestica Oregon LLC, a limited liability company organized and existing under the laws of Delaware ("Celestica Oregon") (each of Celestica LLC, Celestica Czech Republic, Celestica Holdings, Celestica Valencia, Celestica Hong Kong, Celestica Romania, Celestica Japan, Celestica Electronics (M) SND BHD and Celestica Oregon and each New Seller pursuant to Section 5.18(a) being individually a "Seller" and collectively the "Sellers"), each of the financial institutions named on Schedule I hereto as purchasers (the "Purchasers"), and Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent").

The parties hereto hereby agree as follows:

SECTION 1 - DEFINITIONS

1.1 Defined Terms

As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1:

"Administrative Agent": Deutsche Bank AG New York Branch, as the administrative agent for the Purchasers under this Agreement and the other Transaction Documents, together with any of its successors.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agency Agreement": the agency agreement among the Administrative Agent, the Collection Agent and the Purchasers, substantially in the form of Exhibit J hereto.

"Agreement": as defined in the preamble hereto.

"Applicable Margin": the Tranche A Applicable Margin, the Tranche B Applicable Margin, the Tranche C Applicable Margin or the Tranche D Applicable Margin, as the context may require.

"Applicable Percentage" means 100%.

"Approved Rating Agency": Standard & Poor's, Moody's Investor Service or another rating agency acceptable to the Administrative Agent and the Servicer.

"Assignee": as defined in Section 9.6(c).

"Assignment Agreements": each receivables assignment agreement, substantially in the form of Exhibit A, executed and delivered by a Seller in respect of a Purchase or all Purchases, as the case may be, hereunder.

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit K.

"Assignor": as defined in Section 9.6(c).

"Availability Termination Date": the earlier of (i) the date that is the seventh anniversary of the Closing Date and (ii) the date on which the Administrative Agent delivers to the Servicer a notice of termination as a result of a Termination Event in accordance herewith (or the date on which such termination becomes effective automatically pursuant to Section 7).

"BBA JPY LIBOR": means for any day, the rate that appears as the British Bankers Assoc. Interest Settlement Rates Page (the display designated as Page [LIBOR] on the Reuters Service or such other page as may replace such page on such service for the purpose of displaying the rates at which Yen deposits are offered by leading banks in the London interbank deposit market), as determined by the Administrative Agent, based in each case on the overnight rate at approximately 11:00 a.m. London, England time on the day of determination; provided that (a) if such day is not a Business Day in London, England, the BBA JPY LIBOR for such day shall be such rate that, so appears on the next preceding Business Day, and (b) if no such rate so appears on such next succeeding Business Day, the BBA JPY LIBOR for such day shall be the average rate charged to the Purchasers on such day on such transactions as determined by the Purchasers.

"Benefitted Purchaser": as defined in Section 9.7.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"BSA": the U.S. Bank Secrecy Act of 1970, as amended.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City and Toronto, Canada are authorized or required by law to close provided, that with respect to determinations of the LIBOR Rate, such day is also a day for trading by and between banks in Dollar deposits or Japanese Yen deposits, as applicable in London, England.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Celestica Reports": as defined in Section 3.12.

"Chargebacks": any amounts debited from Collection Accounts pursuant to the related Deposit Account Control Agreements in respect of returned checks or other reversals in respect of payments previously applied as Collections hereunder.

"Closing Date": November 23, 2005.

"Collateral": all the collateral pledged or purported to be pledged pursuant to any of the Security Documents.

"Collection Account Agreement": the Collection Agency and Account Agreement, dated as of November 23, 2005, among Celestica Corp., the Servicer and the Collection Agent, as amended, supplemented or otherwise modified from time to time.

"Collection Account Pledge Agreement": the Collection Account Pledge Agreement, dated as of November 23, 2005, among the Sellers, the Servicer and the Collection Agent, as amended, supplemented or otherwise modified from time to time.

"Collection Accounts": each of account Nos. 37566-57607 (maintained by Celestica LLC), 37566-84489 (maintained by Celestica LLC), 37566-843 53 (maintained by Celestica Hong Kong), 25852-048 (maintained by Celestica Czech Republic), 37566-84340 (maintained by Celestica Holdings), 23963-011 (maintained by Celestica Valencia), the Japanese Yen Collection Account (maintained by Celestica Japan), 4427214572 (maintained by Celestica Oregon), and 600849283013 (maintained by Celestica Romania) in each case with Bank of America and each other account from time to time opened by a Seller and subject to the lien of the Collection Account Pledge Agreement, provided that the relevant account bank shall have executed and delivered a Deposit Account Control Agreement or Security Deed, as the case may be, in form and substance satisfactory to the Administrative Agent and shall have taken such other measures as the Administrative Agent shall require to assure its security interest in such account.

"Collection Agent": Deutsche Bank AG, New York Branch, as the collection agent for the Purchasers under the Security Documents, together with any of its successors.

"Collection Agent's Fees and Expenses": as defined in Section 4.1 of the Collection Account Agreement.

"Collections": all collections and other proceeds received and payment of any amounts owed by Obligors in respect of Scheduled Receivables, including, without limitation, purchase price, finance charges, interest and all other charges, or applied to amounts owed in respect of such Scheduled Receivables (including without limitation, net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the applicable Obligor or any other Person directly or indirectly liable for the payment of such Scheduled Receivable and available to be applied thereon) plus all amounts paid by the Sellers as Deemed Collections and all other proceeds of such Scheduled Receivable.

"Commitment Fee": means the fee referred to in Section 2.5(b).

"Concentration Account": account no. 37566-88715 maintained by Celestica LLC with Bank of America, subject to the lien of the Collection Account Pledge Agreement and a Deposit Account Control Agreement.

"Contract": means, with respect to any Scheduled Receivable, any and all contracts, understandings, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Scheduled Receivable arises or which evidences such Scheduled Receivable or under which the applicable Obligor becomes or is obligated to make payment in respect of such Scheduled Receivable.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control": the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Cut-Off Date": in respect of a Purchase, the date specified in the related Purchase Notice, which date shall be no more than five Business Days prior to the related Purchase Date.

"Czech Republic": the Czech Republic and any governmental subdivision thereof.

"Deemed Collections": amounts paid to the Purchasers pursuant to Section 2.12.

"Defaulted Receivable": a Scheduled Receivable that is unpaid and outstanding 90 days after the invoice date thereof.

"Deferred Purchase Price": amounts payable to the Sellers pursuant to Section 2.11(a).

"Deposit Account Control Agreement": each deposit account control agreement executed and delivered by Bank of America in respect of the Collection Accounts, substantially in the form of Exhibit I hereto, and by each other bank with which a Seller maintains a Collection Account.

"Dilution": any adjustment in the outstanding Principal Amount of a Scheduled Receivable, after the relevant Cut-Off Date, attributable to any credits, rebates, billing errors, sales or similar taxes, discounts, setoffs, disputes, chargebacks, returns, allowances or similar items.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and "$": dollars in lawful currency of the United States.

"Eligible Buyer": each purchaser or prospective purchaser of Goods specified on Schedule 1.2 hereto, and such additional "Eligible Buyers" as may be added from time to time in accordance with Section 5.17. Eligible Buyers are either Tranche A Eligible Buyers, Tranche B Eligible Buyers, Tranche C Eligible Buyers or Tranche D Eligible Buyers.

"Eligible Receivables": on an applicable Purchase Date, any Receivable (i) which has a Scheduled Due Date and which Scheduled Due Date is not later than 75 days after the invoice date thereof, (ii) which is an "account" as defined in the UCC, (iii) which is denominated and payable in Dollars or in the case of Celestica Japan, Japanese Yen, (iv) which, together with the related Contract, is in full force and effect and constitutes the legal, valid and binding obligation of the applicable Obligor enforceable against each such Obligor in accordance with its terms and subject to no asserted right of offset, counterclaim or other defense, (v) which satisfied on the relevant invoice date all requirements of the applicable Seller's standard customer credit policies, including that the Receivable is not delinquent or defaulted, (vi) which, in respect of a Purchase under Section 2.2(b), satisfies all applicable Obligor Limits, (vii) which was generated in the ordinary course of the respective Seller's business and (viii) in respect of which the related Eligible Buyer has been provided with Irrevocable Payment Instructions except, in respect of a Tranche C Receivable where irrevocable Payment Instructions have not been given as noted in the relevant Purchase Notice.

"Executive Order": that certain U.S. Presidential Executive Order No. 13224 (September 23, 2001).

"Extended Availability Termination Date": following timely notice of extension and payment of the related fee pursuant to Section 2.1, means the earlier of (i) the date that is the first anniversary of the Availability Termination Date and (ii) the date on which the Administrative Agent delivers to the Servicer a notice of termination as a result of a Termination Event in accordance herewith (or the date on which such termination becomes effective automatically pursuant to Section 7).

"Fee Letter": as defined in Section 2.4.

"Funding Cost Amount": means, in respect of Scheduled Receivables that are the object of a Purchase, an amount determined by the Administrative Agent in the applicable currency equal to (A) the sum, for each day from and after the applicable Purchase Date, of the product of (i) the Investment for such Scheduled Receivables on such day and (ii) a fraction, the numerator of which is equal to the sum of the LIBOR Rate or BBA JPY LIBOR (in the case of Japanese Yen denominated Purchases) plus the Applicable Margin for such Purchase and the denominator of which is 360 plus (B) the sum, for each day from and after the applicable Purchase Date, of the product of (i) the aggregate amount, if any, of Deemed Collections in respect of such Scheduled Receivables required to be deposited by the Sellers on any such day and any prior day that have not been deposited on or before such day, and (ii) a fraction, the numerator of which is equal to one percent and the denominator of which is equal to 360.

“Funding Office”: the first office of the Administrative Agent specified in Section 9.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Servicer and the Purchasers.

“GAAP”: generally accepted accounting principles as in effect in Canada.

“Goods”: products or services, including without limitation computer components and technology goods and related services.

“Governmental Authority”: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Governmental Lists”: (a) the SDN List, (b) the Denied Persons List and the Entity List maintained by the United States Department of Commerce, (c) the List of Designated Foreign Terrorist Organizations and List of Debarred Parties maintained by the United States Department of State, (d) any other publicly-available list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the OFAC Laws and Regulations, and (e) any list or qualification of “Designated Nationals” as defined in , the Cuban Assets Control Regulations, 31 C.F.R. Part 515, as all such Governmental Lists may be updated from time to time and to the extent made publicly available on the respective governmental agency’s website.

“Group Members”: the collective reference to Celestica Canada and its consolidated Subsidiaries.

“Guarantee”: the guarantee of Celestica Canada dated as of the date hereof.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly.

“Guarantor”: Celestica Canada in its capacity as guarantor under the Guarantee.

“Hedge Agreements”: all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

“Hong Kong”: the Hong Kong Special Administrative Region of the People’s Republic of China.

“Incipient Termination Event”: any event which, with the giving of notice, the lapse of time, or both, would become a Termination Event.

“Indebtedness”: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or Purchaser under such agreement in the event of default are limited to repossession or sale of such property), (e) all capital lease obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a)

through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (i) all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including, without limitation, any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of a direct statutory or contractual provision.

"Indemnified Amounts": any and all claims, damages, costs, expenses, losses and liabilities (including all reasonable fees and other charges of any law firm or other external counsel).

"Indemnified Person": the Administrative Agent, the Purchasers and their respective Affiliates, together with their respective officers, directors, employees, advisors, agents, successors, transferees and permitted assigns and controlling persons.

"Indemnified Taxes": as defined in Section 2.8(a).

"Initial Purchase Price": means, in respect of Scheduled Receivables of an Eligible Buyer that are the object of a Purchase, such Eligible Buyer's Applicable Percentage of the outstanding Principal Amount of such Scheduled Receivables as set out in the relevant Purchase Notice.

"Investment": means, on any date of determination with respect to Scheduled Receivables that are the object of a Purchase, the Initial Purchase Price in respect thereof plus the accrued Funding Cost Amount for such Scheduled Receivables up to but excluding such date of determination, less the aggregate amount of Collections transferred (or deemed to be transferred) to the Payment Account or Japanese Yen Payment Account, as applicable in respect of such Scheduled Receivables prior to such date of determination as reflected in the relevant Transfer Report or Servicer Report, and less the amount of Purchase Price Adjustment relating to such Scheduled Receivables transferred to the Payment Account or Japanese Yen Payment Account, as applicable prior to such date of determination, provided that the Investment for any Purchase shall not be less than zero.

"Irrevocable Payment Instruction": each Irrevocable Payment Instruction, substantially in the form of Exhibit B, to be provided to each Eligible Buyer in the relevant invoice for the Scheduled Receivable, providing for payment of such Receivables to a Collection Account.

"Italy": the Republic of Italy and any governmental subdivision thereof.

"Japan": Japan and any governmental subdivision thereof.

"Japanese Yen": means the lawful currency of Japan.

"Japanese Yen Collections": means Collections denominated in Japanese Yen.

"Japanese Yen Collection Account": means a Collection Account to be opened and maintained by Celestica Japan, the particulars of which shall be provided to the Administrative Agent after the account has been opened.

"Japanese Yen Payment Account": means the account of the Administrative Agent maintained at Deutsche Bank AG Tokyo, Swift Code: DEUTJPJT, Account Name: Deutsche Bank AG New York Branch (Swift: DEUTUS33), Account No: 8418523300000.

"Lead Arranger": Deutsche Bank AG New York.

"LIBOR Rate": for any day, the rate that appears as the British Bankers Assoc. Interest Settlement Rates Page (the display designated as Page LIBOR01 on the Reuters Service or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market), as determined by the Administrative Agent, based in each case on the overnight rate at approximately 11:00 a.m. London, England time on the day of determination; provided that (a) if such day is not a Business Day in London, England, the LIBOR Rate for such day shall be such rate that, so appears on the next preceding Business Day, and (b) if no such rate so appears on such next succeeding Business Day, the LIBOR Rate for such day shall be the average rate charged to the Purchasers on such day on such transactions as determined by the Purchasers.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Material Adverse Effect": an event or occurrence in respect of (a) the Purchased Assets, (b) the business, assets, property, operations or condition (financial or otherwise) of Celestica Canada, any Seller, and their respective Subsidiaries, taken as a whole, or (c) the validity or enforceability of any of the Transaction Documents, in each case that could reasonably be expected to have a material adverse effect on the enforceability or collectibility of the Purchased Assets, the performance by Celestica Canada under the Guarantee or the rights and remedies of the Collection Agent, the Administrative Agent or the Purchasers thereunder against any Seller or the Servicer.

"New Eligible Buyer": as defined in Section 5.17.

"New Seller": as defined in Section 5.17.

"Obligations": all amounts payable as indemnity hereunder and all other obligations and liabilities of the Sellers and the Servicer to the Collection Agent, the Administrative Agent or to the Purchasers, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Transaction Document or any other document made, delivered or given in connection herewith or therewith, whether on account of interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel to the Collection Agent, the Administrative Agent or to the Purchaser that are required to be paid by the Sellers pursuant hereto) or otherwise.

"Obligor": with respect to any Receivable, the Eligible Buyer obligated to make payments with respect to such Receivable, any guarantor of such Eligible Buyer's obligations and any bank or financial institution that has opened or confirmed a letter of credit in respect of an Eligible Buyer's obligations.

"Obligor Limits": the specified limit expressed in Dollars on the aggregate net amount payable (net of credit memos) of Scheduled Receivables of any Tranche A Eligible Buyer, Tranche B Eligible Buyer or Tranche D Eligible Buyer that may be purchased and remain outstanding at any time hereunder in respect of Purchased Receivables, as set forth in Schedule 1.2, as amended. For the purposes of this definition, Japanese Yen denominated Receivables will be converted to Dollars at the Spot Rate in effect on the date of purchase.

"OFAC": the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency or department that succeeds to the duties of OFAC.

"OFAC Laws and Regulations": any lists, laws, rules, sanctions and regulations maintained by OFAC pursuant to any authorizing statute, executive order or regulation, including the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513,

the United National Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 as-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time.

"Organizational Documents": with respect to any Person, if such Person is a corporation, its articles of incorporation, charter and by-laws, or other organizational or governing documents, or if such Person is a partnership, its certificate of partnership, if any, and partnership agreement and, in each case, any stockholder or similar agreements between and among the holders of ownership interests in such Person.

"Original Agreement": means the Revolving Trade Receivables Purchase Agreement among Celestica Inc., each of the sellers listed thereto, each of the purchasers listed thereto and the Administrative Agent, entered into on November 23, 2005 (as amended by the First Amendment to Revolving Trade Receivables Purchase Agreement dated as of October 31, 2006, by the Second Amendment to Revolving Trade Receivables Purchase Agreement dated as of June 28, 2007, by the Third Amendment to Revolving Trade Receivables Purchase Agreement dated as of August 15, 2008, by the Fourth Amendment to Revolving Trade Receivables Purchase Agreement dated as of June 11, 2009, by the Fifth Amendment to Revolving Trade Receivables Purchase Agreement dated as of November 23, 2009, by the Sixth Amendment to Revolving Trade Receivables Purchase Agreement dated as of April 26, 2010, by the Seventh Amendment to Revolving Trade Receivables Purchase Agreement dated as of November 17, 2010, and the Eighth Amendment to Revolving Trade Receivables Purchase Agreement dated as of March 29, 2011).

"Other Taxes": any and all present or future stamp or documentary taxes, value added taxes (VAT) or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document.

"Participant": as defined in Section 9.6(b).

"Payment Account": as defined in Section 2.6(b).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Principal Amount": in respect of a Scheduled Receivable, the nominal or face amount of such Receivable in Dollars or Japanese Yen, as applicable.

"Purchase": a purchase of Scheduled Receivables in Dollars or Japanese Yen in accordance with Section 2 of this Agreement.

"Purchase Calculation Notice": a notice delivered by the Administrative Agent with a copy to the Servicer to the effect required by Section 2.2.

"Purchase Date": each date prior to the Availability Termination Date or the Extended Availability Termination Date, as the case may be, on which a Seller proposes to sell to the Purchasers ownership interests in the Scheduled Receivables identified in the related Purchase Notice.

"Purchase Notice": a notice delivered by the Servicer to the Administrative Agent in respect of a prospective sale of Scheduled Receivables, substantially in the form of Exhibit D hereto.

"Purchase Price Adjustments": amounts paid to the Purchasers pursuant to Section 2.11(b).

"Purchased Assets": whether now or hereafter owned, existing or arising: (A) Scheduled Receivables that have been the object of a Purchase hereunder, (B) all Related Security with respect to such Receivables, (C) all Collections with respect to such Receivables (including Collections received on and after the relevant Cut-Off Date), and (D) all proceeds of, and all amounts received or receivable under, any or all of the foregoing.

"Purchaser Affiliate": (a) any Affiliate of a Purchaser and (b) any Person that is administered or managed by a Purchaser and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Purchasers": as defined in the preamble hereto.

"Purchaser's Investment Limit": as to any Purchaser, an amount not to exceed the amount set forth under the heading "Purchaser's Investment Limit" opposite such Purchaser's name on Schedule 1.1 hereto. As of the date hereof, the aggregate amount of the Purchasers' Investment Limits is $250,000,000.

"Purchaser's Investment Percentage": as to any Purchaser, the percentage which such Purchaser's Investment Limit then constitutes of the aggregate Purchasers' Investment Limits (or, if at any time after the initial Purchase Date, all of the Purchasers' Investment Limits have been reached, the percentage which the aggregate amount of such Purchaser's pro rata share of each of the Investments then outstanding (based upon its contribution to the related Initial Purchase Price) constitutes of the aggregate amount of Investments then outstanding).

"Receivable": an account receivable in Dollars, arising from a sale of Goods by a Seller to an Eligible Buyer.

"Receivables Presentation": a presentation by the Servicer to the Administrative Agent substantially in the form of Exhibit G hereto.

"Register": as defined in Section 9.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Regulation X": Regulation X of the Board as in effect from time to time.

"Related Security": with respect to any Scheduled Receivable, (i) all of the relevant Seller's interest in any goods (including returned goods), and documentation of title evidencing the shipment or storage of any goods (including returned goods), relating to any sale giving rise to such Scheduled Receivable; and (ii) all guarantees, indemnities, letters of credit, insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Scheduled Receivable, in each case to the extent relating to such Scheduled Receivable.

"Reporting Date": as defined in Section 6.3.

"Required Purchasers": at any time, the holders of more than 50% of (a) until the initial Purchase Date, the Purchaser's Investment Limits then in effect, and (b) thereafter, the sum of the aggregate Investments then outstanding.

"Requirement of Law": as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": as to any Person, the chief executive officer, president, chief financial officer or any other duly authorized officer or attorney-in-fact of such Person, but in any event, with respect to financial matters, the chief financial officer or treasurer of such Person.

“Revolving Credit Agreement”: the Fourth Amended and Restated Revolving Term Credit Agreement dated as of April 12, 2007 among Celestica Canada, certain subsidiaries designated therein, CIBC World Markets as Joint Lead Arranger, RBC Capital Markets. as Joint Lead Arranger and Co-Syndication Agent, Canadian Imperial Bank of Commerce, as Administrative Agent, Banc of America Securities LLC as Co-Syndication Agent and the financial institutions named therein, as Lender.

“Romania”: Romania and any governmental subdivision thereof.

“Romania/Germany Tax Treaty” means the Convention between the Romania and the Federal Republic of Germany for the avoidance of double taxation with respect to taxes on income and capital, concluded in 2001 and effective as of January 1st, 2004.

“Scheduled Due Date”: the date on which a Scheduled Receivable becomes due and payable in accordance with the related Contract.

“Scheduled Receivables”: Receivables the outstanding balances of which are reflected in an applicable Purchase Notice and are the object of a Purchase until such time as the Investment in such Scheduled Receivable is reduced to zero.

“SDN List”: Specially Designated Nationals and Blocked Persons List maintained by OFAC, as amended from time to time.

“SEC”: the United States Securities and Exchange Commission.

“Secured Parties”: as defined in Section 4.4 of the Collection Account Pledge Agreement.

“Security Deed”: a charged account control deed between a Seller (other than Celestica US), the Collection Agent and Bank of America, N.A., substantially in the form of Exhibit L hereto, and collectively, the “Security Deeds”.

“Security Documents”: the Collection Account Pledge Agreement, the Collection Account Agreement, each Deposit Account Control Agreement, the Security Deeds and all other security documents hereafter delivered to the Collection Agent granting a Lien on any property of any Person to secure the Obligations of the Sellers under any Transaction Document.

“Seller” and “Sellers”: as defined in the preamble hereto, provided that “Seller” and “Sellers” shall exclude for all purposes hereunder any Seller removed pursuant to Section 5.18(b).

“Servicer”: as defined in the preamble to this Agreement.

“Servicer’s Account”: account no. 3751978187, at Bank of America, N.A., ABA No. 111000012, Beneficiary: Celestica LLC, or such other account of the Servicer notified to the Administrative Agent and the Collection Agent in writing not less than 10 days in advance of the date either the Administrative Agent or the Collection Agent, as the case may be, is required to transfer any payment to such account.

“Servicer’s Japanese Yen Account” means account no. 606420883074, at Bank of America, N.A., ABA No. 111000012, Beneficiary: Celestica Japan, or such other account of the Servicer notified to the Administrative Agent and the Collection Agent in writing not less than 10 days in advance of the date either the Administrative Agent or the Collection Agent, as the case may be, is required to transfer any payment to such account.

“Servicer’s Report”: as defined in Section 6.3.

“Singapore”: the Republic of Singapore and any governmental subdivision thereof.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise," as of such date, as such quoted terms are determined in accordance with applicable. U.S. federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim," and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Spain": the Kingdom of Spain and any governmental subdivision thereof.

"Spot Rate": means, in respect of any conversion of Japanese Yen to Dollars, or Dollars to Japanese Yen, the spot rate of exchange of Deutsche Bank AG, New York Branch in effect at the date and time of such conversion.

"Standard & Poor's": Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Subsidiary": as to any Person, an entity of which more than 50% of the ordinary voting Capital Stock are owned by such Person, or the management of which is otherwise Controlled, directly or indirectly, by such Person acting alone.

"Termination Event": any of the events specified in Section 7, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Tranche A Applicable Margin": 1.20% per annum.

"Tranche A Eligible Buyer": Eligible Buyers having a rating at the date of the relevant Purchase of Receivables hereunder of A- or higher by Standard & Poor's on its long-term senior unsecured debt securities (without credit enhancement), or if such Eligible Buyer does not have a rating from Standard & Poor's, then an equivalent rating (or higher) of another Approved Rating Agency. Tranche A Eligible Buyers may be reclassified as Tranche B Eligible Buyers following a downgrade in credit rating below that specified herein, and Tranche B Eligible Buyers may be reclassified as Tranche A Eligible Buyers following an upgrade that is consistent with the requirements of the Tranche A Eligible Buyers. Tranche C Eligible Buyers also may be reclassified under this Agreement if and for so long as their ratings qualify them for treatment as Tranche A Eligible Buyers or Tranche B Eligible Buyers, as the case may be.

"Tranche A Receivable": a Receivable arising from a sale of Goods to a Tranche A Eligible Buyer.

"Tranche B Applicable Margin": 1.50% per annum.

"Tranche B Eligible Buyer": Eligible Buyers having a rating at the date of the relevant sale of Receivables hereunder of BBB- to BBB+ by Standard & Poor's on its long-term senior unsecured debt securities (without credit enhancement), or if such Eligible Buyer does not have a rating from Standard & Poor's, then an equivalent rating of another Approved Rating Agency.

"Tranche B Receivable": a Receivable arising from a sale of Goods to a Tranche B Eligible Buyer.

"Tranche C Applicable Margin": in respect of Scheduled Receivables that are the object of a Purchase, 1.25% per annum or the weighted average rate offered by Purchasers participating in such Purchase, weighted according to each Purchaser's respective contribution to the related Initial Purchase Price.

"Tranche C Eligible Buyer": any Eligible Buyer that is not a Tranche A Eligible Buyer or Tranche B Eligible Buyer or Tranche D Eligible Buyer; provided, however, that if the then outstanding amount of Scheduled Receivables of a Tranche A Eligible Buyer or a Tranche B Eligible Buyer, as the case may be, is or would be, after giving effect to a Purchase Notice, in excess of such Eligible Buyer's Obligor Limits, any Principal Amount of Scheduled Receivables in excess of such Obligor Limits may be offered for sale as Tranche C Receivables.

"Tranche C Receivable": a Receivable arising from a sale of Goods to a Tranche C Eligible Buyer.

"Tranche D Applicable Margin": means, for any purchase on any date of determination, the Applicable Margin for all Receivables outstanding on such date, as specified for the related Obligor in Schedule 1.2.

"Tranche D Eligible Buyer": Eligible Buyers listed on Schedule 1.2 hereto as Tranche D Eligible Buyers.

"Tranche D Receivable": a Receivable arising from a sale of Goods to a Tranche D Eligible Buyer.

"Transaction Documents": this Agreement, the Guarantee, each Assignment Agreement and the Security Documents.

"Transfer Date": as defined in Section 2.13.

"Transfer Report": as defined in Section 2.13.

"Transferee": any Assignee or Participant.

"Uniform Commercial Code" or "UCC": the Uniform Commercial Code as in effect from time to time in the State of New York.

"UCC Financing Statement": a financing statement on Form UCC-1 (or Form UCC-3) in the form required under the applicable UCC to perfect a security interest in Collateral that is perfected by filing.

"United States": the United States of America.

"Written-Off Receivable": a Scheduled Receivable that is not paid within 180 days of its invoice date.

"Written Materials": Purchase Notices, Receivables Presentations, Servicer's Reports, Transfer Reports, all reports required to be delivered by the Servicer or any Seller hereunder or under any Transaction Document, together with all aging reports, dilution reports, and all other data submitted by the Sellers or the Servicer with respect to the Sellers or the Servicer or the Receivables and the Related Security.

1.2 Other Definitional Provisions

Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Transaction Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(a) As used herein and in the other Transaction Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Seller or the Servicer not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including, without limitation, cash, Capital Stock, securities,

revenues, accounts, leasehold interests and contract rights and (iv) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(b) The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2 - THE INVESTMENTS

2.1 Purchaser's Investment Limits

Subject to the terms and conditions hereof, each Purchaser severally agrees to purchase, in the case of Tranche A and Tranche B Receivables in an aggregate amount not to exceed at any time outstanding the amount of the Purchaser's Investment Limit and, in the case of Tranche C Receivables and Tranche D Receivables, to consider the purchase, from time to time from the Sellers on a revolving basis, without recourse (except as expressly provided herein), ownership interests in the Scheduled Receivables and the Related Security relating thereto. In respect of each Eligible Buyer and Tranche A and Tranche B, the receivables purchased shall not exceed the respective Obligor Limits. The Purchasers' Investment Limits shall be reduced to zero and cancelled on the Availability Termination Date or the Extended Availability Termination Date, as the case may be. The Purchasers' Investment Limits may be reduced in whole or in part and cancelled by notice in writing provided by the Servicer to the Administrative Agent at any time; provided, however, that any such partial reduction and cancellation shall be made ratably among Purchasers. Provided no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Sellers acting through the Servicer may elect, by written notice provided not later than 20 days prior to the initial Availability Termination Date to extend the Availability Termination Date for an additional period ending on the Extended Availability Termination Date, subject to such modifications to the then current Obligor Limits as the Administrative Agent may deem necessary and consistent with its credit policies. In the event of any such extension the Sellers shall be required to pay an extension fee of 0.175% flat of the aggregate Purchasers' Investment Limits, to be distributed ratably to the Purchasers hereunder, following which payment by the Sellers the facility hereunder shall be extended until the Extended Availability Termination Date.

2.2 Procedure for Making Purchases

(a) In respect of Tranches A and B: Each purchase of Purchased Assets comprised of Tranche A Receivables or Tranche B Receivables hereunder shall be made as follows: The Servicer shall give the Administrative Agent an irrevocable Purchase Notice (which Purchase Notice must be received by the Administrative Agent prior to 12:00 P.M., New York City time, not less than one Business Day prior to the specified Purchase Date or 3 Business Days in respect of Receivables denominated in Japanese Yen) requesting that the Purchasers make the Purchase for an Initial Purchase Price, and specifying, for each Seller for such Purchase Date, (A) the aggregate amount of the Scheduled Receivables, (B) the Purchase Date (which must be a Business Day), and (C) the proposed amount of the Initial Purchase Price. Upon receipt of such notice, the Administrative Agent shall promptly notify each Purchaser thereof. The Administrative Agent shall confirm the Initial Purchase Price with respect to a Purchase; it being understood and agreed that the aggregate outstanding Investments in respect of all Purchases (other than Tranche C Purchases and Tranche D Purchases) shall not exceed the aggregate Purchasers' Investment Limit. Not later than 3:00 p.m. (New York time) on the Business Day preceding the related Purchase Date, the Administrative Agent shall send to each

Purchaser a Purchase Calculation Notice setting forth a calculation of the related Initial Purchase Price. Not later than 12:00 noon (New York time), on the relevant Purchase Date, each Purchaser shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds in Dollars or Japanese Yen, as applicable equal to the Purchaser's Investment Percentage of the relevant Initial Purchase Price by credit to the Administrative Agent's purchase account. The Administrative Agent shall, upon satisfaction of the conditions precedent to such purchase, including the receipt of all such amounts, credit the Servicer's Account or the Servicer's Japanese Yen Account, as applicable with the Initial Purchase Price made available to the Administrative Agent by the Purchasers in immediately available funds.

(b) In respect of Tranche C: Each purchase of Purchased Assets comprised of Tranche C Receivables hereunder shall be made as follows: The Servicer shall give the Administrative Agent a non-binding draft Purchase Notice (which Purchase Notice must be received by the Administrative Agent prior to 12:00 P.M., New York City time, not less than 10 Business Days prior to the proposed Purchase Date) requesting that the Purchasers make binding offers to Purchase Scheduled Receivables. Upon receipt of such notice, the Administrative Agent shall promptly notify each Purchaser thereof. The Purchasers may offer to Purchase or decline to Purchase all or any portion of the Scheduled Receivables of Tranche C Obligors identified in such draft Purchase Notice, and the Administrative Agent shall inform the Servicer of the amount, if any, of each Purchaser's proposed commitment to purchase and each Purchaser's proposed Tranche C Applicable Margin in respect thereof not later than five Business Days prior to the proposed Purchase Date. The Servicer may, at its option, within one Business Day of the proposed Purchase Date accept all or any combination of such offers by delivering its acceptance pursuant to a Purchase Notice and related Receivables Presentation, and specifying, for each Seller for such Purchase Date, (A) the aggregate amount of the Scheduled Receivables, (B) the Purchase Date (which must be a Business Day), and (C) the proposed amount of the Initial Purchase Price and the amount of each Purchaser's share thereof (not exceeding each Purchaser's respective commitment). The Administrative Agent shall in the event such offers are accepted by the Servicer, calculate the Initial Purchase Price with respect to such Purchase and the Tranche C Applicable Margin. In the event that no offers are received from any Purchaser, or the Servicer does not indicate its acceptance of any offers as provided above, no Purchase will occur. Not later than 3:00 p.m. (New York time) on the Business Day preceding the related Purchase Date, the Administrative Agent shall send to each Purchaser a Purchase Calculation Notice setting forth a calculation of the related Initial Purchase Price. Not later than 12:00 noon (New York time), on the relevant Purchase Date, each Purchaser that has elected to take up some portion of such purchase shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds in Dollars or Japanese Yen, as applicable, equal to the Purchaser's Investment Percentage of the relevant Initial Purchase Price by credit to the Administrative Agent's purchase account. The Administrative Agent shall, upon satisfaction of the conditions precedent to such purchase, including the receipt of all such amounts, credit the Servicer's Account or the Servicer's Japanese Yen Account, as applicable with the aggregate of the amounts of the Initial Purchase Price made available to the Administrative Agent by the Purchasers in immediately available funds.

(c) In respect of Tranche D: Each purchase of Purchased Assets comprised of Tranche D Receivables hereunder shall be made as follows: The Servicer shall give the Administrative Agent a Purchase Notice (which Purchase Notice must be received by the Administrative Agent prior to 12:00 P.M., New York City time, not less than one Business Day prior to the proposed Purchase Date) requesting that the Purchasers make the Purchase of Scheduled Receivables for an Initial Purchase Price and specifying, for each Seller for such Purchase Date, (A) the aggregate amount of the Scheduled Receivables, (B) the Purchase Date (which must be a Business Day), and (C) the proposed amount of

the Initial Purchase Price. Upon receipt of such notice, the Administrative Agent shall promptly notify each Purchaser thereof. The Purchasers may accept all or any combination of such offers to Purchase or decline to Purchase all or any portion of the Scheduled Receivables of Tranche D Obligors identified in such Purchase Notice. The Administrative Agent shall inform the Servicer of the amount, if any, of each Purchaser's proposed commitment to purchase in respect thereof specifying the amount of each Purchaser's share thereof prior to the proposed Purchase Date. In the event that no acceptances are received from any Purchaser, no Purchase will occur. Not later than 12:00 noon (New York time), on the relevant Purchase Date, each Purchaser that has elected to take up some portion of such purchase shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds in Dollars equal to the Purchaser's Investment Percentage of the relevant Initial Purchase Price by credit to the Administrative Agent's purchase account. The Administrative Agent shall, upon satisfaction of the conditions precedent to such purchase, including the receipt of all such amounts, credit the Servicer's Account with the aggregate of the amounts of the Initial Purchase Price made available to the Administrative Agent by the Purchasers in immediately available funds.

The Servicer and the Sellers acknowledge and agree that a portion of the Tranche D Receivables will be offered for sale by Deutsche Bank AG, New York Branch, as Purchaser to Citibank, N.A. as participant pursuant to the terms of a participation agreement between them. While Deutsche Bank AG, New York Branch, will be the nominal purchaser of any such Tranche D Receivables taken up by Citibank, N.A. on the terms and subject to the conditions of the participation agreement, the Administrative Agent's notice of acceptance of the offer to purchase any such Tranche D Receivables will identify which Receivables are being acquired for the benefit of the participant, and the participant will be wholly liable for payment of the Purchase Price therefor directly to the Servicer. Neither the Administrative Agent nor any Purchaser shall have any liability, contingent or otherwise, for payment of such amounts or any loss resulting from the non-payment of such amounts.

2.3 Sale and Assignment

On each Purchase Date, effective upon the payment (or deemed payment) of the Initial Purchase Price contemplated by Section 2.2 (and without necessity of any formal or other instrument of assignment or further action), each Seller hereby sells and assigns to the relevant Purchasers as co-owners, with effect as of the related Cut-Off Date, each Scheduled Receivable of such Seller and the Related Security relating thereto reflected in the applicable Purchase Notice for an aggregate purchase price equal to the sum of the Initial Purchase Price plus the Deferred Purchase Price, less the amount of any Purchase Price Adjustments.

2.4 Fees

Celestica Canada agrees to pay to Deutsche Bank AG, New York Branch the fees in the amounts and on the dates previously agreed to in accordance with the Fee Letter between Celestica Canada and Deutsche Bank AG, New York Branch dated November 23, 2010 (the "Fee Letter").

2.5 Computation and Payments; Commitment Fees

(a) Interest on unpaid amounts and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed.

(b) The Sellers hereby agree to pay to the Administrative Agent for the ratable benefit of the Purchasers, for the period from and including the Closing Date through the Availability Termination Date, a non-refundable fee (the "Commitment Fee") equal to 0.325% per annum on the excess of (i) the aggregate Purchasers' Investment Limits for Tranche A

and Tranche B Eligible Buyers over (ii) the aggregate average outstanding amount of the Investments for such Tranches A and B on each day during each applicable period. The Commitment Fee shall be payable in arrears on the first Business Day of each calendar quarter occurring after the Closing Date, and on the Availability Termination Date. For the avoidance of doubt, the Commitment Fee shall be the only consideration for the Purchasers' Investment Limits provided by the Purchasers to the Sellers. Any other consideration potentially incorporated into the aggregate purchase price under this Agreement shall be a consideration for the Purchase of Purchased Receivables by the Purchasers from the Sellers.

2.6 Pro Rata Treatment and Payments

(a) Each purchase by the Purchasers hereunder shall be for a co-ownership interest in the relevant Scheduled Receivables equal to a pro rata share based upon such Purchaser's contribution to the related Initial Purchase Price and each payment on account of any Commitment Fee or Collections shall be allocated pro rata, according to the respective Purchasers' Investment Percentages, as the same may be modified in accordance with the procedures outlined in Section 2.2(b).

(b) All payments (including deposits and Deemed Collections) to be made by the Servicer and the Sellers that comprise Collections hereunder shall be made without setoff or counterclaim except as otherwise contemplated by this Agreement and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Payment Account, in Dollars, or to the Japanese Yen Payment Account in Japanese Yen, and in immediately available funds. All other payments shall be payable directly to the Administrative Agent, for the account of the Purchasers, at the account of the Administrative Agent (account no. 60200119 of Deutsche Bank NY Loan Operations, ABA no. 021001033 at Deutsche Bank Trust Company Americas New York, Ref: Celestica, Attention: Lee Joyner) (the "Payment Account"). The Administrative Agent shall distribute such payments and Collections to the Purchasers promptly upon receipt in like funds as received. If any payment or deposit hereunder becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day. The Servicer and the Sellers shall pay to the Administrative Agent, for the benefit of the Purchasers, upon demand, interest on all amounts not paid or deposited when due (excluding amounts comprising Collections) at a rate per annum equal to the LIBOR Rate or BBA JPY LIBOR, as applicable, determined by the Administrative Agent plus 1%, for each such day such payment is overdue. Any such interest shall be paid directly to the Payment Account of the Administrative Agent.

2.7 Requirements of Law

(a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by the Purchaser with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Purchaser to any tax of any kind whatsoever with respect to this Agreement or any Purchase made by it, or change the basis of taxation of payments to such Purchaser in respect thereof (except for Indemnified Taxes covered by Section 2.8 and changes in the rate of tax on the overall net income of the Purchaser);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Purchaser; or

(iii) shall impose on such Purchaser any other condition;

and the result of any of the foregoing is to increase the cost to such Purchaser, by an amount that such Purchaser deems to be material, of making or maintaining its Purchase, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Sellers shall pay such Purchaser, not later than 20 Business Days after its demand, any additional amounts necessary to compensate such Purchaser for such increased cost or reduced amount receivable. If such Purchaser becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Servicer of the event by reason of which it has become so entitled, specifying the basis for such claim in reasonable detail.

(b) If any Purchaser shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Purchaser or any corporation controlling such Purchaser with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Purchaser's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Purchaser or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Purchaser's or such corporation's policies with respect to capital adequacy) by an amount reasonably deemed by such Purchaser to be material, then from time to time, after submission by such Purchaser to the Servicer of a written request therefor, specifying the basis for such claim in reasonable detail, which shall be made promptly, the Servicer shall pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section 2.7 submitted by any Purchaser to the Servicer (with a copy to the Collection Agent) shall be conclusive in the absence of manifest error. The obligations of the Servicer and the Sellers pursuant to this Section 2.7 shall survive the termination of this Agreement and the payment of the Scheduled Receivables and all other amounts payable hereunder.

2.8 Taxes

(a) All payments and deposits made by the Servicer or the Sellers under this Agreement or any other Transaction Document, including any amount of interest, shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, franchise, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings (collectively, "Taxes"), now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority. Taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Purchaser as a result of a current or former connection with any country other than the United States are excluded. If any such non-excluded Taxes ("Indemnified Taxes") or Other Taxes are required to be withheld from any amounts payable to (or deposited for the benefit of) the Administrative Agent or any Purchaser hereunder, or on any amount of interest, the amounts so payable to (or deposited for the benefit of) the Administrative Agent or such purchaser, or such amount of interest, shall be increased to the extent necessary to yield to the Administrative Agent or such Purchaser, as the case may be (after payment of all Indemnified Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement.

(b) In addition, the Servicer and the Sellers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Indemnified Taxes or Other Taxes are payable by the Servicer or the Sellers, as promptly as possible thereafter the Servicer or the affected Seller shall send to the Administrative Agent, for its own account or for the account of the relevant Purchaser,

as the case may be, a certified copy of an original official receipt received by the Seller, showing payment thereof to the extent available, or such other evidence as may be readily obtainable. If the Servicer or a Seller fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate taxing authority, the Servicer or such Seller, as the case may be, shall indemnify the Administrative Agent or the Purchaser, as the case may be, within 10 days after written demand by the Administrative Agent therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified or Other Taxes imposed or asserted on or attributable to amounts payable under this section) paid by the Administrative Agent or such Purchaser and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Servicer or the affected Seller, as the case may be, by the Administrative Agent or such Purchaser, together with a copy of an original receipt showing payment thereof, to the extent available, or such other evidence as may be readily obtainable, shall be conclusive absent manifest error. In addition, if the Servicer or the affected Seller, as the case may be, fails to remit the required receipts or other required documentary evidence, the Servicer or the affected Seller, as the case may be, shall indemnify the Administrative Agent or the Purchaser, as the case may be, for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or such Purchaser as a result of any such failure.

(d) The agreements in this Section 2.8 shall survive the termination of this Agreement and the payment of all amounts payable hereunder. Notwithstanding the foregoing, Section 2.8(a), 2.8(b) and 2.8(c) shall not apply to withholding taxes (if any) in respect of payments made by or on behalf of Celestica Romania if (i) the payee of such payments has delivered a certificate of fiscal residence to Celestica Romania issued by the relevant tax authority in its home country, and (ii) the withholding tax rate applicable to such payments has been reduced to zero under the Romania/Germany Tax Treaty.

(e) Upon the request of the Servicer on behalf of a Seller, the Purchasers shall use all commercially reasonable efforts to provide to the Servicer within 30 days of such request such certificates or information requested by the Servicer on behalf of such Seller as is prescribed by any applicable law, rule or regulation then in force in the jurisdiction of such Seller or any political subdivision thereof and required by such Seller, whether to reduce or recover value added tax paid or payable by such Seller in connection with this Agreement thereunder or otherwise to comply with such law, rule or regulation. No Purchaser shall be required to provide any information to the Servicer or any Seller that it deems to be confidential or proprietary and no Purchaser shall be under any obligation to register, enrol or file any return under such law, rule or regulation in connection with any such request.

2.9 Indemnity

Without limiting any other rights that the Administrative Agent or the Purchasers may have hereunder or under applicable law, the Servicer and each Seller hereby jointly and severally agrees (provided that each of Celestica Czech Republic, Celestica Valencia and Celestica Romania shall only be responsible hereunder for the respective amount attributable to it) to indemnify each of the Indemnified Persons on demand from and against any and all Indemnified Amounts relating to or resulting from any of the following: (i) the failure of any information provided by the Servicer or any Seller to the Administrative Agent in Written Materials with respect to Scheduled Receivables or the other Purchased Assets to be true, correct and complete in all material respects; (ii) the failure of any representation or warranty made or deemed made by the Servicer or a Seller under or in connection with this Agreement to have been true and correct in all material respects when made; (iii) the failure by the Servicer or the Sellers to comply with any applicable law, rule or regulation with regard to any Scheduled Receivable or the related Contract, or the failure of any Scheduled Receivable or the related Contract to conform to any applicable law, rule or

regulation; (iv) the failure to vest in the Purchasers a valid and enforceable ownership interest in the Purchased Assets, free and clear of any Lien or other adverse claim; (v) any dispute, claim, counterclaim, offset or defense of an Eligible Buyer to the payment of any Scheduled Receivable (including a defense based on such Scheduled Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms but excluding any dispute, claim, counterclaim, offset or defense arising out of any act or omission of any Indemnified Party), any Dilution with respect to a Scheduled Receivable or any claim resulting from the sale of the goods or services related to such Scheduled Receivable or any other transaction with such Obligor or the furnishing or failure to furnish such goods or services or relating to collection activities with respect to such Scheduled Receivables or any tax deducted from the payment of a Scheduled Receivable by the Obligor thereon, in each case, without duplication, and to the extent not remedied in accordance with Section 2.12(b); (vi) any failure of the Servicer or the Sellers to perform their duties or obligations in accordance with the terms of this Agreement (including, without limitation, failure to make any payment or deposit when due hereunder); (vii) any breach of warranty, products liability or other claim investigation, litigation or proceeding arising out of or in connection with goods or services which are the subject of any Scheduled Receivables; (viii) the commingling of Collections of Scheduled Receivables at any time with other funds; (ix) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Purchases; (x) the failure of any Scheduled Receivables to be Eligible Receivables to the extent not remedied in accordance with Section 2.12(c); and (xi) any action or inaction by the Servicer or the Sellers which impairs the interest of the Collection Agent or the Purchasers in any Scheduled Receivables or other Purchased Assets. If and to the extent the Administrative Agent or any Purchaser shall be required for any reason to pay over to the Servicer or any Seller or an Obligor (or any trustee, receiver, custodian or similar official in any insolvency proceeding) any amount received by such Person hereunder, such amount shall be deemed not to have been so received and the Purchasers shall have a claim against the Sellers. All Indemnified Amounts under Sections 2.9(a)(vii), (ix) and (xi) hereunder shall be due and payable on demand. All other amounts payable hereunder shall be due and payable on the date that is 10 days from the demand made therefor, to the Payment Account.

2.10 Records

The Administrative Agent on behalf of the Purchasers shall maintain the Register pursuant to Section 9.6(d), and a subaccount therein for each Purchaser, in which shall be recorded (i) the amount of each Purchase made hereunder, and (ii) the amount payable or to become due and payable from (or to be deposited by) the Servicer and each Seller to the Administrative Agent hereunder. At the request of the Administrative Agent, from time to time, the Servicer shall provide copies of the drafts, shipping documents and other related documentation with respect to a Scheduled Receivable or the Purchased Assets as the Administrative Agent shall reasonably require.

2.11 Purchase Price Adjustments/Deferred Purchase Price

(a) On each Reporting Date after a Purchase that the Investment for Scheduled Receivables that were the object of such Purchase has been reduced to zero, after giving effect to the application of funds on such date in the Payment Account and Japanese Yen Payment Account, the Purchasers shall pay to the Servicer's Account, for the benefit of the relevant Sellers, as additional consideration for the Purchase of the relevant Purchased Assets, the amount, if any, by which the Collections for such Scheduled Receivables transferred to the Payment Account or Japanese Yen Payment Account on such date exceed the Investment, after giving effect to the application of funds on such date in the Payment Account and Japanese Yen Payment Account (such payment being the "Deferred Purchase Price").

(b) On each day after a Purchase that (i) the Investment for Scheduled Receivables that were the object of such Purchase in Dollars or Japanese Yen excluding the Principal Amount of any such Scheduled Receivables that are Written Off Receivables exceeds (ii) the sum of the outstanding Principal Amount of all Scheduled Receivables comprising such Purchase excluding the Principal Amount of any such Scheduled Receivables that are Written Off

Receivables, without giving effect to any Collections transferred to the Payment Account or Japanese Payment Account, as applicable on such date, the relevant Sellers (or the Servicer on their behalf) as an adjustment to the Initial Purchase Price paid by the Purchasers, shall owe in the relevant currency to the Payment Account or Japanese Payment Account, as applicable for the benefit of the Purchasers the amount by which (i) the Investment for such Scheduled Receivables excluding the Principal Amount of any such Scheduled Receivables that are Written Off Receivables, on such day, exceeds (ii) the aggregate outstanding Principal Amount of such Scheduled Receivables excluding the Principal Amount of any such Scheduled Receivables that are Written Off Receivables, without giving effect to any Collections transferred to the Payment Account or Japanese Payment Account, as applicable on such date (each such amount being a "Purchase Price Adjustment"). The Administrative Agent shall calculate the amount of Purchase Price Adjustments owing by the relevant Sellers monthly in arrears at the end of each calendar month and shall provide notice of such amounts to the Servicer on or after the first Business Day of the following month. The relevant Sellers (or the Servicer on their behalf) shall pay the amount of such Purchase Price Adjustments within 5 Business Days of receipt of such notice. Notwithstanding the foregoing, the aggregate of all Purchase Price Adjustments for Scheduled Receivables that were the object of a Purchase shall not exceed 10% of the Initial Purchase Price for such Scheduled Receivables.

2.12 Repurchases of Purchased Assets: Deemed Collections

(a) The Administrative Agent shall have the right, but not the obligation, provided it has given the Servicer at least 5 Business Days' prior notice, to contact the Obligor of any Scheduled Receivable that is a Defaulted Receivable to inquire why it has become a Defaulted Receivable. The Servicer, on behalf of the relevant Seller, shall have the option to repurchase from the Purchaser at any time, any Scheduled Receivable and the Related Security relating thereto that becomes a Defaulted Receivable, by giving notice to the Administrative Agent and by depositing to the Payment Account or Japanese Yen Payment Account, as applicable as a Deemed Collection, an amount equal to the outstanding Principal Amount of such Defaulted Receivable. Upon the Servicer making such deposit, the related Scheduled Receivable and Related Security shall be deemed to be assigned, transferred, sold and conveyed to the relevant Seller, free and clear of any security interest or adverse claim arising through the Purchasers but otherwise without representation or warranty and thereafter all collections in respect thereof shall not be Collections. In the event that the Servicer advises the Administrative Agent that it will repurchase any Defaulted Receivable and does so within 5 days, the Administrative Agent shall not contact the related Obligor as provided hereunder.

(b) In the event that any Scheduled Receivable is subject to a Dilution, the Servicer on behalf of the relevant Seller shall deposit the amount of such Dilution to the Payment Account or Japanese Yen Payment Account, as applicable as a Deemed Collection in respect of such Receivable.

(c) In the event that any Scheduled Receivable is determined to have not been an Eligible Receivable on the date of the relevant Purchase, the relevant Seller (or the Servicer on their behalf) shall be required to repurchase such Receivable by depositing to the Payment Account or Japanese Yen Payment Account, as applicable, as a Deemed Collection, an amount equal to the outstanding Principal Amount of such Receivable. Upon the Servicer making such deposit, the related Scheduled Receivable and Related Security shall be deemed to be assigned, transferred, sold and conveyed to the relevant Seller free and clear of any security interest or adverse claim arising through the Purchasers but otherwise without representation or warranty and thereafter all collections in respect thereof shall not be Collections.

(d) The Servicer, on behalf of the relevant Seller may offer to repurchase from the Purchasers at any time any Scheduled Receivable and the Related Security relating thereto, by giving notice to the Administrative Agent. The Administrative Agent shall promptly notify the Servicer in writing as to whether it accepts or rejects any such offer. In the event the Administrative Agent notifies the Servicer that such offer has been accepted, the Servicer shall deposit to the Payment Account or Japanese Yen Payment Account, as applicable, as a Deemed Collection, an amount equal to the outstanding Principal Amount of such Scheduled Receivable in the relevant currency of its denomination. Upon the Servicer making such deposit, the related Scheduled Receivable and Related Security shall be deemed to be assigned, transferred, sold and conveyed to the relevant Seller, free and clear of any security interest or adverse claim arising through the Purchasers but otherwise without representation or warranty and thereafter all collections in respect thereof shall not be Collections.

2.13 Application of Collections

(a) Dollar denominated Collections net of any Chargebacks shall be transferred by the Servicer to the Concentration Account within one Business Day of receipt thereof in the relevant Collection Account or otherwise.

(b) Amounts received in Collection Accounts or otherwise and transferred to the Concentration Account or amounts in the Japanese Yen Collection Account that are determined by the Servicer to not be Collections may be transferred by the Servicer to the Servicer's Account or the Servicer's Japanese Yen Account as applicable. All collections and other amounts received in a Collection Account on a date on which no Scheduled Receivables are in existence may be transferred by the Servicer directly to the Servicer's Account or such other account of the Servicer or applicable Seller as it may determine.

(c) Amounts on deposit in the Concentration Account or the Japanese Yen Collection Account, other than amounts transferred to the Servicer's Account pursuant to paragraph (b) above, shall, subject to Section 2.13(e), be transferred to the Payment Account, or in the case of Japanese Yen Collections, the Japanese Yen Payment Account, on each day selected by the Servicer (each, a "Transfer Date") but no less than once every calendar week. The Servicer shall deliver to the Administrative Agent a report (a "Transfer Report") reconciling the Collections received according to the related Obligors. All Collections (including Deemed Collections but net of any Chargebacks) transferred to the Payment Account or Japanese Yen Payment Account not later than 2:00 p.m. on any Business Day, as detailed in the Transfer Report, will be deemed to have been received by the Purchaser on such day for the purposes of determining the Investment for each outstanding Scheduled Receivable.

(d) Amounts (i) deposited to the Payment Account or Japanese Yen Payment Account other than Collections and (ii) payable to the Sellers in respect of the Deferred Purchase Price, shall be transferred by the Administrative Agent, subject to Section 2.13(f), within one Business Day of the Administrative Agent's receipt of the Servicer's Report detailing such amounts, to the Servicer's Account or the Servicer's Japanese Yen Account as applicable for payment to the relevant Sellers.

(e) Notwithstanding paragraph (c) above, Collections on deposit in the Concentration Account or Japanese Yen Collections on deposit in the Japanese Yen Collection Account on any Purchase Date may be netted and set-off by the Servicer against the amount of Initial Purchase Price that is to be paid on such Purchase Date to the extent denominated in the same currency, and the amount of such Initial Purchase Price (not exceeding the amount of such Collections) shall be transferred to the Servicer's Account or the Servicer's Japanese Yen Account as applicable (for payment to the relevant Sellers) and thereafter the amount, if any, by which such Collections exceed such Initial Purchase

Price shall be transferred to the Payment Account or Japanese Yen Payment Account, as applicable. Notwithstanding the foregoing, all such Collections transferred to the Servicer's Account shall be deemed to have been transferred to the Payment Account or the Japanese Yen Payment Account, as applicable for the benefit of the Purchaser and such amounts transferred to the Servicer's Account or the Servicer's Japanese Yen Account shall be deemed to have been paid to the Servicer for the benefit of the Sellers as all or part of the Initial Purchase Price payable on such Purchase Date.

(f) Notwithstanding paragraph (d) above, the Administrative Agent shall have the right to net and set-off against all amounts payable to the Servicer's Account pursuant to paragraph (d) above, the amount of any Purchase Price Adjustment, indemnity or Deemed Collection then owing by any Seller provided such amounts are denominated in the same currency.

SECTION 3 - REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Purchasers to enter into this Agreement, the Guarantor and each of the Sellers hereby jointly and severally make the following representations and warranties (provided that each of Celestica Czech Republic, Celestica Valencia and Celestica Romania shall only be responsible hereunder for its own representations and warranties):

3.1 Financial Condition

The Guarantor and each of the Sellers, hereby represents and warrants as of the date of this Agreement and as of the Effective Date (as defined below) that the audited consolidated balance sheets of Celestica Canada and its consolidated Subsidiaries as at December 31, 2010, and the related statements of income and of cash flows of Celestica Canada for the fiscal years ended on such dates, present fairly in all material respects the consolidated financial condition of Celestica Canada and its consolidated Subsidiaries as at such date, and Celestica Canada's consolidated results of operations and cash flows for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP, applied consistently throughout the periods involved (except as approved by Celestica Canada's accountants and disclosed therein).

3.2 No Change

Since the date of the most recent financial statements made available to the Administrative Agent and the Purchasers there has been no change, development or event that has had or could reasonably be expected to have a Material Adverse Effect.

3.3 Existence; Compliance with Law

Each Seller and the Guarantor

(a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation,

(b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged,

(c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and

(d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.4 Power; Authorization; Enforceable Obligations

Each Seller and the Guarantor has the power and authority, and the legal right, to make, deliver and perform the Transaction Documents to which it is a party. Each Seller and the Guarantor has taken all necessary organizational action to authorize the execution, delivery and performance of the Transaction Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of any Governmental Authority or any other Person is required in connection with the transactions hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Transaction Documents, except (a) consents, authorizations, filings and notices described in Schedule 3.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (b) the filings referred to in Section 3.14. Each Transaction Document has been duly executed and delivered on behalf of the relevant Seller and the Servicer and, in the case of the Guarantee, by the Guarantor. This Agreement constitutes, and each other Transaction Document upon execution and delivery thereof will constitute, a legal, valid and binding obligation of the relevant Seller and the Servicer, enforceable against such Seller and the Servicer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). The Guarantee upon execution and delivery thereof will constitute a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). This Agreement and the other Transaction Documents are in proper legal form under applicable law for the enforcement thereof against the respective Sellers, including under the laws of the jurisdiction of each Seller, to the extent applicable, to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement in such jurisdictions.

3.5 No Legal Bar

The execution, delivery and performance of this Agreement and the other Transaction Documents and the use by any Seller of the proceeds thereof will not violate the Organizational Documents of the relevant Seller or the Guarantor, will not violate in any respect material to the rights and interests of any Purchaser any Requirement of Law or any Contractual Obligation of any Seller or the Servicer and will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

3.6 Litigation

Except as provided in the Disclosure Schedule, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Servicer, threatened by or against any Seller, the Servicer or against any of their respective properties or revenues (a) with respect to any of the Transaction Documents or any of the transactions contemplated hereby or thereby or (b) that could reasonably be expected to have a Material Adverse Effect.

3.7 No Default

No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Termination Event has occurred and is continuing.

3.8 Ownership of Property; Liens

Each Seller and the Guarantor has good and marketable title to, or a valid leasehold interest in, all its real property necessary for the conduct of its business, and good title to, or a valid leasehold interest in, all its other property necessary for the conduct of its business, in each case except to the extent that the failure to do so would not have a Material Adverse Effect. On each Purchase Date immediately prior to the Purchase thereof, each Seller will be the legal and beneficial owner of the Scheduled Receivables and all other Related Security in respect thereof owned by such Seller and to be purchased on such date, free and clear of any Lien or adverse claim; upon each Purchase the relevant Purchasers will have a valid and enforceable co-ownership interest in each such Scheduled Receivable and other Related Security in respect thereof, in each case free of any Lien or adverse claim. Each Scheduled Receivable listed on a Purchase Notice is an Eligible Receivable on the relevant Purchase Date.

3.9 Taxes

(a) Each Seller and the Servicer has filed or caused to be filed all material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than such taxes, fees or other charges the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with local generally accepted accounting principles or GAAP, as applicable, have been provided on the books of such Seller or the Servicer, as the case may be); no tax Lien has been filed, and, to the knowledge of the Servicer, no claim is being asserted, with respect to any such tax, fee or other charge that in any case would reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth in Schedule 3.9, there is no tax, levy, impost, deduction, charge or withholding imposed, levied or made by or in the United States, Canada, the United Kingdom, Spain, Singapore, Hong Kong, the Czech Republic, Japan, or Romania, or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any other Transaction Document or (ii) on any payment to be made by any Seller or the Guarantor pursuant to this Agreement or any other Transaction Document. Each Seller and the Guarantor is permitted to make all payments pursuant to this Agreement and the other Transaction Documents free and clear of all taxes, levies, imposts, deductions, charges or withholdings imposed, levied or made by or in the United States, Canada, the United Kingdom, Spain, Singapore, Hong Kong, the Czech Republic, Japan, or Romania, or any political subdivision or taxing authority thereof or therein, and no such payment in the hands of the Administrative Agent, any Purchaser or the Collection Agent will be subject to any tax, levy, impost, deduction, charge or withholding imposed, levied or made by or in the United States, Canada, the United Kingdom, Spain, Singapore, Hong Kong, the Czech Republic, Japan, or Romania, or any political subdivision or taxing authority thereof or therein.

3.10 Federal Regulations

No part of the proceeds of any Investment will be used for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of Regulations U or X of the Board.

3.11 Investment Company Act; Other Regulations

No Seller is an “investment company,” or a company “controlled” by an “investment company,” within the meaning of the U.S. Investment Company Act of 1940, as amended. No Seller is subject to regulation under any Requirement of Law (other than Regulation U and Regulation X of the Board) that limits its ability to incur Indebtedness.

3.12 Accuracy of Information, etc.

No statement or information contained in this Agreement, any other Transaction Document or any Written Materials furnished by or on behalf of any Seller or the Servicer to the Administrative Agent or the Purchasers (or deemed furnished), or any of them, for use in connection with the transactions contemplated by this Agreement or the other Transaction Documents contained as of the date such statement or information was so furnished, any untrue statement of a material fact. Celestica Canada has filed all required registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by Celestica Canada with the SEC since January 1, 2004 required to be filed by it except where failure to do so would not have a Material Adverse Effect.

3.13 Solvency

Each Seller is, and after giving effect to each Purchase, will be, Solvent.

3.14 Security Documents

The Collection Account Pledge Agreement, the Collection Account Agreement, the Security Deed and each of the Deposit Account Control Agreements are effective to create in favor of the Collection Agent, for the benefit of the Purchasers, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Collection Account Pledge Agreement, when the actions specified on Schedule 3.14 have been taken, the Collection Account Pledge Agreement, each of the Deposit Account Control Agreements and the Security Deed shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Sellers in such Collateral and the proceeds thereof, as security for their respective obligations hereunder, in each case prior and superior in right to any other Person, except for claims that have priority by operation of law. Except as set forth in this Section 3.14, no other documents are required to be filed, registered or recorded, and no other action is required to be taken by any Person, to perfect such security interest in favor of the Collection Agent, for the benefit of the Purchasers.

3.15 Principal Place of Business

The principal place of business and chief executive office (as such terms are used in the UCC) of each Seller and the office where such Seller keeps its records concerning the Scheduled Receivables are located at the addresses set forth on Schedule 3.15. Except for Celestica LLC, the Sellers have no other office or place of business in the United States or any Commonwealth, territory or possession of the United States.

3.16 Accounting for Scheduled Receivables

Each Seller has accounted for each sale of its Scheduled Receivables in its books and financial statements as sales, consistent with local generally accepted accounting principles. So long as local generally accepted accounting principles do not require otherwise, no Seller shall prepare financial statements which shall account for the transactions contemplated hereby in any manner other than as sales of the Scheduled Receivables by the Sellers to the Purchasers or in any other respect account for or treat the transactions contemplated hereby (including for accounting purposes, but excluding for tax reporting purposes and except as required by law) in any manner other than as sales of the Scheduled Receivables by the Sellers to the Purchasers.

3.17 Compliance with Money Laundering and Anti-Terrorist Laws

(a) Each Seller is not and shall take commercially reasonable steps to ensure that it shall not be, and, to its actual knowledge, no person who, directly or indirectly, owns a controlling interest in or otherwise controls such Seller is or shall be (i) listed on any Governmental Lists, (ii) a person who has been determined to be subject to the prohibitions contained in the Executive Order, including, without limitation, being a person designated under

Section 1(b), (c) or (d) of the Executive Order, (iii) a person who acts for or on behalf of any person, group or entity on the Governmental Lists or any other person who has been determined to be subject to the prohibitions contained in the Executive Order, (iv) a person who is located in a country with which dealings are prohibited or restricted by the United States government, or (v) to such Seller's actual knowledge, dealing in a prohibited manner with a country or person or entity in a country with which dealings are prohibited or restricted by the United States government. Each Seller shall require, and shall take commercially reasonable measures to comply with the requirement, that no holder of any direct or indirect interest in such Seller is or shall be listed on any of the Governmental Lists or is or shall be a person so designated pursuant to the Executive Order; provided, however, that none of the foregoing shall apply to any person or entity to the extent that its interest is in or through an entity that is domiciled in the United States of America or Canada and where securities are traded through a public securities exchange subject to regulation by the United States of America, Canada or a provincial jurisdiction in Canada.

(b) Legal Sources of Funds. Each Seller has taken, and it shall continue to take, commercially reasonable measures appropriate to the circumstances, with respect to each holder of a direct interest in such Seller to ensure that funds invested by such holders in such Seller are derived from legal sources; provided, however, that none of the foregoing shall apply to any person or entity to the extent that its interest in such Seller is derived solely from securities traded through a public securities exchange subject to regulation by the United States of America, Canada or a provincial jurisdiction in Canada. Such measures shall be in accordance with all applicable money laundering legislation in such Seller's jurisdiction.

(c) No Investigation, Penalty or Seizure. To its actual knowledge, neither each Seller nor any holder of a direct interest in such Seller (i) has been charged with or convicted of money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or a violation of the BSA or similar legislation in its jurisdiction, (ii) has been assessed civil penalties under these or related laws, or (iii) has had its funds seized or forfeited in an action under these or related laws; provided, however, that such Seller shall not be liable for any breach of this representation and warranty if any holder is involved in or subject to any of the matters described in clauses (i), (ii) or (iii) and the interest of such holder is derived solely from securities traded through a public securities exchange subject to regulation by the United States of America, Canada or a provincial jurisdiction in Canada.

SECTION 4 - CONDITIONS PRECEDENT

4.1 Conditions Precedent to Initial Purchase

The agreement of each Purchaser to make the initial Purchase pursuant to this Agreement is subject to the satisfaction, prior to the making of such purchase on the initial Purchase Date (the date of such satisfaction, as notified by the Administrative Agent to the Purchasers, the Servicer and the Collection Agent being the "Closing Date"), of the following conditions precedent:

(a) Receivables Purchase Agreement; Security Documents, Etc. The Administrative Agent shall have received (i) this Agreement (with copies for each Purchaser), executed and delivered by each Seller, the Servicer, the Administrative Agent and each person listed on Schedule 1.1. (ii) each of the Security Documents, executed and delivered by each Seller and the Collection Agent, as the case may be, and in the case of the Deposit Account Control Agreements and the Security Deed, by the relevant account banks, and (iii) the Guarantee duly executed and delivered by the Guarantor.

(b) Approvals; Waiver. All material governmental and third party approvals necessary in connection with the making of the purchases or the continuing operations of the Sellers shall have been obtained and shall be in full force and effect.

(c) Fees. The Purchasers, the Collection Agent and the Administrative Agent shall have received all previously agreed fees required to be paid, and all expenses for which invoices have been presented (including, without limitation, the reasonable fees and expenses of legal counsel), on or before the Closing Date. All other fees will be reflected in the funding instructions given by the Servicer to the Administrative Agent on or before the initial Purchase Date.

(d) Closing Certificate. The Administrative Agent shall have received a certificate of the Servicer and each Seller, dated as of the Closing Date, substantially in the form of Exhibit D, with appropriate insertions and attachments.

4.2 Conditions Precedent to All Purchases

The agreement of each Purchaser to make its Purchase (including on the initial Purchase Date) is subject to the further satisfaction, prior to the making of any such purchase, of the following conditions precedent:

(a) No Material Adverse Change. No development or event shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect.

(b) Representations and Warranties. Each of the representations and warranties made by the Sellers and the Servicer in or pursuant to the Transaction Documents shall be true and correct in all material respects on and as of the Purchase Date as if made on and as of such date, except to the extent relating to a prior Purchase.

(c) No Termination Event. No Termination Event or Incipient Termination Event shall have occurred and be continuing on such Purchase Date or would occur after giving effect to the purchase requested to be made on such date.

(d) Filings, Registrations and Recordings; Other Actions. Each (i) Assignment Agreement to be executed, the Irrevocable Payment Instructions sent to the relevant Eligible Buyers and each other documents specified in 3.14, or otherwise reasonably requested by the Administrative Agent, to be filed, registered or recorded by each Seller selling Scheduled Receivables on such date, other than the Romanian Actions (as hereinafter defined)] and (ii) each other action specified on Schedule 3.14, or otherwise reasonably requested by the Administrative Agent, to be taken prior to or concurrently with the initial Purchase Date by such Sellers or the Servicer, in each case in order to create in favor of the Purchasers, a perfected first priority security interest on the Collateral described therein and ownership interest in the Scheduled Receivables, other than the Romanian Actions (as hereinafter defined), shall be in proper form for filing, registration or recordation or shall have been taken, as the case may be. "Romanian Actions" means any registration with the Romanian Electronic Archive for Security Interests in Movable Property required pursuant to Schedule 3.14, and the provision of any notice required pursuant to Schedule 3.14. All Romanian Actions must be completed and evidence thereof provided to the Purchaser within seven days after a Purchase of Scheduled Receivables from Celestica Romania.

(e) Legal Opinions. The Purchaser shall have received the executed legal opinions of counsel to each Seller selling Scheduled Receivables on such date, each in form and substance reasonably satisfactory to the Administrative Agent and its counsel. Such legal opinions shall cover such matters incidental to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require, including, without limitation, the creation and perfection of ownership interests and security interests in the Collateral.

(f) Change of Control. (i) Onex Corporation shall control Celestica Canada unless the shares of Celestica Canada become widely held such that no one Person or group of Persons acting jointly or in concert (within the meaning of Part XX of the *Securities Act* (Ontario)) controls Celestica Canada, provided that any Person or group of Persons acting jointly or in concert which owns or controls securities of Celestica Canada to which are attached more than 20% of the votes that may be cast to elect the directors of Celestica Canada shall, in the absence of evidence satisfactory to the Administrative Agent, acting reasonably, be deemed to control Celestica Canada and (ii) Celestica Canada shall control Celestica LLC.

The sale by the Sellers hereunder shall constitute a joint and several representation and warranty by the Sellers and the Servicer as of the relevant Purchase Date that the conditions contained in Section 4.2(b) and (c) have been satisfied.

4.3 Conditions to Effectiveness

(a) This Agreement shall become effective when the last to occur of the following conditions has been satisfied (such date being the "Effective Date"): receipt by the Administrative Agent of (i) counterparts hereof, duly executed and delivered by each of the parties hereto; (ii) the First Amendment to the Collection Account Pledge Agreement, duly executed and delivered by each of the parties thereto; and (iii)(1) a copy of the UCC-1 (or UCC-3, as applicable) financing statement setting forth the applicable information regarding each of the Sellers, as debtors, filed with District of Columbia Recorder of Deeds, Washington, D.C. and (2) a copy of the UCC-1 (or UCC-3, as applicable) financing statement setting forth the applicable information regarding Celestica LLC, as debtor, and Celestica Oregon, as debtor, respectively, and the relevant Purchased Assets, filed with the Secretary of State of the State of Delaware. The Administrative Agent shall inform the Guarantor, the Sellers and the Purchasers of the occurrence of the Effective Date.

(b) Notwithstanding the foregoing, none of Celestica Japan, Celestica Romania or Celestica Oregon, as the case may be, will be permitted to present or cause the Servicer to present on its behalf a Purchase Notice until the satisfaction of the following conditions: receipt by the Administrative Agent of (A) a Deposit Account Control Agreement, executed and delivered by each of Celestica Japan, Celestica Romania and Celestica Oregon, as the case may be, the Collection Agent and the relevant account bank giving the Collection Agent "control" (as such term is defined in Article 9 of the UCC) over the Collection Accounts maintained by Celestica Japan, Celestica Romania and Celestica Oregon, respectively; (B) a closing certificate of each of Celestica Japan, Celestica Romania and Celestica Oregon, respectively, in form and substance reasonably acceptable to the Administrative Agent, dated as of the Effective Date, with appropriate insertions and attachments; (C) the executed legal opinion of counsel to Celestica Japan, Celestica Romania and Celestica Oregon, respectively, in form and substance reasonably satisfactory to the Administrative Agent and its counsel (such legal opinion shall cover such matters incidental to the transactions contemplated by this Agreement and the Transaction Documents as the Administrative Agent may reasonably require, including, without limitation, the creation and perfection of ownership interests and security interests in the Collateral of each of Celestica Japan, Celestica Romania and Celestica Oregon); (D) with respect to Celestica Oregon only, an estoppel letter from Canadian Imperial Bank of Commerce, in form and substance satisfactory to the Administrative Agent acting reasonably; and (E) with respect to Celestica Japan only, amendments to the Collection Account Pledge Agreement in form and substance satisfactory to the Administrative Agent acting reasonably.

SECTION 5 - COVENANTS

Each Seller hereby agrees that, so long as the Purchaser's Investment Limits remain in effect or any amount is owing to any Purchaser, the Administrative Agent or the Collection Agent hereunder, the Sellers or the Servicer, as the case may be, shall:

5.1 Financial Statements

Furnish to the Administrative Agent

(a) as soon as available, but in any event within 120 days after the end of each fiscal year of Celestica Canada, a copy of the audited consolidated balance sheet of Celestica Canada as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent registered public accountants of recognized international standing and without any limitation or qualification on the certification of disclosure controls or internal controls required under SEC rules; and

(b) as soon as available, but in any event not later than 60 days after the end of each of the first three quarterly periods of each fiscal year of Celestica Canada, the unaudited consolidated balance sheet of Celestica Canada as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in comparative form the figures for the previous year, certified by a Responsible Officer of Celestica Canada as being fairly stated in all material respects (subject to normal year end audit adjustments), (which certification shall be satisfied by the certification provided in Celestica Canada's Quarterly Report submitted on Form 6-K filed with the SEC). Each of the Purchasers shall be entitled to rely on such certification as if addressed to them.

Financial statements required to be delivered pursuant to Sections 5.1(a) and (b) (to the extent any such financial statements are included in materials otherwise filed with the SEC) may be delivered electronically and if so, shall be deemed to have been delivered on the date on which Celestica Canada posts such reports, or provides a link thereto, either: (i) on Celestica Canada's website on the Internet at the website address listed in Section 9.2; or (ii) when such report is posted electronically on IntraLinks/IntraAgency or other relevant website which each Purchaser and the Administrative Agent have access to (whether a commercial, third-party website or whether sponsored by the Administrative Agent), if any, on Celestica Canada's behalf; provided that Celestica Canada shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such reports and immediately following such notification Celestica Canada shall provide to the Administrative Agent, by electronic mail, electronic versions (i.e., soft copies) of such reports. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the reports referred to above, and in any event shall have no responsibility to monitor compliance by Celestica Canada with any such request for delivery, and each Purchaser shall be solely responsible for requesting delivery to it or maintaining its copies of such reports.

5.2 Certificates; Other Information

Furnish to the Purchaser promptly, such additional financial and other information as the Administrative Agent or any Purchaser may from time to time reasonably request.

The Purchasers shall provide notice to the Collection Agent of the occurrence of a Termination Event or Incipient Termination Event.

5.3 Payment of Obligations

Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with local generally accepted accounting principles or GAAP, as applicable, with respect thereto have been provided on the books of relevant Group Member or where the failure to so pay, discharge or satisfy could not reasonably be expected to have a Material Adverse Effect.

5.4 Maintenance of Existence; Compliance

(a) (i) Preserve, renew and keep in full force and effect its organizational existence, (ii) continue to engage in business of the same general type conducted by it on the initial Purchase Date and (iii) take all reasonable action to maintain all permits, licenses, rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in the case of clause (iii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.5 Maintenance of Property; Insurance

(a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability and product liability) as are usually insured against in the same general area by companies engaged in the same or a similar business, in each case except to the extent that the failure to do so would not have a Material Adverse Effect.

5.6 Inspection of Property; Books and Records; Discussions

(a) Keep proper books of records and account in which full, true and correct entries in conformity with local generally accepted accounting principles or GAAP, as applicable, and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and

(b) permit employees of any Purchaser, the Administrative Agent and the Collection Agent to (at its own expense prior to a Termination Event), visit and inspect any of its properties during regular business hours on not less than 10 Business Days' prior notice and examine and make abstracts from any of its books and records (including computer tapes and disks) relating to Purchased Assets; provided, however, that such inspections shall be limited to four times per year so long as a Termination Event has not occurred and is continuing. Without limiting the foregoing, such examinations, copies, abstracts, visits and discussions may cover, among other things, maturity dates, ageings, past dues, charge-offs and offsets with respect to the Purchased Assets.

5.7 Notices

Give notice to the Administrative Agent and the Collection Agent of:.

(a) the occurrence of any Incipient Termination Event or Termination Event within five Business Days of becoming aware thereof;

(b) any material litigation, investigation or proceeding that exists at any time to which a Seller or the Guarantor, and, to the extent known by the Servicer, any Eligible Buyer, is a party or is subject that, in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect promptly;

(c) any litigation or proceeding affecting the Seller (i) in which the amount involved is $50,000,000 or more and not covered by insurance or (ii) that relates to any Transaction Document promptly; and

(d) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect promptly upon becoming aware thereof.

Each notice pursuant to this Section 5.7 shall be accompanied by a statement of a Responsible Officer of the Servicer setting forth details of the occurrence referred to therein and stating what action the affected Seller or, to the extent known by the Servicer, an Eligible Buyer proposes to take with respect thereto.

5.8 Use of Proceeds

No part of the proceeds will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Board, including, without limitation, Regulations U and X.

5.9 Irrevocable Payment Instructions

Except in respect of Tranche C Receivables where Irrevocable Payment Instructions have not been given as noted in the relevant Purchase Notice, deliver to each purchaser designated as an Eligible Buyer in respect of a Scheduled Receivable to be the object of a Purchase hereunder the Irrevocable Payment Instructions.

5.10 Further Assurances

Execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent or the Collection Agent may reasonably request (i) to perfect or maintain the ownership interest of the Purchaser in Purchased Assets and security interests for the benefit of the parties named in the applicable Security Documents as beneficiaries thereof, including assets that are required to become Collateral after the initial Purchase Date, or (ii) otherwise to implement or effectuate the provisions of this Agreement and the other Transaction Documents.

5.11 Offices, Records, Books of Account

Each Seller (i) shall keep its principal place of business and chief executive office (as such terms are defined in the UCC) and the office where it keeps its records concerning the Scheduled Receivables at the address set forth on Schedule 3.15 or, upon at least 15 days' prior written notice of a proposed change to the Administrative Agent, at any other locations, so long as, prior to making such a change, such Seller shall have taken all actions in any applicable jurisdiction that may be requested by the Administrative Agent in accordance with Section 3.14; and (ii) shall provide the Administrative Agent with at least 15 days' written notice prior to making any change in the Seller's name or making any other change in the Seller's identity or corporate structure which could render any UCC Financing Statement theretofore filed with respect to such Person by any other Person (including, if applicable, any UCC Financing Statements filed in connection with this Agreement) "seriously misleading" as such term is used in the UCC, so long as, prior to making any such change, each Seller shall have taken all actions in any applicable jurisdiction that may be requested by the Administrative Agent in accordance with Section 3.14. Each Seller also will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Scheduled Receivables and related Contracts in the event of the destruction of the originals thereof) and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Scheduled

Receivables, including records adequate to permit the daily identification of each Scheduled Receivable and all Collections of and adjustments to each existing Scheduled Receivable. Each Seller and the Servicer agrees to indicate, or cause to be indicated, on the computer files containing a master database of Scheduled Receivables to contain a notation that all Scheduled Receivables included in such list or print out and Related Security have been sold to the Purchasers in accordance with this Agreement, and to deliver to the Purchaser computer files, microfiche lists or typed or printed lists containing true and complete lists of all such Scheduled Receivables and Related Security, identified by Obligor, from time to time promptly upon request of the Administrative Agent.

5.12 Sales, Liens, Etc.

No Seller shall purport to sell or assign, or purport to create any Lien or adverse claim upon or create any Lien or adverse claim upon or with respect to, any Purchased Assets or upon or with respect to any account to which any Collections of Scheduled Receivables are deposited, except as provided herein and in the Transaction Documents and no Seller shall assign any right to receive Deferred Purchase Price hereunder.

5.13 Extension or Amendment of Receivables

Except as expressly provided by this Agreement, the Sellers shall not adjust the outstanding principal balance of, or otherwise modify the terms of, any of the Scheduled Receivables; provided, that, notwithstanding any other provision of this Agreement, each Seller may grant a Dilution in respect of a Scheduled Receivable, so long as the amount of any such Dilution is paid in full by the Servicer as contemplated hereunder.

5.14 Status of Scheduled Receivables

In the event that any third party and a Seller enter into negotiations or discussions concerning the provision of financing (whether in the form of a loan, purchase or otherwise) with respect to any Receivables, such Seller shall inform such third party that the Seller has sold the Scheduled Receivables to the Purchasers.

5.15 Account Generation and Servicing Practices

No Seller shall make any change or modification (or permit any change or modification to be made) in any material respect to the manner in which it generates and services Receivables from the manner in which such Seller generated and serviced Receivables prior to the date hereof, except (i) if such changes or modifications are necessary under any Requirement of Law, or (ii) if such changes or modifications would not have a Material Adverse Effect with respect to the Purchasers or the Administrative Agent and any such changes shall be promptly notified by the Servicer to the Administrative Agent.

5.16 Inconsistent Instructions

No Seller shall give any Eligible Buyer any instructions contrary to or inconsistent with the provisions contained in the Irrevocable Payment Instruction with respect to payments of Scheduled Receivables other than Tranche C Receivables where Irrevocable Payment Instructions have not been given as noted in the relevant Purchase Notice.

5.17 Designation of New Eligible Buyers

If the Servicer wishes to designate a new Eligible Buyer (a "New Eligible Buyer"), it shall first notify the Administrative Agent of the designation of such customer as a New Eligible Buyer. Subject to (i) the prior written consent of the Required Purchasers to the addition of such New Eligible Buyer, (ii) determination of the applicable Obligor Limits for such New Eligible Buyer by the Administrative Agent, (iii) compliance with the requirements for perfection of the ownership and security interest in the Receivables arising from sales to such New Eligible Buyer, and legal opinions to the extent such New Eligible Buyer is located in a

jurisdiction in which the Purchasers had not previously been supplied with a legal opinion, in each case in form and substance satisfactory to the Administrative Agent and the Purchasers, such customer shall be deemed to be an Eligible Buyer for all purposes of this Agreement and the other Transaction Documents. The Servicer shall use its reasonable commercial efforts to provide such information concerning the New Eligible Buyers and their contractual relations with the relevant Seller as the Administrative Agent may reasonably request.

5.18 Designation of New Sellers / Removal of Sellers

(a) If the Servicer wishes to designate a Group Member as a "Seller" hereunder (a "New Seller"), it shall first notify the Administrative Agent of the designation of such Group Member as a New Seller. Subject to (i) the prior written consent of the Required Purchasers to the addition of such New Seller, (ii) compliance with the requirements for perfection of the ownership and security interest in the Receivables arising from sales by such New Seller, and legal opinions, certifications and documentation, in each case in form and substance satisfactory to the Administrative Agent and the Purchasers, and (iii) execution and delivery by such New Seller of an accession agreement in form and substance satisfactory to the Administrative Agent, such Group Member shall be deemed to be a Seller for all purposes of this Agreement and the other Transaction Documents.

(b) If any Seller other than Celestica LLC wishes to withdraw as a party to this Agreement and terminate its continuing liability hereunder, provided that there are no Purchased Assets outstanding that were sold by such Seller at such time, such Seller shall give notice to the Administrative Agent hereunder. Upon receipt of such notice, such Seller shall no longer be a Seller hereunder, shall no longer have the right to sell Receivables hereunder, and shall be released from any remaining liability of such Seller under this Agreement and any Transaction Document, provided that such release shall not relieve any other Seller or the Servicer or Guarantor for any such liability hereunder and the Sellers and the Servicer hereby agree to indemnify the Purchasers in respect of any such liabilities.

SECTION 6 - SERVICER OBLIGATIONS

6.1 Appointment of Servicer

Each Purchase hereunder shall be on a fully serviced basis by the relevant Seller. Each Seller hereby delegates to and designates Celestica Canada, and Celestica Canada hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Celestica Canada acknowledges that each Purchaser has relied on the agreement of Celestica Canada to act as the Servicer hereunder in making its decision to execute and deliver this Agreement. Accordingly, Celestica Canada shall not voluntarily resign as the Servicer. In the event that a Termination Event has occurred and is continuing, the Required Purchasers may designate as Servicer any Person (including the Collection Agent) to succeed Celestica Canada as Servicer.

6.2 Duties of Servicer

The Servicer shall take or cause to be taken all action as may be necessary or advisable to collect each Scheduled Receivable from time to time, all in accordance with this Agreement and all applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with its standard credit and collection policies; provided, however, that the Servicer may not extend the Scheduled Due Date of any Scheduled Receivable without the prior written consent of the Administrative Agent except as otherwise permitted by Section 5.14 hereof. Each Seller shall deliver to the Servicer and the Servicer shall hold for the benefit of the Purchasers, all records and documents (including computer tapes or disks) with respect to such Scheduled Receivables.

6.3 Reporting Requirements

(a) At least once every calendar week after the initial Purchase Date, the Servicer shall provide the Administrative Agent and the Collection Agent with a status report (each such day as selected by the Servicer, a "Reporting Date") (the "Servicer's Report") by telecopier in respect of the Collections of Purchased Assets, such Servicer's Report to be substantially in the form of Exhibit F hereto. If a Scheduled Receivable remains outstanding after the 105th day after the relevant invoice date, then the Servicer shall provide to the Administrative Agent in such report, in form and substance satisfactory to the Administrative Agent, detailed information with respect to the related Scheduled Receivables (including with respect to collection efforts relating thereto) as set forth in the form of Servicer's Report and as otherwise reasonably requested by the Administrative Agent.

(b) The Servicer shall provide to the Administrative Agent as soon as possible and in any event within five Business Days after the occurrence of a Termination Event or Incipient Termination Event, a statement of a Responsible Officer of the Servicer setting forth details of such Termination Event or Incipient Termination Event and the action that the Servicer and the Sellers have taken and propose to take with respect thereto.

(c) The Servicer shall provide to the Administrative Agent such other information respecting Purchased Assets or the condition or operations, financial or otherwise, of each Seller or any of their respective Affiliates, as the Administrative Agent may from time to time reasonably request (including listings identifying the outstanding balance of each Scheduled Receivable).

6.4 Application Requirements

The Servicer shall transfer funds from the Collections Accounts to the Concentration Account, and from the Concentration Account to the Payment Account in accordance with Section 2.13. Except as otherwise required by applicable law or the relevant Contract, all Collections received from an Obligor of any Scheduled Receivable shall be applied to the Receivables of such Obligor in accordance with the Servicer Report, except that in the case of an Obligor having Defaulted Receivables, such application shall be made in the order of the age of such Receivables, starting with the oldest such Scheduled Receivable. The Servicer shall upon the request of the Administrative Agent cause each account bank to provide the Administrative Agent with an account statement in respect of its Collection Account.

SECTION 7 - TERMINATION EVENTS AND REMEDIES

If any of the following events shall occur and be continuing:

(a) any Seller or the Servicer shall fail to pay or deposit any amount when due in accordance with the terms hereof and such failure is not remedied within 5 Business Days of written notice to the Servicer; or

(b) any representation or warranty made or deemed made by any Seller or the Guarantor herein or in any other Transaction Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made and such inaccuracy, if capable of remedy, is not remedied within 30 days after notice to the Servicer from the Collection Agent or a Purchaser; or

(c) any Seller shall default in the observance or performance of any agreement contained in Section 5.4(a)(i) or Section 5.7(a) of this Agreement; or

(d) any Seller, the Servicer or the Guarantor shall default in any material respect in the observance or performance of any other agreement contained in this Agreement or any

other Transaction Document (other than as provided in paragraphs (a) through (c) of this Section 7), and such default shall continue unremedied for a period of 30 days after notice to the Servicer from the Collection Agent or a Purchaser; or

(e) any Seller, the Servicer or the Guarantor shall (i) default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, and in the case of (i), (ii) or (iii) above the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, however, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute a Termination Event unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $50,000,000; or

(f) (i) any Seller or the Guarantor shall commence any case, proceeding or other action (A) under any law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Seller or the Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against such Seller or the Guarantor any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 90 days; or (iii) there shall be commenced against a Seller or the Guarantor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Seller or the Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Seller or the Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) one or more judgments or decrees shall be entered against any Seller or the Guarantor involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(h) (i) any of the Transaction Documents shall cease, for any reason other than an action of the Administrative Agent, the Collection Agent or a Purchaser, to be in full force and effect, or any Seller or the Guarantor shall so assert, (ii) any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby;

then, and in any such event, (A) if such event is a Termination Event specified in clause (i) or (ii) of paragraph (f) above or clause (i) of paragraph (h) above, automatically the Purchaser's Investment Limits shall immediately be reduced to zero and terminate, (B) if such event is any other Termination Event, the Administrative Agent may, or upon the request of the Required Purchasers, the Administrative Agent shall, by notice to the Servicer, declare the Purchasers' Investment Limits to be reduced to zero and terminated forthwith and (C) the Collection Agent may exercise all rights and remedies available to it under the Security Documents or at law.

SECTION 8 - THE ADMINISTRATIVE AGENT

8.1 Appointment

Each Purchaser hereby irrevocably designates and appoints the Administrative Agent as the agent of such Purchaser under this Agreement and the other Transaction Documents, and each such Purchaser irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents to which it is a party or by which it is bound and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Transaction Documents, together with such other powers as are reasonably incidental thereto, including, without limitation, (a) receiving all applicable notices referred to in this Agreement or in the other Transaction Documents on behalf of such Purchaser, (b) giving all applicable notices referred to in this Agreement or the other Transaction Documents to or on behalf of such Purchaser, (c) maintaining the Register pursuant to Sections 2.11 and 9.6 and (d) receiving payments and deposits (under Section 2.3 or otherwise) from the Sellers and the Servicers, and giving release and acquittance therefor in accordance with the terms of this Agreement. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Transaction Documents, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent. The provisions of this Section 8 are solely for the benefit of the Administrative Agent and its officers, directors, employees, agents, attorneys-in-fact and affiliates, and no other Person shall have any rights as a third party beneficiary of any of the provisions hereof. The Administrative Agent shall perform its obligations hereunder with reasonable care, using a degree of skill and attention no less than that which the Administrative Agent (i) exercises with respect to comparable duties that it performs when holding comparable assets for itself and (ii) exercises with respect to comparable administrative duties that it performs for comparable assets for others, and in a manner consistent with the standard of care exercised by similar administrators relating to the duties to be performed hereunder. The Administrative Agent shall have no obligations, duties or responsibilities except for those set forth in this Agreement.

8.2 Delegation of Duties

The Administrative Agent may execute any of its duties under this Agreement and the other Transaction Documents by or through agents, custodians, nominees or attorneys-in-fact and shall be entitled to rely upon, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with, advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents, custodians, nominees or attorneys-in-fact selected by it with reasonable care.

8.3 Exculpatory Provisions

Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Transaction Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have proximately resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any Person (including without limitation any of the Purchasers) for (A) any

recitals, statements, representations or warranties made by any Person (other than an Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates) contained in this Agreement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Transaction Document, (B) the value, validity, effectiveness, genuineness, collectibility, enforceability or sufficiency of this Agreement or any other Transaction Document, (C) any Liens or guarantees (including without limitation pursuant to any Guarantee Obligation) granted by, or purported to be granted by, any of the Security Documents or otherwise, (D) ascertaining or inquiring as to the existence or possible existence of any Termination Event, or (E) any failure of any party hereto or thereto (other than the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates) to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, to inspect the properties, books or records of any Seller, or to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law. Anything in this Agreement to the contrary notwithstanding, in no event shall the Administrative Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Administrative Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

8.4 Reliance by Administrative Agent

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon (i) any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and (ii) advice and statements of legal counsel (including, without limitation, counsel to any of the Sellers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Purchased Asset as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Purchasers (or, if so specified by this Agreement, all Purchasers) as it deems appropriate or it shall first be indemnified to its satisfaction by the Purchasers against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Transaction Documents in accordance with a request of the Required Purchasers (or, if so specified by this Agreement, all Purchasers), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers and all future holders of the Purchased Assets.

8.5 Notice of Termination

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Incipient Termination Event or Termination Event unless the Administrative Agent has received notice from a Purchaser or a Seller referring to this Agreement, describing such Incipient Termination Event or Termination Event and stating that such notice is a "notice of termination." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Purchasers and the Collection Agent. The Administrative Agent shall take such action with respect to such Incipient Termination Event or Termination Event as shall be reasonably directed by the Required Purchasers (or, if so specified by this Agreement, all Purchasers); provided, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Incipient Termination Event or Termination Event as they shall deem advisable in the best interests of the Purchasers.

8.6 Non-Reliance on Administrative Agent and Other Purchasers

Each Purchaser expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including, without limitation, any review of the affairs of a Seller or any affiliate of a Seller, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Purchaser. Each Purchaser represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Purchaser, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Sellers and their affiliates and made its own decision to make its purchases hereunder and enter into this Agreement and the other Transaction Documents to which it is a party or by which it is bound. Each Purchaser also represents and covenants that it will, independently and without reliance upon the Administrative Agent, any of its officers, directors, employees, agents, attorneys-in-fact or affiliates or any other Purchaser, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Sellers and their respective affiliates. Except for notices, reports and other documents expressly required to be furnished to the Purchasers by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Purchaser with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Seller or any affiliate of a Seller that may come into the possession of the Administrative Agent, or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

8.7 Indemnification

The Purchasers agree to indemnify the Administrative Agent in its capacity as such and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates (to the extent not reimbursed by the Sellers and without limiting the obligation of the Sellers to do so), ratably according to their respective Purchaser’s Investment Percentages in effect on the date on which indemnification is sought under this Section 8.7 (or, if indemnification is sought after the date upon which the Purchaser’s Investment Limits shall have terminated and all Investments shall have been reduced to nil, ratably in accordance with such Purchaser’s Investment Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever (including without limitation attorneys’ fees and disbursements) that may at any time be imposed on, incurred by or asserted against the Administrative Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates in any way relating to or arising out of, the Purchaser’s Investment Limits, this Agreement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates under or in connection with any of the foregoing; provided, that no Purchaser shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent’s and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates gross negligence or willful misconduct. If any indemnity furnished to the Administrative Agent for any purpose shall, in its opinion, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. None of the provisions of this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any Transaction Document, or in the exercise of any of its rights or powers hereunder or thereunder, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. In the case of any investigation, litigation or proceeding giving rise to any indemnification under this Section 8.7, this Section 8.7 applies whether

any such investigation, litigation or proceeding is brought by the Administrative Agent, any Purchaser or a third party. The agreements in this Section 8.7 shall survive the payment of all amounts payable hereunder.

8.8 Agent in Its Individual Capacity

The Administrative Agent and its affiliates may make loans to, accept deposits from, act as trustee under indentures of, accept investment banking engagements from, and generally engage in any kind of business with any Seller as though such Agent were not an Agent and without any duty to account therefor to any other Person. With respect to its Purchased Assets, the Administrative Agent shall have the same rights and powers under this Agreement and the other Transaction Documents as any Purchaser and may exercise the same as though it were not an Agent, and the terms “Purchaser” and “Purchasers” shall include the Administrative Agent in its individual capacity.

8.9 Successor Administrative Agent

The Administrative Agent may resign as Agent upon 60 days’ written notice to the Purchasers and the Servicer. If the Administrative Agent shall resign as Agent under this Agreement and the other Transaction Documents, then the Required Purchasers shall appoint from among the Purchasers a successor agent for the Purchasers, which successor agent shall (unless a Termination Event under Section 7(a) or Section 7(f) shall have occurred and be continuing, in which instance any such appointment shall be immediately effective and shall not require any prior notice to or approval of the Servicer or any other Person) be subject to approval by the Servicer (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the resigning Administrative Agent shall be discharged from its duties and obligations under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the term “Administrative Agent” shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent’s rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Agent, any of the parties to this Agreement or any Transaction Document, or any holders of the Purchased Assets. If no successor agent has accepted appointment as Administrative Agent by the date that is 20 days following a resigning Agent’s notice of resignation, the resigning Agent’s resignation shall nevertheless thereupon become effective, and the Purchasers shall assume and perform all of the duties of such Agent hereunder until such time, if any, as the Required Purchasers appoint a successor agent as provided for above. After any resigning Administrative Agent’s resignation as Agent, the provisions of this Section 8 shall continue to apply to it with respect to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Transaction Documents, including, without limitation, the liability of each such Agent under Section 8.3 for (and the exclusion from any liability of any Purchaser to indemnify any such Agent under Section 8.7 in respect of) any such actions or omissions that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent’s gross negligence or willful misconduct.

8.10 Determination Pursuant to Security Documents

In each circumstance where, under any provision of a Security Document or this Agreement, the Administrative Agent shall have the right to grant or withhold any consent, exercise any remedy, make any determination or direct any action by the Administrative Agent under such Security Document, the Administrative Agent shall act in respect of such consent, exercise of remedies, determination or action, as the case may be, only with the consent of and at the direction of the Required Purchasers unless unanimity is required by the relevant agreement; provided, however, that no such consent of the Required Purchasers shall be required with respect to any consent, determination or other matter that is, in the Administrative Agent’s reasonable judgment, ministerial or administrative in nature or provided for in this Agreement, and provided that the Administrative Agent is hereby authorized on behalf of all of the Purchasers, without the necessity of any further consent from any Purchaser, from time to time prior to a Termination Event, to release portions of the Collateral from the security interests and Liens imposed by

the Security Documents in connection with any dispositions of such portions of the Collateral permitted by the terms of this Agreement or the Security Documents or as may be required by law. In each circumstance where any consent of or direction from the Required Purchasers is required, the Administrative Agent shall send to the Purchasers a notice setting forth a description in reasonable detail of the matter as to which consent or direction is requested and the Administrative Agent's proposed course of action with respect thereto.

8.11 Merger of the Administrative Agent

Any Person into which the Administrative Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Administrative Agent shall be a party, or any Person succeeding to the business of the Administrative Agent shall be the successor hereunder and under the Transaction Documents of the Administrative Agent, without the execution or filing of any paper with any party hereto or thereto or any further act on the part of any of the parties hereto or thereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein or in any Transaction Document to the contrary notwithstanding.

SECTION 9 - MISCELLANEOUS

9.1 Amendments and Waivers

Neither this Agreement, any other Transaction Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Purchasers, the Servicer and each Seller party to the relevant Transaction Document may, or, with the written consent of the Required Purchasers, the Administrative Agent or the Collection Agent, as the case may be, and each Seller and the Servicer party to the relevant Transaction Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Transaction Documents or any Scheduled Receivables for the purpose of adding any provisions to this Agreement or the other Transaction Documents or any Scheduled Receivables or changing in any manner the rights of the Purchasers or of the Sellers or the Obligors hereunder or thereunder or (b) waive, on such terms and conditions as the Required Purchasers or the Collection Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Transaction Documents or any Incipient Termination Event or Termination Event and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) reduce the stated rate or amount of any interest, or fee payable hereunder or extend the date of any payment thereof, or increase the amount of any Purchaser's Investment Limit, in each case without the written consent of each Purchaser directly affected thereby; (ii) eliminate or reduce the voting rights of any Purchaser under this Section 9.1 without the written consent of such Purchaser; (iii) (A) reduce any percentage specified in the definition of Required Purchasers, (B) consent to the assignment or transfer by any Seller of any of its rights and obligations under this Agreement and the other Transaction Documents, (C) release any Seller from its obligations or any Collateral (except as otherwise expressly permitted hereunder without such consent) or release the Guarantor under the Guarantee, or (D) amend or modify the definition of "Applicable Margin", "Funding Cost Amount", "Investment", "Obligations", "Scheduled Receivable", "Receivable" or "Eligible Receivable" or Sections 2.3, 2.6(a) or (b), 2.9, 5.13 or 9.7 in this Agreement or "Secured Parties" in the Collection Account Pledge Agreement, or amend, modify or waive Section 9, in each case without the written consent of all Purchasers; or (iv) amend, modify or waive any provision of Section 8 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Purchasers and shall be binding upon the Sellers, the Purchasers, the Administrative Agent, the Collection Agent and all future holders of the Purchased Assets. In the case of any waiver, the Sellers, the Purchasers, the Administrative Agent and the Collection Agent shall be restored to their former position and rights

hereunder and under the other Transaction Documents, and any Incipient Termination Event or Termination Event waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Incipient Termination Event or Termination Event, or impair any right consequent thereon.

9.2 Notices

All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (i) if by hand, when delivered, (ii) if by air courier service, when delivered, or (iii) if by telecopy, when received by the addressee, addressed as follows in the case of the Servicer and the Sellers, the Purchasers, the Administrative Agent and the Collection Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Purchasers, or to such other address as may be hereafter notified by the respective parties hereto:

Celestica Canada	1150 Eglinton Avenue East
(for itself and for the other Sellers):	Toronto, Ontario, Canada M3C 1H7
	Attention: Senior Vice President and Treasurer
	Telecopier: 416-448-2280
	Telephone: 416-448-4858
	with a copy to:
	1150 Eglinton Avenue East
	Toronto, Ontario M3C 1H7
	Attention: Senior Vice President and Chief Legal Officer
	Telecopier: 416-448-2817
	Telephone: 416-448-4620
Administrative Agent and Collection Agent	Deutsche Bank AG New York Branch Structured Trade & Export Finance
	60 Wall Street
	New York, New York 10005
	Attention: Lee Joyner

Telecopy: 201-593-2310

Telephone: 201-593-2177

provided that any notice, request or demand to or upon the Collection Agent, the Administrative Agent or the Purchasers shall not be effective until received.

9.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Sellers, the Collection Agent, the Administrative Agent or any Purchaser, any right, remedy, power or privilege hereunder or under the other Transaction Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.4 Survival of Representations and Warranties

All representations and warranties made hereunder, in the other Transaction Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the purchases hereunder.

9.5 Payment of Expenses and Taxes

(a) The Sellers jointly and severally agree (provided that each of Celestica Czech Republic, Celestica Valencia and Celestica Romania shall only be responsible hereunder for the respective amount attributable to it) (i) to pay or reimburse the Administrative Agent and the Collection Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Transaction Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable and documented fees and disbursements of counsel to the Administrative Agent and the Collection Agent, with statements with respect to the foregoing to be submitted to the Servicer prior to the initial Purchase Date (in the case of amounts to be paid on the initial Purchase Date, which are payable on such date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate and payable within 45 days of notice thereof to the Servicer; (ii) to pay or reimburse the Administrative Agent and the Collection Agent for all their reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Transaction Documents and any such other documents, including, without limitation, the reasonable and documented fees and disbursements of counsel to the Administrative Agent and of counsel to the Collection Agent; (iii) to pay, indemnify, and hold the Administrative Agent, each Purchaser and the Collection Agent harmless from, any and all documented recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Transaction Documents and any such other documents; and (iv) to indemnify and hold harmless each Indemnified Person from and against any and all reasonable and documented Indemnified Amounts to which any such Indemnified Person may become subject arising out of or in connection with (1) the enforcement of this Agreement, the other Transaction Documents and any such other

documents, (2) the reasonable and documented expenses of legal counsel in connection with claims, actions or proceedings by any indemnified person against the Sellers under any Transaction Document and any such other documents and (3) any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, and to reimburse each Indemnified Person upon demand for any legal or other reasonable and documented expenses incurred in connection with investigating or defending any of the foregoing; provided that the foregoing indemnity will not, as to any Indemnified Person, apply to Indemnified Amounts to the extent they are found by a final, non-appealable judgment of a court to arise from the willful misconduct or gross negligence of such Indemnified Person. Except as specified above, all amounts due under this Section 9.5(a) shall be payable not later than 10 Business Days after written demand therefor. Statements payable by the Sellers pursuant to this Section 9.5(a) shall be submitted to the address of the Servicer set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Servicer in a written notice to the Purchaser. The agreements in this Section 9.5(a) shall survive payment of all amounts payable hereunder.

(b) Each Indemnified Person under the provisions of Section 2.9 or 9.5(a) will, upon the service of a summons or other initial legal process upon it in any action or suit instituted against it or upon its receipt of written notification of the commencement of any investigation or inquiry of, or proceeding against, it in respect of which indemnity may be sought on account of the provisions contained in Section 2.9 or 9.5(a), promptly give written notice (the "Notice") of such service or notification to the Servicer. Notwithstanding the foregoing, the omission so to notify the Servicer of any such service or notification shall not relieve the Sellers from any of the obligations under Section 2.9 or 9.5(a) that the Sellers may have to the Indemnified Person, except to the extent a Seller has been materially prejudiced thereby. Each Seller shall be entitled at its expense to participate in the defense of any action, suit or proceeding against, or investigation or inquiry of, an Indemnified Person. The affected Seller shall be entitled, if it so elects within a reasonable time after receipt of the Notice by giving written notice (the "Notice of Defense") to the Indemnified Person, to assume the entire defense of such action, suit, investigation, inquiry or proceeding, in which event such defense shall be conducted, at the expense of such Seller, by counsel chosen by such Seller and reasonably satisfactory to the Indemnified Person; provided, however, that (i) if a single counsel has assumed the defense of both the Indemnified Person and the affected Seller or Sellers and the Indemnified Person reasonably determines that there may be a conflict between the positions of such Seller or Sellers and the positions of the Indemnified Person in conducting the defense of such action, suit, investigation, inquiry or proceeding or that there may be legal defenses available to such Indemnified Person different from or in addition to those available to the Seller, then counsel for the Indemnified Person shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be necessary to protect the interests of the Indemnified Person and (ii) in any event, the Indemnified Person shall be entitled to have counsel chosen by such Indemnified Person participate in, but not conduct, the defense. If, within a reasonable time after receipt of the Notice, the affected Seller gives a Notice of Defense and the counsel chosen by such Seller is reasonably satisfactory to the Indemnified Person, such Seller will not be liable under the preceding paragraph for any legal or other expenses subsequently incurred by the Indemnified Person in connection with the defense of the action, suit, investigation, inquiry or proceeding, except that (1) such Seller shall bear the legal and other expenses incurred in connection with the conduct of the defense as referred to in clause (i) of the proviso to the preceding sentence and (2) such Seller shall bear such other expenses as they have authorized in writing in advance to be incurred by the Indemnified Person. If, within a reasonable time after receipt of the Notice, no Notice of Defense has been given, the affected Seller shall be responsible for any reasonable legal or other expenses incurred by the Indemnified Person in connection with the defense of the action, suit, investigation, inquiry or proceeding. The Sellers shall not be liable for any settlement of

any such action, suit or proceeding effected without its prior written consent (which consent shall not unreasonably be withheld), but if settled with their prior written consent or if there be a final judgment for the plaintiff in any such action, suit or proceeding, the Sellers jointly and severally agree (provided that each of Celestica Czech Republic, Celestica Valencia and Celestica Romania shall only be responsible hereunder for the respective amount attributable to it) to indemnify and hold harmless any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Sellers shall not, without the prior written consent of the Indemnified Person (which consent shall not unreasonably be withheld or delayed), effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is a party or in respect of which indemnity could have been sought under the preceding paragraph by such Indemnified Person unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding.

9.6 Successors and Assigns; Participations and Assignments

(a) This Agreement shall be binding upon and inure to the benefit of the Sellers, the Servicer, the Purchasers, the Administrative Agent, and their respective successors and permitted assigns, except that neither the Sellers nor the Servicer (in its capacity as such) may assign or transfer any of their rights or obligations under this Agreement without the prior written consent of each Purchaser.

(b) Any Purchaser may, without the consent of the Servicer or the Sellers, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Purchased Assets co-owned by such Purchaser, the Purchaser's commitment to purchase Receivables up to the Investment Limits of such Purchaser or any related interest of such Purchaser hereunder and under the other Transaction Documents. In the event of any such sale by any Purchaser of a participating interest to a Participant, except as otherwise provided herein, such Purchaser's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Purchaser shall remain solely responsible for the performance thereof, such Purchaser shall remain the holder of any such Purchased Assets for all purposes under this Agreement and the other Transaction Documents, and the Servicer, the Sellers, the Administrative Agent and the Collection Agent shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement and the other Transaction Documents. The Servicer and each Seller agrees that each Participant shall be entitled to the benefits of Sections 2.7, 2.8 and 2.9 with respect to its participation in the Purchaser's commitment to purchase Receivables up to its Investment Limits and the Purchased Assets outstanding from time to time as if it was a Purchaser; provided that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Purchaser would have been entitled to receive in respect of the amount of the participation transferred by such transferor Purchaser to such Participant had no such transfer occurred.

(c) Any Purchaser (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Purchaser or any Purchaser Affiliate or, with the prior written consent of the Servicer (which, in each case, may not be unreasonably withheld but may be withheld if the Servicer determines in its sole judgment that such assignment may have an adverse impact on the economics or administration of the transactions contemplated hereunder, impacts on other banking and financial relationships or would permit a competitor or potential competitor to become involved in such transactions or privy to confidential or commercially sensitive information), and the Administrative Agent, to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Transaction Documents and any Purchased Assets then owned by it, pursuant to an Assignment and Acceptance

executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register. Unless otherwise agreed by the Servicer and the Administrative Agent, no such assignment to an Assignee (other than any Purchaser or any Purchaser Affiliate) shall be in an amount of less than $5,000,000, in each case except in the case of an assignment of all of a Purchaser's Investment Limits under this Agreement. For purposes of the preceding sentence, the amount described therein shall be aggregated in respect of each Purchaser and its Purchaser Affiliates, if any. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Purchaser hereunder with the Purchaser's Investment Limits and/or share of the Investments as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.7, 2.8, 2.9 and 9.5 for the period of time it was a Purchaser hereunder); provided that no Assignee shall be entitled to receive any greater amount pursuant to Section 2.7, 2.8 or 2.9 than the Assignor would have been entitled to receive in respect of the portion of the rights and obligations assigned by such Assignor to such Assignee had no such assignment occurred. Notwithstanding any provision of this Section 9.6, the consent of the Servicer shall not be required for any assignment that occurs when a Termination Event shall have occurred and be continuing (although in such event, the proviso in the immediately preceding sentence shall continue in full force and effect).

(d) The Administrative Agent shall, on behalf of the Servicer, maintain at its address referred to in Section 9.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Purchasers and the Purchaser's Investment Limit of, and the amount of the Purchased Assets co-owned by each Purchaser from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Servicer, each Seller, the Administrative Agent, the Collection Agent and the Purchasers shall treat each Person whose name is recorded in the Register as the co-owner of the Purchased Assets recorded therein for all purposes of this Agreement. Any assignment of any Purchased Assets shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by any Purchaser, the Servicer or any Seller at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 9.6(c), together with payment to the Administrative Agent of a registration and processing fee of $4,000 (which shall be the sole responsibility of the Assignor or Assignee, as the case may be), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Purchaser to any Federal Reserve Bank in accordance with applicable law.

9.7 Adjustments; Set-off

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Purchaser, if any Purchaser (a "Benefitted Purchaser") shall receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Purchaser, if any, in respect of the Obligations owing to such other Purchaser, such Benefitted Purchaser shall purchase for cash from the other Purchasers a participating interest in such portion of the Obligations owing to each such other Purchaser, or shall provide such other Purchasers with the benefits of any such collateral, as shall be necessary to cause such Benefitted Purchaser to share the excess payment or benefits of such collateral ratably with each of the Purchasers; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Purchaser, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Purchasers provided by law, each Purchaser shall have the right, without prior notice to the Sellers, any such notice being expressly waived by the Sellers to the extent permitted by applicable law, upon any amount becoming due and payable by the Sellers hereunder, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Purchasers or any branch or agency thereof to or for the credit or the account of the Sellers, as the case may be. Each Purchaser agrees promptly to notify the Servicer and the Administrative Agent after any such setoff and application made by such Purchaser; provided that the failure to give such notice shall not affect the validity of such setoff and application.

9.8 Counterparts

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicer and the Administrative Agent.

9.9 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.10 Integration

This Agreement and the other Transaction Documents, together with the Fee Letter, represent the entire agreement of the Sellers, the Administrative Agent and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

9.11 Governing Law

This Agreement and the rights and obligations of the parties under this agreement shall be governed by, and construed and interpreted in accordance with, the law of the Province of Ontario.

9.12 Submission To Jurisdiction; Waivers

Each Seller hereby appoints the Servicer as its agent to receive service of process hereunder and under the other Transaction Documents in any proceeding in the courts of the Province of Ontario, Canada, and appellate courts from any thereof, and hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the Province of Ontario, Canada, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and expressly and irrevocably waives (i) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court, or (ii) that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, and (iii) any right to any other jurisdiction that may apply by virtue of its present or future domicile or for any other reason;

(c) consents to service of process in the manner provided for notices in Section 9.2 and agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(d) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

9.13 Judgment Currency

The obligations of each Seller under this Agreement and each other Transaction Document and the obligations to make payments to the Purchasers and the Administrative Agent shall, notwithstanding any judgment in a currency (the "judgment currency") other than Dollars, be discharged only to the extent that on the Business Day following receipt by such party of any sum adjudged to be so due in the judgment currency, such party may in accordance with normal banking procedures purchase Dollars with the judgment currency. If the amount of Dollars so purchased is less than the sum originally due to such party in Dollars, each Seller agrees jointly and severally (provided that each of Celestica Czech Republic, Celestica Valencia and Celestica Romania shall only be responsible hereunder for the respective amount attributable to it), as a separate obligation and notwithstanding any such judgment, to indemnify such party against such documented loss, and if the amount of Dollars so purchased exceeds the sum originally due to any party to this Agreement or any other Transaction Document, such party agrees to remit promptly to the Servicer such excess.

9.14 Interest Act

For the purposes of the *Interest Act* (Canada), whenever any interest on any amount payable hereunder is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

9.15 Confirmation of Guarantee

The Guarantor hereby confirms and agrees that (i) the Guarantee is and shall continue to be in full force and effect and is otherwise hereby ratified and confirmed in all respects; and (ii) the Guarantee is and shall continue to be an unconditional and irrevocable guarantee of all of the Obligations (as defined in the Guarantee).

9.16 Amendment and Restatement

This Agreement amends and restates the Original Agreement as of the date first written above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CELESTICA INC., as Servicer and as Guarantor

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA, LLC

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA CZECH REPUBLIC S.R.O.

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA HOLDINGS PTE LTD

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA VALENCIA S.A. (SOCIEDAD UNIPERSONAL)

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA HONG KONG LTD.

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA (ROMANIA) S.R.L.

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA JAPAN KK.

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA OREGON LLC

by /s/ Paul Nicoletti
Name: Paul Nicoletti
Title: Authorized Signatory

DEUTSCHE BANK AG, NEW YORK BRANCH, as Administrative Agent and as Sole Purchaser

by /s/ Kevin McBrien
Name: KEVIN MCBRIEN
Title: DIRECTOR

/s/ Robert Altman
Name: Robert Altman
Title: Associate

Schedule 1.1 - Purchaser's Investment Limits

Purchaser	Investment Limit	Percentage
Deutsche Bank AG New York Branch	$ 250,000,000	100%

Schedule 1.2 to the Receivables Purchase Agreement

ELIGIBLE BUYERS, OBLIGOR LIMITS AND APPLICABLE PERCENTAGES

Tranche A

Eligible Buyer	Obligor Limit	Applicable Percentage
CISCO SYSTEMS INC.	$ 12,000,000	100.0%
EMC CORPORATION	$ 12,000,000	100.0%
GOOGLE INC.	$ 12,000,000	100.0%
HONEYWELL INTERNATIONAL INC.	$ 12,000,000	100.0%
IBM CORPORATION	$ 48,000,000	100.0%
JUNIPER NETWORKS INC.	$ 60,000,000	100.0%
ORACLE CORPORATION	$ 6,000,000	100.0%
RESEARCH IN MOTION LTD.	$ 90,000,000	100.0%
APPLIED MATERIALS, INC.	$ 12,000,000	100.0%
NEC CORPORATION *	$ 18,000,000	100.0%

* Credit limit in USD, receivables in JPY

Tranche B

POLYCOM, INC.	$ 18,000,000	100.0%
Total	$ 300,000,000	

Tranche D

Eligible Buyer	Applicable Margin	Obligor Limit DB	Participant
IBM INTERNATIONAL HOLDINGS BV *	1.0%	$ —	$ 10,000,000
IBM IRELAND PRODUCT DISTRIBUTION LIMITED SINGAPORE BRANCH *	1.0%	$ —	$ 40,000,000
ORACLE CORPORATION SINGAPORE PTE LTD *	1.20%	$ 15,000,000	$ 15,000,000
ORACLE USA, INC. *	1.20%	$ 20,000,000	$ 20,000,000
ORACLE AMERICA, INC. *	1.20%	$ 5,000,000	$ 5,000,000
ORACLE EMEA LTD. *	1.20%	$ 10,000,000	$ 10,000,000
HITACHI GLOBAL STORAGE TECHNOLOGIES *	1.20%	$ 30,000,000	$ —
Total		**$ 80,000,000**	**$100,000,000**

* Subsidiary; no parent guarantee provided and no financial statements available

Schedule 3.4 to the Receivables Purchase Agreement

1. Filings with the Toronto Stock Exchange required under applicable securities laws.

2. Consents of Eligible Buyers that have been or will be obtained prior to the sale of Scheduled Receivables in respect thereof.

SCHEDULE 3.9

To the Receivables Purchase Agreement

TAXES

Celestica Czech Republic

1. Value added tax on the Commitment Fee payable by it — recoverable upon meeting standard value added tax recovery rules and receipt of information from the Purchasers for its recovery filing purposes.

2. Withholding tax may be payable by it on any payment having the nature of interest (e.g., the difference between the Purchase Price for Scheduled Receivables and the Principal Amount of Scheduled Receivables purchased). Withholding tax may, however, be eliminated by applicable double tax treaties (e.g., the Purchasers are tax residents of the United States or Germany).

3. Tax securing may be payable by it on any payment attributable to the permanent establishment of the Purchasers or the Administrative Agent in the Czech Republic (if there would be any).

Celestica Romania

1. Value added tax on the factoring fee and related fees treated as ancillary to the main factoring service is to be counted for by Celestica Romania through the reverse charge mechanism, as long as the Purchaser does not raise a fixed establishment - for VAT purposes - in Romania;

2. Withholding tax at domestic rate will be due by the Purchaser and will be actually payable by Celestica Romania on any payment having the nature of interest, to the extent the Purchaser is not deemed to have a permanent establishment in Romania to which such interest incomes are attributable. Withholding tax rate may be however reduced or even eliminated under the relevant treaty for the avoidance of double taxation, provided that:

   A certificate of fiscal residence is made available by the recipient of the said income prior to any such payment being made pursuant the Agreement; and there is no “net-of-tax” arrangement assumed by Celestica Romania.]

Notwithstanding anything to the contrary in this Schedule 3.9 or anywhere in the Receivables Purchase Agreement (as amended by this Amending Agreement), Celestica Romania makes no representation concerning any taxes, levies, impost, deductions, charges or withholdings to which the Romania/Germany Tax Treaty applies.

Celestica Japan KK

1. Consumption tax (in the nature of value added tax) will be imposed in connection with the Commitment Fees and any other fees payable by the Seller. Such consumption tax may be recoverable pursuant to standard consumption tax refund or credit rules.

2. Withholding tax will be applicable to any payment to the Purchaser (i) if interest component of the relevant Scheduled Receivable is specified or apparent under the relevant Contract, with respect to such component of interest and (ii) if the sale and purchase of the Scheduled Receivables are re-characterized as financing for tax purposes, with respect to the difference between the Purchase Price for Scheduled Receivables and the Principal Amount of Scheduled Receivables purchased.

3. Stamp duties in the nominal amount will be imposed on the originals of the Receivables Purchase Agreement or the Assignment Agreement if executed and delivered in Japan.

Schedule 3.14

To the Receivables Purchase Agreement

ACTIONS TO PERFECT OWNERSHIP INTERESTS IN SCHEDULED RECEIVABLES AND SECURITY INTERESTS IN COLLATERAL

United States

A UCC-1 (or UCC-3, as applicable) financing statement setting forth the applicable information regarding Celestica Czech Republic, Celestica Holdings, Celestica Valencia, Celestica Hong Kong, Celestica Japan and Celestica Romania, as debtors, shall have been filed with the District of Columbia Recorder of Deeds, Washington, D.C. Celestica Czech Republic, Celestica Holdings, Celestica Valencia, Celestica Hong Kong, Celestica Japan, and Celestica Romania each have entered into an agreement with the Collection Agent giving the Collection Agent "control" (as such term is defined in Article 9 of the UCC) over the Collection Accounts.

A UCC-3 financing statement setting forth the applicable information regarding Celestica LLC, as debtor, and the relevant Purchased Assets, shall have been filed with the Secretary of State of the State of Delaware. A UCC-1 financing statement setting forth the applicable information regarding Celestica Oregon, as debtor, and the relevant Purchased Assets, shall have been filed with the Secretary of State of the State of Oregon.

Czech Republic

An Assignment Agreement shall have been duly executed and delivered and such other requirements as may be agreed to between the Servicer and the Administrative Agent.

Spain

An Assignment Agreement shall have been duly executed and delivered and Purchase Notice shall be executed and delivered as a notarial deed in Spain in respect of the Scheduled Receivables to be sold on a Purchase Date and such other requirements as may be agreed to between the Servicer and the Administrative Agent.

Singapore

An Assignment Agreement shall have been duly executed and delivered. The Collection Account Pledge Agreement shall be registered at the Accounting and Corporate Regulatory Authority of Singapore and such other requirements as may be agreed to between the Servicer and the Administrative Agent.

Hong Kong

An Assignment Agreement shall have been duly executed and delivered and such other requirements as may be agreed to between the Servicer and the Administrative Agent. The Collection Account Pledge Agreement and its prescribed particulars shall be delivered to the Hong Kong Companies Registry for registration within five weeks of the date of its creation.

Romania

An Assignment Agreement shall have been duly executed and delivered and such other requirements as may be agreed to between the Servicer and the Administrative Agent. The Assignment Agreement and applicable Eligible Buyers shall be registered with the Romanian Electronic Archive for Security Interests in Movable Property; updates of the registration would be necessary in case of changes in Receivables or

Eligible Buyers. Notices regarding the assigned Receivables shall be sent to the applicable Eligible Buyers.

The security interests created pursuant to the Collection Account Pledge Agreement shall be registered with the Romanian Electronic Archive for Security Interests in Movable Property.

Japan

To effectuate the assignment of the relevant Scheduled Receivables, a Purchase Notice and an Assignment Agreement shall have been duly executed and delivered with respect to the relevant Scheduled Receivables, and to perfect such assignment as against any third party other than the relevant Eligible Buyers, the assignment shall be registered (*saiken joto toki*) with the relevant legal affairs bureau in Japan with respect to the relevant Scheduled Receivables.

Subject to any qualification in the legal opinion of Japanese counsel to be obtained pursuant to Section 4.2 of the Receivables Purchase Agreement, to effectuate the pledge of the Collection Account, the Collection Account being capable of being subject to a security interest in the form of a pledge (by an agreement of the bank with which the Collection Account is opened or otherwise), a Collection Account Pledge Agreement in a form to be agreed shall have been duly executed and delivered, and to perfect the pledge created thereunder as against the relevant account bank and other third parties, (x) a notice bearing a date certification by a notary public in Japan (*kakutei hizuke*) is given by the Seller to the relevant account bank or (y) an acknowledgement of pledge from the relevant account bank is obtained and a date certification by a notary public in Japan (*kakutei hizuke*) is attached to such acknowledgement.

Schedule 3.15 to the Receivables Purchase Agreement

Principal Place of Business of the Sellers:

Celestica LLC:

Pease International Tradeport, 72 Pease Boulevard, Newington, New Hampshire, 03801

Celestica Czech Republic:

Kladno, Billundská 3111, 272 01, Czech Republic

Celestica Valencia:

Carretera Valencia-Ademuz, kilómetro 17.6, La Puebla de Vallbona, 46185, Valencia, Spain

Celestica Holdings:

8 Cross Street, #1100, PWC Building, Singapore, 048424

Celestica Hong Kong:

4th Floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong

Celestica Japan

7-10 Misaki-cho 2-chome Chiyoda-ku
Tokyo, Japan

Celestica Oregon

18870 NE Riverside Parkway
Portland, OR 97230

Celestica Romania:

Soseaua Borsului 88
417075 Bors, Bihor
Romania

EXHIBIT A ASSIGNMENT AGREEMENT

THIS INDENTURE made as of •.

BETWEEN: Celestica • (the “Seller”)

- and -

Deutsche Bank AG New York, as Administrative Agent for and on behalf of the Purchasers

WHEREAS the Seller is the legal and beneficial owner of Receivables;

AND WHEREAS the Seller, the Administrative Agent, the Purchasers, Celestica Inc. and others are parties to a receivables purchase agreement dated as of November 23, 2005 (as modified, amended or supplemented from time to time, the “Receivables Purchase Agreement”);

AND WHEREAS, pursuant to and on the terms and conditions of the Receivables Purchase Agreement, the Seller has agreed to transfer and assign to the Purchasers certain Receivables;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the amounts paid by the Purchaser to the Seller under the Receivables Purchase Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Seller does hereby sell, assign, transfer and convey to the Purchasers absolutely (and without recourse, except as otherwise provided in the Receivables Purchase Agreement) all of the Seller’s right, title and interest in, to and under (i) all Receivables of such Seller specified or identified in each Purchase Notice (the “Purchased Receivables”), (ii) all Related Security with respect to such Purchased Receivables, and (iii) all Collections with respect to, and other proceeds of, such Purchased Receivables and Related Security (collectively, the “Transferred Assets”).

To have and to hold the Transferred Assets to the use of the Purchaser, its successors and assigns, forever.

COVENANTS AND AGREEMENTS

In this Assignment Agreement and the recitals hereto, except as otherwise provided all terms having initial capital or upper case letters shall have the respective meanings assigned thereto in the Receivables Purchase Agreement:

This Assignment Agreement is executed and delivered by the Seller to the Purchasers pursuant to the Receivables Purchase Agreement.

This Assignment Agreement is made by the Seller to the Purchasers without any representation, warranty, covenant, agreement or recourse (express or implied) except as provided otherwise in the Receivables Purchase Agreement or herein.

The Seller agrees to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Purchasers to more fully effect the purposes of this Assignment Agreement.

This Assignment Agreement shall be construed in accordance with the laws of the Province of Ontario.

This Assignment Agreement shall be binding upon and shall enure to the benefit of the Seller and the Purchasers and their respective successors and permitted assigns.

IN WITNESS WHEREOF the Seller has duly executed this Assignment.

CELESTICA •

Per: ______________________________
Name: Name
Title: Title

Per: ______________________________
Name: Name
Title: Title

Accepted by DEUTSCHE BANK AG NEW YORK BRANCH as Administrative Agent for and on behalf of the Purchasers

Per: ______________________________
Name: Name
Title: Title

EXHIBIT B FORM OF IRREVOCABLE PAYMENT INSTRUCTIONS

You are hereby irrevocably directed to pay the amounts owing in respect of this invoice as follows:

For check payments:

[Lockbox Address (as defined in the Deposit Account Control Agreement)] **For wire and ACH Payments:**

Bank of America, N.A. •

SWIFT CODE: • Routing: • Account #: •

Beneficiary: Celestica •

COLLECTION AGENCY AND ACCOUNT AGREEMENT
Dated as of November 23, 2005
between
CELESTICA CORPORATION,

and
CELESTICA INC.
and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collection Agent

COLLECTION AGENCY AND ACCOUNT AGREEMENT (the "Agreement"), dated as of November 23, 2005, between CELESTICA CORPORATION (the "Celestica Corp."), CELESTICA INC. (the "Servicer") and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collection Agent (in such capacity, together with its successors in such capacity, the "Collection Agent") for the purchasers party to the Revolving Trade Receivables Purchase Agreement, dated as of November 23, 2005, (the "Purchase Agreement") among Celestica Inc., Celestica Corporation, Celestica Italia Sri, Celestica Czech Republic S.R.O., Celestica Holdings Pte Ltd., Celestica Valencia S.A. and Celestica Hong Kong Ltd. (each being individually a "Seller" and collectively the "Sellers"), each of the financial institutions named on Schedule I thereto as purchasers (the "Purchasers"), and Deutsche Bank AG New York, as administrative agent (the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, pursuant to the Purchase Agreement, the Sellers intend to sell to Purchasers Scheduled Receivables arising from the sale of Goods to Eligible Buyers, and will instruct such Eligible Buyers to make payments for such into the applicable Collection Account;

WHEREAS, concurrently with the execution and delivery of this Agreement, and in order to induce the Secured Parties (as defined below) to enter into the Purchase Agreement, each Seller (and the Servicer as guarantor, as applicable) is pledging its Collection Account and the Concentration Account to the Collection Agent for the benefit of the Purchasers; and

WHEREAS, it is a condition to the Purchasers' agreement to make the purchases under the Purchase Agreement that the Servicer enter into this Agreement with the Collection Agent to govern the operation of the Payment Account, the Concentration Account and the Collection Accounts;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1 DEFINITIONS

1.1 Defined Terms. Unless otherwise stated, capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Purchase Agreement referred to above.

SECTION 2 PAYMENT ACCOUNT AND CONCENTRATION ACCOUNT.

2.1 Establishment of Payment Account.

The Collection Agent has established at its branch in New York City a special account number 00448470, entitled "Celestica Payment Account", for the benefit of the Sellers and the Purchasers, to be managed by the Collection Agent and subject to the exclusive dominion and control of the Collection Agent (the "Payment Account").

2.2 Amounts in Payment Account.

Amounts from time to time in the Payment Account shall be held for the benefit of the Sellers, as well as the Collection Agent and the Purchasers and their respective successors and assigns in the custody of and under the exclusive dominion and control of the Collection Agent for the purposes and on the terms set forth in this Agreement. Upon the written request of the Servicer or the Administrative Agent, such requesting party may at any time and from time to time have access to such information concerning activity in the Payment Account as can be furnished or is readily available from the Collection Agent.

2.3 Establishment of Concentration Account.

Celestica Corp. has established with Bank of America a special account number 37566-88715, entitled "Celestica Concentration Account", to be managed by the Servicer and subject to the exclusive dominion

and control of the Collection Agent (the “Concentration Account”). Celestica Corp. shall maintain the Concentration Account as a control account of the Collection Agent for the benefit of the Sellers and the Purchaser and subject to the first priority security interest of the Collection Agent as provided in the Collection Account Pledge Agreement. Subject to Section 3.2(c), Celestica Corp. at the direction of the Servicer, shall have the right to cause the transfer of funds in the Concentration Account to either the Servicer’s Account or the Payment Account - as - - - provided by Section 3. All payments to be made by any Eligible Buyer in respect of a Scheduled Receivable shall be made directly to the applicable Collection Account, for transfer to the Concentration Account, and thereafter to the Payment Account in accordance with Sections 2.13 and 6.4 of the Purchase Agreement.

2.4 Amounts in Concentration Account.

Amounts from time to time in the Concentration Account shall be held for the benefit of the Sellers, as well as the Collection Agent and the Purchasers and their respective successors and assigns in the custody of and under the exclusive dominion and control of the Collection Agent for the purposes and on the terms set forth in this Agreement. Upon the request of the Servicer or the Administrative Agent, such requesting party may at any time and from time to time have access to such information concerning activity in the Concentration Account as can be furnished or is readily available from the Collection Agent.

SECTION 3. DEPOSITS, TRANSFERS AND DISBURSEMENTS.

Whenever the Collection Agent receives any payment in respect of Scheduled Receivables, the Collection Agent shall credit such payment to the Payment Account.

3.1 Disbursements

(a) Prior to the occurrence of a Termination Event, the Servicer shall cause the amounts in the Collection Accounts and the Concentration Account to be applied in accordance with Section 2.13(a), (b) and (c) of the Purchase Agreement.

(b) Amounts on deposit in the Payment Account shall be applied by the Collection Agent in accordance with Section 2.13 (d) of the Purchase Agreement (whether or not a Termination Event has occurred).

(c) Upon receipt of written notice thereof from the Servicer or the Administrative Agent, if any Termination Event has occurred and is continuing, all amounts deposited in the Collection Accounts shall be transferred to the Concentration Account, and all amounts deposited to the Concentration Account shall be transferred to the Payment Account on each Business Day at the direction of the Collection Agent.

(d) Neither the Servicer nor any Seller shall have any right of withdrawal in respect of the Payment Account or the Concentration Account nor any other right or power with respect to the Concentration Account, except as expressly provided herein.

3.2 General Rules Relating to Account.

Amounts received in the Payment Account before 1:00 p.m., New York City time, on any Business Day shall be credited to such account on that Business Day. Amounts received in the Payment Account after such time on any Business Day shall be credited to such Account on the next succeeding Business Day.

SECTION 4. AUTHORITY OF COLLECTION AGENT.

The Servicer acknowledges that the rights and responsibilities of the Collection Agent under this Agreement with respect to any action taken by the Collection Agent or the exercise or non-exercise by the Collection Agent of any right or remedy provided for herein or resulting or arising out of this Agreement

shall, as between the Collection Agent and the Purchasers, be governed by the Purchase Agreement and the Agency Agreement, but, as between the Collection Agent and the Servicer, the Collection Agent shall be conclusively presumed to be acting as Collection Agent for the Purchasers with full and valid authority so to act or refrain from acting, and the Servicer shall not be under any obligation, or entitlement, to make any inquiry respecting such authority. The Collection Agent shall be entitled to such indemnity as is provided herein. Notwithstanding anything herein to the contrary, in no event shall the Collection Agent have any liability, responsibility or obligations concerning (i) the establishment, management or maintenance of any accounts not initially established and maintained with the corporate trust group of the Collection Agent, or (ii) any failure of any financial institution maintaining such accounts to perform its obligations in respect of such accounts.

In no event shall the Collection Agent be required to accept moneys in any currency other than U.S. dollars. The Collection Agent shall have no liability for any losses incurred with respect to any currency conversion hereunder or for the performance of any agent appointed hereunder to convert any currency to U.S. dollars.

SECTION 5. NOTICES.

All notices, requests and demands to or upon the Servicer, the Sellers or the Collection Agent to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy, when received by the addressee, addressed to at their respective addresses or transmission numbers for notices provided in Section 9.2 of the Purchase Agreement.

SECTION 6. AMENDMENTS; NO WAIVER; CUMULATIVE REMEDIES.

6.1 Amendments. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Servicer and the Collection Agent, provided that any provision of this Agreement may be waived by the Collection Agent in a letter or agreement executed by the Collection Agent or by telex or facsimile transmission from the Collection Agent.

6.2 No Waiver. No failure to exercise and no delay in exercising, on the part of the Collection Agent, the Administrative Agent or any Purchaser, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

6.3 Cumulative Remedies. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any other rights, remedies, powers and privileges provided by law.

SECTION 7. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure to the benefit of the Servicer, the Sellers, the Purchasers, the Collection Agent, all future holders of the Purchased Interests and their respective successors and assigns, except that the Servicer may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Purchaser. Resignation by the Collection Agent hereunder or its termination shall be governed by the Agency Agreement.

SECTION 8. COUNTERPARTS.

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicer and the Administrative Agent.

SECTION 9. SEVERABILITY.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10. INTEGRATION.

This Agreement and the other Transaction Documents represent the entire agreement of the Servicer and the Collection Agent with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Collection Agent relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

SECTION 11. GOVERNING LAW.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND. CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 12. SUBMISSION TO JURISDICTION; WAIVERS.

The Servicer hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13 any special, exemplary, punitive or consequential damages.

SECTION 13. JUDGMENT CURRENCY.

The obligations of the Servicer under this Agreement and the other Transaction Documents and the obligations to make payments to the Collection Agent or the Purchasers shall, notwithstanding any judgment in a currency (the "judgment currency") other than Dollars, be discharged only to the extent that on the Business Day following receipt by such party of any sum adjudged to be so due in the judgment currency, such party may in accordance with normal banking procedures purchase Dollars with the judgment currency. If the amount of Dollars so purchased is less than the sum originally due to such party in Dollars, the Servicer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such party against such documented loss, and if the amount of Dollars so purchased exceeds the sum originally due to any party to this Agreement or any other Transaction Document, such party agrees to remit promptly to the Servicer such excess.

SECTION 14 WAIVER OF JURY TRIAL.

THE SERVICER AND THE COLLECTION AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 15 SECTION HEADINGS.

The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

SECTION 16 INDEMNITY.

Celestica Corp., as a Seller under (and as defined in) the Purchase Agreement, hereby grants to the Collection Agent the indemnities set forth in Section 9.5 of the Purchase Agreement on the terms and subject to the conditions set forth therein, *mutatis mutandis.*

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Servicer and the Collection Agent have caused this Agreement to be duly executed by their duly authorized officers all as of the date first above written.
m

CELESTICA CORPORATION

Per: ______________________________
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA INC.

Per: ______________________________
Name: Paul Nicoletti
Title: Authorized Signatory

CELESTICA CORPORATION

Per: ______________________________
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collection Agent

Per: ______________________________
Name: Name
Title: Title

Exhibit D Form of Purchase Notice

Purchase Notice Date: Cut-Off Date:

This irrevocable Purchase Notice is delivered in accordance with Section 2.2 of the Receivables Purchase Agreement (the "Agreement") dated [ ] between Celestica Inc., a corporation organized and existing under the laws of the Province of Ontario, Canada ("Celestica Canada"), as delegated servicer thereunder (in such capacity, the "Servicer"), Celestica Corporation, a corporation organized and existing under the laws of Delaware ("Celestica Corp."), as a Seller thereunder, Celestica Italia Sri, a limited liability company organized and existing under the laws of Italy ("Celestica Italia"), as a Seller thereunder, Celestica Czech Republic s.r.o., a limited liability company organized and existing under the laws of the Czech Republic ("Celestica Czech Republic"), as a Seller thereunder, Celestica Holdings Pte Ltd., a limited liability company organized and existing under the laws of Singapore ("Celestica Holdings"), as a Seller thereunder, Celestica Valencia S.A., a sociedad unipersonal organized and existing under the laws of Spain ("Celestica Valencia"), as a Seller thereunder and Celestica Hong Kong Ltd., a limited liability company incorporated under the laws of Hong Kong ("Celestica Hong Kong"), as a Seller thereunder (each of Celestica Corp., Celestica Italia, Celestica Czech Republic, Celestica Holdings, Celestica Valencia and Celestica Hong Kong and each New Seller pursuant to Section 5.18(a) being individually a "Seller" and collectively the "Sellers"), each of the financial institutions named on Schedule I thereto as purchasers (the "Purchasers"), and Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent"). All capitalized terms used herein shall have the meanings given to them in the Agreement, unless otherwise defined. On behalf of the Sellers, the Servicer requests that the Purchaser make the following Investments with respect to the Scheduled Receivables presented in the attached schedule:

Aggregate Principal Amount of Scheduled Receivables: A 1) Aggregate Principal Amount of Scheduled Receivables for [obligor I]: A2) Aggregate Principal Amount of Scheduled Receivables for [obligor 2]:

Anticipated Purchase Date:

Proposed amount of the Initial Purchase Price: Cl) Proposed amount of the Initial Purchase Price for [obligor I]: C2) Proposed amount of the Initial Purchase Price for [obligor 2]:

A schedule of the Scheduled Receivables, including calculation of Obligor Limits, is attached.

The Receivables Presentation also is attached.

In respect of Tranche C Receivables, Irrevocable Payment Instructions [have / have not] been given to the relevant Eligible Buyers.

Please remit the Initial Purchase Price of USD/JPY [ ] to the Servicer's Account [and please apply Collections of USD/JPY [ ] according to the Servicer's Report dated [ ]].

We certify that the information provided in this Purchase Notice and the attached schedule is true and correct.

Celestica Inc.

Authorized signer on behalf of the Sellers

Exhibit E Form of Servicer's Report

VIA E-MAIL Date:

To: Deutsche Bank AG New York Branch, Deutsche Bank Trust Company Americas

Attention: carl.carrier@db.com; nancy.adamo@db.com; peter.t.becker@db.com;

bridget.case@db.com; roy.tuncarslan@db.com; iohn-l.quinn@db.com; helaine.griffin-williams@db.com [or as may be changed from time to time]

In accordance with Section 6.3 of the Revolving Trade Receivables Purchase Agreement dated as [   ], we hereby provide the following information in regard to Collections of Scheduled Receivables

for [INSERT DATE]. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Agreement. Invoice details are attached.

Servicer Report By Seller

Seller A

Obligor	Tranche	Total AIR Sold Prev	Prev Sold AR Uncollected	New AR Sold	Collections	Repurchases	Total AIR Sold at Date [ ]	% Advance	AR sold for Cash
Subtotal A									

Seller B

Obligor	Tranche	Total AIR Sold Prev	Prev Sold AR Uncollected	New AR Sold	Collections	Repurchases	Total AIR Sold at Date [ ]	% Advance	AR sold for Cash
Subtotal B									

All Sellers

Obligor	Tranche	Total AIR Sold Prev	Prev Sold AR Uncollected	New AR Sold	Collections	Repurchases	Total AIR Sold at Date [ ]		AR sold for Cash

Servicer Report By Obligor

Obligor	Tranche	Total AIR Sold Prev	Prev Sold AR Uncollected	New AR Sold	Collections	Repurchases	Total AIR Sold at Date [ ]	% Advance	AR sold for Cash
Total									

Servicer Report: Summary of Cash Obligations Not Related to PNs by Obligor

	cash calculation	cash calculation	cash calculation
Due to CLS if cash calculation is +ve. Due to DB if cash calculation is -ve **cash calculation**			

Obligor	Tranche	Transfer Report Collections collections A B	Due to DB (From if-ve) C=A-B	% Advance D	Advance E=B*(1-D) Rate Return	Repurchases F	C+E+F

Summary of Cash Obligations

Obligor	Amount $	
	$	
Cash to be applied to outstanding purchases:	$	
Cash to be remitted to Celestica:	**$**	
PLEASE TRANSFER	$.	— TO THE COLLECTION - SUBACCOUNT
IN ACCORDANCE WITH THE TERMS OF THE COLLECTION AGENCY & ACCOUNT AGREEMENT AND TRANSFER	$	TO CELESTICA

Sincerely,

"Insert name] SERVICER

Form of Transfer Report

VIA E-MAIL

Date: [Insert Date]

To: Deutsche Bank AG New York Branch, Deutsche Bank Trust Company Americas Attention: carl.carrier@db.com; nancy.adamo@db.com; peter.t.becker@db.com; bridget.case@db.com; roy.tuncarslan@db.com; john-I.quinn@db.com; helaine.griffinwilliams@db.com [or as may be changed from time to time]

In accordance with Section 2.13 of the Revolving Trade Receivables Purchase Agreement dated as [ ], we hereby provide the following information in regard to Collections received according to the related Obligors for [INSERT **DATE].** Capitalized terms used herein and not otherwise defined have the meanings set forth in the Agreement.

Daily Reconciliation of Transfer to Payment Account by Obligor

Tranche

Date	**Obligor**	**A**	**B**	**C**
		$ 0.00	$ 0.00	$ 0.00

Sincerely,

____

____

[Insert name] SERVICER

Exhibit F Form of Receivables Presentation

Purchase Notice date:

Initial

Invoice Invoice Principal Applicable Purchase

Seller Obligor Tranche Number Date Due Date Currency Amount Percentage Price

0.00 0.00 0.00 0.00

Subtotal by Obligor	**0.00**	**0.00**
Subtotal by Tranche	**0.00**	**0.00**

0.00 0.00 0.00 0.00

Subtotal by Obligor	**0.00**	**0.00**
Subtotal by Tranche	**0.00**	**0.00**
Total by Obligor	**0.00**	**0.00**
Total by Tranche	**0.00**	**0.00**

OBLIGOR LIMITS as of [date]

OBLIGOR	APPROVED LIMIT	BALANCE	OVERI(UNDER) Limit	Aggregate Principal Amount of Scheduled Receivables
				$ 0.00
				$ 0.00
				$ 0.00
				$ 0.00
				$ 0.00
				$ 0.00
			TOTAL:	$ 0.00

Form of Obligor Limits

CELESTICA
OBLIGOR GLOBAL NET AIR LIMITS as of [date]

TOTAL GLOBAL AR FOR RELATED OBLIGORS	TOTAL GLOBAL AP FOR RELATED OBLIGORS	TOTAL GLOBAL NET AR FOR RELATED OBLIGORS	TOTAL GLOBAL AR SOLD FOR RELATED OBLIGORS	OVERI(UNDER) NET AR LIMIT
				$ 0.00
				$ 0.00
				$ 0.00
				$ 0.00
TOTAL:				$ 0.00

EXHIBIT G GUARANTEE

GUARANTEE, dated as of November 23, 2005, made by CELESTICA INC., a corporation organized and existing under the laws of the Province of Ontario, Canada (the "Guarantor"), in favor of DEUTSCHE BANK AG NEW YORK, as administrative agent (the "Administrative Agent"), under the Revolving Trade Receivables Purchase Agreement dated as of November 23, 2005 (as amended, restated, modified or supplemented from time to time, the "Receivables Purchase Agreement") among the entities named therein as sellers (each, a "Seller" and collectively, the "Sellers"), Celestica Inc., as servicer (in such capacity, the "Service?), the Administrative Agent, and the entities and financial institutions named therein as purchasers (the "Purchasers").

WHEREAS, pursuant to the Receivables Purchase Agreement, the Purchasers have agreed to purchase Scheduled Receivables from the Sellers upon the terms and subject to the conditions set forth therein; and

WHEREAS, it is a condition precedent to the obligation of the Purchasers to make their initial purchase under the Receivables Purchase Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the benefit of the Purchasers;

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers to enter into the Receivables Purchase Agreement and to induce the Purchasers to purchase Scheduled Receivables thereunder, the Guarantor hereby agrees with the Administrative Agent as follows:

Defined Terms. Unless otherwise defined herein, terms defined in the Receivables Purchase Agreement and used herein shall have the meanings given to them in the Receivables Purchase Agreement.

Guarantee. (a) The Guarantor hereby unconditionally and irrevocably guarantees, as primary obligor, to the Purchasers and their respective successors, endorsees, transferees and assigns, the prompt and complete payment and performance by the Sellers when due of the Obligations.

The Guarantor further agrees to pay any and all expenses (including, without limitation, all fees and disbursements of counsel) which may be paid or incurred by the Purchasers in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee.

The Guarantor shall remain liable hereunder for the Obligations until the Obligations are paid in full.

No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent, the Collateral Agent or any Purchaser, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent, the Collateral Agent or any Purchaser against the Sellers or against any collateral security or guarantee or right of offset held by the Administrative Agent, the Collateral Agent or any Purchaser for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Sellers in respect of payments made by the Guarantor hereunder, until all amounts owing to the Purchasers by the Sellers on account of the Obligations are paid in full.

Amendments, etc. with respect to the Obligations; Waiver of Rights. The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Purchasers may be rescinded by the Purchasers, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Purchasers, and the Receivables Purchase Agreement, and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Purchasers may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent, the Collateral Agent or the Purchasers for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. None of the Administrative Agent, the Collateral Agent or the Purchasers shall have any obligation to protect, secure, perfect or insure any Lien at any time held by them or on its behalf as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against the Guarantor, the Administrative Agent and any Purchaser may, but shall be under no obligation to, make a similar demand on the Sellers or any other guarantor, and any failure by the Administrative Agent and the Purchasers to make any such demand or to collect any payments from the Sellers or any such other guarantor or any release of the Sellers or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or, to the extent permitted by law, as a matter of law, of the Administrative Agent and the Purchasers against the Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

Guarantee Absolute and Unconditional. To the extent permitted by applicable law, the Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Purchasers upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Sellers or the Guarantor, on the one hand, and the Administrative Agent and the Purchasers, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the extent permitted by applicable law, the Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Sellers or the Guarantor with respect

to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Receivables Purchase Agreement or any other Transaction Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent, the Collateral Agent or the Purchasers, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Sellers against the Administrative Agent, the Collateral Agent and the Purchasers, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Sellers or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Sellers for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent, the Collateral Agent and the Purchasers may, but shall be under no obligation to, pursue such rights and remedies as they may have against the Sellers or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and to the extent permitted by applicable law, (i) any failure by the Administrative Agent, the Collateral Agent or the Purchasers to pursue such other rights or remedies or to collect any payments from the Sellers or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or (ii) any release of the Sellers or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent, the Collateral Agent or the Purchasers against the Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Purchasers, and their respective successors, indorsees, transferees and assigns, until all the Obligations (other than inchoate indemnity obligations) and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full.

Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by any Purchaser upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Seller, or upon or as a result of the appointment of a receiver, or conservator of, or trustee or similar officer for, any Seller or any substantial part of its property, or otherwise, all as though such payments had not been made.

Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in Dollars to the Payment Account.

Taxes. (a) All payments made by the Guarantor under this Guarantee shall be made free and clear of, and without deduction or withholding for or on account of, any present or future Indemnified Taxes. If any such Indemnified Taxes or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent hereunder, the amounts so payable to the Administrative Agent shall be increased to the extent necessary to yield to the Purchasers (after payment of all Indemnified Taxes and Other Taxes) the amounts payable

hereunder that the Purchasers would have received if such Indemnified Taxes or Other Taxes had not been withheld or deducted from such amounts.

In addition, the Guarantor shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

Whenever any Indemnified Taxes or Other Taxes are payable by the Guarantor, as promptly as possible thereafter the Guarantor shall send to the Administrative Agent, a certified copy of an original official receipt received by the Guarantor showing payment thereof. If the Guarantor fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Guarantor shall indemnify the Administrative Agent and each Purchaser for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or such Purchaser as a result of any such failure.

The agreements in this Section shall survive the termination of this Guarantee and the payment of all amounts payable hereunder.

Notices. All notices, requests and demands to or upon the Administrative Agent or the Guarantor to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy or by courier, when received by the addressee, addressed to the Administrative Agent at its address or transmission number for notices provided in Section 9.2 of the Receivables Purchase Agreement or, in the case of the Guarantor, at its address or transmission number for notices provided on the signature page of this Guarantee. The Administrative Agent and the Guarantor may change their respective address and transmission numbers for notices by notice in the manner provided in this Section.

Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Integration. This Guarantee and the other Transaction Documents represent the agreement of the Guarantor with respect to the subject matter hereof, and there are no promises or representations by the Administrative Agent or any Purchaser relative to the subject matter hereof not reflected herein or in the other Transaction Documents.

Amendments in Writing; No Waiver; Cumulative Remedies. (a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent in a letter or agreement executed by the Administrative Agent or by facsimile transmission from the Administrative Agent.

The Administrative Agent shall not by any act (except by a written instrument pursuant to paragraph 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Incipient Termination Event or Termination Event or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent would otherwise have on any future occasion.

The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

Successors and Assigns. This Guarantee shall be binding upon the successors and permitted assigns of the Guarantor and shall inure to the benefit of the Administrative Agent and its successors and assigns. The Guarantor may not assign its obligations hereunder without the written consent of the Administrative Agent and any such purported assignment will be null and void *ab initio.*

Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

submits for itself and its property in any legal action or proceeding relating to this Guarantee, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

in any such action or proceeding in such New York State or U.S. federal court sitting in New York City, such service may be made on the Guarantor by delivering a copy of such process to the Guarantor at its address;

agrees that nothing in this Guarantee shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

16. Governing Law. This Guarantee shall be governed by, and construed and interpreted in accordance with, the law of the State of New York, without regard to conflict of principles, except as set forth in Section 5-1401 of the New York General Obligations Law.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered as a deed by its duly authorized officer as of the day and year first above written.

CELESTICA INC.

By: Name: Paul Nicoletti Title: Authorized Signatory

Address: 1150 Eglinton Avenue East Toronto, Ontario, Canada

M3C 1H7

Fax: 416-448-2280

Attention: Treasurer

EXHIBIT H

(Lockbox - With Activation)

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Agreement is entered into as of November 23, 2005, among Celestica • ("Company"), Deutsche Bank Trust Company Americas on behalf of the Purchasers ("Collection Agent"), and Bank of America, N.A. ("Bank") with respect to the following:

Bank has agreed to establish and maintain for Company the post office number(s) set forth on Schedule A to this Agreement, as the same may be amended from time to time (the "Lockbox Address"), the deposit account(s) set forth on Schedule B to this Agreement, as the same may be amended from time to time (the "Collection Account") and deposit account number • (the "Concentration Account", and together with the Collection Account, the "Accounts"). Bank performs the services described in Exhibit A, which includes receiving mail at the Lockbox Address, processing it and depositing checks and other payment instructions ("Checks") into the Account (the "Lockbox Service").

Collection Agent has been appointed pursuant to the Collection Account Pledge Agreement dated as of November 23, 2005 between Collection Agent, Company, Celestica Inc. and certain other affiliates of Celestica Inc. (the "Collection Account Pledge Agreement") and Company has assigned to Collection Agent a security interest in the Accounts.

Company, Collection Agent and Bank are entering into this Agreement to evidence Collection Agent's security interest in the Accounts and to provide for the disposition of net proceeds of Checks deposited in the Accounts.

Accordingly, Company, Collection Agent and Bank agree as follows:

1. (a) This Agreement evidences Collection Agent's control over the Account.

Company represents and warrants to Collection Agent and Bank that it has not assigned or granted a security interest in the Accounts, except to Collection Agent.

Company will not permit the Accounts to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Collection Agent's security interest referred to herein.

2. During the Activation Period (as defined below), Bank shall prevent Company from making any withdrawals from the Accounts. Prior to the Activation Period, Company may operate and transact business through the Accounts in its normal fashion, including making withdrawals from the Accounts, but covenants to Collection Agent it will not close the Accounts. Bank shall have no liability in the event Company breaches this covenant to Collection Agent.

Company and Collection Agent acknowledge and agree that Bank may debit the Accounts for any ACH credit entries (the "Entries") that may have been originated by Company but that have not settled at the time of Bank's receipt of the Notice (defined below) or for any Entries that are subsequently returned thereafter.

A reasonable period of time following the commencement of the Activation Period, and continuing on each Business Day thereafter, Bank shall transfer all available balances in the Collection Accounts to the Concentration Account for further credit to the Payment Account (as defined below). The "Activation Period" means the period which commences within a reasonable period of time not to exceed two Business Days after Bank's receipt of a written notice that a "Termination Event" has occurred from Collection Agent in the form of Exhibit B (the "Notice"), a copy of which shall be sent to Company by Collection Agent. A "Business Day" is each day except Saturdays, Sundays and Bank holidays. Funds are not available if, in the reasonable determination of Bank, they are subject to a hold, dispute or legal process preventing their withdrawal. "Payment Account" means account no. 00448470 maintained at Deutsche Bank Trust Company Americas.

3. Bank agrees it shall not offset, charge, deduct or otherwise withdraw funds from the Account, except as permitted by Section 4, until it has been advised in writing by Collection Agent that the Collection Agent's interests in the Accounts being terminated shall notify Bank promptly in writing upon the Collection Agent's interests in the Accounts being terminated.

4. Bank is permitted to charge the relevant Accounts:

for its fees and charges relating to the Accounts or associated with the Lockbox Service and this Agreement; and

in the event any Check deposited into a Collection Account is returned unpaid for any reason or for any breach of warranty claim.

5. (a) If the balances in the Accounts are not sufficient to compensate Bank for any fees or charges due Bank in connection with the Accounts, the Lockbox Service or this Agreement, Company agrees to pay Bank on written demand the amount due Bank. Company will have breached this Agreement if it has not paid Bank, within 15 days after such demand, the amount due Bank.

(b) If the balances in the Accounts are not sufficient to compensate Bank for any returned Check, Company agrees to pay Bank on written demand the amount due Bank. Company will have breached this Agreement if it has not paid Bank, within five days after such demand, the amount due Bank.

(c) Company hereby authorizes Bank, without prior notice, from time to time to debit any other account Company may have with Bank for the amount or amounts due Bank under subsection 5(a) or 5(b).

6. (a) Each Business Day, Bank will send any Checks not processed in accordance with the Lockbox Service set-up documents as well as any other materials, such as invoices, received at the Lockbox Address plus information regarding the deposit for the day to the address specified below for Company or as otherwise specified in writing by Company to Bank, and will send a copy of the deposit advice to the address specified below for Collection Agent.

(b) In addition to the original Bank statement provided to Company, Bank will provide Collection Agent with a duplicate of such statement.

7. (a) Bank will not be liable to Company or Collection Agent for any expense, claim, loss, damage or cost ("Damages") arising out of or relating to its performance under this Agreement other than those Damages which result directly from its acts or omissions constituting negligence or intentional misconduct.

In no event will Bank be liable for any special, indirect, exemplary or consequential damages, including but not limited to lost profits.

Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to any liability of Bank, if (i) such failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Company or Collection Agent or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority.

Bank shall have no duty to inquire or determine whether Company's obligations to Collection Agent are in default or whether Collection Agent is entitled to provide the Notice to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party.

Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Company, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against

Company, Bank may act as Bank deems necessary to comply with all applicable provisions of governing statutes and shall not be in violation of this Agreement as a result.

Bank shall be permitted to comply with any writ, levy order or other similar judicial or regulatory order or process concerning the Lockbox Address, the Accounts or any Check and shall not be in violation of this Agreement for so doing.

8. Company hereby agrees to indemnify Bank against, and hold it harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including but not limited to allocated costs of staff counsel, other reasonable attorney's fees and any fees and expenses) in any way arising out of or relating to disputes or legal actions concerning Bank's provision of the services described in this Agreement. This section does not apply to any cost or damage attributable to the gross negligence or intentional misconduct of Bank. Company's and Collection Agent's obligations under this section shall survive termination of this Agreement.

9. Company agrees to pay to Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in house legal services) incurred by Bank in connection with the enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, motion regarding entitlement to rights or rights of action, or other action to enforce Bank's rights in a case arising under Title 11, United States Code. Company agrees to pay Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Agreement (including any amendments hereto or instruments or agreements required hereunder).

10. Termination and Assignment of this Agreement shall be as follows:

Collection Agent may terminate this Agreement by providing notice to Company and Bank. Collection Agent may also terminate or it may assign this Agreement upon 30 day's prior written notice to Company and Bank. Bank may terminate this Agreement upon 30 days' prior written notice to Company and Collection Agent. Company may not terminate this Agreement or the Lockbox Service except with the written consent of Collection Agent and upon prior written notice to Bank.

Notwithstanding subsection 10(a), Bank may terminate this Agreement at any time by written notice to Company and Collection Agent if either Company or Collection Agent breaches any of the terms of this Agreement, or any other agreement with Bank.

11. (a) Each party represents and warrants to the other parties that (i) this Agreement constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its certificate or articles of incorporation, by-laws or partnership agreement, as applicable, (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Agreement and the transactions contemplated hereunder have been obtained.

(b) The parties each agree that it shall be deemed to make and renew each representation and warranty in subsection 11(a) on and as of each day on which Company uses the services set forth in this Agreement.

12. (a) This Agreement may be amended only by a writing signed by Company, Collection Agent and Bank; except that Bank's charges are subject to change by Bank upon 30 days' prior written notice to Company.

(b) This Agreement may be executed in counterparts; all such counterparts shall constitute but one and the same agreement.

This Agreement controls in the event of any conflict between this Agreement and any other document or written or oral statement. This Agreement supersedes all prior understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

This Agreement shall be interpreted in accordance with New York law without reference to that state's principles of conflicts of law. For purposes of this Agreement and

Section 9-304(b) of the Uniform Commercial Code, the parties agree that the "bank's jurisdiction" is the State of New York.

Any written notice or other written communication to be given under this Agreement shall be addressed to each party at its address set forth on the signature page of this Agreement or to such other address as a party may specify in writing. Except as otherwise expressly provided herein, any such notice shall be effective upon receipt.

Nothing contained in the Agreement shall create any agency, fiduciary, joint venture or partnership relationship between Bank and Company or Collection Agent. Company and Collection Agent agree that nothing contained in this Agreement, nor any course of dealing among the parties to this Agreement, shall constitute a commitment or other obligation on the part of Bank to extend credit to Company or Collection Agent.

This Agreement is executed and delivered by Deutsche Bank Trust Company Americas not in its individual capacity but solely as Collection Agent in the exercise of the powers and authority conferred on it pursuant to the Collection Account Pledge Agreement. Company and Bank hereby agree that Collection Agent is released from any and all liabilities to Company and Bank arising from the terms of this Agreement and the compliance of Collection Agent with the terms hereof, except to the extent that such liabilities arise from Collection Agent's bad faith, wilful misconduct or gross negligence. The provisions of this section shall survive the termination of this Agreement and the earlier resignation or removal of Collection Agent. Collection Agent shall be entitled to the same rights, protections and indemnities afforded to it under the Collection Account Pledge Agreement.

[The remainder of this page left blank intentionally.]

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

CELESTICA •

By:

Name:

Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS

By:

Name:

Title:

Address for notices:

c/o Celestica Inc.

1150 Eglinton Avenue East Toronto, Ontario, Canada M3C 1H7

Attention: Senior Vice President and Treasurer

Fax: 416-448-2280

Telephone: 416-448-4858

with a copy to:

Attention: Senior Vice President and Chief Legal Officer

Fax: 416-448-2817

Telephone: 416-448-4620

Address for notices:

Deutsche Bank Trust Company Americas Corporate Trust & Agency Services 60 Wall Street

MS NYC60-2606

New York, New York 10005

Attention:

Fax : 212-797-8606

Telephone: 212-250-4772

BANK OF AMERICA, N.A.
Bank of America N. A.
By: ____________________
Name:
Title: ____________________

Address for notices:

231 S LA Sallet St. IL1-231-14-30

Chicago, IL 60604 Attention: Melvin C. Turnbo Fax: 877-734-2447 Telephone: 312-828-1261

with a copy to

Bank of America N. A. 200 Front St W. 102-604-27-17

Toronto, ON M5V 3L2 Attention: Cissy Wong Fax: 416-349-4280 Telephone: 416-349-5398

Tor#: 1627865.1

Exhibit A TO DEPOSIT ACCOUNT CONTROL AGREEMENT

STANDARD TERMS AND CONDITIONS

The Lockbox Service involves processing Checks that are received at a Lockbox Address. With this Service, Company instructs its customers to mail checks it wants to have processed under the Service to the Lockbox Address. Bank picks up mail at the Lockbox Address according to its mail pick-up schedule. Bank will have unrestricted and exclusive access to the mail directed to the Lockbox Address. Bank will provide Company with the Lockbox Service for a Lockbox Address when Company has completed and Bank has received Bank's then current set-up documents for the Lockbox Address.

If Bank receives any mail containing Company's lockbox number at Bank's lockbox operations location (instead of the Lockbox Address), Bank may handle the mail as if it had been received at the Lockbox Address.

PROCESSING

Bank will handle Checks received at the Lockbox Address according to the applicable deposit account agreement, as if the Checks were delivered by Company to Bank for deposit to the Account, except as modified by these Terms and Conditions.

Bank will open the envelopes picked up from the Lockbox Address and remove the contents. For the Lockbox Address, Checks and other documents contained in the envelopes will be inspected and handled in the manner specified in the Company's set-up documents. Bank captures and reports information related to the lockbox processing, where available, if Company has specified this option in the set-up documents. Bank will endorse all Checks Bank processes on Company's behalf.

If Bank processes an unsigned check as instructed in the set-up documents, and the check is paid, but the account owner does not authorize payment, Company agrees to indemnify Bank, the drawee bank (which may include Bank) and any intervening collecting bank for any liability or expense incurred by such indemnitee due to the payment and collection of the check.

If Company instructs Bank not to process a check bearing a handwritten or typed notation "Payment in Full" or words of similar import on the face of the check, Company understands that Bank has adopted procedures designed to detect Checks bearing such notations; however, Bank will not be liable to Company or any other party for losses suffered if Bank fails to detect Checks bearing such notations.

RETURNED CHECK

Unless Company and Bank agree to another processing procedure, Bank will reclear a Check once which has been returned and marked “Refer to Maker,” “Not Sufficient Funds” or “Uncollected Funds.” If the Check is returned for any other reason or if the Check is returned a second time, Bank will debit the Account and return the Check to Company. Company agrees

that Bank will not send a returned item notice to Company for a returned Check unless Company and Bank have agreed otherwise.

ACCEPTABLE PAYEES

For the Lockbox Address, Company will provide to Bank the names of Acceptable Payees (“Acceptable Payee” means Company’s name and any other payee name provided to Bank by Company as an acceptable payee for Checks to be processed under the Lockbox Service). Bank will process a check only if it is made payable to an Acceptable Payee and if the check is otherwise processable. Company warrants that each Acceptable Payee is either (i) a variation of Company’s name or (ii) is an affiliate of Company which has authorized Checks payable to it to be credited to the Account. Bank may treat as an Acceptable Payee any variation of any Acceptable Payee’s name that Bank deems to be reasonable.

CHANGES TO PROCESSING INSTRUCTIONS

Company may request Bank orally or in writing to make changes to the processing instructions (including changes to Acceptable Payees) for any Lockbox Address by contacting its Bank representative, so long as such changes do not conflict with the terms of the Deposit Account Control Agreement. Bank will not be obligated to implement any requested changes until Bank has actually received the requests and had a reasonable opportunity to act upon them. In making changes, Bank is entitled to rely on instructions purporting to be from Company.

EXHIBIT B DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of Collection Agent]

To:

Bank of America N. A. 231 S LA Sallet St. IL1-231-14-30

Chicago, IL 60604 Attention: Melvin C. Turnbo Fax: 877-734-2447 Telephone: 312-828-1261

Bank of America N. A. 200 Front St W. 102-604-27-17

Toronto, ON M5V 3L2 Attention: Cissy Wong Fax: 416-349-4280 Telephone: 416-349-5398

Re: Celestica • Account No. • Account No. •

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated November •, 2005 (the "Agreement") among Celestica Corporation, us and you regarding the above-described accounts (the "Accounts"). In accordance with Section 2 of the Agreement, we hereby give you notice of the occurrence of a Termination Event and of our exercise of control of the Accounts:

Very truly yours,

DEUTSCHE BANK TRUST COMPANY AMERICAS

as Collection Agent

By:

Name:

Title:

Tor#: 1627865.1

\SCHEDULE A LOCKBOX NUMBERS Celestica •:

(corresponding to Collection Account # •)

(corresponding to Collection Account # •)

SCHEDULE B
COLLECTION ACCOUNT DETAILS

Celestica

EXHIBIT I

November 23, 2005

Deutsche Bank Trust Company Americas 60 Wall Street

New York, New York 10001

Attention: Peter T. Becker

Dear Ladies and Gentlemen:

This letter is intended to memorialize certain understandings between us in connection with your agreement to act as Collection Agent for us under and pursuant to the Collection Account Pledge Agreement dated as of November 23, 2005 among Celestica Corporation, Celestica Italia Srl, Celestica Czech Republic S.R.O., Celestica Holdings Pte. Ltd., Celestica Valencia S.A., and Celestica Hong Kong Ltd., as Assignors, and Deutsche Bank Trust Company Americas, as Collection Agent (the "Collection Agent") and the Collection Agency and Account Agreement dated as of November 23, 2005 among Celestica Corporation, Celestica Inc. and the Collection Agent. These two agreements are referred to collectively herein as the "Security Documents". Capitalized terms used herein have the meaning assigned thereto under the Revolving Trade Receivables Purchase Agreement dated as of November 23, 2005 among Celestica Inc., Celestica Corporation, Celestica Italia Srl, Celestica Czech Republic S.R.O., Celestica Holdings Pte. Ltd., Celestica Valencia S.A. and Celestica Hong Kong Ltd., the several banks and other financial institutions or entities from time to time parties thereto as purchasers and Deutsche Bank AG New York, as Administrative Agent (the "Receivables Purchase Agreement").

Appointment. We hereby designate and appoint the Collection Agent as our agent under the Security Documents, and irrevocably authorize the Collection Agent to take such action on our behalf under the provisions of this Agreement and the Security Documents and to exercise such powers and perform such duties as are expressly delegated to the Collection Agent by the terms of this Agreement and the other Transaction Documents, together with such other powers as are reasonably incidental thereto, including, without limitation, (a) receiving all applicable notices referred to in this Agreement or in the other Transaction Documents on our behalf, (b) giving all applicable notices referred to in this Agreement or the other Transaction Documents to or on our behalf, and (c) receiving payments and deposits from the Sellers and the Servicer, and giving release and acquittance therefor in accordance with the terms of this Agreement and the Transaction Documents. Notwithstanding any provision to the contrary elsewhere in this Agreement or in the Transaction Documents, the Collection Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the Transaction Documents, or any fiduciary relationship with us, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any Transaction Document or otherwise exist against the Collection Agent. The provisions of this Agreement are solely for the benefit of the Collection Agent and its officers, directors, employees, agents, attorneys-in-fact and affiliates, and no other Person shall have any rights as a third party beneficiary of any of the provisions hereof. The Collection Agent shall perform its obligations under the Transaction Documents with reasonable care, using a degree of skill and

attention no less than that which the Collection Agent (i) exercises with respect to comparable duties that it performs when holding comparable assets for itself and (ii) exercises with respect to comparable administrative duties that it performs for comparable assets for others, and in a manner consistent with the standard of care exercised by similar administrators relating to the duties to be performed hereunder.

Delegation of Duties. The Collection Agent may execute any of its duties under this Agreement and the Transaction Documents by or through agents, custodians, nominees or attorneys-in-fact and shall be entitled to rely upon, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with, advice of counsel concerning all matters pertaining to such duties. The Collection Agent shall not be responsible for the negligence or misconduct of any agents, custodians, nominees or attorneys-in -fact selected by it with reasonable care.

Exculpatory Provisions. Neither the Collection Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any Transaction Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have proximately resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any Person (including without limitation any of the Purchasers) for (A) any recitals, statements, representations or warranties made by any Person (other than the Collection Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates) contained in this Agreement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Collection Agent under or in connection with, this Agreement or any Transaction Document, (B) the value, validity, effectiveness, genuineness, collectability, enforceability or sufficiency of this Agreement or any other Transaction Document , (C) any Liens or guarantees (including without limitation pursuant to any Guarantee Obligation) granted by, or purported to be granted by, any of the Security Documents or otherwise, (D) ascertaining or inquiring as to the existence or possible existence of any Termination Event, or (E) any failure of any party hereto or thereto (other than the Collection Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates) to perform its obligations hereunder or thereunder. The Collection Agent shall not be under any obligation to the Purchasers to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, to inspect the properties, books or records of the Sellers or the Servicer, or to take any action that exposes the Collection Agent to personal liability or that is contrary to this Agreement or applicable law. Anything in this Agreement to the contrary notwithstanding, in no event shall the Collection Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collection Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Reliance by Collection Agent. The Collection Agent shall be entitled to rely, and shall be fully protected in relying, upon (i) any instrument, writing, resolution, notice, consent,

certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and (ii) advice and statements of legal counsel (including, without limitation, counsel to the Sellers and the Servicer), independent accountants and other experts selected by the Collection Agent. The Collection Agent shall be fully justified in failing or refusing to take any action under this Agreement or any Transaction Document unless it shall first receive such advice or concurrence of the Purchasers as it deems appropriate or it shall first be indemnified to its satisfaction by the Purchasers against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Collection Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Transaction Documents in accordance with a request of the Purchasers, and such request and any action taken or failure to act pursuant thereto shall be binding upon all future holders of the Purchased Interests.

Notice of Termination. The Collection Agent shall not be deemed to have knowledge or notice of the occurrence of any Incipient Termination Event or Termination Event unless the Collection. Agent has received notice from the Administrative Agent or a Purchaser or the Sellers or the Servicer referring to the Receivables Purchase Agreement, describing such Incipient Termination Event or Termination Event and stating that such notice is a “notice of termination.” The Collection Agent shall take such action with respect to such Incipient Termination Event or Termination Event as shall be reasonably directed by the Purchasers; provided, that unless and until the Collection Agent shall have received such directions, the Collection Agent, as the case may be, may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Incipient Termination Event or Termination Event as it shall deem advisable in the best interests of the Purchasers.

Non-Reliance on Agent . Each Purchaser expressly acknowledges that neither the Collection Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Collection Agent hereafter taken, including, without limitation, any review of the affairs of the Sellers or the Servicer or any affiliate of the Sellers or the Servicer, shall be deemed to constitute any representation or warranty by the Collection Agent to the Purchasers. Each Purchaser represents to the Collection Agent that it has, independently and without reliance upon the Collection Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Sellers and the Servicer and their Affiliates and made its own decision to make its purchases hereunder and enter into the Receivables Purchase Agreement and the other Transaction Documents to which it is a party or by which it is bound. Each Purchaser also represents and covenants that it will, independently and without reliance upon the Collection Agent, any of its officers, directors, employees, agents, attorneys-in-fact or affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the Receivables Purchase Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Sellers, the Servicer and their Affiliates. The Collection Agent shall not have any duty or responsibility to provide the Purchasers with any credit or other information concerning the business, operations, property, condition

(financial or otherwise), prospects or creditworthiness of the Sellers, the Servicer or any affiliate of the Sellers and the Servicer that may come into the possession of the Collection Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Indemnification. Each Purchaser agrees to indemnify the Collection Agent in its capacity as such and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates (to the extent not reimbursed by the Sellers and the Servicer and without limiting the obligation of the Sellers and the Servicer to do so), ratably according to their respective Purchaser's Investment Percentages in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Purchaser's Investment Limits shall have terminated and all Investments shall have been reduced to nil, ratably in accordance with such Purchaser's Investment Percentages immediately prior to such date) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever (including without limitation attorneys' fees and disbursements) that may at any time be imposed on, incurred by or asserted against the Collection Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates in any way relating to or arising out of, the Purchaser's Investment Limits, this Agreement, the Receivables Purchase Agreement or any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Collection Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates under or in connection with any of the foregoing; provided, that the Purchasers shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Collection Agent's and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates gross negligence or willful misconduct. If any indemnity furnished to the Collection Agent for any purpose shall, in its opinion, be insufficient or become impaired, the Collection Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. None of the provisions of this Agreement or the Transaction Documents shall require the Collection Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any Transaction Document, or in the exercise of any of its rights or powers hereunder or thereunder, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. In the case of any investigation, litigation or proceeding giving rise to any indemnification hereunder, this provision applies whether any such investigation, litigation or proceeding is brought by the Collection Agent, the Administrative Agent, the Purchasers or a third party. The agreements herein shall survive the payment of all amounts payable hereunder until the termination of the Security Documents and the earlier resignation or removal of the Collection Agent.

Agent in Its Individual Capacity. The Collection Agent and its affiliates may make loans to, accept deposits from, act as trustee under indentures of, accept investment banking engagements from, and generally engage in any kind of business with the Sellers and the Servicer as though the Collection Agent were not an Agent and without any duty to account therefor to any other Person.

Successor Administrative Agent and Collection Agent. The Collection Agent may resign as Agent upon 20 days' written notice to the Purchasers. If the Collection Agent shall resign as Agent under this Agreement and the Transaction Documents, then the Purchasers shall appoint a successor agent for the Purchasers, whereupon such successor agent shall succeed to the rights, powers and duties of the Collection Agent under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the resigning Collection Agent shall be discharged from its duties and obligations under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the term "Collection Agent" shall mean such successor agent effective upon such appointment and approval, and the former Collection Agent's rights, powers and duties as Collection Agent shall be terminated, without any other or further act or deed on the part of such former Agent, the Administrative Agent, the Purchasers or any holders of the Purchased Interests. If no successor agent has accepted appointment as Collection Agent, as the case may be, by the date that is 20 days following notice of resignation, the resignation shall nevertheless thereupon become effective, and the Purchasers shall assume and perform all of the duties of the Collection Agent hereunder and under the Transaction Documents until such time, if any, as the Purchasers appoint a successor agent as provided for above. After the Collection Agent's resignation as Agent, the provisions of this paragraph shall continue to apply to it with respect to any actions taken or omitted to be taken by it while it was Collection Agent under this Agreement and the other Transaction Documents, including, without limitation, the liability of the Collection Agent hereunder for (and the exclusion from any liability of the Purchasers to indemnify the Collection Agent hereunder in respect of) any such actions or omissions that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Collection Agent's gross negligence or willful misconduct.

Determination Pursuant to Security Documents. In each circumstance where, under any provision of a Security Document or this Agreement, the Collection Agent shall have the right to grant or withhold any consent, exercise any remedy, make any determination or direct any action by the Collection Agent under such Security Document, the Collection Agent shall act in respect of such consent, exercise of remedies, determination or action, as the case may be, only with the consent of and at the direction of the Purchaser; provided, however, that no such consent of the Purchasers shall be required with respect to any consent, determination or other matter that is, in the Collection Agent's reasonable judgment, ministerial or administrative in nature or provided for in this Agreement or the Transaction Documents, and provided that the Collection Agent is hereby authorized on behalf of the Purchasers, without the necessity of any further consent from the Purchasers, from time to time prior to a Termination Event, to release portions of the Collateral from the security interests and Liens imposed by the Security Documents in connection with any dispositions of such portions of the Collateral permitted by the terms of this Agreement or the Security Documents or as may be required by law. In each circumstance where any consent of or direction from the Purchasers is required, the Collection Agent shall send to the Purchasers a notice setting forth a description in reasonable detail of the matter as to which consent or direction is requested and the Collection Agent's proposed course of action with respect thereto.

Merger of the Collection Agent. Any Person into which the Collection Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Collection Agent shall be a party, or any

Person succeeding to the business of the Collection Agent shall be the successor hereunder and under the Transaction Documents of the Collection Agent, without the execution or filing of any paper with any party hereto or thereto or any further act on the part of any of the parties hereto or thereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein or in any Transaction Document to the contrary notwithstanding.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with our agreement, please sign and return to us a counterpart of this Agreement, whereupon it will become a binding agreement between us.

Very truly yours,

DEUTSCHE BANK AG NEW YORK, as Administrative Agent on behalf of the Purchasers

By Name:

Title:

By Name:

Title:

Agreed and accepted:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collection Agent

By Name:

Title:

By Name:

Title:

EXHIBIT J

FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Revolving Trade Receivables Purchase Agreement, dated as of November •, 2005 (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), among Celestica Inc., Celestica Corp., Celestica Italia Srl, Celestica Czech Republic S.R.O., Celestica Holdings Pte. Ltd., Celestica Valencia S.A., and Celestica Hong Kong Ltd., the several banks and other financial institutions or entities from time to time parties thereto and Deutsche Bank AG New York, as administrative agent (in such capacity, the "Administrative Agent") for the Purchasers. Unless otherwise defined herein, terms defined in the Purchase Agreement and used herein shall have the meanings given to them in the Purchase Agreement.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Purchase Agreement and any Purchased Assets owned by it in an amount as set forth on Schedule 1 hereto.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Purchase Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Purchase Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Sellers or the Servicer or any other obligor or the performance or observance by the Sellers or the Servicer or any other obligor of any of their respective obligations under the Purchase Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Purchase Agreement, together with copies of the financial statements delivered pursuant to section 3.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent, the Collection Agent or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Purchase Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agents to take such action as agents on its behalf and to exercise such powers and

discretion under the Purchase Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent or the Collection Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Purchase Agreement and will perform in accordance with its terms all the obligations which by the terms of the Purchase Agreement are required to be performed by it as a Purchaser.

The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Purchase Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than three Business Days after the date of such acceptance and recording by the Administrative Agent).

Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

From and after the Effective Date, (a) the Assignee shall be a party to the Purchase Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Purchaser thereunder and under the other Transaction Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Purchase Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

SCHEDULE 1
to Assignment and Acceptance

Name of Assignor:

Name of Assignee:

Effective Date of Assignment:

Investment Assigned	**Purchaser's Investment Limit Assigned'**
$	%

[Name Of Assignee]

By: ____________________

Name:

Title:

[Name Of Assignor]

By: ____________________

Name:

Title:

Accepted for Recordation in the Register: Required consents:

DEUTSCHE BANK AG NEW YORK, as Administrative Agent

By: Name:

Title:

CELESTICA INC.

By: Name:

Title:

Calculate the percentage that is assigned to at least 15 decimal places and show as a percentage of the aggregate commitments of all Purchasers.

EXHIBIT K

CHARGED ACCOUNT CONTROL DEED
(Third Party Security)

This Deed is entered into as of November 23, 2005, among Celestica •, S.A. ("Company"), Deutsche Bank Trust Company Americas, as collection agent (herein referred to as "Collateral Agent"), and Bank of America, N.A. ("Bank") with respect to the following:

Bank has agreed to establish and maintain for Company an account •, (the "Account") in accordance with the terms of an International Account Agreement between the Bank and the Company dated • (the "IAA").

Collateral Agent has been appointed pursuant to the Collection Account Pledge Agreement dated as of November 23, 2005 between Collateral Agent, Company, Celestica Inc. and certain other affiliates of Celestica Inc. (the "Collection Account Pledge Agreement") and Company has granted to Collateral Agent a security interest in the Account.

Company, Collateral Agent and Bank are entering into this Deed to regulate their respective rights and obligations with regard to the Account.

Accordingly, Company, Collateral Agent and Bank agree as follows:

Until the Effective Time (as defined in Section 17 below), Company may operate the Account in accordance with the terms of the IAA.

With effect from the Effective Time:

Bank shall, subject to the provisions of this Deed, act only in accordance with the instructions of the Collateral Agent as provided herein; and

Bank shall (and Company irrevocably authorises Bank to) transfer all or any part of the collected and available balance in the Account to the Concentration Account (as defined below) for further credit to the Payment Account (as defined below) in accordance with the Activation Notice (as defined in Section 17 below) provided, for the avoidance of doubt, that such Activation Notice or such instruction shall not include instructions (standing or otherwise) for regular payments out of the Account.

"Concentration Account" means account no. 37566-88715 maintained at Bank.

"Payment Account" means account no. 00448470 maintained at Deutsche Bank Trust Company Americas.

Funds are available unless, in the reasonable determination of Bank, they are subject to a hold, dispute or legal or internal process preventing their withdrawal.

The Collateral Agent may not deliver an Activation Notice until such time as the Bank has notified it that the Bank has received, in form and substance satisfactory to it, a list of the Collateral Agent's representatives authorised to execute such Activation Notice ("Authorised

Signatories”), specimen signatures for each Authorised Signatory, a copy of the picture page of the passport of each Authorised Signatory and any other document or item of evidence the Bank may reasonably request in accordance with usual “know your client” best practice.

3. Bank agrees it shall not set off, charge, deduct or otherwise withdraw funds from the Account, except as permitted by Section 4, until it has been advised in writing by Collateral Agent that Collateral Agent’s interests in the Account have been terminated. Collateral Agent shall notify Bank promptly in writing upon Collateral Agent’s interests in the Account being terminated.

4. Bank is permitted to debit the Account:

for its fees, commissions, charges, costs and expenses relating to the Account and this Deed and any other amount due to it under this Deed;

for any reversal of a credit entry that Bank is entitled to reverse pursuant to clause 2.4 of the IAA;

in relation to any amount credited to the Account pursuant to a Direct Debit arrangement, for the whole or any part of such amount (the “Relevant Amount”) where Bank is obliged to repay the Relevant Amount in accordance with that Direct Debit arrangement; and

subject to Collateral Agent’s prior written consent, for any other amount due by Company to Bank, as contemplated by the IAA and/or this Deed.

together, the “Permitted Debits”.

5. (a) If the balances in the Account are not sufficient to compensate Bank for any fees, charges or costs due Bank in connection with the Account or this Deed, Company agrees to pay Bank on demand the amount of such fees, charges or costs.

If as the result of a Permitted Debit the Account becomes overdrawn in any amount (an “Overdrawn Amount”), Company shall pay Bank on demand an amount equal to that Overdrawn Amount together with related interest and the Bank’s reasonable costs. If Company fails to so pay Bank within five business days of such demand, it shall be a breach of this Agreement.

Company hereby authorises Bank, without prior notice, from time to time to debit any other account Company may have with Bank for the amount or amounts due Bank under subsection 5(a) or 5(b).

6. (a) Bank will send to Collateral Agent at its address specified below a copy of each statement of account that Bank sends to Company in respect of the Account at the same time as Bank sends such statement to Company.

(b) In addition, at any time after the Effective Time, Bank shall provide Collateral Agent with such additional information regarding the Account as the Collateral Agent may reasonably request.

(c) Company consents to the disclosure of information relating to the Account by Bank to Collateral Agent pursuant to this Deed.

7. (a) Bank will not be liable to Company or Collateral Agent for any liability, expense, claim, loss, damage or cost of any nature ("Damages") suffered or incurred by Company or Collateral Agent and arising out of or relating to this Deed or Bank's performance under this Deed other than those Damages which result directly from its gross negligence or intentional misconduct.

In no event will Bank be liable for any loss, damage, cost or expense of any nature arising from or in relation to economic loss, loss of business, profits, revenue, goodwill and anticipated savings, special damages, loss of or corruption to data, loss of operation time, loss of contracts or any indirect, consequential, exemplary or punitive loss.

Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Deed or otherwise give rise to any liability of Bank, if (i) such failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Company or Collateral Agent or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority.

Bank shall have no duty to inquire or determine whether Company's obligations to Collateral Agent are in default or whether Collateral Agent is entitled to provide the Activation Notice to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party.

Notwithstanding any of the other provisions in this Deed, in the event of the commencement of proceedings under any applicable law providing for the relief of debtors or the protection of creditors by or against Company, Bank may act as Bank deems necessary so as to comply with any applicable law and Collateral Agent and Company each agree that Bank shall not be in violation of this Deed as a result.

Bank shall be permitted to comply with any judicial or regulatory order, process or request concerning the Account or any amount deposited to the Account and shall not be in violation of this Deed for so doing.

Bank shall not be obliged to comply with any request, instruction, direction, notice or other communication referred to or contemplated in this Deed if to do so would be contrary to Bank's policy or to the request, requirement, order or directive of any court or regulatory, governmental, fiscal, monetary or other body or authority to which Bank is subject or submits, whether or not such request, requirement or policy has the force of law.

8. Company and Collateral Agent shall jointly and severally indemnify Bank against, and hold it harmless from, any and all Damages (including but not limited to allocated costs of in-house legal counsel and other legal fees and expenses) suffered or incurred by Bank and in any

way arising out of or in connection with this Deed or the Bank's provision of the services described in this Deed. This section does not apply to any Damages attributable to the gross negligence or intentional misconduct of Bank. Company's and Collateral Agent's obligations under this section shall survive termination of this Deed.

9. Company and Collateral Agent shall jointly and severally pay to Bank the amount of all costs, expenses and legal fees (including but not limited to allocated costs of in-house legal counsel) incurred by Bank in connection with the enforcement of, or the preservation of any rights under, this Deed. Company agrees to pay Bank all costs, expenses and legal fees (including allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Deed (including any amendments hereto or instruments or agreements required hereunder).

10. Termination and Assignment of this Deed shall be as follows:

Collateral Agent may terminate this Deed by providing notice to Company and Bank upon 30 day's prior written notice to Company and Bank. Bank may terminate this Deed upon 30 days' prior written notice to Company and Collateral Agent. Company may not terminate this Deed except with the written consent of Collateral Agent and upon prior written notice to Bank. Collateral Agent may not assign any of its rights under this Deed.

Notwithstanding subsection 10(a), Bank may terminate this Deed at any time by written notice to Company and Collateral Agent if either Company or Collateral Agent breaches any of the terms of this Deed, or any other agreement with Bank.

11. (a) Each party represents and warrants to the other parties that (i) this Deed constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Deed and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its constitutional documents or, if it is a party to the Collection Account Pledge Agreement, the Collection Account Pledge Agreement, or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Deed and the transactions contemplated hereunder have been obtained.

(b) The parties each agree that it shall be deemed to repeat each representation and warranty in subsection 11(a) on and as of each day on which an amount is deposited to the Account.

12. (a) This Deed may be amended only in writing signed by Company, Collateral Agent and Bank.

(b) This Deed may be executed in counterparts; all such counterparts shall constitute but one and the same agreement.

(c) This Deed prevails in the event of any conflict between this Deed and any other document or written or oral statement including the IAA. This Deed supersedes all prior

understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

This Deed constitutes notice to Bank and acknowledgement by the Bank of Collateral Agent's security interest in the Account. This Deed shall prevail over the terms of any other communication from Collateral Agent or Company purporting to notify Bank of Collateral Agent's security interest in the Account and the Bank shall be entitled to disregard any such communication.

Save as expressly provided otherwise in this Deed, the Account shall be operated and maintained in accordance with the provisions of the IAA, a copy of which the Collateral Agent acknowledges as having received.

This Deed shall be interpreted in accordance with English law.

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "Dispute").

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

Without prejudice to any other mode of service allowed under any relevant law,

(i) Company irrevocably appoints Celestica (Telford) Limited, Castle Farm Campus Priorslee, Telford, Shropshire, TF2 9SA, as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed, and agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned; and

(ii) Collateral Agent irrevocably appoints Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London, EC2N 2DB, as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed, and agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned.

Any written notice or other written communication to be given under this Deed shall be addressed to each party at its address set forth on the signature page of this Deed or to such other address as a party may specify in writing and the Activation Notice may be delivered by facsimile to the facsimile number identified for that purpose on Exhibit A. Such notice shall be effective upon receipt.

Company and Collateral Agent shall ensure that all information (in whatever form, and including information given orally) received from Bank and relating to the Account, this Deed or the IAA, is kept strictly confidential and is not disclosed to anyone except as may be required by law or regulation.

Nothing contained in the Deed shall create any trust, agency, fiduciary, joint venture or partnership relationship between Bank, Company and/or Collateral Agent.

This Deed is executed and delivered by Deutsche Bank Trust Company Americas not in its individual capacity but solely as Collateral Agent in the exercise of the powers and authority conferred on it pursuant to the Collection Account Pledge. Agreement. Company and Bank hereby agree that Collateral Agent is released from any and all liabilities to Company and Bank arising from the terms of this Deed and the compliance of Collateral Agent with the terms hereof, except to the extent that such liabilities arise from Collateral Agent's bad faith, wilful misconduct or gross negligence. The provisions of this Section 16 shall survive the termination of this Deed and the resignation or removal of Collateral Agent. As between Company and Collateral Agent, Collateral Agent shall be entitled to the same rights, protections. and indemnities afforded to it under the Collection Account Pledge Agreement. For greater certainty, this Section 16 shall not prejudice the provisions of Section 7 of this Deed,

In this Deed:

"Activation Notice" means a written notice from Collateral Agent to the Bank substantially in the form of Exhibit A.

"Business Day" means each day (except Saturdays and Sundays) on which banks are open for general business in London.

"Effective Time" means:

if the Activation Notice is received by Bank before 11:00am (London time) on any Business Day, 11:00am (London time) the following Business Day; and

if the Activation Notice is received by Bank on any day which is not a Business Day or if it is received by Bank after 11:00am (London time) on any Business Day, 11:00am (London time) on the second Business Day following receipt by Bank of the Activation Notice.

[The remainder of this page left blank intentionally.]

In Witness Whereof, the parties hereto have executed this Deed as a deed by their duly authorized officers as of the day and year first above written.

By Company: CELESTICA •

By:
Name:

Title:

SIGNED as a DEED by Celestica Valencia, S.A., acting by

,its

Address for notices:

c/o Celestica Inc.

1150 Eglinton Avenue East Toronto, Ontario, Canada M3C 1H7

Attention: Senior Vice President and Treasurer

With a copy to:

Attention: Senior Vice President and Chief Legal Officer

By Collateral Agent:

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: Name:

Title:

Address for notices:

Deutsche Bank Trust Company Americas Corporate Trust & Agency Services 60 Wall Street

MS NYC60-2606

New York, New York 10005

Attention: Peter Becker

By Bank:

BANK OF AMERICA, N.A.

By: Name: Karen Parker

Title: Vice President

SIGNED as a DEED by Bank of America, N.A. acting by Karen Parker, Vice President, under its authority

Address for notices:

Bank of America, N.A. 26 Elmfield Road

Bromley

BR1 1 WA

EXHIBIT A CHARGED ACCOUNT CONTROL DEED

[Letterhead of Collateral Agent]
URGENT ATTENTION REQUIRED

To: Bank of America, N.A. 26 Elmfield Road

Bromley

BR1 1 WA

[Date] Fax: 44-208-313-2170

Attention: Client Service Representative for Celestica Valencia, S.A.

Dear Sirs

Re: Celestica Valencia, S.A. - Account No. 23963-011 (the “Account”)

We refer to the Charged Account Control Deed dated November , 2005 (the “Deed”) among Celestica Valencia, S.A., us and you regarding the Account. This is an Activation Notice. Terms defined in the Deed have the same meaning in this Activation Notice.

We hereby give you notice of the occurrence of a “Termination Event” and our exercise of control of the Account and we hereby instruct you, subject to the terms of the Deed, to transfer funds from the Account to the Concentration Account for further credit by us to the Payment Account. You shall have no obligation hereunder or under the Deed to verify the occurrence, existence or continuance of a “Termination Event” in acting on this Activation Notice or that funds from the Concentration Account are credited to the Payment Account.

Yours faithfully

For and on behalf of

DEUTSCHE BANK TRUST COMPANY AMERICAS

EXHIBIT L

COLLECTION ACCOUNT PLEDGE AGREEMENT
Dated as of November 23, 2005
among

CELESTICA CORPORATION,
CELESTICA ITALIA SRL.,
CELESTICA RA' JECKO S.R.O.,
CELESTICA HOLDINGS PTE LTD.,
CELESTICA VALENCIA S.A.,
and
CELESTICA HONG KONG LTD.

as Assignors,
and
DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collection Agent

COLLECTION ACCOUNT PLEDGE AGREEMENT, dated as of November 23, 2005, (this "Agreement"), among Celestica Corporation, Celestica Italia Sri, Celestica Czech Republic s.r.o., Celestica Holdings Pte Ltd., Celestica Valencia S.A. and Celestica Hong Kong Ltd. (each, an "Assignor" and collectively, the "Assignors") and DEUTSCHE BANK TRUST COMPANY AMERICAS, as collection agent for the Purchasers (as defined below) (in such capacity, and together with its successors in such capacity, the "Collection Agent").

WITNESSETH:

WHEREAS, the Assignors have entered into a Revolving Trade Receivables Purchase Agreement dated as of November 23, 2005 (as amended, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement") among the Assignors, Deutsche Bank AG New York, as Administrative Agent, and the several banks and other financial institutions parties thereto as Purchasers;

WHEREAS, Collections in respect of the Scheduled Receivables are required to be paid into the Collection Accounts and transferred to the Concentration Account and thereafter to the Payment Account (defined below);

WHEREAS, each Seller will instruct the Eligible Buyers to make payments in respect of the Scheduled Receivables generated by its sales into a Collection Account or the Concentration Account;

WHEREAS, to induce the Purchasers to enter into the Receivables Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor has agreed to pledge and grant a security interest in the Collateral described below as security for the Obligations;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Unless otherwise specified herein, capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Receivables Purchase Agreement.

SECTION 2. Assignment and Grant of Security Interest. Assignment and Grant of Security Interest; Collateral. As collateral security for the prompt payment and performance of the Obligations, each Assignor hereby assigns, and pledges and grants to the Collection Agent, for the benefit of the Purchasers, a security interest in, all of its right, title and interest in and to the following property, whether now owned by such Assignor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"): the Collection Accounts in its name, the Concentration Account (in the case of Celestica Corp.) and all certificates and instruments (as defined in the Uniform Commercial Code), if any, from time to time representing or evidencing the Collection Accounts or the Concentration Account.

The Collection Agent shall have "control" (within the meaning of Sections 8-106(d) and 9-106(a) of the UCC) of each Collection Account, the Concentration Account and the

Payment Account until the indefeasible payment in full of the Obligations, on the terms and subject to the conditions contained herein.

SECTION 3. Further Assurances; Remedies. In furtherance of the grant of the pledge and security interest pursuant to Section 2 hereof, each Assignor hereby agrees with the Collection Agent as follows:

(a) Delivery and Other Perfection. The Assignors shall:

give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of the Collection Agent) to create, preserve or perfect any portion of the security interest granted pursuant hereto or to enable the Collection Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest;

keep full and accurate in all material respects books and records relating to the Collateral, and take such other actions as the Collection Agent may reasonably require in order to reflect the security interests granted by this Agreement;

permit employees of the Collection Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and forward to the Collection Agent copies of any notices or communications received by any Assignor with respect to the Collateral, all in such manner as the Collection Agent may require; and

in the case of Celestica Corp., at any time following the occurrence and during the continuation of a Termination Event, upon request of the Collection Agent, promptly notify (and Celestica Corp. hereby authorizes the Collection Agent so to notify) each Eligible Buyer in respect of any Scheduled Receivable that such Receivable has been sold, assigned and transferred to the Purchasers.

(b) Preservation of Rights. Each Assignor shall defend the Collateral against all Liens and demands of all Persons at any time claiming the same or any interest therein adverse to the Collection Agent. Each Assignor will advise the Collection Agent, the Administrative Agent or the Purchasers promptly in writing and in reasonable detail of (a) any Lien (other than the security interests under this Agreement and the other Transaction Documents) on any of the Collateral that would adversely affect the ability of the Collection Agent or the Purchasers to exercise any of their respective remedies hereunder, under the Collateral Account Agreement or under the Receivables Purchase Agreement, or (b) the occurrence of any event that could reasonably be expected to have an adverse effect on the aggregate value of the Collateral.

(c) Termination Event, Etc. During the period during which a Termination Event shall have occurred and be continuing, the Collection Agent shall have all of the rights and

remedies with respect to the Collateral of a secured party under the Uniform Commercial Code and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all powers of ownership pertaining to the Collateral as if the Collection Agent were the sole and absolute owner thereof (and each Assignor agrees to take all such action as may be appropriate to give effect to such right). Notwithstanding the occurrence of *any* Termination Event, the Collection Agent agrees not to use any funds on deposit in the Collection Accounts or the Concentration Account except in accordance with the terms of this Agreement, and therefore agrees not to materially interfere with the use by the Assignors of such funds not constituting Collections or due and payable in respect of Obligations.

Attorney-in-Fact. (i) Without limiting any rights or powers granted by this Agreement to the Collection Agent, effective upon the occurrence and during the continuance of any Termination Event, the Collection Agent shall be appointed the attorney-infact of each Assignor (and each Assignor hereby agrees to maintain in effect such a power of attorney until all amounts under the Purchased Assets have been paid in full) with full power and authority in the place and stead of each Assignor, in the name of each Assignor or in its own name, for the purpose of carrying out the terms of this Agreement and taking any action and executing any documents and instruments that Collection Agent may deem necessary or advisable to accomplish the purposes of this Agreement, which appointment as attorney-in-fact shall be irrevocable and coupled with an interest. Each Assignor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof consistent with the rights and obligations of said attorneys under this Agreement, except in the case of gross negligence or willful misconduct of said attorneys.

(ii) Each Assignor hereby acknowledges and agrees that in acting pursuant to this power-of-attorney, the Collection Agent shall be acting on behalf of the Purchasers, and each Assignor acknowledges and agrees that neither the Collection Agent nor any Purchaser, as secured parties under this Agreement (collectively, the “Secured Parties”), shall have any fiduciary or other duties to the Assignors, and each Assignor hereby waives any claims to the rights of a beneficiary of a fiduciary relationship hereunder.

Termination. Upon receipt of evidence satisfactory to the Collection Agent that all of the Investments have been reduced to nil and all Obligations and amounts payable or required to be deposited by the Assignors under the Transaction Documents shall have been paid or deposited in full, this Agreement shall terminate, and the Collection Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the relevant Assignor.

Further Assurances. Each Assignor agrees that, from time to time upon the written request of the Collection Agent, it will promptly execute and deliver such further documents and do such other acts and things as the Collection Agent may reasonably request in order fully to effect the purposes of this Agreement and the pledge of the Collateral hereunder.

Waiver; Deficiency. Each Assignor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any counsel employed by the Collection Agent or any Purchaser to collect such deficiency.

Financing Statements. Pursuant to the Uniform Commercial Code and any other applicable law, each Assignor authorizes the Collection Agent to file or record UCC Financing Statements and other filing or recording documents or instruments with respect to the Collateral without the signature of the Assignors in such form and in such offices as the Collection Agent determines appropriate to perfect its security interest under this Agreement (to the extent that the security interest may be perfected by filing). A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

SECTION 4. Indemnities. Each Assignor, as a Seller under (and as defined in) the Receivables Purchase Agreement, hereby grants to the Collection Agent the indemnities set forth in Section 9.5 of the Purchase Agreement on the terms and subject to the conditions set forth therein, *mutatis mutandis.*

SECTION 5. Miscellaneous.

Authority of Collection Agent. Each Assignor acknowledges that the rights and responsibilities of the Collection Agent under the Transaction Documents with respect to any action taken by the Collection Agent or the exercise or non-exercise by the Collection Agent of any option, right, request, judgment or other right or remedy provided for herein or therein or resulting or arising out of the Transaction Documents shall, as between the Collection Agent and the Purchasers, be governed by the Agency Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collection Agent and the Assignors, the Collection Agent shall be conclusively presumed to be acting as Collection Agent for the Purchasers with full and valid authority so to act or refrain from acting, and the Assignors shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

Assignors Remain Liable. Anything herein to the contrary notwithstanding, each Assignor shall remain liable under each of the Transaction Documents to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither the Collection Agent, the Administrative Agent nor the Purchasers shall have any obligation or liability under any Receivable by reason of or arising out of this Agreement or the receipt by the Collection Agent or the Purchasers of any payment relating thereto, nor shall the Collection Agent or the Purchasers be obligated in any manner to perform any of the obligations of the Assignors under or pursuant to any Receivable to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) Notices. All notices, requests and demands to or upon the Assignors or the Collection Agent to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy or by courier, when received by the addressee, addressed to such party at its address or transmission number for notices provided in Section 9.2 of the Receivables Purchase Agreement. The Collection Agent and each Assignor may change their addresses and transmission numbers for notices by notice in the manner provided in this Section 5.

(d) Amendments; No Waiver; Cumulative Remedies. Subject to Section 9.1 of the Receivables Purchase Agreement, none of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Assignors and the Collection Agent.

No failure to exercise and no delay in exercising, on the part of the Collection Agent, the Administrative Agent or any Purchaser, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any other rights, remedies, powers and privileges provided by law.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Assignors, the Collection Agent, each Purchaser, and their respective successors and permitted assigns, except that the Assignors may not assign or transfer any of their respective rights or obligations under this Agreement, except to the Collection Agent without the prior written consent of each Purchaser.

(f) Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicer and the Collection Agent.

(g) Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) Integration. This Agreement and the other Transaction Documents represent the entire agreement of the Assignors, the Administrative Agent, the Collection Agent and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collection Agent or the Purchasers relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

Governing Law. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. WITHOUT LIMITING THE FOREGOING, FOR PURPOSES OF THIS AGREEMENT THE STATE OF NEW YORK SHALL BE DEEMED TO BE THE "BANK'S JURISDICTION" UNDER SECTION 9-304 OF THE UCC.**

Section Headings. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Assignor and the Collection Agent have caused this Agreement to be duly executed by their duly authorized officers all as of the date first above written.

CELESTICA CORPORATION

By:
Name: Paul Nicoletti

Title: Authorized Signatory

CELESTICA ITALIA SRL.

By:
Name: Paul Nicoletti

Title: Authorized Signatory

CELESTICA CZECH REPUBLIC S.R.O.

By: ______________________________

Name: Paul Nicoletti

Title: Authorized Signatory

The Common Seal of))

CELESTICA HOLDINGS PTE LTD) was
affixed hereto in the presence of:

By: By:

Name: Name:

Title: Title:

CELESTICA VALENCIA S.A.

By:
Name: Paul Nicoletti

Title: Authorized Signatory

CELESTICA HONG KONG LTD.

By:
Name: Paul Nicoletti

Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
Collection Agent

By
Name:

Exhibit 4.16

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS DOCUMENT. THE CONFIDENTIAL PORTIONS HAVE BEEN REDACTED AND ARE DENOTED BY ASTERISKS IN BRACKETS[**]. THE CONFIDENTIAL PORTIONS HAVE BEEN SEPARATELY FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

FOURTH AMENDMENT TO AMENDED AND RESTATED REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT

MEMORANDUM OF AGREEMENT made as of the 21st day of November, 2014.

BETWEEN:

CELESTICA INC.,

(hereinafter referred to as the "Servicer"),

- and -

CELESTICA LLC,
CELESTICA HOLDINGS PTE LTD,
CELESTICA VALENCIA S.A. (SOCIEDAD UNIPERSONAL),
CELESTICA HONG KONG LTD.,
CELESTICA (ROMANIA) S.R.L.,
CELESTICA JAPAN KK,
CELESTICA OREGON LLC
-and-
CELESTICA ELECTRONICS (M.) SDN. BHD.

(hereinafter referred to collectively as the "Sellers"),

DEUTSCHE BANK (MALAYSIA) BERHAD

(hereinafter referred to as "Purchaser" and together with Deutsche Bank, as the "Purchasers")

- and -

DEUTSCHE BANK AG, NEW YORK BRANCH,

(hereinafter referred to as the "Administrative Agent" and "Deutsche Bank").

WHEREAS the Sellers, the Servicer, the Purchasers and the Administrative Agent are parties to an Amended and Restated Revolving Trade Receivables Purchase Agreement dated as of November 4, 2011, as amended by the First Amendment dated as of November 19, 2012, by the Second Amendment dated as of January 2, 2013 and the Third Amendment, dated as of November 21, 2013 (as so amended, the "Receivables Purchase Agreement");

WHEREAS the Sellers, the Servicer, the Purchasers and the Administrative Agent now wish to further amend the Receivables Purchase Agreement by this amending agreement (this "Amending Agreement");

AND WHEREAS Section 9.1 of the Receivables Purchase Agreement permits written amendments thereto with the written consent of each of the Sellers, the Servicer, the Required Purchasers and the Administrative Agent;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises, covenants and agreements of the parties herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby covenant and agree as follows:

1. **Defined Terms** All capitalized terms and expressions used and not otherwise defined in this Amending Agreement including in the recitals hereto shall have the meanings specified in the Receivables Purchase Agreement.

2. **Amendments of Definitions in Section 1.1**:

2.1 The definition of "Availability Termination Date" is amended and restated in its entirety as follows:

"Availability Termination Date": the earlier of (i) the date that is the tenth anniversary of the Closing Date and (ii) the date on which the Administrative Agent delivers to the Servicer a notice of termination as a result of a Termination Event in accordance herewith (or the date on which such termination becomes effective automatically pursuant to Section 7).

3. **Amendment to the Obligor Limits** Schedule 1.2, "Eligible Buyers, Obligor Limits and Applicable Percentages" is deleted and replaced with Schedule 1.2 attached hereto.

4. **Fees** Section 2.4 of the Receivables Purchase Agreement is amended and restated in its entirety as follows:

2.4 Fees. Celestica Canada agrees to pay to Deutsche Bank AG the fees in the amounts and on the dates previously agreed to in accordance with the Fee Letter between Celestica Canada and Deutsche Bank AG dated November 21, 2014 (the "Fee Letter").

5. **Amendment to Section 2.3(c)**

5.1 The following language is inserted at the end of the penultimate paragraph of Section 2.2(c) "or HSBC Bank USA, National Association."

5.2 The ultimate paragraph of Section 2.2(c) is amended and restated in its entirety as follows:

"The Servicer and the Sellers acknowledge and agree that a portion of the Receivables will be offered for sale by Deutsche Bank AG, New York Branch, as Purchaser, to each of Citibank, N.A. and HSBC Bank USA, National Association, each as a participant,

pursuant to the terms and subject to the conditions of a participation agreement entered into between each of them and Deutsche Bank AG, New York Branch. While Deutsche Bank AG, New York Branch, will be the nominal purchaser of any such Receivables taken up by Citibank, N.A. or HSBC Bank USA, National Association, as applicable, each on the terms and subject to the conditions of the applicable participation agreement, the Administrative Agent's notice of acceptance of the offer to purchase any such Receivables will identify which Receivables are being acquired for the benefit of such participant, and such participant will be directed by Deutsche Bank AG, New York Branch to make payment of the Purchase Price therefor directly to the Servicer. Neither the Administrative Agent nor any Purchaser shall have liability, contingent or otherwise, for payment of such amounts or any loss resulting from the non-payment of such amounts."

6. **Removal of Celestica Czech Republic** With effect from the Effective Date of this Amending Agreement, Celestica Czech Republic, having been liquidated, will cease to be a "Seller" for all purposes under the Receivables Purchase Agreement.

7. **Representations and Warranties** To induce the Administrative Agent and the Purchasers to enter into this Amending Agreement, the Guarantor and each of the Sellers hereby jointly and severally make the following representations and warranties (provided that Celestica Valencia shall only be responsible hereunder for its own representations and warranties):

(a) The Guarantor and each of the Sellers hereby represents and warrants as of the date of this Amending Agreement that no Termination Event or Incipient Termination Event has occurred and is continuing.

(b) The Guarantor and each of the Sellers hereby represents and warrants as of the date of this Amending Agreement and as of the Effective Date (as defined below) that the audited consolidated balance sheets of Celestica Canada and its consolidated Subsidiaries as at December 31, 2013, and the related statements of income and of cash flows of Celestica Canada for the fiscal year ended on such dates, present fairly in all material respects the consolidated financial condition of Celestica Canada and its consolidated Subsidiaries as at such date, and Celestica Canada's consolidated results of operations and cash flows for the respective fiscal years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP, applied consistently throughout the periods involved (except as approved by Celestica Canada's accountants and disclosed therein).

(c) The Guarantor and each of the Sellers hereby represents and warrants as of the date of this Amending Agreement and as of the Effective Date (as defined below) that since the date of the most recent financial statements made available to the Administrative Agent and the Purchasers there has been no change, development or event that has had or could reasonably be expected to have a Material Adverse Effect.

8. **Ratification** Except for the specific changes and amendments to the Receivables Purchase Agreement contained herein, the Receivables Purchase Agreement and all related documents are in all other respects ratified and confirmed and the Receivables Purchase Agreement as amended hereby shall be read, taken and construed as one and the same instrument.

9. **Counterparts** This Amending Agreement may be executed by one or more of the parties to this Amending Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of this Amending Agreement signed by all the parties shall be lodged with the Servicer and the Administrative Agent.

10. **Confirmation of Guarantee** The Guarantor hereby confirms and agrees that (i) the Guarantee is and shall continue to be in full force and effect and is otherwise hereby ratified and confirmed in all respects; and (ii) the Guarantee is and shall continue to be an unconditional and irrevocable guarantee of all of the Obligations (as defined in the Guarantee).

11. **Further Assurances** Each party shall, and hereby agrees to, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as are reasonably required for the purpose of accomplishing and effecting the intention of this Amending Agreement.

12. **Conditions to Effectiveness** This Amending Agreement shall become effective (such date being the "Effective Date") upon receipt by the Administrative Agent of counterparts (i) hereof, duly executed and delivered by each of the parties hereto and (ii) of the Fee Letter duly executed and delivered by Celestica Canada. The Administrative Agent shall inform the Guarantor, the Sellers and the Purchasers of the occurrence of the Effective Date.

13. **Successors and Assigns** This Amending Agreement shall be binding upon and inure to the benefit of the Sellers, the Servicer, the Purchasers, the Administrative Agent, and their respective successors and permitted assigns.

14. **Governing Law** This Amending Agreement shall be governed and construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF, the parties hereto have caused this Amending Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CELESTICA INC., as Servicer and as Guarantor

by /s/ Darren Myers
Name: Darren Myers
Title: Authorized Signatory

CELESTICA LLC

by /s/ Darren Myers
Name: Darren Myers
Title: Authorized Signatory

CELESTICA HOLDINGS PTE LTD

by /s/ Monica Fung
Name: Monica Fung
Title: Authorized Signatory

CELESTICA VALENCIA S.A.
(SOCIEDAD UNIPERSONAL)

by /s/ Robert J. Schormans
Name: Robert J. Schormans
Title: Authorized Signatory

CELESTICA HONG KONG LTD.

by /s/ Monica Fung
Name: Monica Fung
Title: Authorized Signatory

CELESTICA (ROMANIA) S.R.L.

by /s/ Robert J. Schormans
Name: Robert J. Schormans
Title: Authorized Signatory

CELESTICA JAPAN KK

by /s/ Monica Fung
Name: Monica Fung
Title: Authorized Signatory

CELESTICA ELECTRONICS (M) SDN. BHD.

by /s/ Yong Chong Chin
Name: Yong Chong Chin
Title: Authorized Signatory

CELESTICA OREGON LLC

by:: /s/ Walter Janovic
Name: Walter Janovic
Title: Authorized Signatory

DEUTSCHE BANK AG, NEW YORK BRANCH, as Administrative Agent and as Purchaser

by /s/ Robert Altman
Name: Robert Altman
Title: Assistant Vice President

by /s/ Elizabeth Ksov
Name: Elizabeth Ksov
Title: Assistant Vice President

DEUTSCHE BANK (MALAYSIA) BERHAD, as Purchaser

by /s/ Wendy Ang
Name: Wendy Ang
Title: Head of Trade Finance, Malaysia TFCMC

by /s/ Chintan Shah
Name: Chintan Shah
Title: Director, Head of Trade Finance & Cash Management Corporates, GTB

SCHEDULE 1.2
To the Receivables Purchase Agreement, Eligible Buyers, Obligor Limits and Applicable Percentages

OBLIGOR NAME	Spread	Proposed Obligor Limit	SPLIT- Deutsche Bank	SPLIT - HSBC	SPLIT - Citibank
IBM Corporation	[**]%	[**]		[**]	
IBM Corporation Endicott	[**]%	[**]		[**]	
IBM Ireland Product Distribution	[**]%	[**]			[**]
JUNIPER NETWORKS INC	[**]%	[**]		[**]	
HONEYWELL INTERNATIONAL INC	[**]%	[**]		[**]	
CISCO SYSTEM INC	[**]%	[**]	[**]		
Google Inc	[**]%	[**]	[**]		
EMC INFORMATION SYSTEMS INTERNATIONAL	[**]%	[**]	[**]		
POLYCOM, INC	[**]%	[**]	[**]		
POLYCOM GLOBAL INC	[**]%	[**]	[**]		
NEC Corporation	[**]%	[**]	[**]		
HGST (Thailand) Ltd	[**]%	[**]	[**]		
HGST Singapore PTE Ltd	[**]%	[**]	[**]		
ORACLE AMERICA, INC.	[**]%	[**]	[**]		
ORACLE EMEA LTD	[**]%	[**]	[**]		
ORACLE USA, INC.	[**]%	[**]	[**]		
APPLIED MATERIALS ISRAEL LTD	[**]%	[**]	[**]		
AMAT-VMO	[**]%	[**]	[**]		
APPLIED MATERIALS SE ASIA PTE	[**]%	[**]	[**]		
APPLIED MATERIALS INC	[**]%	[**]	[**]		
Hitachi Metals	[**]%	[**]	[**]		
Total		[**]	[**]	[**]	[**]

[**] Certain confidential information contained in this document, marked with asterisks in brackets, has been redacted pursuant to a request for confidential treatment and has been filed separately with the United States Securities and Exchange Commission.

Exhibit 8.1

Subsidiaries of Registrant

Celestica Cayman Holdings 1 Limited, a Cayman Islands corporation;

Celestica Cayman Holdings 9 Limited, a Cayman Islands corporation;

Celestica (Dongguan-SSL) Technology Limited, a China corporation;

Celestica Electronics (S) Pte Ltd, a Singapore corporation;

Celestica Holdings Pte Limited, a Singapore corporation;

Celestica Hong Kong Limited, a Hong Kong corporation;

Celestica LLC, a Delaware, U.S. limited liability company;

Celestica (Thailand) Limited, a Thailand corporation;

Celestica (USA) Inc., a Delaware, U.S. corporation;

Celestica (US Holdings) LLC, a Delaware, U.S. limited liability company;

1681714 Ontario Inc., an Ontario, Canada corporation; and

1755630 Ontario Inc., an Ontario, Canada corporation.

Exhibit 11.2

Acting with integrity

Celestica Business Conduct Governance

Our Values

Teamwork

We act as one global team with one vision, living our Values

Trust and Commitment

We deliver on our promises with integrity, respect and quality

Creativity

We strive for innovation

Courage

We act courageously in the pursuit of business excellence

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DECEMBER 1, 2014

A message from
Craig Muhlhauser

Dear Colleagues,

At Celestica, our reputation is our most valuable asset.

I want every Celestica employee to be proud to work for a company that places a strong emphasis on dealing with one another, and with our customers, suppliers, partners, shareholders and communities, ethically and responsibly.

Celestica was founded on the strong principles of respect for individuals, the health and safety of employees and the protection of the environment. As we mature as an organization, I'm happy to report that our commitment to corporate social responsibility continues to evolve.

Today, as we place an increased focus on supporting our customers' brands in the marketplace, we must continue to demonstrate that we are a truly ethical organization.

We achieve this by living our Values and following the business ethics outlined in our Business Conduct Governance policy (BCG) and the Electronics Industry Citizenship Coalition (EICC) Code of Conduct. Through these policies and our commitment to contributing to our communities, we have set standards to ensure that we all do the right thing.

Each of us plays a key role in ensuring the integrity of this organization. It is everyone's responsibility to report behaviour or actions that conflict with our ethical standards. If you see or suspect unethical, illegal or unsafe activity, don't ignore it – let us know. When you have questions, ask for guidance.

Remember, acting with integrity is ultimately about ensuring that Celestica remains a place where are all proud to work. With your help, I am confident that Celestica will continue to deserve the trust that people place in us.

Thank you for your commitment.

Craig Muhlhauser
President and Chief Executive Officer

A message from
Todd Melendy

Dear Colleagues,

Compliance and ethics are everyone's business and at Celestica, we take the business of integrity very seriously. That's why we want to ensure that all Celestica employees have access to information that outlines our company's expectations in this area, as well as to resources that help us understand our role in maintaining Celestica's high ethical standards.

Our BCG policy sets the guidelines for our behaviour at work. As Celestica employees, we are all required to ensure our compliance with the policy by reading and renewing our commitment to it every year. The BCG covers many situations but cannot cover all circumstances that we may face in a dynamic workplace.

Of course, decisions or situations that involve legal or ethical issues are often complex and sometimes unclear. You may face situations at work where the right choice isn't obvious. For example, you might feel a co-worker's behaviour is damaging our company's reputation, but are not comfortable confronting him/her. That's why we have several options available to us for reporting concerns or asking questions.

You can talk about the situation with your manager or call the Ethics Hotline to report the incident. If you have questions about our BCG policy or our ethics and compliance program, don't hesitate to contact me at (416) 448-2477 or compliance@celestica.com.

I am here to support you in your commitment to ethical conduct and in making informed decisions.

Thank you for helping me to make Celestica a great place to work.

Todd Melendy
Vice President, Sustainability and Compliance

Introducing the BCG

At Celestica, we promise to be solid partners who deliver informed, flexible solutions that enable our customers' success. To deliver on this promise, I must act with integrity and deal with my colleagues, customers, suppliers, partners, shareholders and communities, ethically and responsibly.

This BCG policy describes Celestica's approach to doing business and describes the ethical and legal standards to which I, as a Celestica employee, am expected to commit. This commitment is more than a source of pride – it is central to who we are. The BCG identifies policies to help me live up to these expectations, provides examples of what the policies mean and tells me when to ask questions, where to go for help and why ethical and legal conduct is important.

I understand that if I violate the BCG, I may be subject to disciplinary action, up to and including dismissal.

Conducting myself ethically

Ethics are a key part of our Values at Celestica. Acting ethically means doing the right thing. We all want to do what is right, for ourselves and for Celestica. The BCG helps guide me by defining my responsibilities to Celestica and my colleagues, customers, suppliers, governments and communities.

As a Celestica employee, I understand that the BCG requires me to:

- Earn customer loyalty by delivering on my promises
- Obtain and conduct business legally and ethically
- Make business decisions based on Celestica's best interests
- Report business conduct concerns immediately
- Obey the law

I act with integrity

I know that everything I say and do impacts my reputation – and Celestica's reputation. I understand that if my actions negatively affect Celestica's interests and reputation, I may be subject to disciplinary action, up to and including dismissal. I am committed to upholding our Values and policies, including the BCG. I am honest and fair in my dealings with colleagues, customers, suppliers, competitors and the community.

I speak for myself, not Celestica

I know that I should never make public statements about Celestica by speaking with the media or through internet-based social networking tools unless I am authorized to do so. If I am not authorized to speak publicly on Celestica's behalf, I understand that I should direct any questions or inquiries from the media or others to the Communications Department.

I ensure our financial integrity

As a public company, Celestica's records and accounts must conform to our required accounting principles and system of internal controls. I never make false or misleading entries in any financial statements, records and accounts. I fully cooperate with all audits and investigations internally or as requested by external auditors and regulators and provide truthful and accurate information. I never conceal, alter or destroy documents or records that have been lawfully requested or are required as part of an investigation. I ensure that business records for which I'm responsible are treated in accordance with Celestica's Record Management Policy.

Dishonest reporting looks like...

Sue attempted to obtain medical coverage for her adult children by submitting a form claiming that her children were full-time students. In fact, her children were no longer students. By submitting a falsified claim, Sue is acting unethically and is defrauding the company.

I make accurate and honest reports

Ensuring accurate and complete business and financial records is not just the responsibility of accounting and finance employees. At Celestica, the accuracy of records – from time records and expense reports to benefits claims forms and resumes – is everyone's responsibility. When I keep accurate records and make honest reports, I support Celestica's reputation and help ensure that we meet our legal and regulatory obligations. I understand that providing inaccurate or misleading information could lead to civil or criminal action against Celestica and me.

I am an ethical leader

As a Celestica manager, I am expected to be an ethical leader. I am responsible for setting a good example, encouraging an environment of open and honest communication without fear of retaliation and taking prompt action when ethical issues are brought to my attention. Managers are expected to set a tone of integrity, never directing employees to achieve results by taking actions that are in violation of Celestica policies, the BCG or the law. Managers also have a responsibility for properly approving a variety of transactions on behalf of Celestica. As a manager, I must ensure that policy requirements are met. Business results are never more important than ethical conduct and compliance with Celestica's policies, the BCG and the law.

Promoting a positive work environment

I support an environment free from discrimination and harassment

Celestica is a great place to work when all employees contribute to a safe, clean, healthy and secure environment. We are all accountable for ensuring that our culture is free from discrimination and harassment based on race, colour, religion, gender, gender identity, citizenship and/or origin, age, disability, sexual orientation, marital status or other factors. I understand that Celestica has zero tolerance for sexual advances, actions, comments or other inappropriate behaviour in the workplace that intimidates, offends or otherwise makes an employee feel uncomfortable. A safe and secure workplace also means a workplace free from violence. Threats (implicit or explicit), intimidation, and violence have no place at Celestica. When I observe or experience any of the behaviours and activities listed above, I know that it is my duty to report it immediately.

I support an environment free from substance abuse

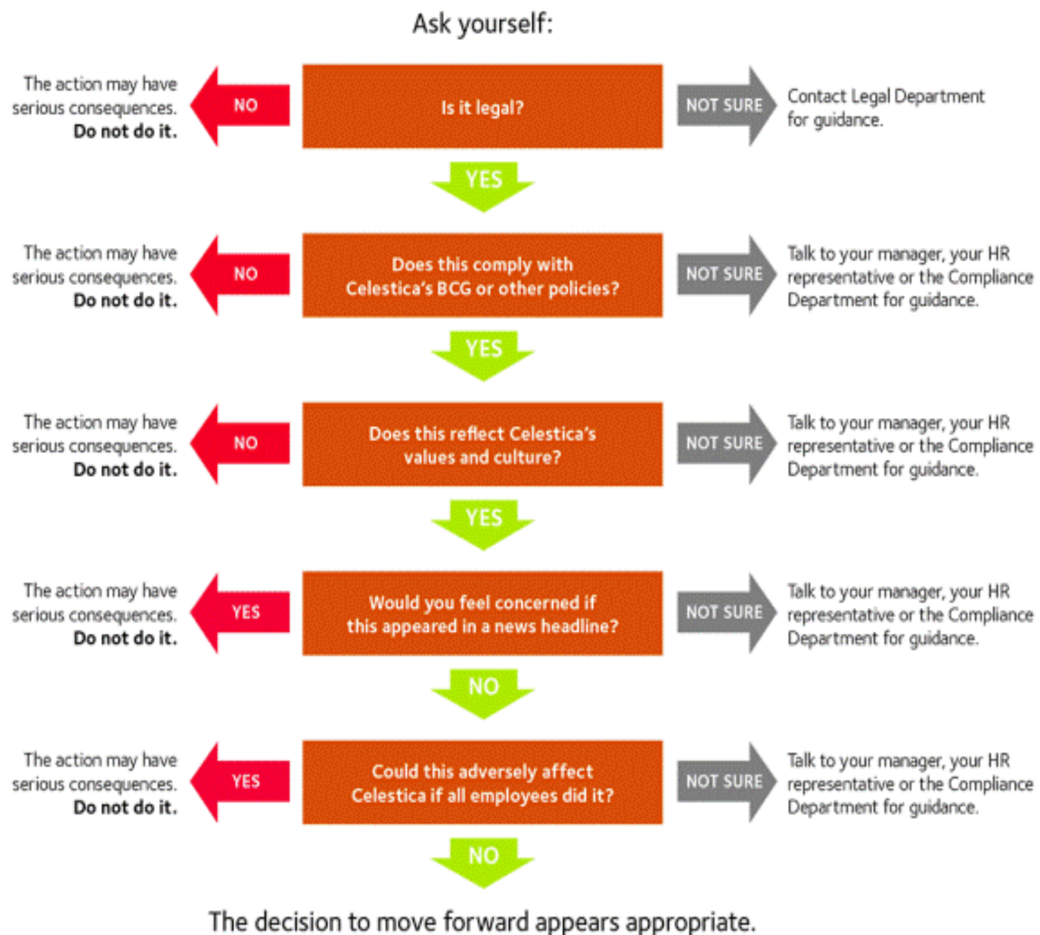
I understand that the use of alcohol, drugs or other intoxicants may interfere with my abilities on the job. Moreover, Celestica is committed to a workplace free from intoxicants consistent with applicable laws, and prohibits the distribution, possession or use of illegal or unauthorized alcohol, drugs or other intoxicants on Celestica property. Furthermore, Celestica expects an employees' judgment and decision-making to be clear and unimpaired by alcohol, drugs or other intoxicants. In addition to affecting an employee's own work and decision-making capability, the use of intoxicants can create a significant risk to the safety of others and the welfare of our business.

Inappropriate behaviour looks like...

Grace and Jose were attending a work function. After the team building activity ended some of their peers suggested that they go to an adult entertainment venue together. Grace and Jose went along with the group but they felt uncomfortable and out of place at the venue. Attending such venues while representing Celestica is not aligned with our Values or BCG policy. In accordance with our Travel and Entertainment policy, expenses related to such venues will not be reimbursed by Celestica.

Ethics Decision Tree

This Decision Tree can be a useful tool when you are faced with a difficult decision.



Conducting our business and contributing to our communities

I am committed to fair dealing

At Celestica, we deal with a broad variety of people and organizations – from customers and suppliers to educational institutions, governments and the community. Everyone I do business or have contact with is entitled to fair treatment, including competitors. I know that clear and honest communication is the key to ethical behaviour and building sound, lasting relationships within Celestica and with our external partners. I never misrepresent myself or Celestica to anyone.

Our Values recognize our suppliers as part of our team. That means I treat all of our suppliers equally and fairly, never exerting my influence to gain special treatment by or for a particular supplier. Our commitment to a fair selection process gives our suppliers confidence in our integrity and helps us maintain positive relationships with them.

I respect the rights of competitors

At Celestica, we believe in fair and open competition. While we compete aggressively, we comply with applicable antitrust and competition laws wherever we do business. I respect the rights of our competitors and deal fairly with them. I do not engage in unfair or illegal trade practices. I uphold Celestica's policy to market our products and services on their merits, never disparaging our competitors or their products or services. I avoid false or misleading statements.

In some cases, a company may be a competitor as well as a customer or supplier. And from time to time, I may meet with, talk to and attend the same industry events as our competitors. I take extra care with these relationships and situations.

I never discuss confidential Celestica information with competitors or make agreements to:

- Fix prices
- Share information about pricing, profit margins, costs, sale terms, customers, promotions, discounts, marketing or strategic plans
- Divide sales opportunities or territories
- Not solicit each other's customers
- Not sell a particular product or service
- 'Fix' a competitive bidding process
- Boycott a particular supplier or vendor

Corporate bribes look like...

Mark is a buyer at Celestica. One of his suppliers, Bob, suggests that if Mark were to pull his business from a competing supplier and place a larger order with Bob's company, he would offer Mark several "perks".

I understand Celestica's policies on bribes and gifts

Our policies, as well as the laws of most countries in which we do business, forbid us from making or accepting bribes for any purpose. Examples of bribes include direct cash payments, kickbacks or invoices for disguised expenses.

We base our decisions to purchase products and services from vendors, suppliers and others on criteria such as quality, price and reliability, and we expect that our customers will buy our products and services on the same basis. I understand that giving or receiving gifts and entertainment can potentially affect objectivity and judgment. I may give or accept gifts, meals, services and entertainment if they:

- Are relatively infrequent and not excessive in value
- Comply with applicable laws and are consistent with customary business practices or courtesies
- Will not place me under any obligation to the person who gave the gift
- Do not include cash
- Are never given to, or received from, any government official

It is not always easy to define what is appropriate or not excessive when it comes to giving and receiving gifts. In these situations, I use my good judgment and ask myself the following questions:

- Does the person to whom I'm planning to give a gift have a workplace policy that would prohibit it? When in doubt, I check.
- Does it seem right? If not, I don't take it, don't give it or I ask for guidance in advance.
- Do I accept a gift in a country where it is offensive to return or refuse it? In some countries, returning or refusing a gift would be offensive. If this occurs, I should accept the gift and immediately consult a manager for guidance on how the gift should be treated.

Celestica will sacrifice business opportunities rather than pay bribes. Consider the following scenarios.

Questions and Answers

Question 1: One of my customers is planning a trip from her office in Southeast Asia to visit Celestica's headquarters to meet with our executive management team. My customer told me that she expects to be reimbursed for all of her trip expenses, including personal expenses she plans to incur while touring the area. Can I approve this?

Answer 1: No. You may not approve reimbursement for the customer's non-business-related expenses, such as sightseeing trips or plane tickets for family members. Celestica cannot pay for these expenses since doing so may create the appearance of bribery. All reimbursable expenses must be (1) strictly related to a bona-fide business purpose, (2) reasonable and (3) permissible under all applicable laws and Celestica policies.

Question 2: We use an agent to facilitate relations with local government officials. Recently he asked us to increase his commission significantly even though we have not expanded the scope of his responsibilities or asked him to perform additional work. I suspect he wishes to pass this money on to the local officials. What should I do?

Answer 2: If you suspect that the agent is making illegal payments on Celestica's behalf, the company is under an obligation to investigate whether this is the case and to halt any such payments. You should report your suspicions to the Legal or Compliance Department.

Question 3: I am told that in a particular country it is a common practice to pay a small gratuity to a customer prior to their purchase of a Celestica product. Should I pay the gratuity so that I do not lose the business?

Answer 3: No. We do not engage in business that is available only through improper or illegal payments. The Legal and Compliance Departments should be contacted if you are unsure whether a requested payment is permitted. If you become aware of the use of gifts, bribes, gratuities, kickbacks, secret payments or inducements to anyone, including customers, their agents or employees (or members of their families), to generate business, you should immediately contact the Legal or Compliance Department.

Examples of possible conflicts of interest include:

- Having a financial interest in any organization Celestica does business with, including suppliers, competitors, customers and distributors
- Capitalizing on opportunities discovered through the use of corporate property, information or position or using these for personal gain
- Having a spouse, a member of my immediate family or someone else I am close to who works for a Celestica customer, supplier or competitor. This situation requires extra sensitivity and should be discussed with my manager
- Providing assistance to or working for a Celestica competitor as an employee or consultant
- Engaging in activities that conflict with Celestica's business interests, such as commercially marketing competitive products or services
- Acting as or representing a Celestica supplier without Celestica's consent
- Serving on a supplier or competitor's Board of Directors without Celestica's consent
- Performing or soliciting outside work on Celestica property or while working on Celestica time
- Using Celestica equipment, such as phones, materials, resources or confidential information, to perform outside work

I respect our relationships with government employees

At Celestica, we understand that what is an acceptable practice in a commercial environment may be unacceptable or illegal in our dealings with government employees. For example, some regulations prohibit or restrict gifts of meals or entertainment to government employees. I understand that it is my duty to be aware of and comply with the relevant laws and regulations that govern relationships between government, customers and suppliers.

I avoid conflicts of interest

When performing my job, I always act in the best interest of Celestica. Conflicts of interest arise when my personal interests and relationships interfere, or appear to interfere, with my ability to make decisions in the best interest of the company. Conflicts of interest can also arise when I take an action or have an interest that makes it difficult for me to perform my work objectively and effectively. If I am employed outside of Celestica, such employment cannot be in conflict with my responsibilities to Celestica or interfere with my ability to perform my job at Celestica. It is my responsibility to identify potential conflicts when they arise and to notify my manager if I need guidance.

I contribute to my community

Community involvement is a key component of our Values at Celestica. I am encouraged to be active in the civic life of my community through the donation of my time and funds.

However, there are times when my community involvement can pose issues for Celestica, and I must exercise caution and act in the best interest of our company. For example:

- If I serve on the board of a for-profit or not-for-profit organization, a conflict of interest may arise if I am confronted with a decision involving Celestica. If the board that I wish to serve on has any dealings with Celestica, I should consult with my manager first to determine if serving on the board would be a conflict of interest
- If I speak out on public issues, I am speaking and acting as an individual and must not give the appearance that I am speaking on behalf of Celestica
- If I participate in political activities, I understand that while I may take reasonable time off without pay for such activities, my manager must approve it. I understand that Celestica will not pay me for any time spent running for office, serving as an elected official or campaigning for a political candidate

I protect the environment

We all have a role to play in protecting the environment. I comply with all environmental standards, as well as Celestica's environmental policies. If I observe any violation of environmental law or any action that concerns me, I will report it immediately.

I safeguard Celestica's reputation as a good corporate citizen

I am committed to ethical behaviour beyond our offices and facilities and to collaborating with our partners to ensure that business is conducted fairly and ethically. As a member of the Electronic Industry Citizenship Coalition (EICC), we support and promote a common Code of Conduct for the electronics industry. Together with the EICC and its members, we are working to improve environmental and working conditions in our industry. We measure our compliance to the EICC Code of Conduct through a combination of internal and external audit assessments.

Violations of environmental regulations look like...

Sarah is responsible for the handling and proper disposal of hazardous wastes at Celestica. She knows what an expensive proposition this is – wouldn't it be simpler and more cost-effective to simply dump the waste down the drain? One day, a frustrated Sarah does just that. By not properly disposing of hazardous waste, Sarah violated environmental regulations and put the water supply at serious risk.

Safeguarding our assets

Examples of proprietary and confidential information

- Business, financial, marketing and service plans
- Employee information such as salary data or medical records
- Customer lists
- Customer or prospect data
- Copyrights, patents, trade secrets, manufacturing processes or software

Ways I can help protect our proprietary and confidential information

- Never disclose confidential information to anyone outside of Celestica without permission
- Disclose confidential information to other employees only for legitimate business purposes and on a need-to-know basis
- Keep confidential all information that could benefit a competitor or harm Celestica if disclosed
- Store sensitive documents in locked files or drawers
- Confidential information transmitted electronically may need to be encrypted prior to sending. If a passphrase was used to encrypt, never send it via email, share it over the phone.

At Celestica, we all have a responsibility to protect the assets and information entrusted to us from loss, damage, misuse or theft. I never use Celestica assets or information for purposes which violate laws or company policy.

I respect and protect our assets

I understand that Celestica's assets, such as funds, products, equipment, systems, facilities and supplies should be used only for business and other purposes approved by management. I am responsible for immediately reporting the theft, loss or misuse of company assets to my manager or on-site security. I do not engage in personal activities during work hours, such as excessive personal calls, emails, or use of social networking tools, that interfere with or prevent me from fulfilling my job responsibilities. I never use company computers, email systems or equipment for outside business purposes or for illegal or unethical activities such as viewing, creating, storing or sending content that others may find inappropriate, offensive or disrespectful. I understand that all third-party assets, including but not limited to software, may only be licensed or purchased through the Supply Chain Management organization. Employees are to be familiar with Celestica's Acceptable Use Policy (AUP) related to the use of Celestica's information resources. Employees should contact the Global Information Security Manager with any inquiries related to this policy.

Examples of assets:

- Company money
- Company product
- Office supplies
- Employees' time at work and work product
- Computer hardware systems and software
- Telephones
- Wireless communication devices
- Photocopiers and fax machines
- Company vehicles
- Company trademarks
- Printed documents

I respect privacy and safeguard confidential and proprietary information

At Celestica, we respect the privacy of our colleagues, business partners, customers and suppliers. In my day-to-day work life, I may be exposed to personal and business information about our colleagues, customers, suppliers or Celestica. This information is confidential and proprietary, and it is my responsibility to protect it by marking it accordingly, keeping it secure and limiting access to those who need it to do their jobs. I collect, use and process this information for legitimate business purposes only. I always handle personal information responsibly, in line with privacy laws and industry best practices, and take care to prevent unauthorized disclosure. My obligation to protect the confidentiality of Celestica's proprietary information continues even after my employment ends.

I know that Celestica respects my privacy

In the normal course of business, Celestica collects and maintains personal data about employees related to our work or prospective work with Celestica. I take comfort in knowing that access to my data is restricted internally to people with a business need-to-know. I understand that my personal data may be transmitted domestically and internationally for legitimate business purposes. I know that my personal data may be disclosed to third-parties only with my consent, except in cases where the disclosure is for the administration of benefit plans or is a requirement to comply with legitimate investigations or legal requirements.

Improper disclosure of confidential and proprietary information looks like...

A prospective customer asked Celestica to submit a request for a quote on a new proprietary consumer product. On a site tour, the customer tells Mary about the soon-to-be-released product, which Mary thinks is truly revolutionary. In her excitement, she tells her friend, a tech journalist, about the product. In disclosing the information, Mary has breached her obligations of confidentiality and may have placed the product launch in jeopardy.

Failure to safeguard customer information looks like...

Dean is responsible for gathering proprietary information about Celestica's customers and is usually very careful to ensure that his files are placed in a locked drawer before he leaves the office. One evening, Dean was in a hurry to get to his daughter's dance recital and inadvertently left open on his desk a file containing customer lists. Dean neglected his duty to safeguard his customer's non-public information.

Complying with the law, personal accountability and violations

Improper disclosure looks like...

Scott was thrilled to hear that Celestica's quarterly results were a substantial improvement on the last three quarters'. Proud and excited, he called his parents and encouraged them to purchase more shares in the company. The public announcement of quarterly earnings was a week away. Scott improperly disclosed material information.

As a global organization, our company is subject to numerous laws, rules and regulations and we are committed to complying with them, wherever we do business. As a Celestica employee, I am not expected to be a legal expert, but I should understand and comply with the laws, rules and regulations that apply to my position and know when to seek advice.

I understand my responsibility as a public company employee

Public companies like Celestica have certain legal and regulatory obligations. As a Celestica employee, I may have access to confidential information that could affect Celestica's stock price and that is not yet available to the public, such as revisions to earnings forecasts, financial results, restructuring, mergers and acquisitions, management changes or new products. This may also include information that relates to other public companies' stock. This information could be deemed to be what is known as "material information." I understand that I should never disclose or use "material information" about Celestica for my own financial benefit or that of anyone else, including friends and family.

I also understand that it is illegal to purchase, sell or advise others to purchase or sell securities of any company, including Celestica, when I have knowledge of undisclosed "material information" about that company. In addition to being prohibited from trading in shares of Celestica, I may at times be prohibited from trading in shares of a company with which Celestica does business. For example, if I know that Celestica is in the process of acquiring another company, I cannot trade in the securities of that company until the information is publicly disclosed.

When in doubt, I consult our Corporate Disclosure Policy and Insider Trading Policy on the intranet or ask the Vice President, Sustainability and Compliance for guidance.

In addition to legal restrictions on insider trading, I understand that Celestica may introduce policies at its discretion to limit my ability to trade Celestica securities for a specified time. I understand that it is my duty to comply with these policies.

I am proud to work in a safe and ethical environment

Celestica is committed to providing a safe and ethical work environment for all of us. I take comfort in knowing that our company:

- Pays all employees at least the minimum wage required by local laws
- Provides all employees with all legally mandated benefits
- Ensures that no forced, indentured or bonded labour is used
- Complies with minimum age requirements for employment

I observe international trade controls

When I perform or am involved in import and export activities as a Celestica employee, I have a duty to be familiar with and follow all applicable laws and regulations, including observing proper licensing, shipping, documentation, reporting and records retention procedures. I am committed to observing all local and international trade controls at all times. When I am in doubt regarding an import or export issue, I know that I can consult Celestica's import/export policies and procedures or seek guidance from our internal and external teams who work in this complicated area.

I understand the consequences of non-compliance

We are all accountable for complying with the law, as well as Celestica's policies including the BCG. I understand that if I fail to do so, Celestica may take disciplinary action against me, up to and including immediate dismissal. In some cases, when my conduct violates the BCG, it also violates the law. I understand that these violations may subject me to prosecution, imprisonment and fines. I understand that Celestica will cooperate fully with the appropriate authorities when laws are violated. Further, I understand that Celestica reserves the right to pursue remedies from responsible individuals or entities when the company suffers a loss.

Violations of trade controls look like...

John was completing documentation on several boxes scheduled to ship overseas and was in a hurry to complete the shipment. He did not confirm that the Country of Origin (COO) was correct prior to shipment, and as a result the information was wrong. John's inaccurate documentation violated import/export regulations.

Speaking up or asking for help

I understand my duty to report violations

I have an obligation to uphold Celestica's ethical standards, and our company is committed to providing me with the guidance I need, answering my questions and offering a number of reporting options. When I engage in or observe behaviour that concerns me, or that I suspect violates any law, the BCG or other Celestica policies, I raise the issue immediately with my manager, Vice President, Sustainability and Compliance, or through the Ethics Hotline. I know that doing so allows Celestica to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to our company's health, security or reputation.

The BCG is intended to serve as a guide for our actions and decisions. But decisions or situations that involve legal or ethical issues are often complex and sometimes unclear. That's why I have several options available to me for asking questions or reporting concerns. I can:

1. **Talk to my manager.** He or she is always available to discuss my questions or concerns.
2. **Use our** "Open Door" Policy**.** I should feel free to approach any member of management or my Human Resources representative to voice my concerns in confidence.
3. **Contact our Ethics Hotline.** If I don't feel comfortable reporting concerns internally, this service provides me with an anonymous option. I can call the Ethics Hotline to report my concerns. These services are available in my local language and are operated 24 hours a day, 7 days a week, by an independent company.
4. **Use web-based reporting.** If I don't feel comfortable reporting concerns directly to my manager or a member of the human resources team, I can also access the Ethics Hotline via a secure on-line web-based tool. The site is located at the following address – www.ethics.celestica.com. This option is available in my local language, 24 hours a day, 7 days a week and is provided by an independent company.

Effective reporting

Celestica takes all reports of possible misconduct seriously and will investigate the matter confidentially, make a determination whether the BCG or the law has been violated, and take appropriate corrective action. If I become involved in a BCG investigation, I am expected to cooperate fully and answer all questions completely and honestly.

When I observe incidents or behaviours that violate the BCG, I accurately report relevant facts, including:

- A description of the alleged misconduct
- Names of employees involved and affected
- Date and location the incident occurred
- Any supporting documentation (emails, records, reports)

No reprisals

Celestica values the help of employees who identify concerns and potential violations of the BCG, laws or regulations. I understand that Celestica prohibits any threats, reprisals or retaliation of any kind against anyone who reports, in good faith, an actual or suspected violation of the law, the BCG or our other policies, or who cooperates or assists in an investigation related to reported violations. I know that Celestica reserves the right to discipline employees who knowingly provide false information or make false accusations. If I have participated in prohibited conduct, I know that I am encouraged to self-report and that Celestica will take this into consideration in making a decision about any disciplinary action.

Ethics Hotline Dialing Instructions

When you call, you do not have to give your name. A professional interview specialist will document your concern and relay the information to Celestica for follow-up. You may reach the hotline by finding the country name, access and telephone number(s) in the chart indicated. For AT&T Direct Access, dial the country-specific access code first to reach AT&T. Then, when prompted, enter the telephone number to connect directly to support services.

COUNTRIES FOR REPORTING	AT&T DIRECT	GENERAL ITFS LINE
Austria		0800-291870
China South		10-800-120-1239
China North		10-800-712-1239
Czech Republic		800-142-550
Hong Kong		800-964214
Ireland		1-800615403
Japan		0066-33-11-2505 00531-121520
Malaysia		1-800-80-8641
Mexico		001-8008407907
Romania (Romtelecom)	0808-03-4288	1-800-913-4998
Singapore		800-1204201
Spain		900-991498
Switzerland		0800-562907
Taiwan		00801-13-7956
Thailand		001-800-12-0665204
United Kingdom	0-500-89-0011 0-800-89-0011	08-000328483
United States and Canada		1-888-312-2689

For the most recent list of updated contact numbers, visit www.ethics.celestica.com.

If the country that you reside in is not listed in the table on the left, please use the following instructions to call the Ethics Hotline:

1. From an outside line contact your local operator.
2. Request a reverse charge or collect call *(based on service availability)* to be placed to the United States, to the number **503-726-2457.** All reverse charge or collect calls will be accepted by the Ethics Hotline service provider. Please note that international toll charges will apply if reverse charge or collect call services are not available from your country of residence.
3. When the operator asks who is placing the call, give your company name. Do not give your name.

Celestica's BCG agreement

I have read the Celestica Business Conduct Governance policy (BCG) and understand my duty to comply with it in my day-to-day work activities. My signature confirms my promise to Celestica to uphold our shared Values and the principles and policies of the BCG.

Date: ____________________

Celestica site: ____________________

Employee number: ____________________

Name (print): ____________________

Signature: ____________________

J-F2-120414

Exhibit 12.1

CERTIFICATION

I, Craig H. Muhlhauser, certify that:

1. I have reviewed this annual report on Form 20-F of Celestica Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the

audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2015

/s/ Craig H. Muhlhauser
Craig H. Muhlhauser
Chief Executive Officer

Exhibit 12.2

CERTIFICATION

I, Darren G. Myers, certify that:

1. I have reviewed this annual report on Form 20-F of Celestica Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the

audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 13, 2015

/s/ Darren G. Myers
Darren G. Myers
Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Celestica Inc. (the "Company") on Form 20-F for the period ended December 31, 2014, as furnished to the Securities and Exchange Commission on the date hereof (the "Report"), each of Craig H. Muhlhauser, as Chief Executive Officer of the Company, and Darren G. Myers, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 13, 2015

/s/ Craig H. Muhlhauser
Craig H. Muhlhauser
Chief Executive Officer

March 13, 2015

/s/ Darren G. Myers
Darren G. Myers
Chief Financial Officer

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 15.1

KPMG LLP
Yonge Corporate Centre
4100 Yonge St.
Suite 200
North York, ON M2P 2H3

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Celestica Inc.

We consent to the incorporation by reference in the registration statements on *Form S-8 (Nos. 333-113591, 333-88210, 333-71126, 333-66726, 333-63112)* and *Form F-3ASR (No. 333-199616)* of Celestica Inc. of our report dated March 5, 2015, on the consolidated financial statements of Celestica Inc., which comprise the consolidated balance sheets as at December 31, 2014 and December 31, 2013 and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2014, and our audit report dated March 5, 2015 on the effectiveness of internal control over financial reporting, which reports appear in the annual report on Form 20-F of Celestica Inc. for the fiscal year ended December 31, 2014.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 13, 2015
Toronto, Canada

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